

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND
REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, D.C. 20202-2531

INFORMATION MEMORANDUM

RSA-IM-94-20

RSM-4585

DATE: 9/15/94

TO : STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
REGIONAL REHABILITATION CONTINUING EDUCATION
PROGRAMS
LONG-TERM TRAINING PROJECTS
RSA SENIOR MANAGEMENT TEAM

SUBJECT : RSA LONG-TERM TRAINING SCHOLARSHIP REQUIREMENT
INFORMATION FOR STUDENTS AND GRANTEEES

CONTENT : Attached, for your information, are two handbooks
addressing RSA Long-Term Training scholarship
requirements. One handbook has been prepared to
answer questions for students; the other is
directed to grantees. I hope these handbooks will
help you, and the rehabilitation scholars you
assist, in understanding the training payback
requirements.

If you need assistance with the information in this document or the provisions of the Rehabilitation Training Program, you may contact Richard Melia, Director, Division of Resource Development, Office of Developmental Programs, Room 3324, Switzer building, 330 C Street, S.W., Washington, D.C. 20202-2469. Dr. Melia may be reached at 202-205-9400. Additional points of contact are listed in the handbooks.

You should be aware that the payback provision changed as a result of action by the 102nd Congress to amend the Rehabilitation Act of 1973. These handbooks provide further information on the changes to the payback provision in the 1992 amendments and the subsequent regulations issued by the Education Department for the Rehabilitation Long-Term Training program.

Commissioner, RSA

Attachments

**U.S. DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION**

**RSA LONG-TERM TRAINING
SCHOLARSHIP REQUIREMENT INFORMATION
FOR STUDENTS**

AUGUST, 1994

2nd Edition

OSERS/REHABILITATION SERVICES ADMINISTRATION

Dear Prospective RSA Scholar:

The decision you make regarding your future career may well be one of the most important decisions in your life. We are fortunate to be citizens of this country where our society offers a wide array of choices, rewards, and challenges.

Your choice of rehabilitation as a career offers wide opportunities, and the satisfaction of knowing that your work will not only contribute to our society, but will also assist and help other individuals. Personnel employed in the State-Federal programs of vocational rehabilitation, supported employment, and independent living have a number of career choices, all of which help to enrich the lives of individuals with disabilities.

There is an acute need for qualified personnel in the field of rehabilitation. Specifically, State rehabilitation agencies, and the nonprofit facilities with which the State rehabilitation agencies make agreements to provide vocational, supported employment, and independent living services, have critical personnel needs. To ensure that the RSA Training Program helps State agencies in filling these jobs, Congress added a "payback" provision for RSA scholars to the Rehabilitation Act. This handbook explains the payback requirement.

RSA SCHOLAR! I hope that you will accept that designation proudly and consider it a privilege and an honor to serve in this exciting field. I also hope that the information in this handbook will be helpful to you as you begin your career in rehabilitation.

Sincerely,

Fredric K. Schroeder, Ph.D.
Commissioner

RSA LONG-TERM TRAINING SCHOLARSHIP REQUIREMENT INFORMATION FOR STUDENTS

As an **RSA SCHOLAR**, you will be receiving support from a program with a proud history of more than seventy years of cooperation between the Federal government and the States in restoring hundreds of thousands of persons with disabilities to productive lives. You will also be preparing for a professional career in a dynamic field.

The **Rehabilitation Services Administration (RSA)**, a component of the **U.S. Department of Education**, is the principal Federal agency responsible for administering provisions of the Rehabilitation Act of 1973, as amended. RSA's major activities are to provide funds, leadership, and technical assistance to States in the day to day administration of vocational rehabilitation, supported employment, and independent living programs.

Since 1954, RSA has provided grants to increase the numbers of personnel trained to provide services to persons with severe disabilities, and to improve the quality of professional rehabilitation services. Most grants include scholarship funds to relieve the financial burden of students.

The amendments to the Rehabilitation Act in 1986 and 1992 require recipients of RSA scholarships for academic certificates or degrees to "payback" their assistance through employment in a State rehabilitation agency or nonprofit or related facility or agency providing services under an agreement with a state rehabilitation agency. This is to assure that when you graduate and enter employment, you will work in programs that use RSA funds to provide services to individuals with severe disabilities.

