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**OFFICE OF GOVERNOR RONNIE MUSGROVE**  
**INTEROFFICE MEMORANDUM**

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**TO:** GOVERNOR  
**FROM:** RILEY  
**SUBJECT:** REGIONAL SERVICE ADMINISTRATION'S COMMENTS ON EASTER SEALS' CONTRACTS  
WITH DEPARTMENT OF REHABILITATION SERVICES  
**DATE** 7/27/00  
**CC:** BUTTROSS  
BOYD  
COLE  
MADER  
SIMMONS  
TELL

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As explained in my July 24 memo to you on the CAP grant, Becky Floyd, Executive Director of Mississippi Protection and Advocacy System, Inc., wrote you on July 12 concerning the proposed redesignation of Mississippi's CAP administration from Easter Seals Mississippi to Mississippi Society for Disabilities. Floyd proposed that the arrangement would violate regulations because Easter Seals Mississippi/Mississippi Society for Disabilities is not independent of an agency that provides treatment, services or rehabilitation to disabled persons under the Act due to Easter Seals selling aids and appliances to the Department of Rehabilitation Services (MDRS), which provides vocational rehabilitation services and receives federal VR funds. CFR Section 370.2 provides that you designate an agency that is independent of any agency that provides treatment, services or rehabilitation to individuals under the Act. As stated in my July 24 memo, federal Rehabilitation Services Administration personnel did not think that this contractual arrangement would violate the federal regulations, but they were going to review the situation and get back to us.

Bruce Rhodes of the Regional Services Administration phoned this morning and said that Floyd is correct, that the present arrangement does violate regulations because VR funds may not go Easter Seals/Mississippi Society for Disabilities because it administers our CAP. He said that Easter Seals/Mississippi Society for Disabilities simply has to decide if they wish to administer the CAP or if they wish to continue selling aids and appliances to MDRS. If they choose to continue selling aids and appliances, they may not administer the CAP and, thus, you may not redesignate them. Rhodes spoke to Presley Posey, Mississippi's CAP Director, yesterday concerning this matter and Posey indicated that Easter Seals/Mississippi Society for Disabilities is committed to the CAP and would cease business with MDRS. Rhodes said that this would correct the problem and that it would be fine to redesignate Easter Seals/Mississippi Society for Disabilities.

Both Posey and Lisa Avra, Executive Director of Easter Seals/Mississippi Society for Disabilities have informed me that Easter Seals/Mississippi Society for Disabilities is committed to the CAP and is immediately terminating the sale of aids and appliances to MDRS. Avra stated this for the public record at today's public hearing. Butch McMillan, Executive Director of MDRS, informed me after the hearing that this will not present a problem for MDRS or its clients, it will just take longer to provide the aids and appliances to clients. Both he and Avra plan to send letters to the Regional Services Administration declaring the termination of such practices.

Today's public hearing went quite well. Those speaking in favor of the redesignation included Avra, McMillan and Mike Duke. Mr. Duke represented both the Radio Reading Services of Mississippi and the Mississippi Council for the Blind. Becky Floyd stated the same concerns as those expressed in her letter. We will hold the final public hearing next Wednesday, August 2, at 1:30 p.m.