

Rehabilitation Services Administration (RSA)

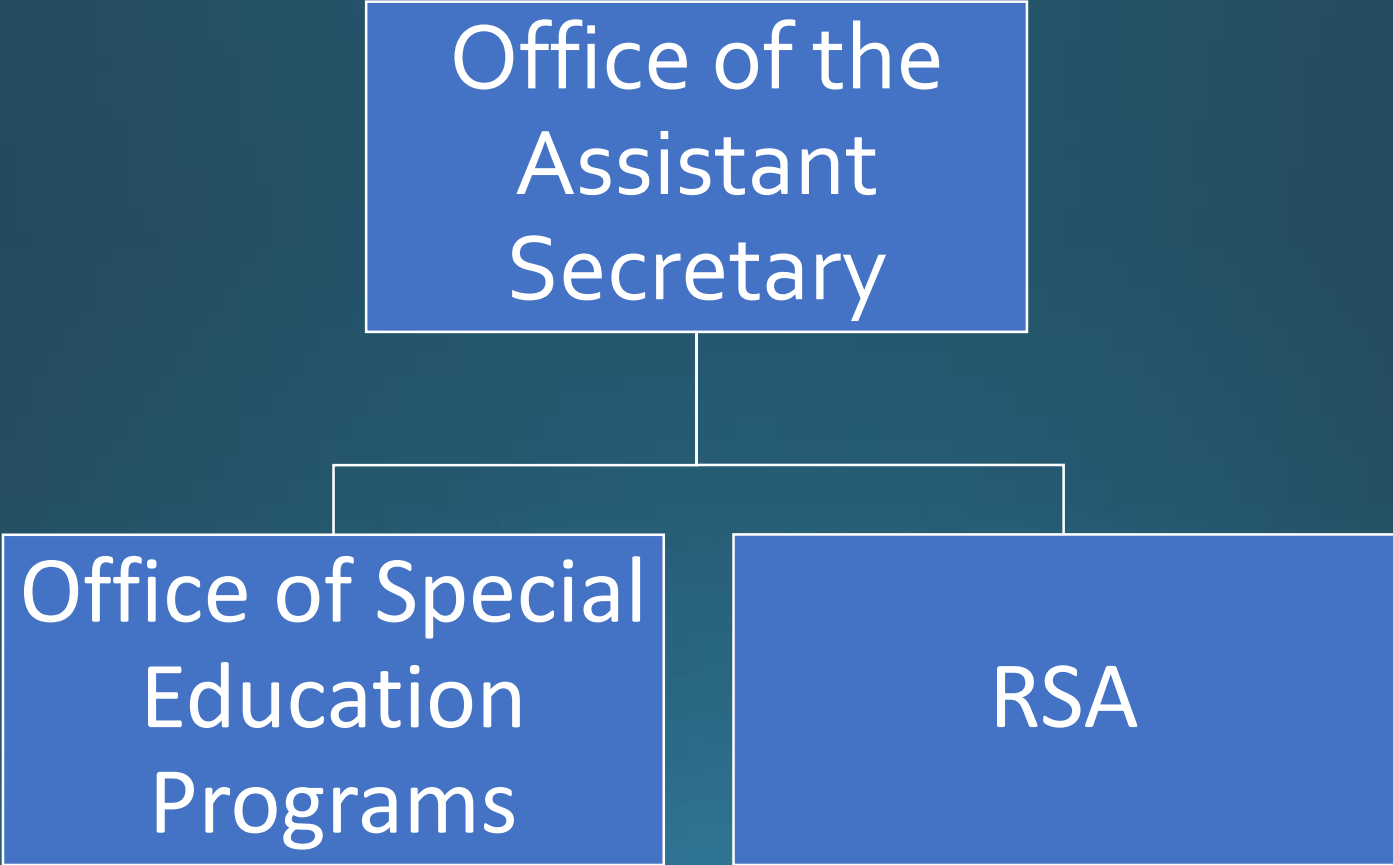
Structure and Function

Presenter:

