

**U.S. DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION
& REHABILITATIVE SERVICES
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**REHABILITATION SERVICES
ADMINISTRATION
TRAINING PROGRAM**

**RSA LONG-TERM TRAINING
SCHOLARSHIP INFORMATION**

United States Department of Education
Office of Special Education & Rehabilitative Services
Rehabilitation Services Administration Training Program
Potomac Center South
550 12th Street, S.W.
Washington, D.C. 20202

2004 RSA Long-Term Training Scholarship Information

May 2004

Dear Prospective RSA Scholar:

You are about to make an important decision regarding your future career. I encourage you to consider the field of rehabilitation. I also encourage you to apply to become an RSA Scholar, and to reap the financial benefits associated with it.

Participation in the RSA Scholars program offers wide opportunities for you. In addition to the financial benefits, you have the satisfaction of knowing that your work will contribute to our society. An RSA scholar prepares to work with the State-Federal system of vocational rehabilitation, a system with a long and proud history of serving people with disabilities. Ultimately, of course, scholars enrich the lives of people with disabilities through providing quality rehabilitation services that help them secure employment, and participate fully in society.

There is an acute need for qualified personnel in the field of rehabilitation. Specifically, State rehabilitation agencies, and the programs 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 to the Rehabilitation Act a "payback" provision for RSA scholars. This manual explains the payback requirements. Please read it carefully to understand your responsibilities.

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 manual will be helpful to you as you begin your career in rehabilitation.

Sincerely,

Timothy Muzzio, Ph. D.
Director of Resource Development

FREQUENTLY ASKED QUESTIONS

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

An institution receiving a Long-term Training grant from the Rehabilitation Services Administration (RSA), U.S. Department of Education, must ensure that any student receiving scholarship assistance from the grant signs and dates a "payback" agreement prior to the initial disbursement of any scholarship funds on his/her behalf, including the payment or crediting of tuition. The institution must fully disclose to the RSA 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]¹

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. [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/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]

¹CFR 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.

4. When a scholar receives partial funding, what are the payback requirements?

The amount of financial assistance disbursed, whether partial or full, does not affect the obligation of the scholar to meet an employment commitment. The employment obligation for a part-time scholar will be based upon the "accumulated academic years" of training for which the scholar received assistance. [34 CFR 386.84]

5. What is the relationship between the amount of time that a student receives a scholarship and the length of time that he/she must maintain employment to meet payback requirements? Also, how much time does the student have to meet the payback requirements?

As of June 1, 1992, the student must satisfy the following employment obligation:

- (a) The student must work in a State vocational agency, a non-profit rehabilitation agency, or a related agency, including a professional practice group through which the individual has a service arrangement with the State vocational rehabilitation agency;
- (b) The length of the employment obligation is the full-time equivalent of 2 years for each year of scholarship assistance provided;
- (c) The period of time that the student has in order to satisfy the employment obligation begins immediately upon the completion of the training and lasts for the duration of the employment obligation plus a grace period of two more years;
- (d) The student may work on a part-time basis as long as the employment obligation is satisfied during the timeframe referred to in paragraph 3.

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

The scholar is liable for repayment of the costs received if the RSA scholar is dismissed or voluntarily leaves the program for academic or non-academic reasons. If he/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. 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/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]

8. 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.

When seeking employment an RSA scholar should first check with his/her appropriate training institution to obtain a listing of employment sites that meet the statutory and regulatory definition of "acceptable employment." Second, the student should determine if the potential employer meets the definition of acceptable employment (public or nonprofit, or related agency, facility, or service provider). The employer should also be able to provide information regarding whether the program, agency, or facility provides services to clients of the State vocational rehabilitation (VR) agency, or whether it has a cooperative working agreement regarding the referral or provision of services to VR clients. If additional information is needed, an RSA scholar may wish to contact the State VR agency to obtain additional information. In instances where these questions cannot be clarified, scholars may wish to contact the appropriate RSA regional office (listing at the back of this manual).

Note: The grantee (training institution) is required to document that the State rehabilitation agency has an agreement with the RSA 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 or contractual arrangement with a service provider. [34 CFR 386.4; 34 CFR 386.34]

9. Does volunteer work count towards the payback requirement?

No. Volunteer work does not count towards the payback work requirement.

