REPORT TO CONGRESS
OF U.S. SECRETARY OF EDUCATION BETSY DEVOS

RECOMMENDED WAIVER AUTHORITY
UNDER SECTION 3511(d)(4) OF DIVISION A OF THE CORONAVIRUS AID, RELIEF,
AND
ECONOMIC SECURITY ACT (“CARES ACT”)

April 27, 2020
Letter of Transmittal

THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

April 27, 2020

Dear Chairs and Ranking Members:

In response to section 3511(d)(4) of Division A of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020), my team and I have reviewed the Carl D. Perkins Career and Technical Education Act of 2006, the Elementary and Secondary Education Act of 1965, the Individuals with Disabilities Education Act, and the Rehabilitation Act of 1973 to determine what, if any, waiver authorities to recommend to Congress to provide limited flexibility to assist States and local educational agencies to meet the needs of students and adults with disabilities during the COVID-19 national emergency. Though not
mentioned by that section of the CARES Act, we also reviewed the Adult Education and Family Literacy Act and provide waiver authority recommendations under that Act.

We undertook this task acknowledging the reality that most students and teachers are at home today; yet, America’s teachers want to keep teaching, and students want to keep learning. They are counting on all of us to empower them to keep teaching and learning even while unable to meet in person. Accordingly, any flexibility should be strongly rooted in ensuring that learning continues, including distance learning methods, where applicable.

As we reviewed applicable Federal law, we did so with these core principles in mind:

1. The health and safety of America’s students, teachers, parents, and administrators is a top priority;
2. Learning must continue for all students;
3. Decision-making must be based on what is best for students, not the “system;”
4. Parents must be informed about the impact waivers will have on their children’s education and consent to those changes; and
5. Services typically or historically provided in person must naturally occur differently.

We all know that learning can—and does—happen anywhere and everywhere. With this contextual backdrop, I am pleased to make several recommendations for additional waiver authorities in this report for your consideration. Should you have any questions or concerns, I encourage you to give me a call so that we might address them together.

These are indeed challenging times; but in the face of great challenges, Americans have always risen to the occasion and embraced greatness. I know we can and will do it again. Our nation’s students, parents, and educators are counting on all of us.

Sincerely,

Betsy DeVos
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Background


On March 27, 2020, the President signed the CARES Act and issued a Signing Statement, which states that the Administration will continue the practice of treating provisions like section 3511(d)(4), which requires recommendations regarding legislation to Congress, as advisory and non-binding because Article II, section 3 of the Constitution gives the President the authority to recommend only “such Measures as he shall judge necessary and expedient.” Because the Administration deems it necessary and expedient, the Secretary submits this report to Congress and also includes recommendations for waiver authority concerning the Adult Education and Family Literacy Act (29 U.S.C. § 3271 et seq.).
Carl D. Perkins Career and Technical Education Act of 2006

Background

The Carl D. Perkins Career and Technical Education Act of 2006 ("Perkins Act") – the main federal law authorizing career and technical education (CTE) programs – was most recently reauthorized in 2018 by the Strengthening Career and Technical Education for the 21st Century Act. This bipartisan measure reflected Congress’ ongoing commitment to our nation’s youth and adults, which has continued through annual CTE funding of nearly $1.3 billion. The Department’s Office of Career, Technical and Adult Education administers the Perkins Act.

Waiver authority under the Perkins Act includes maintenance of effort (MOE) as described in section 211(b)(3) of the Act; the CARES Act authorizes the Secretary of Education ("Secretary") to grant waivers requested by State educational agencies (SEAs) and Indian tribes of section 421(b) of the General Education Provisions Act (GEPA) (commonly referred to as the “Tydings Amendment”) to extend the period of availability of State-administered formula grant funds.

The CARES Act authorizes the Secretary to grant those waivers only if they are requested by an SEA that serves as the eligible agency for Perkins Act funds. Thirteen Perkins Act eligible agencies1 are not a part of the SEA in their respective States. These eligible agencies are a part of a State workforce agency, community college system, or other stand-alone agency.