In other words, there are "strings" attached to the RSA support you accept. As an **RSA Scholar**, you must sign an agreement with the college or university that provides you with RSA training funds. The agreement states that after completing your degree or certificate, you will, on a full- or part-time basis, work for a State rehabilitation agency, or a qualifying agency that provides services to individuals with disabilities under an agreement with a State rehabilitation agency. The agreement further states that you will work not less than the full-time equivalent of two years for each academic year of RSA supported study. If you attend school for only nine months, but that is a full academic year at your institution, you will be responsible for paying back two full years of employment. Any portions of time for part-time support will be prorated. For example, if you were supported only three months, your payback time would be six months.

After graduation, you must keep in touch with your college or university, advising

them of your place and duration of employment. The terms of your agreement must be met within a period, beginning after you complete the training for which the scholarship was awarded, of not more than the sum of the number of years required in this paragraph and two additional years. However, RSA has designated that, under certain limited circumstances, the repayment requirements can be waived or deferred.

If you do not work for one of the approved types of agencies, you will be required to repay the RSA funds that you received. If you do not complete your academic program, you still must work in a job as specified, until your agreement is met. If you partially meet the employment requirements, you must repay a prorated sum, based upon the years of unmet employment in your repayment period.

It is important that you very carefully read your agreement, the accompanying Federal regulations that define key terms, and this handbook so that you understand your obligations in accepting RSA funds. Your college or university advisors can assist you with any questions concerning RSA support. Once you sign the agreement, however, you will be legally bound to the RSA "payback" requirements.

According to follow-up surveys by the National Council on Rehabilitation Education, well over 90 percent of the individuals receiving RSA scholarship/traineeship assistance work in State agencies or organizations that meet the requirements of the regulations. There are many ways to legally meet your "payback" requirements. Be sure to contact your academic advisor for examples of options open to counselors, therapists, physicians, nurses, evaluators, psychologists, administrators, and related specialists to meet the "payback" requirements.

The questions and answers that follow provide additional information on the "payback" requirements. If, after reading this booklet and discussing your specific needs with your academic advisor, you still have questions or concerns, please contact us at RSA. The names, addresses, and phone numbers of RSA staff you may wish to contact are listed in this handbook.

FREQUENTLY ASKED QUESTIONS

1. When in the scholarship award process must I sign the payback agreement?

You must sign and date the agreement **prior to** the initial disbursement on your behalf of any scholarship funds, including the payment or crediting of tuition. Your college or university should provide you with the terms and conditions of the payback requirement in the application for an RSA scholarship. The written agreement must contain the terms and conditions required by the regulations. [34 CFR 386.34]¹

2. What financial aid is included in my payback requirement?

The requirement applies to all RSA financial assistance to a scholar in an area of long-term rehabilitation training and includes payments for tuition, stipends, books, fees, and travel. The total to be repaid is the cumulative amount of all scholarship assistance, plus interest. [34 CFR 386.4]

3. How is an academic year defined for purposes of my payback requirement?

An academic year means a full time course of study (1) taken for a period totaling at least 9 months; or (2) taken for the equivalent of at least 2 semesters, 2 trimesters, or 3 quarters. The employment obligation of a part-time scholar is based on the accumulated academic years of training for which scholarship aid is received. If you attend school from September to June, your payback obligation is two full years. Work requirements for portions of an academic year are prorated. [34 CFR 386.4; 34 CFR 386.34]

4. I received partial funding. What are my payback requirements?

The amount of financial assistance you receive, whether partial or full, does not affect your obligation to meet your employment commitment. Your employment obligation as a part-time scholar will be based on the "accumulated academic years" of training for which you received assistance. [34 CFR 386.34]. An "accumulated academic year" is the equivalent of each period totaling at least nine months of full-time study in a degree or certificate program.

5. Why is June 1, 1992, a significant date in relation to the payback requirement?

The Rehabilitation Act Amendments of 1992 (Pub. L. 103-569) revised the payback requirements that were enacted by the Rehabilitation Act Amendments of 1986. The information in this handbook and the regulations published on June 16, 1994, apply to

¹ CFR is a citation for Code of Federal Regulations. General and permanent rules published in the Federal Register are codified in the CFR. The CFR is kept up to date by the individual issues of the Federal Register. Title 34 is presently composed of volumes addressing education, including rehabilitation. Regulations are cited by volume title, part, and section number.

individuals receiving scholarships for any academic year beginning after June 1, 1992. Regulations published on August 14, 1987 (52 FR 30558) describe the payback requirements for individuals receiving scholarships for any academic year before June 1, 1992.

6.If I am dismissed or drop out of my program for academic or non-academic reasons, to what degree am I liable for payback?