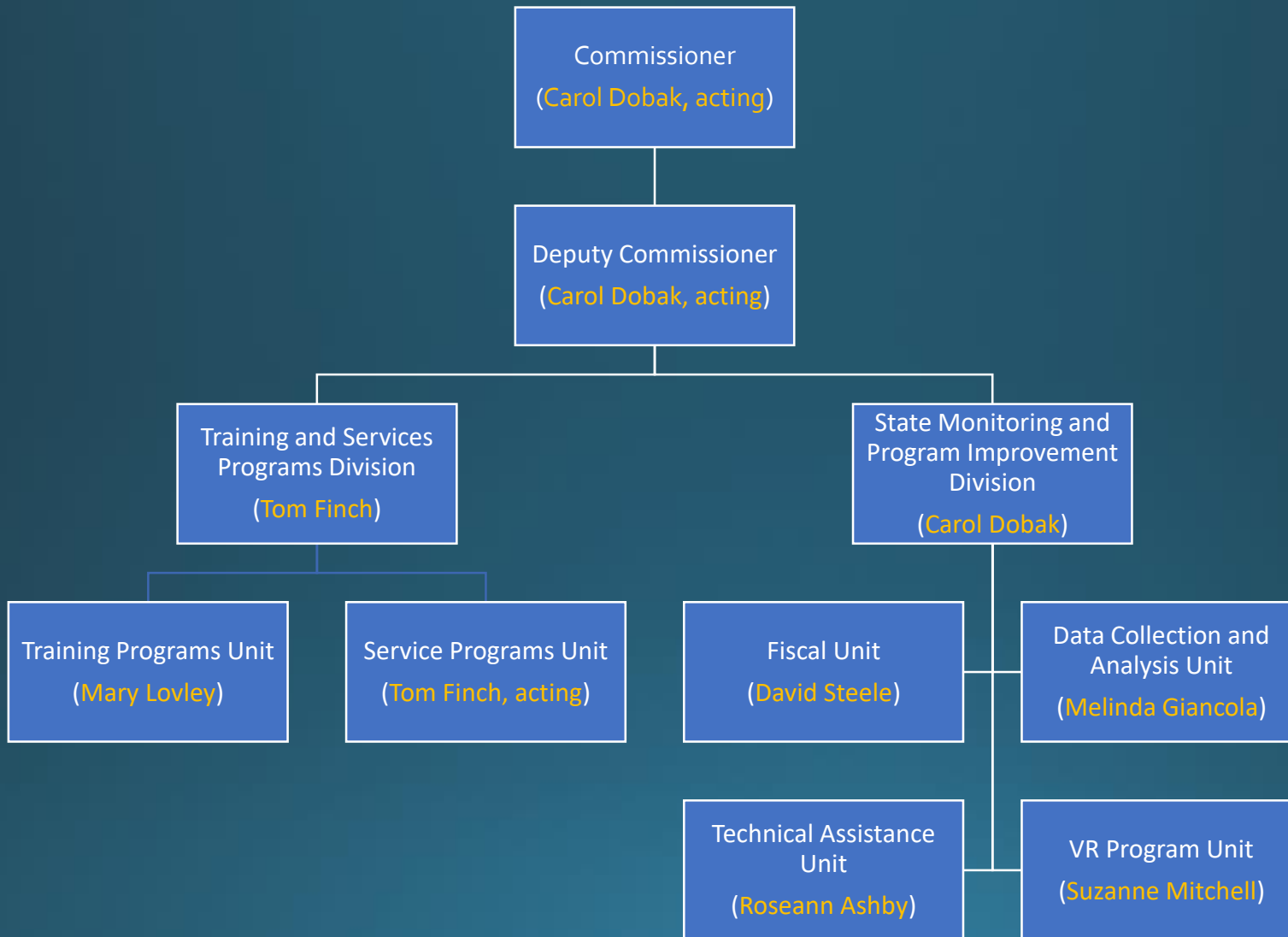
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U.S. Department of Education



Office of Special Education and Rehabilitative Services (OSERS)



RSA Structure



State Monitoring and Program Improvement Division (SMPID) Functions

- SMPID administers RSA's formula grant programs (VR, SE, CAP, PAIR, and OIB), ensures consistency with Federal requirements, and helps States implement programs designed to improve results for individuals with disabilities.
- SMPID has five state teams that consist of staff from each SMPID Unit (Data, Fiscal, VR, and TA).