Given this context, the Department makes three recommendations for additional waiver authority to provide the flexibility to meet the needs of learners and to sustain program viability during this uncertain time.

1. Waiver Authority Recommendation (Period of Availability of Funds)

Section 421(b) of the General Education Provisions Act (GEPA) (20 U.S.C. § 1225(b))

Summary of Waiver

Waiver authority under sections 3511(a) and 3511(b)(1) of Division A of the CARES Act authorizes the Secretary to grant waivers requested by SEAs and Indian tribes of section 421(b) to extend the period of availability of State formula grant funds authorized by the Perkins Act. However, no authority was provided to waive section 421(b) with respect to Perkins Act funds under circumstances where an agency other than the SEA or Indian tribe is the grantee of such funds. This waiver authority would provide the Secretary with the authority to grant “Tydings Amendment” waivers to all Perkins eligible agencies and extend the availability of FY 2018 Perkins Act funds for obligation and liquidation beyond the 27 months required by the combination of applicable appropriations laws and section 421(b) of the GEPA.

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Rationale

This waiver authority is as critical to the non-SEA States as it is to the States that qualify under the CARES Act. Career and technical education program closures and disruptions have limited State and local capacity to expend funds during this unprecedented time. The thirteen states in question could potentially lose the ability to spend (or draw down and spend) $20 million in unobligated Perkins funds. With this waiver, these States can focus on investing in the long-term rebuilding of their workforce, rather than having to be concerned about losing unspent funds due to the COVID-19 pandemic.

2. Waiver Authority Recommendation (Unexpended Funds)

Section 133(b)(1) of the Perkins Act (20 U.S.C. § 2353(b)(1))

Summary of Waiver

Under section 133(b)(1), if, in any academic year, an eligible recipient does not expend all of the amounts the eligible recipient is allocated for such year under section 131 or 132, then such recipient shall return any unexpended amounts to the eligible agency (usually the SEA) for reallocation to local recipients. Waiving section 133(b)(1) will allow local recipients to retain unexpended funds for the 2019-2020 academic year.

Rationale

Given the closure of substantially all elementary and secondary schools, as well as institutions of higher education, during the spring of 2020, many local eligible recipients will not be able to expend their Perkins funds by June 30, 2020. This waiver authority is necessary to allow local recipients to carry over unexpended funds into the 2020-2021 academic year and cover the costs of postponed investments in their CTE programs. In the absence of a waiver, unexpended local funds will be returned to the State and redistributed by formula in the 2020-2021 or 2021-2022 academic years.

Access to the unexpended Perkins funds early in the 2020-2021 academic year would provide both K-12 and postsecondary CTE programs the critical resources necessary to jumpstart or adjust their CTE program for the new economic situation in their community.

3. Waiver Authority Recommendation (Professional Development)

Section 3(40) of the Perkins Act (20 U.S.C. § 2302(40))
Summary of Waiver

Section 3(40), which defines “professional development,” requires that professional development be “sustained (not stand-alone, 1-day, or short-term workshops), intensive, collaborative, job-embedded, data-driven, and classroom-focused, [and] to the extent practicable evidence-based…” Waiving this definition would waive this requirement.

Rationale

The COVID-19 pandemic has presented immediate, unique needs for educators to meet the needs of students whose education has been severely disrupted by school closures. With such a granular and restrictive definition, State and local recipients are not able to conduct time-sensitive, one-time or stand-alone professional development focused on supporting educators to provide effective distance learning. Waiving the definition under the Perkins Act would enable them to do so. Congress granted similar waiver authority in the CARES Act with respect to the definition of "professional development" in the Elementary and Secondary Education Act. See section 3511(b)(2)(G) of Division A of the CARES Act.
Adult Education and Family Literacy Act

Background

Title II of the Workforce Innovation and Opportunity Act (WIOA)--the Adult Education and Family Literacy Act (AEFLA or “Act”)2-- is the principal source of Federal funding to States for adult education programs. Administered by the Office of Career, Technical and Adult Education, AEFLA authorizes education services to assist adults in improving their basic skills, completing secondary education, and transitioning to postsecondary education.