You are liable for repayment of the costs received if you are dismissed or voluntarily leave the program for academic or non-academic reasons. If you seek to meet the obligation through employment, the employment must be in a position as defined in the regulations. Circumstances for deferrals and exceptions are described in the regulations. [34 CFR 386.41]

7.What information, in addition to this Handbook, will help me to understand the payback requirement?

It is strongly suggested that you become familiar with the final regulations published in the Federal Register on June 16, 1994. [59 FR 31060] The regulations should help you understand the payback provision. Your college or university should have additional program guidance information available, such as names and addresses of qualifying employers.

8.I am a Resident in Physical Medicine and Rehabilitation. Does the payback requirement apply to residency programs in PM&R?

Yes. Residency programs receiving grants under the Rehabilitation Long-Term Training Program in the field of PM&R must adhere to the final Rehabilitation Long-Term Training regulations published in the Federal Register on August 14, 1987. [RSA-PPD-88-8, May 5, 1988]²

9. Must I work on a full-time basis in a qualifying agency?

No. A scholar may work on a full- or part-time basis for either the State rehabilitation agency or a related agency, facility, or qualifying organization. If a scholar works part-time, he or she still has an obligation to work the full-time equivalent of two years for each year for which assistance was provided within a period of not more than the sum of the number of years owed and two additional years. [34 CFR 386.34]

10.Must I serve State rehabilitation clients exclusively in my full- or part-time employment in a qualifying agency?

² RSA-PPD-88-8 is a citation for RSA Program Policy Directive number 8 in FY 1988. The Program Policy Directive provides additional information on the application of the payback provision to residency programs. Contact your residency training advisor or your appropriate RSA Regional Office (see attached listing) for further information on this PPD or ways that you may satisfy the payback provision when you are a practicing rehabilitation physician.

If you work for a related agency, you are not required to serve only rehabilitation clients of the State-Federal programs of vocational rehabilitation, supported employment, or independent living in your job. Rather, the requirement can be met if you are employed on a full- or part-time basis by the qualifying organization, and your work is on a continuing basis as a consultant or practitioner serving rehabilitation clients under an agreement with a State vocational rehabilitation agency. For example, if a rehabilitation physician works for a qualifying organization whose clientele includes individuals receiving services through programs funded under the Rehabilitation Act, the work would meet payback requirements. [34 CFR 386.4; 34 CFR 386.34]

11. What is meant by a "related agency?"

The State-Federal programs of vocational rehabilitation, supported employment, and independent living are the programs intended to benefit from the payback provision. Congress recognized, however, that State rehabilitation agencies often accomplish their mission through agreements with other programs. Thus, the employment obligation may be met by obtaining and maintaining employment, in the field in which you were trained, in a nonprofit or related agency providing services under an agreement with a State rehabilitation agency. State agencies maintain lists of public agencies, non-profit organizations such as rehabilitation facilities, and professional corporations or professional practices with which the State agency maintains such services agreements. If an organization is included on such lists, it is a "related agency." Confirmation may be required that the State rehabilitation agency has an agreement with your employer in your area of specialty. An agreement may be an arrangement by a related agency to accept referrals and provide services to rehabilitation clients or a purchase of service arrangement with a service provider. [34 CFR 386.4; 34 CFR 386.34]

12. If I engage in employment for a State agency or related rehabilitation agency while in training, will that count toward payback?

Rehabilitation employment while in training for which the scholarship was awarded does not meet the work requirement. Regulations state that the scholar will maintain employment in a qualifying agency "beginning after the recipient completes the training for which the scholarship was awarded" (emphasis supplied) [34 CFR 386.34]

13. What is the "exit certification" that I will provide in writing from my college or university when I complete my program?

Your college or university is required to maintain the following information on file:

- (1) Your name and the identity of the Federal grant that provided you with the scholarship;
- (2) Your field of study.
- (3) The number of years you need to work to satisfy the work requirements in

§386.34(c)(1)(i)(C).

- (4) The total amount of scholarship assistance you received subject to the work-or-repay provision in §386.34(c)(1)(ii).
- (5) The time period during which you must satisfy the work requirements in §386.34(c)(1)(i)(C).
- (6) All the other obligations you must meet in §386.34 such as the need to inform your college or university of any change of name, address, employment status, and information documenting how you have satisfied the terms of your scholarship agreement.

The exit certification must include written verification from you that the information in your file is accurate and that you are aware of your work-or-repay obligation.