10. Does the payback requirement apply to residency programs in Physical Medicine and Rehabilitation (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 June 16, 1992. (RSA-PPD-88-8, May 5, 1988)²

11. 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/she is not required to serve only rehabilitation clients of the State-Federal programs of vocational rehabilitation, supported employment, or independent living in his/her job. Rather, the requirement can be met if he/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]

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].

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 the residency-training advisor or the appropriate RSA regional office (see attached listing) for further information on this PPD or ways that an RSA scholar may satisfy the payback provision when he/she is a practicing rehabilitation physician.

13. 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 manual and the regulations published on June 16, 1994, apply to individuals receiving scholarships for any academic year beginning after June 1, 1992.

14. What information in addition to this manual will help an RSA scholar and the granting institution to understand their responsibilities in complying with the payback requirements?

Scholars and institutions must become familiar with the final regulations published in the FEDERAL REGISTER on June 16, 1994. [59 FR 31060] As a condition of receiving this grant, scholars and institutions are required to comply with the rules. The regulations spell out the payback provisions and the scholar's requirements to comply with them. Training institutions should identify additional rehabilitation information, such as names and addresses of qualifying employers, for use in assisting scholars.

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

According to 386.34(f), the granting institution is required to maintain the following information on file for each scholarship:

- (a) The scholar's name and identifying information on the Federal grant that provided the scholarship;
- (b) The scholar's field of study;
- (c) The number of years the scholar needs to work to satisfy the work requirement in 386.34(c)(1)(I)(C);
- (d) The total amount of scholarship assistance provided subject to the work-or-repay provision in 386.34(c)(1)(ii).
- (e) The time period during which the scholar must satisfy the work requirements in 386.34(c)(1)(I)(C).
- (f) All the other obligations the scholar must meet in 386.34, such as the need to inform the training institution of any change of name, address, employment status, and information documenting how he/she has satisfied the terms of his/her scholarship agreement.

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

16. 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. An RSA scholar may select where he or she wishes to seek and maintain employment, provided that within the required period of time following the completion of his or her training, the employment obligation is fulfilled with a State agency or related program. [34 CFR 386.34]

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

A for-profit organization may qualify as a professional corporation or professional practice group provided it meets the applicable definition in the Federal regulations. Professional corporations and practice groups are not limited to non-profit status organizations. If questions arise as to whether a particular organization qualifies to meet an RSA scholar's work requirement, the grantee or scholar should write a letter to the appropriate RSA regional office representative (listed at the back of this manual) to request an official reply to the question of whether the organization is qualified. [34 CFR 386.4(b)]

18. Under what circumstances may a scholar receive an exception to the payback requirements?

Before disbursement of a scholarship, grantees are required to obtain documentation that the individual has expressed interest in a career in the provision of rehabilitation services and that the individual expects to maintain or seek employment in an approved agency. [34 CFR 386.33]

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

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

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

- (a) engaging in a full-time course of study at an institution of higher education;
- (b) serving, not in excess of three years, on active duty as a member of the armed services of the United States;
- (c) serving as a volunteer under the Peace Corps Act;
- (d) serving as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973;
- (e) temporarily totally disabled, for a period not to exceed three years; or
- (f) 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)]

20. 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/her behalf, must submit a written application and documentation (as provided in 386.42) to the Commissioner, Rehabilitation Services, U.S. Department of Education, 600 Independence Avenue, S.W., Washington, D.C. 20202. [34 CFR 386.42]

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

The academic institution, which administered the RSA training grant, is responsible for keeping track of the location of scholars supported under the training grant, and their employment, until the payback requirements are met. Regulations state that the individual scholar is responsible for notifying the granting institution about changes in his/her address, employment, or other significant facts related to completion of the payback requirement. A reasonable approach that would comply with the institution's tracking responsibility would be to contact each former scholar once a year, with a follow-up mailing if he/she does not respond. If an institution has difficulty in locating a scholar, it is required to check with existing tracking systems operated by alumni organizations. [34 CFR 386.34(c)(3) and 386.34(g)]

22. What types of reports must institutions that accept RSA training grants make to the Department of Education about scholars?