The current waiver authority of the Secretary under AEFLA is limited to MOE as described in section 241(b)(4) of the Act (29 U.S.C. § 3331(b)(4)). The CARES Act, however, authorizes the Secretary to grant waivers requested by an SEA or Indian tribe of section 421(b) of GEPA, as noted in the above discussion of the Perkins Act. Such authority extends the period of availability of funds.

As also noted in the discussion of the Perkins Act, the CARES Act waiver authority extends to waivers for AEFLA purposes only to an SEA that is an eligible agency for AEFLA funds. Twenty-five AEFLA eligible agencies3 are not a part of the SEA in their respective States. Those agencies are a part of a State workforce agency, a community college system, or other stand-alone agency.

Given the COVID-19 pandemic, the national emergency, and resulting disruption in adult education program delivery, the Department recommends three waivers to address the current needs of AEFLA eligible agencies and eligible recipients.

1. Waiver Authority Recommendation (Period of Availability of Funds)

Section 421(b) of the GEPA (20 U.S.C. § 1225(b))

Summary of Waiver

As noted earlier, the waiver authority under sections 3511(a) and 3511(b)(1) of Division A of the CARES Act authorizes the Secretary to grant waivers requested by SEAs of section 421(b) of GEPA to extend the period of availability of State formula grant funds authorized by AEFLA. However, the CARES Act does not grant waiver authority to the Secretary with respect to AEFLA funds provided to States wherein the SEA is not the grantee for such funds. This waiver would provide the Secretary with the authority to grant “Tydings” waivers to all AEFLA eligible agencies and extend the availability of FY 2018 AEFLA funds for obligation and liquidation beyond the 27 months required by the combination of applicable appropriations laws and section 421(b) of the GEPA.

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2 For ease of reference, citations to Title II of the Workforce Innovation and Opportunity Act are referred to in this report as the Adult Education and Family Literacy Act (AEFLA or “Act”).

Rationale

Currently, AEFLA programs nationwide are facing unprecedented local program closures and disruption that is limiting their ability to expend Federal funds. The FY 2018 Federal funds for State providers that are housed in the SEA are protected by the CARES Act waiver. The 25 States that have chosen to connect their Adult Education Program to their workforce or community college system may forfeit the unspent amount of their FY 2018 allocation, which may undercut their ability to quickly rebuild programs as America emerges from the pandemic. Waiver authority should be expanded to include non-SEA State agencies that serve as the AEFLA eligible agency.

2. Waiver Authority Recommendation (Within-State Distributions)

Section 222(a) of the AEFLA (29 U.S.C. § 3302(a))

Summary of Waiver

Section 222(a) requires the eligible agency to spend its State grant funds according to prescribed maximums and minimums. States may invest up to 5% on administration, and up to 12.5% on State leadership. A minimum of 82.5% must be spent on local grants or contracts. This waiver would let States adjust the maximum for State leadership up to 27.5% and adjust the minimum for local grants and contracts to 67.5%.

Rationale

Granting the Secretary the authority to waive these requirements will give States greater flexibility to respond to distance learning and temporary program closures by removing the restrictive limitations during the COVID-19 pandemic and national emergency. With the waiver authority, States would have greater latitude to shift programmatic and leadership resources for the greatest impact on learners. Eligible agencies would have greater flexibility for new Statewide investments in critical areas like distance learning capacity and professional development.

3. Waiver Authority Recommendation (Local Application Review)

Section 107(d)(11) of the WIOA (29 U.S.C. § 3322(d)(11))

Summary of Waiver

This waiver would exempt States from the requirement of seeking review and approval of local AEFLA applications by local workforce boards. Section 107(d)(11) of the Workforce Innovation and Opportunity Act requires local workforce boards to coordinate with education and training providers, in part, by reviewing applications to provide adult education and literacy services under AEFLA to determine if such applications are consistent with local plans, and to make recommendations to the respective eligible agency to promote alignment with the local plan.
Further, under 34 C.F.R. § 463.21, the eligible agency is required to have processes in place to determine the extent to which a local application is aligned with a local plan.