14. Does RSA specify the geographical location in which my work requirement must be satisfied?

Regulations implementing the payback requirement do not specify the geographical location in which the work requirement must be satisfied. You may select where you wish to seek and maintain employment, provided that within the required period following the completion of your training, your employment obligation is fulfilled with a State agency or related program. [34 CFR 386.34]

15. I'm considering working for a private, for-profit rehabilitation business. Will I be able to fulfill the payback employment requirement if the business provides services to State agency rehabilitation clients?

A private, for profit, business is not a related agency as defined in the regulations and hence such employment would not satisfy the requirement. [34 CFR 386.34]

16. Under what circumstances may I receive an exception to the repay requirements?

You are not required to repay if you are unable to continue your course of study or complete your employment obligation due to a disability that is expected to continue indefinitely or result in death, or if, in fact, you should die. [34 CFR 386.41 (a)]

17. Under what circumstances may repayment of my scholarship be deferred?

Repayment of a scholarship may be deferred during the time the scholar is:

- (1) engaging in a full-time course of study at an institution of higher education;

- (2) serving, not in excess of three years, on active duty as a member of the armed services of the United States;
- (3) serving as a volunteer under the Peace Corps Act;
- (4) serving as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973;
- (5) temporarily totally disabled, for a period not to exceed three years; or
- (6) unable to secure employment as required by the agreement by reason of the care provided to a disabled spouse for a period not to exceed twelve months. [34 CFR 386.41(b)]

18. How would I obtain a deferral or exception for one of the reasons listed above?

You, or when necessary, the legally responsible person acting on your behalf, must submit a written application and documentation as provided in Section 386.42 to the Commissioner, Rehabilitation Services Administration, Department of Education, Washington, D.C. 20202-2531. [34 CFR 386.42]

19. To whom must I report my whereabouts, jobs, or noncompliance with the terms of my agreement?

The academic institution where you were trained is responsible for keeping track of you and your employment until the payback requirement is met. Institutions will contact you by mail periodically, with a follow-up mailing if you do not respond. Your agreement states that you are responsible for notifying the institution about changes in your address, employment, or other significant facts related to completion of the payback requirement. [34 CFR 386.34(c)(3) and 386.34(g)]

20. What types of reports will my college or university make to the Education Department about me?

Your college or university is required to provide statistical reports periodically on the number of RSA scholars, amounts of financial assistance, and related summary data. In addition, specific reports on scholars are required when scholars fail to meet their payback obligation, or do not begin employment by a date that would allow them to complete their payback requirement. [Approved by the Office of Management and Budget under control number 1820-0018]

21. Who collects the funds if I do not fulfill the payback requirement?

The Secretary of the Department of Education is responsible for collecting the funds if you do not comply with the regulations. [34 CFR 386.43]

22. What happens if my employment obligation is not completed and I do not repay my scholarship?

According to the terms and conditions of your scholarship agreement, you may be liable for interest, collection costs, and other penalties established by law. The amounts and frequency of repayment are set forth in regulations that apply to similar obligations of individuals to the United States Government. [34 CFR 386.34 and 34 CFR 386.43; 31 U.S.C. 3717 (collection costs)]

23. When will I enter repayment status?

You enter repayment status on the first day of the first calendar month after the earliest of the following dates, as applicable: (1) The date you inform the Secretary that you do not plan to fulfill the employment obligation under the agreement. (2) Any date when your failure to begin or maintain employment makes it impossible for you to complete your employment obligation within the number of years required in section 386.34(c)(1).

You should send a notice pursuant to (1) to the Commissioner, Rehabilitation Services Administration, Education Department, Washington, D.C. 20202-2531. [34 CFR 386.43(e)]

24. What recourse will I have to appeal a finding of non-compliance with the regulations for the payback provision?

Appeals should be directed to the Commissioner, Rehabilitation Services Administration, Education Department, Washington, D.C. 20202-2531. The Commissioner will acknowledge all such appeals in writing.

NOTE: If you need assistance with the information in this document or the provisions of the Rehabilitation Training Program, you may contact Dr. Richard Melia, Director, Division of Resource Development, Office of Developmental Programs, Room 3324, Switzer Building, 330 C Street, S.W., Washington, DC 20202-2469. Dr. Melia may be reached at 202-205-9400. You may also contact the RSA Regional Office nearest you for help. These offices are listed in the Rehabilitation Services Administration Regional Office Directory reprinted below.