Who do I Contact?

State Liaison

- Requests for programmatic technical assistance
- Questions about *WIOA* and the *Rehabilitation Act*
- Questions about RSA-funded programs
- Questions about *WIOA* Unified/Combined State Plan
- Monitoring Reviews and Corrective Action Plans
- Changes in VR agency leadership
- Questions about what constitute allowable pre-employment transition service expenditures

Financial Management Specialist

- Questions specific to grant awards (e.g., Match, MOE)
- Questions about Uniform Guidance
- Questions about prior approval, reallocation, late liquidation requests, and all other fiscal matters

SMPID Functions

- Each State team is led by a *State Team Facilitator*, who coordinates the team's activities in supporting VR agencies and other RSA grantees.
- Each VR agency is assigned both a:
 - *State Liaison* from SMPID; and
 - *Financial Management Specialist* from the Fiscal Unit.
- Your *State Liaison* may be the same as your *Financial Management Specialist* .

State Teams

- **Team 1:** AS, CA, DE B/G, MA B/G, ME B/G, MN B/G, MS, ND, RI, VT B/G, and WY (16 VR agencies)
- **Team 2:** AK, AL, AR B/G, CT B/G, GU, KY B/G, MD, OH, OK, SC B/G, and TX (15 VR agencies)
- **Team 3:** AZ, CO, IA B/G, KS, MO B/G, NC B/G, NM B/G, OR B/G, TN, VI, and WA B/G (17 VR agencies)
- **Team 4:** DC, GA, HI, IL, IN, MT, NH, NJ B/G, NY B/G, PR, VA B/G, and WI (15 VR agencies)
- **Team 5:** CNMI, FL B/G, ID B/G, LA, MI B/G, NE B/G, NV, PA, SD B/G, UT, and WV (16 VR agencies)

79 VR Agencies across 50 States and 6 Territories

Team 1: Julya Doyle



- First Album: *Smashing Pumpkins' Siamese Dream*
- Favorite Movie: *The Lord of the Rings series*
- Favorite Snack Food: *Anything with Peanut Butter*
- What Julya does when she's not reviewing SF-425 reports: *Muay Thai Kickboxing*

Team 1: Mariangela Patruno



- First Album: *Titanic Soundtrack*
- Favorite Movie: *Back to the Future*
- Favorite Snack Food: *Panzerotti*
- What Mariangela does when she's not aggregating RSA-2 data:
Nintendo with the kids

Team 2: Arseni Popov



- First Album: *Peter and the Wolf*
- Favorite Movie: *Jeeves and Wooster*
- Favorite Snack Food: *Homemade Cheesecake*
- What Arseni does when he's not approving prior approval requests: *Soccer and Family Travel*

Team 3: Sean Barrett



- First Album: *Huey Lewis and the News' Sports*
- Favorite Movie: *Whiplash*
- Favorite Snack Food: *Hard Pretzels from Pennsylvania*
- What Sean does when he's not issuing GANs: *Baseball!*

Team 4: David Miller



- First Album: *Paula Abdul's Straight Up*
- Favorite Movie: *Meet the Parents*
- Favorite Snack Food: *Chips*
- What David does when he's not processing reallocation:
Tracking Cargo Ships

Team 5: Craig McManus



- First Album: *Peter Wolf's Lights Out*
- Favorite Movie: *The Hobbit*
- Favorite Snack Food: *Protein Bars*
- What Craig does when he's not reviewing infrastructure funding agreements: *Work Out*

Fiscal Unit Chief: David Steele



- First Album: *Elton John - Honkey Chateau*
- Favorite Movie: *Star Wars*
- Favorite Snack Food: *Chocolate*
- What David does when he's not memorizing 2 C.F.R. 200: *Genealogy*

Carol Dobak



- First Album: *The Beatles' Let It Be*
- Favorite Movie: *The Wizard of Oz*
- Favorite Snack Food: *Potato Chips*
- What Carol does when she's not acting: *Drink wine, shop, and read*

Have a great conference!