**Rationale**

Waivers would relieve the burdens on the 36 States\(^4\) that are conducting or temporarily postponing within-state competitions during the pandemic by streamlining the local application review process. This change will reduce the time and burden associated with a local board’s review and accommodate local areas where boards are not conducting business during the pandemic. Removing this procedural barrier from local providers will expedite implementation of new opportunities for adult learners, including integrated education and training (IET), pre-apprenticeship, and industry recognized and registered apprenticeship opportunities leading to in-demand career pathways.

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Elementary and Secondary Education Act of 1965

Background

Under section 8401 of the Elementary and Secondary Education Act of 1965 (ESEA), an SEA may request the Secretary of Education to waive any statutory or regulatory requirement of the ESEA, and the Secretary may disapprove the request only if it fails to meet certain criteria established in section 8401(b)(4)(A) and (C) or if the waiver is prohibited under ESEA section 8401(c). As such, the waiver authority in the ESEA is broad; a State may request a waiver at any time, and such a waiver request will be approved so long as it meets statutory criteria for approval.

In the wake of the Presidential declaration of a national emergency on March 13, 2020, many States closed schools statewide and indicated that, based on guidelines of the Centers for Disease Control and Prevention (CDC) that discourage large gatherings, it would be very difficult to administer the annual statewide student assessments required by section 1111(b)(2) of the ESEA without risk to the health or safety of students and educators. Without student performance data as measured by annual statewide student assessments, it would not be possible for States to meet the accountability and school identification requirements of sections 1111(c)(4)(C) and 1111(d)(2)(C)-(D), and certain reporting requirements of section 1111(h), all of which rely on that assessment data.

Given these unprecedented circumstances, on March 20, 2020, the Secretary announced she would waive assessment, accountability and school identification, and related reporting requirements and provided a waiver request template to streamline the process by which States could request a waiver under section 8401. The waiver template allowed States to easily request waivers of the assessment requirements of section 1111(b)(2), the accountability and school identification requirements of sections 1111(c)(4)(C) and 1111(d)(2)(C)-(D), and certain reporting requirements related to assessments and accountability of section 1111(h). Within several days of inviting the waiver requests through the waiver template, all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the Bureau of Indian Education had requested and received one-year waivers relieving them of assessment, accountability, school identification, and reporting requirements.

Further, in response to additional needs communicated by SEAs to the Department, the Department invited additional waivers through a second waiver template under its authority pursuant to section 3511 of Division A of the CARES Act. Specifically, the Secretary invited SEAs to seek relief for itself and its local subgrantees (its LEAs) from various fiscal requirements of the ESEA, including:

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5 Under ESEA section 8401(c), the Secretary may not waive a requirement relating to: (1) allocations or distributions of funds to States, LEAs, Indian Tribes, or other ESEA fund recipients; (2) maintenance of effort; (3) comparability of services; (4) supplement not supplant; (5) equitable participation of private school students and teachers; (6) parental participation and involvement; (7) applicable civil rights requirements; (8) requirements for charter schools in Title IV, Part C of the ESEA; (9) prohibitions in Title VIII, Part F, Subpart 2 of the ESEA, including on uses of funds prohibited in section 8526, and the prohibition on the use of funds for religious worship or instruction in section 8505; and (10) the selection of a school attendance area or school under ESEA section 1113(a)-(b), except that the Secretary may waive the requirement when the poverty level of the school attendance area or school reaches a certain threshold.
• The requirement in Section 1127(b) that limits an SEA’s ability to grant its LEAs a waiver of the 15 percent carryover limitation for Title I, Part A funds more than once every three years;

• The requirement in Section 4106(d) for LEAs that receive $30,000 or more in Title IV, Part A funds to conduct a needs assessment for the 2019-2020 school year;

