

UNITED STATES DEPARTMENT OF EDUCATION
Office of Special Education and Rehabilitative Service
Rehabilitation Services Administration

SUPPORTED EMPLOYMENT

Services for Youth with the Most Significant Disabilities

Title VI of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by the Workforce Innovation and Opportunity Act (WIOA), which took effect on July 22, 2014, makes several significant changes to the Supported Employment (SE) program.

Reservation of Funds

First, States must reserve and use half of their SE allotment to provide SE services to eligible youth with the most significant disabilities in order to assist them in achieving an employment outcome of supported employment. Section 603(d) reads as follows:

SEC. 603. ALLOTMENTS.

(d) **Services for Youth with the Most Significant Disabilities.** – A State that receives an allotment under this title shall reserve and expend half of such allotment for the provision of supported employment services, including extended services, to youth with the most significant disabilities in order to assist those youth in achieving an employment outcome in supported employment.

The State allotment, which forms the basis for the 50 percent reservation, refers to the funds awarded pursuant to section 603 of the Rehabilitation Act. State allotment, in this context, does not refer to an allotment of State funds awarded by the State, nor does it refer to any Title I VR funds that the State elects to use in providing SE services.

This means that the State – not RSA – must reserve half of the State’s Federal SE allotment for the provision of SE services to youth with the most significant disabilities under Title VI. In other words, States will not receive a separate grant award for this 50 percent reservation since the State is required to reserve the funds from its total SE allotment.

In calculating the 50 percent amount to be reserved, States must base the percentage on the total amount allotted to the State in each SE Grant Award Notification it receives in the fiscal year. Only then can the State assure it has reserved half of its total SE allotment (as described in section 603 of the Rehabilitation Act), taking into account adjustments made throughout the year for continuing resolutions and reallocations, as appropriate, for this purpose.

Example 1: A State receives only one Grant Award Notification for the fiscal year of \$2 million. The State must reserve 50 percent of that amount, or \$1 million, for the provision of SE services to youth with the most significant disabilities.

Example 2: A State receives two Grant Award Notifications under two continuing resolutions, each for \$500,000, plus a third Grant Award Notification once a budget is passed for the remaining \$1 million, totaling \$2 million for the year. The State should reserve half of each of the two continuing resolution allotments of \$250,000 each plus half of the third allotment of \$500,000, totaling \$1 million reserved for the fiscal year. By reserving the appropriate amount from each Grant Award Notification, the State has ensured it has reserved the appropriate amount of funds to provide SE services to youth with the most significant disabilities.

A youth with a disability is an individual who is between 14 and 24 years old, as defined at section 7(42) of the Rehabilitation Act:

(42) YOUTH WITH A DISABILITY.-

(A) IN GENERAL.-The term ‘youth with a disability’ means an individual with a disability who-

(i) is not younger than 14 years of age; and

(ii) is not older than 24 years of age.

(B) YOUTH WITH DISABILITIES.-The term ‘youth with disabilities’ means more than 1 youth with a disability.

The remaining half of the SE allotment must be used to provide SE services to all other eligible individuals with the most significant disabilities.

State Match

Second, the State must provide a match of at least 10 percent in non-Federal expenditures for the total amount of expenditures incurred with the half of the allotment reserved to provide SE services to youth with the most significant disabilities. Section 606 of the Rehabilitation Act, in pertinent part, reads as follows:

SEC. 606. STATE PLAN.

(b) CONTENTS.—Each such plan supplement shall—

(7) provide assurances that—

(I) with respect to supported employment services provided to youth with the most significant disabilities pursuant to section 603(d), the designated State agency will provide, directly or indirectly through public or private entities, non-Federal contributions in an amount that is not less than 10 percent of the costs of carrying out such services;

Using the examples above in which half of the State’s SE allotment equals \$1 million, for every \$100 in SE costs incurred for serving youth with the most significant disabilities, the State would provide a match of \$10 in non-Federal funds and draw down \$90 in Federal SE funds. Assuming the State expends and draws down the entire \$1 million reserved for this purpose, the State would have to provide a match of \$111,111 in non-Federal expenditures. The State may use non-Federal expenditures for allowable SE purposes paid directly by the designated State agency, regardless of whether these funds were obtained by State appropriations, interagency transfers from other public agencies, or private donations paid to the VR agency, or by another public agency on behalf of the designated State agency (e.g., paid indirectly by the VR agency) under a third-party cooperative arrangement. Third-party in-kind contributions will not be an allowable source of match under the SE program, just as it is not an allowable source of match under the VR program.

Administrative Costs

Third, States may not use more than 2.5 percent of its SE allotment to pay for administrative costs. This amount is reduced from the 5 percent allowed previously. Section 603(c) reads as follows:

(c) LIMITATIONS ON ADMINISTRATIVE COSTS.-A State that receives an allotment under this title shall not use more than 2.5 percent of such allotment to pay for administrative costs.

Extended Services

Finally, States may use the funds reserved for youth with the most significant disabilities to provide extended services as well as SE services, for up to four years. Previously, SE funds could not be used to provide extended services. States are still prohibited from using SE funds to provide extended services to adults with the most significant disabilities. Section 604 reads as follows:

SEC. 604. AVAILABILITY OF SERVICES.

(a) **SUPPORTED EMPLOYMENT SERVICES.**-Funds provided under this title may be used to provide supported employment services to individuals who are eligible under this title.

(b) **EXTENDED SERVICES.**-

(1) **IN GENERAL** -- Except as provided in paragraph (2), funds provided under this title, or title I, may not be used to provide extended services to individuals under this title or title I.

(2) **EXTENDED SERVICES FOR YOUTH WITH THE MOST SIGNIFICANT DISABILITIES** – Funds allotted under this title, or title I, and used for the provision of services under this title to youth with the most significant disabilities pursuant to section 603(d), may be used to provide extended services to youth with the most significant disabilities. Such extended services shall be available for a period not to exceed 4 years.

Financial Management

Because Title VI of the Rehabilitation Act is clear that the State must reserve and use half of its SE allotment for providing SE services, including extended services, to a specific population, namely youth with the most significant disabilities, it is critical that the designated State unit implement administrative methods and procedures that will ensure proper data collection and financial accountability of these reserved funds, so that the designated State unit will be able to accurately complete all required forms, including financial reports, that show the reservation and use of these funds for this purpose, as required by 34 CFR 80.20(a):

§ 80.20 Standards for financial management systems.

(a) A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

(1) Permit preparation of reports required by this part and the statutes authorizing the grant, and

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.