CITATIONS IN LAW: Sections 12 (c), 302 (b)(3)(A), and 302 (b)(3)(B) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 711(c) and 771(a)

CITATIONS IN REGULATIONS: 34 CFR 386.4, 34 CFR 386.34, 34 CFR 386.40, 34

CFR 386.41, 34 CFR 386.42, 34 CFR 386.43

**U.S. DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION**

**RSA LONG-TERM TRAINING
SCHOLARSHIP REQUIREMENT INFORMATION
FOR GRANTEES**

AUGUST, 1994

OSERS/REHABILITATION SERVICES ADMINISTRATION

Dear RSA Long-Term Training Program Grantee:

Your participation in the Rehabilitation Long-Term Training program is very much appreciated. You have the satisfaction of knowing that your work will not only contribute to our society, but will also assist and help other individuals. Personnel employed in the State-Federal programs of vocational rehabilitation, supported employment, and independent living have a number of career choices, all of which help to enrich the lives of individuals with disabilities.

There is an acute need for qualified personnel in the field of rehabilitation. Specifically, State rehabilitation agencies, and the nonprofit facilities with which the State rehabilitation agencies make agreements to provide vocational, supported employment, and independent living services, have critical personnel needs. To ensure that the RSA Training Program helps State agencies in filling these jobs, Congress added a "payback" provision for RSA scholars to the Rehabilitation Act. This handbook explains the responsibilities of grantees in administering the payback requirement. A similar handbook has been prepared for you to disseminate to RSA Scholars.

I congratulate you on winning an RSA Long-Term Training program award. I also hope that the information in this handbook will be helpful to you as you carry out your rehabilitation training program responsibilities.

Sincerely,

Fredric K. Schroeder,

Commissioner

Ph.D.

RSA LONG-TERM TRAINING SCHOLARSHIP REQUIREMENT INFORMATION FOR GRANTEES

As an **RSA GRANTEE**, you will be receiving support from a program with a proud history of fifty years of cooperation between the Federal government, the States, and hundreds of educational institutions in preparing thousands of individuals for professional careers in a dynamic field.

The **Rehabilitation Services Administration (RSA)**, a component of the **U.S. Department of Education**, is the principal Federal agency responsible for administering provisions of the Rehabilitation Act of 1973, as amended. RSA's major activities are to provide funds, leadership, and technical assistance to States in the day to day administration of vocational rehabilitation, supported employment, and independent living programs.

Since 1954, RSA has provided grants to increase the numbers of personnel trained to provide services to persons with severe disabilities, and to improve the quality of professional rehabilitation services. Most grants include scholarship funds to relieve the financial burden of students.

The amendments to the Rehabilitation Act in 1986 and 1992 require recipients of RSA scholarships for academic certificates or degrees to "payback" their assistance through employment in a State rehabilitation agency or nonprofit or related facility or agency providing services under an agreement with a state rehabilitation agency. This is to assure that when your students graduate and enter employment, they will work in programs that use RSA funds to provide services to individuals with severe disabilities.

In other words, if you accept an RSA grant, you must ensure that your students meet all the payback requirements. The students that you assist with grant funds (**RSA Scholars**) must sign a work-or-repay agreement as a condition of receiving RSA training funds from your institution. The agreement states that after completing their degree or certificate, they will, on a full- or part-time basis, work for a State rehabilitation agency, or a qualifying agency that provides services to individuals with disabilities under an agreement with a State rehabilitation agency. The agreement further states that they will work not less than the full-time equivalent of two academic years for each year of RSA supported study. If they attend school for only nine months, but that is a full academic year at your institution, they will be responsible for paying back two full years of employment. Any part-time study supported by an RSA scholarship will be prorated in calculating the work-or-repay obligation.

After graduation, your students must keep in touch with you, advising you of their place and duration of employment. The terms of their agreement must be met within a period, beginning after the recipient completes the training for which the scholarship was awarded, of not more than the sum of the number of years required in this paragraph and two additional years. However, RSA has designated that, under certain

limited circumstances, the repayment requirements can be waived or deferred.

If a student provided an RSA scholarship does not work for one of the approved types of agencies, you are required to report this to RSA so that the funds that were disbursed may be repaid. If a student does not complete his or her academic program, he or she still must work in a job as specified, until the agreement is met. If the student partially meets the employment requirements, he or she must repay a prorated sum, based upon the years of unmet employment in the repayment period.

