

Employment First State Leadership Mentoring Program (EFSLMP)

PROVIDER TRANSFORMATION MANUAL

Module 4: Funding

Pilot Version

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# Introduction

This manual has been created to capture learning from, and support the continued success of, the Employment First State Leadership Mentoring Program (EFSLMP), an initiative of the U.S. Department of Labor, Office of Disability Employment Policy (ODEP).[1](#_bookmark2) The EFSLMP is a cross-disability, cross-systems change initiative providing a platform for multi-disciplinary state teams to focus on implementing ***Employment First***[***2***](#_bookmark3)with fidelity through the alignment of policies, coordination of resources, and updating of service delivery models to facilitate increased integrated employment options for people with the most significant disabilities.

ODEP recognizes ***Employment First*** as a national movement providing a framework for systems change that is centered on the premise that all citizens, including individuals with complex disabilities, are capable of full participation in integrated employment and community life. ODEP defines ***Employment First*** as the expectation that public systems align policies, practices, and reimbursement structures to foster competitive integrated employment as the priority option in publicly-financed day and employment services for youth and adults with significant disabilities.

ODEP recognizes that the achievement of ***Employment First*** requires transformation of both public systems and service providers. To guide this two-pronged approach to Systems Change, ODEP has adopted the National Baldrige Model’s Criteria for Performance Excellence [see Exhibit 1] which includes seven key elements: Leadership; Strategic Planning; Customer Focus; Workforce Focus; Operations Focus; Results; and Ongoing Measurement, Analysis, and Knowledge.

Exhibit 1. National Baldrige Model’s Criteria for Performance Excellence

Strategic

Planning

Workforce

Focus

Leadership

Results

Customer

Focus

Operations

Focus

Measurement, Analysis, and Knowledge Management

Source: <http://www.nist.gov/baldrige>

To facilitate provider transformation using the Baldrige approach, ODEP has developed a set of *Criteria for Performance Excellence in Employment First Provider Transformation* [see Exhibit 2]. This provider transformation manual builds on the criteria that have been developed, offering significant, detailed information, advice and examples based on best practices for provider transformation developed through the

1 This edition will be used as a pilot model. Our goal is to receive feedback over the course of the EFSLMP Community of Practice (CoP) webinar series throughout the rest of the year regarding the usefulness and applicability of the manual.

2 <https://www.dol.gov/odep/topics/EmploymentFirst.htm>

EFSLMP and derived from the experience and expertise of EFSLMP subject matter experts working on transformation with providers around the country.

Exhibit 2. Criteria in Performance Excellence in Employment First – Provider Transformation[3](#_bookmark5)

|  |  |
| --- | --- |
| Leadership | * Promote ongoing professional development and mentoring of leaders within provider networks to cultivate a cadre of strong leadership capable and committed to the development of competitive, integrated employment outcomes and socioeconomic advancement for people with disabilities. * Build in incentives for supporting, retaining, and rewarding “early adopters” of effective practices among staff. |
| Strategic Planning | * Infuse & embed the State’s *Employment First* vision, goals, guiding principles, & conceptual framework within the strategic planning processes, consistent with similar efforts undertaken across relevant State government agencies. * Develop, disseminate, and make readily available the provision of effective practices that lead to competitive, integrated employment for individuals with disabilities, as well as benefits planning, financial capability, and economic advancement strategies for all clients. * Develop operational agreements across various state publicly-financed systems and provider networks resulting in the alignment of policy, practice, and funding strategies to allow for a consistent focus on performance-based results. |
| Customer Focus | * Survey customers & stakeholders regularly to understand level of satisfaction & determine the areas of improvement needed. * Review service coordination processes to determine whether key steps in the process could be strengthened in terms of being more focused on person-centered, individual strategies, and experiential informed choice. * Expand and improve upon existing assessment processes to ensure a rich collection of data on the individual’s strengths, gifts, and preferences that can be used to leverage multiple options. |
| Workforce Focus: | * Realign organizational structure and standard operating procedures (SOPs) to allow the time, flexibility, and incentives required to develop professional staff in key areas critical to successful transformation. * Ensure ongoing professional development, mentoring, coaching, and staff support promoting continued strengthening of skill sets critical for expanded business models. * Optimize service time and ratio deployment for provision of long-term supports, crisis interventions, and new job starts within provider network. * Consider incentives for staff to facilitate clear measurable performance outcomes for competitive, integrated employment and to effectively address individual and cultural resistance to change. |
| Operations Focus | * Diversify funding streams to optimize available support for competitive, integrated employment services. * Expand the provision of services to include a stronger focus on the dissemination of effective practices that result in competitive, integrated employment outcomes. * Promote the modernization of operational processes including IT//electronic record-keeping and decentralized staffing models to successfully meet growing demand for the provision of competitive, integrated employment strategies. * Consider reconfiguration of service management elements within provider organizations (including, but not limited to, communication, data collection, logistics, technology, transportation, billing systems, supervision, and customer satisfaction) and infusion of “lean management” techniques. |
| Results | * Grow percentage of competitive, integrated employment placements over baseline, and capture length of time from start of service to placement. * Coordinate employment efforts with other long-term supports (housing, transportation, natural supports) and benefits planning/work incentives. * Survey customers & stakeholders regularly to understand level of satisfaction & determine the areas of improvement needed. * Track staff development milestones, including training/TA received, credentials/certification completed, etc. * Track impact of applying effective practices to internal daily operations and service approaches. * Demonstrate cost-effectiveness of competitive, integrated employment supports through maximization of natural workplace supports, assistive technology, and job customization. * Align policies, operational procedures, and funding to reflect adoption of effective practices and competitive, integrated employment service delivery. |
| Measurement, Analysis, and Knowledge Management | * Create shared performance-based outcomes & corresponding metrics across various divisions of the organization to incentivize effective coordination of human & technical resources & collective action around pursuance of organizational strategic goals. * Establish bench-marks from baseline data and collect high-impact, relevant data to help inform continued organizational restructuring, internal policy changes, operational practice updates, and development strategies. * Translate high-impact knowledge through continued commitment to training, technical assistance, professional development and communities of practice. |

