Rehabilitation Services Administration

Vocational Rehabilitation Program: 3rd Party Cooperative Agreements

CSAVR Fall Conference

November 2009

3^{rd} Party Cooperative Agreements Topics

- Reasons to Enter Into 3^{rd}-Party Cooperative Arrangements
- Requirements
- Pros and Cons

Reasons to Enter Into 3rd-Party Cooperative Arrangements

- To collaborate with other State or public agencies to provide VR services.

- To meet match requirements and receive federal VR program funds.

Reasons (cont'd)

- The use of non-Federal funds other than State general revenue fund appropriations to the DSU is allowable under the VR program, but some methods of generating match, such as 3rd-party cooperative arrangements, have specific statutory requirements that must be satisfied, such as those pertaining to the source and use of such funds.

- The most used sources of alternative match are interagency transfers of funds and use of local funds to create 3rd-party cooperative arrangements.

Requirements for 3rd-Party Cooperative Arrangements

- The federal regulations lay out the requirements for 3rd-party cooperative arrangements at 34 CFR 361.28.

Requirements: Type of Cooperating Agency

- The DSU may enter into a 3rd-party cooperative arrangement for providing or administering VR services with another State agency or a local public agency that is furnishing part or all of the non-Federal share…
- The cooperating agency must be a State or local public agency.
- 3rd-party cooperative arrangements cannot be developed with private non-profit or for-profit entities

Requirements: Nature of Services Provided

- (1) The services provided by the cooperating agency are not the customary or typical services provided by that agency but are new services that have a VR focus or existing services that have been modified, adapted, expanded, or reconfigured to have a VR focus;
- The purpose of this requirement is to ensure that VR dollars are not being used to supplant what the State is already providing under other programs.
- In other words, the cooperating agency cannot use VR funds to pay for the cooperating agency's current program or current program responsibilities.

Requirements: Recipients of Services

- (2) The services provided by the cooperating agency are only available to applicants for, or recipients of, services from the DSU;
- If the cooperating agencies want to serve individuals who are neither applicants, nor determined eligible, for VR services by the DSU, the cooperating agencies have that option so long as they do not count the time spent or non-Federal expenditures incurred on those individuals as part of the non-Federal share under the cooperative arrangements.

Requirements: Administrative Supervision

- (3) Program expenditures and staff providing services under the cooperative arrangement are under the administrative supervision of the designated State unit;
- Administrative supervision relates to decision-making and oversight of programmatic activities, staff, and expenditures.

Requirements: Application of State Plan

- (4) All State plan requirements, including a State's order of selection, will apply to all services provided under the cooperative program.
- If an agency is on an order of selection, the 3rd party cooperative arrangement program must also adhere to that order of selection for the individuals that it serves.
- Other state plan issues include, but are not limited to, whether informed choice applies or whether there are limits or caps on services.

Requirements: Statewideness

- If a 3rd party cooperative agreement does not comply with the statewideness requirement in §361.25, the State unit must obtain a waiver of statewideness, in accordance with §361.26.
- If the services provided through the 3rd party cooperative arrangement program are available to all individuals across the State, statewideness is met.
- The requirements for a request for a waiver of statewideness are found in 34 CFR 361.26(b).

Pros

- Service benefits of collaborating with related state or local public agencies.

- Generates matching funds.

Cons

- Dependence to generate matching funds dictating programmatic decisions of who to serve and what services to provide.

- Risk of non-compliance with program requirements.

Red Flags

- The motives of either party to engage in the agreement is primarily financial rather programmatic.
- The VR agency does not have comprehensive procedures regulating the implementation of the agreement and evaluating if the agreement is being effective.