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Life Cycle of the VR Award

Presenter:

David Steele, Fiscal Unit Chief
Rehabilitation Services Administration
U.S. Department of Education



Presentation Outline

- Part I: Grant Award Issuance
- Part II: Maintenance of Effort
- Part III: Reallotment
- Part IV: Transfers Between Blind and General Agencies
- Part V: Carryover
- Part VI: Closeout

Part I

Grant Award Issuance

Timeframe: (10/1/x x– 09/30/xx)



President's Budget

The President initiates the annual budget cycle with the submission of an annual budget proposal for the upcoming fiscal year to Congress. The President is required to submit the annual budget on or before the first Monday in February. However, Congress has provided deadline extensions both statutorily and, sometimes, informally.

President's Budget (cont.)

The President recommends spending levels for various programs and agencies of the Federal government in the form of *budget authority* (or BA). Such authority does not represent cash provided to or reserved for agencies. Instead, the term refers to authority provided by Federal law to enter into contracts or other financial *obligations* that will result in immediate or future expenditures (or *outlays*) involving Federal government funds. Most appropriations are a form of budget authority that also provides the legal authority to make the subsequent payments from the Treasury.

President's Budget (cont.)

The U.S. Department of Education (Department) posts the budget tables from the President's budget on the Department's website.



Budget Resolution

The budget resolution is Congress's response to the President's budget. It is a concurrent resolution because it is an agreement between the House and Senate that establishes overall budgetary and fiscal policy to be carried out through subsequent legislation. The budget resolution must cover at least five fiscal years: the upcoming fiscal year (referred to as the "budget year") plus the four subsequent fiscal years.

Budget Resolution (cont.)

The budget resolution is not sent to the President and does not become law. It does not provide budget authority or raise or lower revenues; instead, it is a guide for the House and Senate as they consider various budget-related bills, including appropriations and tax measures.

Budget Resolution (cont.)

- Law establishes April 15 as the target date for congressional adoption of the budget resolution. Since FY1977, Congress has frequently not met this target date. In recent years (FY1999, FY2003, FY2005, FY2007, FY2011-FY2015, and FY2017), Congress often did not adopt a budget resolution.
- There is no penalty if the budget resolution is not completed before April 15, or not at all.

Appropriation Measures

- When considering appropriations measures, Congress exercises the power granted to it under the Constitution, which states, “No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.”
- The so-called Antideficiency Act, explicitly prohibits Federal government employees and officers from making contracts or other obligations in advance or in excess of an appropriation, unless authorized by law, and providing administrative and criminal sanctions for those who violate the act.
- Under law, public funds may be used only for the purpose(s) for which Congress appropriated the funds.

Appropriation Measures (cont.)

- The timing of the various stages of the appropriations process tends to vary from year to year.
- The Senate Appropriations Committee typically begins reporting the bills in June and generally completes committee consideration prior to the August recess. The Senate typically begins floor consideration of the bills beginning in June or July.

Conference Action

Once the House and Senate have both completed initial consideration of an appropriations measure, the Appropriations Committees in each chamber will endeavor to negotiate a resolution of the differences between their respective versions. The practice has generally been for the House and Senate to convene a conference committee to resolve differences between the chambers on appropriations bills. Alternatively, agreement may be reached through an exchange of amendments between the houses.

Conference Action

Regular appropriations bills contain a series of unnumbered paragraphs with headings, generally reflecting a unique budget account. Under these measures, funding for each department and large independent agency is organized in one or several accounts. Each account generally includes similar programs, projects, or items, such as a salaries and expenses account, although a few accounts include only a single program, project, or item.