3 [http://www.leadcenter.org/system/files/resource/downloadable\_version/Employment\_First\_Technical\_Brief 3\_0.pdf](http://www.leadcenter.org/system/files/resource/downloadable_version/Employment_First_Technical_Brief__3_0.pdf)

The reader will note that the manual has been organized with individual modules that each focus on one element of the Baldrige model. In addition, modules on two other critical topics for success – bringing provider transformation to scale and being a mentor to other providers – are also included to round out this comprehensive manual. Readers can opt to use the manual as a comprehensive resource or to pull-out specific modules as they are needed during the process of transformation.

## More on the EFSLMP Approach to Provider Transformation

The EFSLMP has developed a unique approach to supporting provider transformation in a comprehensive way. The approach brings together the collective experiences of over thirty Subject Matter Experts from around the country, all of whom are either disability employment service providers themselves – who have shepherded

their organizations through a process of transformation - or integrated employment and community supports experts who have provided support, technical assistance and training to disability employment and day service providers from around the country who have been actively engaged in organizational transformation. ODEP’s EFSLMP Subject Matter Experts are both, by definition and by design, an eclectic group of people with tremendous breadth of experiences and knowledge. This is particularly valuable in supporting provider transformation on a national scale because:



**Transformation:**

It takes the desire to change, the determination to start, and the dedication to continue.

* Ben Timmis

**Transformation:**

It isn’t about improving, it’s about re- thinking.

* Malcolm Gladwell
  + - No two providers’ transformation process and circumstances are the same, even if providers may operate in the same state or locality;
    - The nature of provider transformation has changed over time, both within particular states and nationally;
    - Core best practices for successful provider transformation – practices that are considered “tried and true” among those who make this topic their life’s work – can be implemented in many subtly different ways depending on a particular provider’s circumstances and challenges;
    - Effective mentoring relationships cannot be forced, and rely most heavily on “smart” matching of leaders and organizations who will “gel” in truly impactful ways;
    - Communities of practice that bring together Subject Matter Experts and diverse providers on the path of organizational transformation can enhance learning, information exchange, mutual support structures and translation of knowledge.

The EFSLMP Provider Transformation Initiative brings together many experts with a deep historical perspective on provider transformation. This has greatly enhanced the project’s ability to build on and further expand the historical knowledge base for provider transformation. In addition, one of the most important contributions of the EFSLMP Provider Transformation initiative has been to modernize, and recast as necessary, long-standing best practices into strategies that are geared toward the ***current realities- both challenges and opportunities*** facing traditional employment and day service providers across the country.