• The requirement in Section 4106(e)(2)(C), (D), and (E) that LEAs that receive $30,000 or more in Title IV, Part A funds meet content-specific spending requirements for FY 2019 funds and available FY 2018 carryover funds;

• The requirement in Section 4109(b) that LEAs that receive $30,000 or more in Title IV, Part A funds are subject to spending restrictions on technology infrastructure for FY 2019 funds and available FY 2018 carryover funds; and

• The definition in Section 8101(42) of “professional development,” that might otherwise limit the ability to quickly train school leaders and teachers on topics like effective distance learning techniques.

The template also provided SEAs the opportunity to request a waiver of section 421(b) of GEPA, which is also available for the McKinney-Vento Homeless Assistance Act and other ED programs, as noted above.

As of April 21, 2020, all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the Bureau of Indian Education had requested and received waivers using the template.

Given the extensive flexibility the Department has already provided quickly and effectively to respond to the needs of SEAs and LEAs during the national emergency, given nearly all States used the template to request and receive relief from ESEA programmatic and fiscal requirements, and given the broad waiver authority in Section 8401 of ESEA that permits the Secretary to grant additional waivers that an SEA may need in light of the ongoing national emergency, there is no demonstrated need to seek additional waiver authority at this time.

Waiver Authority Recommendation

None

Summary of Waiver

Not Applicable

Rationale

Not Applicable
Individuals with Disabilities Education Act and Rehabilitation Act of 1973

Background

Recognizing that implementation of the IDEA and the Rehabilitation Act can present difficult challenges during the COVID-19 pandemic, the Department has consistently emphasized (and will continue to do so) that schools and other recipients can and should find solutions for their students. Indeed, the Department is heartened to see many positive examples across the nation of teachers, schools, LEAs, States, as well as Vocational Rehabilitation (VR) agencies, rising to meet the needs of those who rely on them.

The Department is not requesting waiver authority for any of the core tenets of the IDEA or Section 504 of the Rehabilitation Act of 1973, most notably a free appropriate public education (FAPE) in the least restrictive environment (LRE). The Department’s position is based on the principles that:

- Schools can, and must, provide education to all students, including children with disabilities;
- The health and safety of children, students, educators, and service providers must be the first consideration;
- The needs and best interests of the individual student, not any system, should guide decisions and expenditures;
- Parents or recipients of services must be informed of, and involved in, decisions relating to the provision of services; and
- Services typically provided in person may now need to be provided through alternative methods, requiring creative and innovative approaches.

In general, the following recommendations regarding the IDEA and the Rehabilitation Act acknowledge that students, individuals, families, and States are having to adapt to novel circumstances due to the pandemic national emergency. These recommended flexibilities are rooted in the need to minimize barriers to learning and issues arising from the use of funds in an extraordinary time. To that end, this report includes recommendations concerning the IDEA (Part C (Infants and Toddlers with Disabilities) to Part B (Assistance for Education of all Children with Disabilities) Transition, and Personnel Development Scholarships), as well as several provisions of the Rehabilitation Act relating to VR programs and funds.

IDEA Waiver Authority Recommendations

1. Waiver Authority Recommendation (IDEA Part C to Part B Transition)

Section 612(a)(9) of the IDEA (20 U.S.C. § 1412(a)(9))
Summary of Waiver

This waiver authority would provide the Secretary with the authority to extend the IDEA Part B transition evaluation timelines (Part B initial evaluation), such that calculation of a timeline obligation shall resume no later than the day on which health and safety factors allow for face-to-face meetings to resume and the toddler is able to be evaluated. This waiver authority would also include explicit authorization for Part C services to continue during the delayed Part B transition evaluation timeline so that a toddler may continue to receive Part C services after his or her third birthday and until a Part B evaluation is completed and an eligibility determination made. This flexibility should allow for CARES Act funds or other Federal education funds (e.g., IDEA Part B funds) to be used to provide these services.