Presidential Action

Under the Constitution, after a measure is presented to the President, the President has 10 days to sign or veto the measure. If the President takes no action, the bill automatically becomes law at the end of the 10-day period if Congress is in session. Conversely, if the President takes no action when Congress has adjourned, the President may pocket veto the bill.

Continuing Resolutions

In general, budget authority provided in regular appropriations expires at the end of the fiscal year—September 30—unless otherwise specified. If action on one or more regular appropriations measures has not been completed by the start of the fiscal year, on October 1, the agencies funded by these bills must cease non-excepted activities due to lack of budget authority.

Continuing Resolutions (cont.)

Traditionally, temporary funding has been provided in the form of a joint resolution to allow agencies or programs to continue to obligate funds at a particular rate (such as the rate of operations for the previous fiscal year) for a specific period of time, which may range from a single day to an entire fiscal year. These measures are known as continuing resolutions (or CRs).

Continuing Resolutions (cont.)

- In only four instances since FY1977 (FY1977, FY1989, FY1995, and FY1997) were all regular appropriations enacted by the start of the fiscal year. In all other instances, at least one CR was necessary to fund governmental activities until action on the remaining regular appropriations bills was completed.
- The initial CR typically provides temporary funding until a specific date or until the enactment of the applicable regular appropriations acts, if earlier. Once the initial CR becomes law, additional interim CRs may be used to sequentially extend the expiration date. These subsequent CRs sometimes change the funding methods.

Mandatory Spending

- Mandatory spending is composed of budget outlays controlled by laws other than appropriation acts, including Federal spending on entitlement programs.
- As a mandatory program, the VR program's annual spending authority is generally increased by the Consumer Price Index for all Urban Consumers percentage. However, the final total spending authority amount can be affected by Congressional action (e.g., sequestration).

Why is This Important?

□ It affects:

- The amount of funds each grantee receives;
- When RSA is able to provide information to grantees regarding anticipated grant award amounts for a Federal fiscal year (FFY);
- The timeframe in which the initial grant award is issued; and
- The number of grant award supplements a grantee receives.

Grant Award Issuance

- ❑ RSA's grant award internal controls are contained in Standard Operating Procedures that are updated at least annually and approved by the Department's Risk Management Services.
- ❑ Prior to issuance of RSA Grant Awards:
 - The Department's Budget Services reviews the spending authority provisions to determine the total amount of funding to be allocated to each award program.
 - Adjustments are made to the award calculation spreadsheets based upon the formula requirements.

VR Award Formula Variables

Per Capita Income - The three-year *average per capita income* (PCI) average is calculated using the three most recent years of PCI data (available from the U.S. Department of Commerce, Bureau of Economic Analysis) that meet the requirements in Section 8(a)(2) of the Rehabilitation Act. PCI data is updated on each even-numbered year.

VR Award Formula Variables (cont.)

Population - is updated annually and is furnished by the U.S. Department of Commerce, Bureau of the Census by October 1 of the year preceding the fiscal year for which funds are appropriated.

Grant Award Issuance (cont.)

- Once the formula award spreadsheets have been updated separately by Budget Services and RSA, the formula award amounts are determined for each VR agency. Only after agreement is reached between Budget Services and RSA regarding the amounts does the process continue.
- The grant award amounts, by agency, are provided to the RSA Commissioner for formal approval to make the awards.
- Verification is requested from the VR Unit that the VR services portion of the Uniform or Combined State Plan has been approved.

G5

- The grant award amounts for the initial grants are entered into G5 manually and verified. There is a clear separation of duties.
- FAPIIS checks are completed in SAM.GOV.
- DUNS numbers are verified.
- Special Conditions or High Risk Status language is added to the Grant Awards as needed.
- Grant Award Notifications (GAN) are created and signed electronically.

G5 (cont.)