It is important that you very carefully read your grant award, the accompanying Federal regulations that define key terms, and this handbook so that you understand your obligations in accepting RSA funds. Your RSA Regional Office can assist you with any questions concerning RSA support. Once your institution accepts the grant, however, it will be legally bound to the RSA "payback" requirements.

According to follow-up surveys by the National Council on Rehabilitation Education, well over 90 percent of the individuals receiving RSA scholarship/traineeship assistance work in State agencies or organizations that meet the requirements of the regulations. There are many ways to legally meet the "payback" requirements. Be sure to contact the designated State rehabilitation agencies in your area for examples of job options open to counselors, therapists, physicians, nurses, evaluators, psychologists, administrators, and related specialists to meet the "payback" requirements.

The questions and answers that follow provide additional information on the "payback" requirements. If, after reading this booklet and reviewing your specific needs, you still have questions or concerns, please contact us at RSA. The names, addresses, and phone numbers of RSA staff you may wish to contact are listed in this handbook.

FREQUENTLY ASKED QUESTIONS

1. When in the scholarship award process must I require a scholar to sign the payback agreement?

You must ensure that any student receiving scholarship assistance from your grant signs and dates the agreement **prior to** the initial disbursement of any scholarship funds on his or her behalf, including the payment or crediting of tuition. You must fully disclose to the scholar the terms and conditions of the payback requirement in the application for an RSA scholarship. The written agreement must contain the terms and conditions required by the regulations. [34 CFR 386.34]³

2. What financial aid is included in the payback requirement?

The requirement applies to all RSA financial assistance to a scholar in an area of long-term rehabilitation training and includes payments for tuition, stipends, books, fees, and travel. The total to be repaid is the cumulative amount of all scholarship assistance, plus interest. [34 CFR 386.4]

3. How is an academic year defined for purposes of the payback requirement?

An academic year means a full time course of study (1) taken for a period totaling at least 9 months; or (2) taken for the equivalent of at least 2 semesters, 2 trimesters, or 3 quarters. The employment obligation of a part-time scholar is based on the accumulated academic years of training for which scholarship aid is received. If a scholar attends school from September to June, his or her payback obligation is two full years. Work requirements for portions of an academic year are prorated. [34 CFR 386.4; 34 CFR 386.34]

4. One of my students received partial funding. What are the payback requirements?

The amount of financial assistance disbursed, whether partial or full, does not affect the obligation to meet your employment commitment. The employment obligation as a part-time scholar will be based on the "accumulated academic years" of training for which the scholar received assistance. [34 CFR 386.34]. An "accumulated academic year" is the equivalent of each period totaling at least nine months of full-time study in a degree or certificate program.

5. Why is June 1, 1992, a significant date in relation to the payback requirement?

³ CFR is a citation for Code of Federal Regulations. General and permanent rules published in the Federal Register are codified in the CFR. The CFR is kept up to date by the individual issues of the Federal Register. Title 34 is presently composed of volumes addressing education, including rehabilitation. Regulations are cited by volume title, part, and section number.

The Rehabilitation Act Amendments of 1992 (Pub. L. 103-569) revised the payback requirements that were enacted by the Rehabilitation Act Amendments of 1986. The information in this handbook and the regulations published on June 16, 1994, apply to individuals receiving scholarships for any academic year beginning after June 1, 1992. Regulations published on August 14, 1987 (52 FR 30558) describe the payback requirements for individuals receiving scholarships for any academic year before June 1, 1992.

6.If a scholar is dismissed or drops out of our program for academic or non-academic reasons, to what degree will he or she be liable for payback?

The scholar is liable for repayment of the costs received if he or she is dismissed or voluntarily leaves the program for academic or non-academic reasons. If he or she seeks to meet the obligation through employment, the employment must be in a position as defined in the regulations. Circumstances for deferrals and exceptions are described in the regulations. [34 CFR 386.41]

7.What information, in addition to this Handbook, will help me to understand the payback requirement?

It is strongly suggested that you become familiar with the final regulations published in the Federal Register on June 16, 1994. [59 FR 31060] The regulations should help you understand the payback provision. You should identify additional rehabilitation information, such as names and addresses of qualifying employers, for use in assisting scholars.

8.Does the payback requirement apply to residency programs in PM&R?

