

designated State agency has determined that for-profit agencies are better qualified to provide needed vocational rehabilitation services than non-profit agencies and organizations.

(Approved by the Office of Management and Budget under control number 1820-0500.)

(Authority: Section 101(a)(24)(A) of the Act; 29 U.S.C. 721(a)(24)(A))

EFFECTIVE DATE NOTES: 1. At 66 FR 7253, Jan. 22, 2001, §361.32 was amended by adding “(Approved by the Office of Management and Budget under control number 1820-0500)”, effective Oct. 1, 2001.

**§ 361.33 [Reserved]**

**§ 361.34 Supported employment State plan supplement.**

(a) The State plan must assure that the State has an acceptable plan under 34 CFR part 363 that provides for the use of funds under that part to supplement funds under this part for the cost of services leading to supported employment.

(b) The supported employment plan, including any needed annual revisions, must be submitted as a supplement to the State plan submitted under this part.

(Approved by the Office of Management and Budget under control number 1820-0500.)

(Authority: Sections 101(a)(22) and 625(a) of the Act; 29 U.S.C. 721(a)(22) and 795(k))

EFFECTIVE DATE NOTES: 1. At 66 FR 7253, Jan. 22, 2001, §361.34 was amended by adding “(Approved by the Office of Management and Budget under control number 1820-0500)”, effective Oct. 1, 2001.

**§ 361.35 Innovation and expansion activities.**

(a) The State plan must assure that the State will reserve and use a portion of the funds allotted to the State under section 110 of the Act—

(1) For the development and implementation of innovative approaches to expand and improve the provision of vocational rehabilitation services to individuals with disabilities, particularly individuals with the most significant disabilities, consistent with the findings of the comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities under §361.29(a) and the State’s goals and priorities under §361.29(c); and

(2) To support the funding of—

(i) The State Rehabilitation Council, if the State has a Council, consistent with the resource plan identified in §361.17(i); and

(ii) The Statewide Independent Living Council, consistent with the plan prepared under 34 CFR 364.21(i).

(b) The State plan must—

(1) Describe how the reserved funds will be used; and

(2) Include, on an annual basis, a report describing how the reserved funds were used during the preceding year.

(Approved by the Office of Management and Budget under control number 1820-0500.)

(Authority: Section 101(a)(18) of the Act; 29 U.S.C. 721(a)(18))

EFFECTIVE DATE NOTES: 1. At 66 FR 7253, Jan. 22, 2001, §361.35 was amended by adding “(Approved by the Office of Management and Budget under control number 1820-0500)”, effective Oct. 1, 2001.

**§ 361.36 Ability to serve all eligible individuals; order of selection for services.**

(a) *General provisions.*

(1) The designated State unit either must be able to provide the full range of services listed in section 103(a) of the Act and §361.48, as appropriate, to all eligible individuals or, in the event that vocational rehabilitation services cannot be provided to all eligible individuals in the State who apply for the services, include in the State plan the order to be followed in selecting eligible individuals to be provided vocational rehabilitation services.

(2) The ability of the designated State unit to provide the full range of vocational rehabilitation services to all eligible individuals must be supported by a determination that satisfies the requirements of paragraph (b) or (c) of this section and a determination that, on the basis of the designated State unit’s projected fiscal and personnel resources and its assessment of the rehabilitation needs of individuals with significant disabilities within the State, it can—

(i) Continue to provide services to all individuals currently receiving services;

(ii) Provide assessment services to all individuals expected to apply for services in the next fiscal year;