- Grant awards are obligated and the GAN email is sent to grantee.

Head's Up

Please review the specific requirements in 2 CFR part 200, Appendix XII, for additional details regarding the FAPIIS reporting obligation if your agency receives Federal funds exceeding the \$10,000,000 threshold. You must self-disclose, semiannually:

1. All violations of Federal criminal law involving fraud, bribery, and gratuity violations that could potentially affect an ED award.
2. Provide notification of certain proceedings within last 5 years.

Audit

Due to the significant amount of VR funds, the VR grant award process is audited annually by external auditors. The auditors test random awards to validate the formula award calculation process, the amount awarded, internal control processes, etc.

Issuance Timeframe

- Generally speaking:
 - RSA works to issue grant awards or supplements within three to four weeks after the funds are made available; and
 - If there is a short-term CR that would expire before RSA could issue the funds, the short-term CR funds are combined with the subsequent CR.

Part II

Maintenance of Effort (MOE)

Timeframe:

- Annually: May-July
- As identified during monitoring or at grant award closeout.

MOE: Overview

- The Secretary reduces the amount otherwise payable to a State for any fiscal year by the amount by which the total expenditures from non-Federal sources under the VR services portion of the Unified or Combined State Plan for any previous fiscal year were less than the total of those expenditures for the fiscal year two years prior to that previous fiscal year (34 C.F.R. § 361.62(a)).
- If the State provides for the construction of a facility for community rehabilitation program purposes, the amount of the State's share of expenditures for VR services under the plan, other than for the construction of a facility for community rehabilitation program purposes or the establishment of a facility for community rehabilitation purposes, must be at least equal to the expenditures for those services for the second prior fiscal year (34 C.F.R. § 361.62(a)).

MOE: Overview (cont.)

- A State has not met its MOE requirement if, in any given FFY, the State's total amount of non-Federal program expenditures is less than its total non-Federal program expenditures (outlays) for the fiscal year two years before the FFY under review.
- The MOE requirement must be met at the State level. When determining compliance in States with Blind and General agencies, the total non-Federal program expenditures are calculated for both agencies individually and at the State level.
- RSA reserves 15 percent of a State's annual VR allotment in case a State is subject to a MOE deficit. If there is a MOE deficit, the agency's fourth quarter allotment is reduced by the MOE deficit amount. If a MOE deficit is identified at a later date, the grantee's MOE deficit will be applied against a future grant award.

MOE - Example

A State's non-Federal program expenditures in FFY 2015 were \$1,000,000.

- The State's non-Federal program expenditures in FFY 2017 must be at least \$1,000,000 to satisfy MOE.

If the State's non-Federal program expenditures in FFY 2017 were \$800,000:

- The State had a MOE deficit of \$200,000.

RSA would recover the MOE deficit by applying a MOE penalty of \$200,000 to the State's **FFY 2018** Federal VR fourth quarter supplement.

MOE Timeline

May – RSA sends emails to VR agencies with potential MOE penalties for the current FFY. This provides agencies an opportunity to review the information that RSA will use to determine compliance with the MOE requirement.

June – RSA issues formal MOE penalty letters to agencies.

MOE Timeline (cont.)

July – Agency's with MOE penalties have their fourth quarter grant award supplements reduced by the MOE penalty amount.

August – If applicable, agencies may submit a MOE waiver request, in order to have the MOE penalty amount restored, if approved.

MOE Timeline

If a MOE deficit is identified at a later date, the MOE penalty will be assessed against the agency's subsequent FFY grant award allotment, after the year the MOE deficit was identified.

Part III

Reallotment

Timeframe: July - September



Reallotment

Grant Reallotment Forms (RSA-692) are open for submission from approximately July 15th to August 15th for the current FFY. Grantees use the forms to let RSA know whether they will be relinquishing grant funds, requesting additional grant funds, or seeking no change in the current award amount.

- If enough funds are not relinquished for an award, RSA will exercise its discretion to cancel reallotment for that program. RSA notifies grantees if a reallotment has been cancelled.