Rationale

Without this flexibility, a toddler with a disability will lose access to services once he or she turns 3 years old. With this flexibility, the parent and the SEA or other lead agency may agree to continue providing early intervention services (Part C services) to toddlers with a disability until a Part B evaluation has been completed and an eligibility determination has been made. The funding mechanisms must be addressed, as Part B funds cannot be used for a child not yet eligible for Part B services, and Part C funds cannot be used for a child who has aged out of Part C.

2. Waiver Authority Recommendation (Personnel Development Scholarships)

Section 662(h)(1) of the IDEA (20 U.S.C. § 1462(h)(1))

Summary of Waiver

This waiver authority would allow the Secretary to grant a deferral of the work or repayment requirements or allow credit to be given for the service obligation if employment was interrupted by the COVID-19 national emergency.

Rationale

Section 3519 of Division A of the CARES Act provides relief from the service obligation for those scholars receiving TEACH grants but does not address the IDEA personnel preparation grants. The IDEA personnel preparation grants, similar to TEACH grants, addressed in Division A of the CARES Act, have service obligation requirements that recipients may not be able to meet during the COVID-19 pandemic. However, unlike TEACH grants, the IDEA personnel preparation grants were not included in the CARES Act. If scholars in the program do not, within a specified period, fulfill the employment obligations required by the scholarship, the scholars face repayment penalties for part or all of their scholarships with interest.
Rehabilitation Act Recommendations Concerning Vocational Rehabilitation (VR) Programs

Authorized by Title I of the Rehabilitation Act, as amended by Title IV of WIOA (29 U.S.C. § 720 et seq.), VR programs provide support to States in the operation of State VR programs in order to provide services to individuals with disabilities so that those individuals may prepare for and engage in competitive integrated employment. Sections 110(d)(1) and 113(a) of the Rehabilitation Act require States to reserve at least 15 percent of their Federal allotment to provide pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services. The waiver authority recommendations below seek flexibility for the use of VR funds to support students, youth, and adults with disabilities to prepare for, find, and retain employment.

1. Waiver Authority Recommendation (Obligation and Expenditure of FY 2019 Vocational Rehabilitation Carryover Funds)

Section 19 of the Rehabilitation Act (29 U.S.C. § 716)

Summary of Waiver

This waiver would provide the Secretary the authority to extend the period of availability for VR program funds allotted in fiscal year (FY) 2019 and available for carryover in FY 2020 for an additional fiscal year. This would provide VR program grantees the ability to obligate and expend Federal funds that could not be expended due to the reduction in program services resulting from COVID-19. VR programs used $3.2 billion of Title I and Title VI funds in program year 2018 (including funding from more than one fiscal year) to purchase services from vendors. As a result of COVID-19, these providers have been unable to provide VR services, thereby, limiting the agency’s ability to expend Federal VR funds.

This flexibility would make all FY 2019 funds for grantees meeting the carryover requirements available until September 30, 2021. Because section 19 of the Rehabilitation Act governs the period of performance for the VR program and other formula grant programs, GEPA and the “Tydings Amendment” do not apply to these grants.

Rationale

These actions would allow the Department to extend the period of performance for FY 2019 VR program funds and permit grantees additional time to expend Federal funds that could not be expended due to the reduction in program services resulting from COVID-19. VR programs used $3.2 billion of Title I and Title VI funds in program year 2018 (including funding from more than one fiscal year) to purchase services from vendors. As a result of COVID-19, these providers have been unable to provide VR services, thereby, limiting the agency’s ability to expend Federal VR funds.