Yes. Residency programs receiving grants under the Rehabilitation Long-Term Training Program in the field of PM&R must adhere to the final Rehabilitation Long-Term Training regulations published in the Federal Register on August 14, 1987. [RSA-PPD-88-8, May 5, 1988]⁴

9. Must scholars work on a full-time basis in a qualifying agency?

No. A scholar may work on a full- or part-time basis for either the State rehabilitation agency or a related agency, facility, or qualifying organization. If a scholar works part-time, he or she still has an obligation to work the full-time equivalent of two years for each year for which assistance was provided within a period of not more than the sum of the number of years owed and two additional years. [34 CFR 386.34]

⁴ RSA-PPD-88-8 is a citation for RSA Program Policy Directive number 8 in FY 1988. The Program Policy Directive provides additional information on the application of the payback provision to residency programs. Contact your residency training advisor or your appropriate RSA Regional Office (see attached listing) for further information on this PPD or ways that you may satisfy the payback provision when you are a practicing rehabilitation physician.

10. Must scholars serve State rehabilitation clients exclusively in full- or part-time employment in a qualifying agency?

If a scholar works for a related agency, he or she is not required to serve only rehabilitation clients of the State-Federal programs of vocational rehabilitation, supported employment, or independent living in his or her job. Rather, the requirement can be met if he or she is employed on a full- or part-time basis by the qualifying organization, and the work is on a continuing basis as a consultant or practitioner serving rehabilitation clients under an agreement with a State Vocational rehabilitation agency. For example, if a rehabilitation physician works for a qualifying organization whose clientele includes individuals receiving services through programs funded under the Rehabilitation Act, the work would meet payback requirements. [34 CFR 386.4; 34 CFR 386.34]

11. What is meant by a "related agency?"

The State-Federal programs of vocational rehabilitation, supported employment, and independent living are the programs intended to benefit from the payback provision. Congress recognized, however, that State rehabilitation agencies often accomplish their mission through agreements with other programs. Thus, the employment obligation may be met by obtaining and maintaining employment, in the field in which the scholar was trained, in a nonprofit or related agency providing services under an agreement with a State rehabilitation agency. State agencies maintain lists of public agencies, non-profit organizations such as rehabilitation facilities, and professional corporations or professional practices with which the State agency maintains such services agreements. If an organization is included on such lists, it is a "related agency." You are required to document that the State rehabilitation agency has an agreement with the scholar's employer in the area of specialty. An agreement may be an arrangement by a related agency to accept referrals and provide services to rehabilitation clients or a purchase of service arrangement with a service provider. [34 CFR 386.4; 34 CFR 386.34]

12. If a scholar engages in employment for a State agency or related rehabilitation agency while in training, will that count toward payback?

Rehabilitation employment while in training for which the scholarship was awarded does not meet the work requirement. Regulations state that the scholar will maintain employment in a qualifying agency "beginning after the recipient completes the training for which the scholarship was awarded" (emphasis supplied) [34 CFR 386.34]

13. What is the "exit certification" that the grantee must provide in writing from when a scholar completes his or her program?

According to §386.34(f), you are required to maintain the following information on file for each scholarship:

- (1)The scholar's name and identifying information on the Federal grant that provided the scholarship;
- (2)The scholar's field of study.
- (3)The number of years the scholar needs to work to satisfy the work requirements in §386.34(c)(1)(i)(C).
- (4)The total amount of scholarship assistance you provided subject to the work-or-repay provision in §386.34(c)(1)(ii).
- (5)The time period during which the scholar must satisfy the work requirements in §386.34(c)(1)(i)(C).
- (6)All the other obligations the scholar must meet in §386.34 such as the need to inform your college or university of any change of name, address, employment status, and information documenting how he or she has satisfied the terms of your scholarship agreement.

The exit certification must include written verification from the scholar acknowledging that the information in his or her file is accurate and that he or she is aware of his or her work-or-repay obligation.

14.Does RSA specify the geographical location in which the work requirement must be satisfied?

Regulations implementing the payback requirement do not specify the geographical location in which the work requirement must be satisfied. A scholar may select where he or she wishes to seek and maintain employment, provided that within the required period following the completion of his or her training, the employment obligation is fulfilled with a State agency or related program. [34 CFR 386.34]

15.Will a scholar be able to fulfill the payback employment requirement if the private, for profit, business he or she works for provides services to State agency rehabilitation clients?

A private, for profit, business is not a related agency as defined in the regulations and hence such employment would not satisfy the requirement. [34 CFR 386.34]

16.Under what circumstances may a scholar receive an exception to the repay requirements?