Training institutions (grantees) are required to file the "RSA Training Payback Reporting Form" within 30 days after the end of each project budget period for which the training institution is funded. This form will allow RSA to obtain sufficient information in order to determine whether the Long-term Training program meets its broad purpose and to submit reports to Congress on whether scholars meet their work requirements. The Payback Reporting Form must be submitted by the grantee each year until all scholars have completed their work obligations in order for the grantee to receive Federal scholarship funding. Thus, forms will be submitted for a number of years beyond which the project is supported with Federal funds. Training institutions must report ALL scholars to whom scholarships have been provided since 1987. Failure to report scholars may result in a cost disallowance found through an audit and may affect their ability to receive future grants.

23. When does a scholar enter financial "repayment" status?

Financial repayment status begins when it is apparent that all or part of the employment obligation will not be fulfilled by the payback completion date. Specifically, financial repayment status begins on the first day of the first calendar month after the earliest of the following dates, as applicable: (1) the date an RSA scholar informs the Commissioner of RSA (copy to training institution) that he/she does not plan to fulfill the employment obligation under the agreement; 2) any date when the RSA scholar's failure to begin or maintain employment makes it impossible for him/her to complete his/her employment obligation within the number of years required in section 386.34(c)(1). If an RSA scholar partially meets his/her employment requirements, he/she must repay a prorated sum based upon the years/months of unmet employment in the payback agreement. As noted, the scholar should send a notice pursuant to repayment status to the Commissioner of the RSA in the U.S. Department of Education, 600 Independence Avenue, S.W., Washington, D.C. 20202. [34 CFR 386.43(e)]

24. What happens if an RSA scholar's employment obligation is not completed?

According to the terms and conditions of the RSA scholar's written agreement with his/her training institution, he/she must repay the amount of scholarship not satisfied through employment, as well as the interest on the unpaid balance of the scholarship owed, and reasonable collection costs, as determined by the Secretary of Education. Interest charged is variable and is based on language contained in 34 CFR 386.34 and 34 CFR 386.43; 31 U.S.C. 3717.

25. 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 a scholar does not comply with the regulations. [34 CFR 386.43]

26. 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 of Rehabilitation Services Administration, U. S. Department of Education, 550 12th Street, SW, Room #5086, Washington, DC 20204-5076. The Commissioner will acknowledge all such appeals in writing.

NOTE: If you need assistance with the information in this manual, or the provisions of the Rehabilitation Training program, contact:

Edward R. Smith, Rh. D.
Rehabilitation Program Specialist
Rehabilitation Services Administration
U. S. Department of Education
550 12th Street, SW, Rm #5027
Washington, DC 20204-5076
Off: (202) 245-7602 / Fax: (202) 245-7591
Edward.Smith@ed.gov

ATTACHMENTS:

- (1) Sample Scholarship Agreement Form
- (2) Sample Exit Certification Form

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, CFR 386.41, 34 CFR 386.42, 34 CFR 386.43.

ATTACHMENT I

SCHOLARSHIP AGREEMENT (sample)

This Scholarship Agreement is entered into on the date noted below in compliance with Federal regulations at Title 34 of the CFR (Code of Federal Regulations), Part 386 related to the Long-Term Training Program funded by the Rehabilitation Services Administration of the U.S. Department of Education. The Federal regulations noted above in this Agreement and the RSA Long-Term Training Scholarship Manual have been made available to me by the institution that awarded the scholarship funds. An official of the applicable institution, by signing this Agreement, acknowledges that the terms and conditions of the scholarship have been fully disclosed to the scholar by providing all applicable information.

(name of scholar), agree to abide by the stipulations noted below as conditions of receipt of the scholarship for training in the *(name of program)* program at *(name of grantee institution)*.

My receipt of these scholarship funds is predicated upon the expectation that I will maintain or seek employment in a designated State rehabilitation agency or in a nonprofit rehabilitation agency, professional corporation, professional practice group, or related agency providing services to individuals with disabilities under an agreement with a designated State agency. Under the terms of the Long-Term Training Program, scholarship funds include all disbursements or credits for student stipends, tuition and fees, and student travel in conjunction with training assignments.