Determination of Reallotment Amounts

Because the amount of funds available for reallotment include MOE penalties assessed during the current FFY, RSA must wait until decisions are made regarding MOE waiver requests prior to finalizing the amount for re-distribution during reallotment. If a partial or full MOE waiver is granted, RSA must restore the funds to the grantee.

Determination of Reallotment Amounts

- Shortly after August 15, RSA deobligates all relinquished funds from grantees requesting such. These funds are added to the reallotment pool.
- Once RSA determines the final amount available to reallot, RSA must request the additional funds needed.
- RSA then determines the amounts that will be awarded to grantees requesting reallotment funds based upon the reallotment process.

Awarding of Realloted Funds

RSA awards the funds to be received during
reallotment in September, as early as possible.



Part IV

Transfers Between Blind and General VR Agencies

Timeline:

After determination of the annual FFY award amount and prior to the end of the period of performance.



Transfers Between General and Blind VR Agencies

- The VR funds allotted to each agency by RSA may ONLY be used for the provision of the VR services assigned to the agency under the VR services portion of the Unified or Combined State Plan. For example, a VR agency that serves individuals who are blind may not use its VR funds for the provision of VR services to individuals that are not eligible to receive services through the blind agency. VR agencies that serve all disabilities do not face similar limitation as they are statutorily required to serve all groups.

Transfers Between General and Blind VR Agencies (cont.)

- In order to use VR funds allotted to a State VR agency for purposes assigned to another State VR agency in the VR services portion of the Unified or Combined State Plan, RSA must formally transfer the grant funds between the State's VR agencies.

VR agencies may not use internal accounting adjustments to transfer funds between the grant programs.

Transfers Between General and Blind VR Agencies (cont.)

On occasion, one of the State's VR agencies may desire to transfer a portion of its VR funds to the other State VR agency in order to ensure the utilization of all available funds. In such instances, States must formally request that RSA transfer allotted VR funds between the two agency's VR awards.

Transfers Between General and Blind VR Agencies (cont.)

Requests to transfer funds during the carryover period of an award take additional time for RSA to process. Upon receipt of such a request, RSA must first de-obligate the funds being transferred and then submit a request for approval to obligate prior year funds. Only after obtaining permission to obligate prior year funds can RSA obligate the funds to the receiving agency. This process may take up to 30 calendar days to complete.

Transfers Between General and Blind VR Agencies (cont.)

The Department reserves the right to deny any transfer of funds requests submitted near the end of the period of performance for an award. VR agencies must provide RSA sufficient time to transfer the funds and ensure the receiving agency has time to obligate and liquidate the additional funds received prior to the end of the period of performance.

Part V

Carryover

Timeline: October - December



Carryover

Upon submission of the grantee's fourth quarter financial report (which is for the reporting period ending September 30 - the last day of the FFY of appropriation), an RSA financial management specialist will review the grantee's report to determine whether the grantee met the requirements necessary to carry over Federal award funds into the subsequent FFY.

Carryover (cont.)

If the grantee met the requirements, RSA will process an administrative change to the current GAN, extending the period of performance to include the carryover period. Upon completion of the administrative action the grantee will receive notice of a new GAN with the revised period of performance.

Part VI

Closeout

Timeline:

Within one year after the end of the period of performance.

Closeout

Within one year after the end of the period of performance for an award, RSA will closeout the award unless there are special circumstances.

Special circumstances may include:

- Approved Late Liquidation Requests;
- Unresolved audits; or
- Outstanding balances.

Closeout (cont.)

Prior to closeout, RSA:

- Verifies the Federal Financial Report data with G5;
- Reassesses grantee's compliance with match, MOE, and reservation of funds requirements;
- Ensures there are no outstanding audits or corrective actions;
- Ensures submission of the RSA-2 report; and
- Completes edit checks against available data to ensure accuracy of agency submitted reports.

Questions?

If you have additional questions, please email them to RSAfiscal@ed.gov.