Scholars are not required to repay if they are unable to continue their course of study or complete their employment due to a disability that is expected to continue indefinitely or result in death, or if, in fact, they should die. [34 CFR 386.41 (a)]

17. Under what circumstances may repayment of a scholarship be deferred?

Repayment of a scholarship may be deferred during the time the scholar is:

(1)engaging in a full-time course of study at an institution of higher education;

- (2) serving, not in excess of three years, on active duty as a member of the armed services of the United States;
- (3) serving as a volunteer under the Peace Corps Act;
- (4) serving as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973;
- (5) temporarily totally disabled, for a period not to exceed three years; or
- (6) unable to secure employment as required by the agreement by reason of the care provided to a disabled spouse for a period not to exceed twelve months. [34 CFR 386.41(b)]

18. How would a scholar obtain a deferral or exception for one of the reasons listed above?

The scholar, or when necessary, the legally responsible person acting on his or her behalf, must submit a written application and documentation as provided in Section 386.42 to the Commissioner, Rehabilitation Services Administration, Department of Education, Washington, D.C. 20202-2531. [34 CFR 386.42]

19. To whom must the scholar report his or her whereabouts, jobs, or noncompliance with the terms of his or her agreement?

You, as the academic institution which administered the RSA training grant, are responsible for keeping track of the location of scholars supported under the grant and their employment until the payback requirement is met. Regulations state that individual scholars are responsible for notifying you about changes in their address, employment, or other significant facts related to completion of the payback requirement. A reasonable approach that would comply with your tracking responsibility would be to contact former students once a year, with a follow-up mailing if they do not respond. If you experience difficulty in locating a scholar, you are required to check with existing tracking systems operated by alumni organizations. [34 CFR 386.34(c)(3) and 386.34(g)]

20. What types of reports must colleges or universities that accept RSA training grants make to the Education Department about scholars?

RSA Long-Term Training program grantees are required to provide statistical reports periodically on the number of RSA scholars, amounts of financial assistance, and related summary data on the RSA Training Payback Reporting Form that is included in the Rehabilitation Long-Term Training program application kit. In addition, specific reports on scholars are required when scholars fail to meet their payback obligation, or do not begin employment by a date that would allow them to complete their payback

requirement. RSA will be issuing instructions for these reports in the near future.
[Approved by the Office of Management and Budget under control number 1820-0018]

21. Who collects the funds if a scholar does not fulfill the payback requirement through qualifying employment?

The Secretary of the Department of Education is responsible for collecting the funds if you do not comply with the regulations. [34 CFR 386.43]

22. What happens if a scholar's employment obligation is not completed and he or she does not repay his or her scholarship?

According to the terms and conditions of a scholar's agreement, he or she may be liable for interest, collection costs, and other penalties established by law. The amounts and frequency of repayment are set forth in regulations that apply to similar obligations of individuals to the United States Government. [34 CFR 386.34 and 34 CFR 386.43; 31 U.S.C. 3717 (collection costs)]

23. When does a scholar enter repayment status?

A scholar enters repayment status on the first day of the first calendar month after the earliest of the following dates, as applicable: (1) The date a scholar informs the Secretary that he or she does not plan to fulfill the employment obligation under the agreement. (2) Any date when the scholar's failure to begin or maintain employment makes it impossible for him or her to complete his or her employment obligation within the number of years required in section 386.34(c)(1). The scholar should send a notice pursuant to (1) to the Commissioner, Rehabilitation Services Administration, Education Department, Washington, D.C. 20202-2531. [34 CFR 386.43(e)]

24. What recourse will a scholar have to appeal a finding of non-compliance with the regulations for the payback provision?

Appeals should be directed to the Commissioner, Rehabilitation Services Administration, Education Department, Washington, D.C. 20202-2531. The Commissioner will acknowledge all such appeals in writing.

NOTE: If you need assistance with the information in this document or the provisions of the Rehabilitation Training Program, you may contact Dr. Richard Melia, Director, Division of Resource Development. Office of Developmental Programs, Room 3324, Switzer Building, 330 C Street, S.W., Washington, DC 20202-2469. Dr. Melia may be reached at 202-205-9400. You may also contact the RSA Regional Office nearest you for help. These offices are listed in the Rehabilitation Services Administration Regional Office Directory reprinted below.

CITATIONS IN LAW: Sections 12 (c), 302 (b)(3)(A), and 302 (b)(3)(B) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 711(c) and 771(a)

CITATIONS IN REGULATIONS: 34 CFR 386.4, 34 CFR 386.34, 34 CFR 386.40, 34 CFR 386.41, 34 CFR 386.42, 34 CFR 386.43