2. Waiver Authority Recommendation (Reservation of Vocational Rehabilitation and Supported Employment Program Funds)

Section 110(d)(1) of the Rehabilitation Act (29 U.S.C. § 730(d)(1))
Section 603(d) of the Rehabilitation Act (29 U.S.C. § 795h(d))
Section 606(b)(7)(I) of the Rehabilitation Act (29 U.S.C. § 795k(b)(7)(I))
Summary of Waiver

This recommendation seeks, for FY 2020, authority for the Secretary to waive requirements that States reserve not less than 15 percent of the allocated funds for providing pre-employment transition services to students with disabilities. This recommendation, for FY 2020, further asks that the Secretary be granted authority to waive the requirement that a State reserve and expend half of its allotment for providing supported employment services, including extended services, to youth with the most significant disabilities. The Department recommends that the Secretary be granted authority to waive the accompanying requirement that the State provide a 10 percent non-Federal match on the half of the allotment reserved for these services to youth with the most significant disabilities.

Rationale

VR grantees are concerned that, due to the unavailability of students and vendors and a resulting drop in demand for services, they will be unable to expend the funds they are required to reserve. The waiver would not remove the obligation for VR agencies to provide pre-employment transition services or supported employment services. The waiver is necessary as services move to less expensive online methods of delivery and as it becomes increasingly difficult for VR agencies to meet the 15% minimum expenditure required by the statute. Limited access to businesses due to closures will reduce work-based learning opportunities, further reducing expenditures of pre-employment transition funds. For FY 2020, VR agencies are required to reserve and expend $502.7 million in Federal VR funds for the provision of pre-employment transition services. For FY 2020, the amount of $11,161,260 must be reserved for supported employment services. Carrying over the reserved funds will compound the difficulty VR agencies have experienced in meeting the 15% minimum and result in a loss of program funds that could be used to help individuals find or retain employment. For FFY 2018, there were 24 States of 56 State grantees (including territories) that did not meet the 15% pre-employment transition services’ requirement. This waiver will prevent States from being penalized for not being able to meet these requirements during the COVID-19 pandemic.

3. Waiver Authority Recommendation (Allowable Use of Vocational Rehabilitation Funds in Reopening Randolph-Sheppard Facilities)

Section 103(b)(1) of the Rehabilitation Act (29 U.S.C. § 723(b)(1))

Summary of Waiver

This waiver authority would allow the Secretary to permit FY 2020 VR funds to be used to replace expired or spoiled food products at Randolph-Sheppard vending sites required to close due to COVID-19, thus allowing facilities to reopen more efficiently following the COVID-19 pandemic.
Rationale

Typically, funds supporting the Randolph-Sheppard Act’s Business Enterprise Program participants may be used only to purchase initial stocks and supplies for vending facilities when establishing a new business enterprise; however, due to the unexpected nature of COVID-19 and the rapid manner in which Federal, State, and other facilities closed, vendors may need to purchase new supplies to replace expired or spoiled food products in order to reopen. Allowing flexibility in the use of VR funds for FY 2020 will allow needed support for vendors to address this difficulty and retain their business enterprise.

4. Waiver Authority Recommendation (Internship and Service Obligations for Rehabilitation Services Administration Scholars)

Section 302(b) of the Rehabilitation Act (29 U.S.C. § 772(b))

Summary of Waiver

This waiver authority would provide the Secretary to waive the requirement that scholars in the Rehabilitation Long-Term Training (RLTT) program complete an internship in a State VR agency and that the scholars, instead, be given full credit for satisfying this requirement if an internship is interrupted by the COVID-19 pandemic and cannot be completed.

In addition, this recommendation seeks to provide the Secretary with the authority to waive the requirement that scholars in the RLTT program must, within a specified period, maintain employment in a State VR agency or related agency for two years for each year of scholarship assistance they received under the program. Instead, the Department recommends that scholars receive credit for fulfilling their service obligation for the period during which employment is interrupted by the COVID-19 pandemic.

Rationale

If scholars in the RLTT program do not, within a specified period, fulfill the employment obligations required by the scholarship, the scholars face repayment penalties for part or all of their scholarships with interest. Based on the most recent data available, the Department estimates that approximately 4,000 scholars have graduated and need to complete their service obligations. Giving scholars this flexibility protects the health and safety of scholars while acknowledging the unavoidable barriers to employment that have been presented by the COVID-19 pandemic.