Therefore, as a designated Long-Term Training scholar, I agree to

(1) maintain employment --

(a) in a nonprofit rehabilitation agency or related agency or in a State rehabilitation agency or related agency, including a professional corporation or professional practice group through which the agency has a service arrangement with the designated State agency;

(b) on a full- or part-time basis; and

(c) for a period of not less than the full-time equivalent of two years for each academic year for which scholarship assistance was received, within a period, beginning after I complete the training for which the scholarship was awarded,

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of not more than the sum of the number of years required in this paragraph and two additional years; and

(2) repay all or part of any scholarship received, plus interest, if I do not fulfill the requirements of paragraph (1) of this agreement (immediately above), except as the Secretary of Education by regulations may provide for repayment exceptions and deferrals.

(3) The employment obligation as applied to a part-time scholar will be based on the accumulated academic years of training for which the scholarship is received.

(4) Until I have satisfied the employment obligation described above, I will inform the institution which awarded the scholarship of any change of name, address, or employment status and will document employment satisfying the terms of the agreement.

(5) Subject to the provisions in 34 CFR 386.41 of the Federal regulations, regarding a deferral or exception, if I enter repayment status under 34 CFR 386.43(e), the amount of the scholarship that has not been retired through eligible employment will constitute a debt owed to the United States that --

(a) will be repaid by me, including interest and costs of collection as provided in 34 CFR 386.43; and

(b) may be collected by the Secretary of Education in accordance with 34 CFR Part 30, in the case of a failure to meet the obligation of 34 CFR 386.43.

(Signature of Scholar)

(Date)

(Scholar's Social Security Number)

(Signature of Project Director or
Other Grantee Official)

(Date)

ATTACHMENT II

EXIT CERTIFICATION FORM (sample)

Instructions for Grantees/RSA Scholars: This form is to be completed and signed by the Long-Term Training scholar and RSA Project Director or other appropriate grantee official at the time the scholar exits the training program, regardless of whether a degree is obtained or all coursework has been completed.

As a training scholarship recipient, I, _____, Social Security # _____, acknowledge the following information as being true and accurate:

- (1) I received scholarship funds from (name of grantee institution) under U.S. Department of Education Grant # (Grant #) for training received in the (field of study) field.
- (2) I understand that I must work (number of years) years in order to satisfy the work requirements of the Scholarship Agreement.
- (3) The total amount of scholarship assistance received from this institution, under the Grant # above, that is subject to the work-or-repay provisions of Federal statutes and regulations is \$(dollar amount).
- (4) The work requirements must be satisfied within (number of years) years after completion of the training or after exiting the program, whichever comes first. In order to meet the full work obligation, appropriate employment must be obtained no later than (date) and completed no later than (date).
- (5) I understand that I must inform the institution that awarded the scholarship of any change in my name, address, and employment status and that I am responsible for documenting how I have satisfied the terms of my scholarship agreement until such time as the work obligation has been satisfied. My employment information will be supplied to the institution that provided the training.

(6) I also acknowledge that for purposes of tracking my progress in meeting my "pay-back" obligation, that personal information regarding my name, current address, current telephone number, and social security number may be provided to a third-party contractor other than the U.S. Department of Education.

(Signature of Scholar)

(Date)

(7) I have received a copy of my signed Scholarship Agreement and this Exit Certification Form, both of which outline the work-or-repay requirements stipulated in Federal regulations, and I understand my obligations as a scholarship recipient. Additional information on the work-or-repay provisions may be found in Part 386 of Title 34 of the Code of Federal Regulations and in the Long-Term Training Scholarship Manual, both of which have been made available to me, if requested, by the institution that provided the training.

(8) I also acknowledge that I have received a copy of my signed Scholarship Agreement and this Exit Certification Form, both of which outline the work-or-repay requirements stipulated in Federal regulations, and I understand my obligations as a scholarship recipient. Additional information on the work-or-repay provisions may be found in Part 386 of Title 34 of the Code of Federal Regulations and in the Long-Term Training Scholarship Manual, both of which have been made available to me, if requested, by the institution that provided the training.

(Signature of Scholar)

(Date)

(Signature of Project Director or
Other Grantee Official)

(Date)