## The Case for Organizational Transformation: Why Do It and Why Now?

This manual’s publication date is 2017—twenty-seven years after the passage of the Americans with Disabilities Act. A quarter of a century ago, a very small number of community rehabilitation providers across the country, including some facility-based day service providers were engaged in organizational transformation. At the same time, federal supported employment capacity building grants were beginning to make a positive impact in many states, demonstrating



… in the past five years (2011-2016), an evolution in thinking has taken place across the field of disabilities that has set the stage for competitive integrated employment and integrated community supports to become the primary service models for transition-age youth and working-age adults with disabilities in every state.

the valuable outcomes that supported employment could bring to individuals with significant disabilities. Yet overall, there was not any sense that a major evolution in employment and daytime support services for people with disabilities was just around the corner.

And while it’s true that the intervening years leading up to 2011 did not bring to scale, to the extent many had anticipated, the systemic momentum and best practices built in the early years of supported employment, it is hard for anyone to deny that in the past five years (2011-2016), an evolution in thinking has taken place across the field of disabilities that has

set the stage for competitive integrated employment and integrated community supports to become the primary service models for transition-age youth and working-age adults with disabilities in every state. This broad-based evolution of thinking has been ushered in through a variety of different, but coinciding federal policy initiatives, state-level reforms, legal actions, and media coverage that collectively have begun to reshape public opinion. Among the most influential developments of the past five years are the following:

* + - The June 2011 Statement of the ***Department of Justice*** on Enforcement of the Integration Mandate of Title II of the Americans with Disabilities Act and *Olmstead v. L.C.* This Statement[4](#_bookmark8) established for the first time, an expectation that compliance with the ADA and *Olmstead* required states to have an effective working plan to address “individuals spending their days in sheltered workshops or segregated day programs” and which “must have demonstrated success in actually moving individuals to integrated settings in accordance with the plan.” Most of the *Olmstead* lawsuits and settlement agreements that came after this Statement have had a strong focus (and in the cases of Oregon and Rhode Island, an exclusive focus) on transitioning publicly funded state systems away from segregated employment and day services to individualized supported employment and integrated community supports.[5](#_bookmark9)

4 See [https://www.ada.gov/olmstead/q&a\_olmstead.htm](https://www.ada.gov/olmstead/q%26a_olmstead.htm)

5 See U.S. Department of Justice settlement agreements with the states of Georgia, Delaware, North Carolina, and Virginia, as well as the settlement agreement with the state of Oregon and the consent decree with the state of Rhode Island. See <https://www.ada.gov/olmstead/>for more information.

* + - The September 2011 Informational Bulletin[6](#_bookmark10) released by the ***Centers for Medicare and Medicaid Services (CMS)*** which provided strong guidance regarding employment and employment-related services in Medicaid Home and Community-Based Services (HCBS) Waivers.[7](#_bookmark11) This guidance underscores CMS’s commitment to the importance of competitive integrated employment and self-employment opportunities for waiver participants. The guidance is now part of the Technical Guide states must follow in creating, renewing or amending HCBS Waivers, and it contains a strong expectation from CMS that states will use HCBS Waivers to increase competitive integrated employment opportunities and meaningful community integration for HCBS Waiver participants with disabilities.
    - The August 2012 report by the ***National Council on Disability***, a federal agency, calling for a phase out of sub-minimum wage.[8](#_bookmark12) This report both preceded and followed local, state and national media coverage of the use of sub-minimum wage in the employment of people with disabilities. Meanwhile, legislation to phase out and end the use of Section 14(c) special minimum wage has been introduced multiple times in ***Congress***, first in October of 2011, then in February of 2013 and most recently, in January of 2015. The current House bill (HR 188) has 69 co-sponsors from both sides of the aisle, as of June, 2016, and the Senate companion (S. 2001) is bipartisan as well. Additionally, the Workforce Innovation and Opportunity Act (WIOA), passed in July of 2014, established an ***Advisory Committee to the U.S. Department of Labor*** charged in part with making recommendations regarding the future of Section 14(c). WIOA also introduced restrictions on the ability of employers to pay youth a sub-minimum wage and new requirements for state vocational rehabilitation agencies to conduct annual outreach to all state residents with disabilities being paid sub-minimum wage to offer services that would allow these individuals to obtain competitive integrated employment paying at least minimum wage. And most recently, in March of 2016, the ***AbilityOne Commission*** issued a Declaration in support of minimum wage for all people who are blind or have significant disabilities.[9](#_bookmark13)
    - The September 2013 promulgation of a new rule, by the ***U.S. Department of Labor’s Office of Federal Contract Compliance Programs***, governing the implementation of Section 503 of the Rehabilitation Act which prohibits federal contractors and subcontractors from discriminating in employment against individuals with disabilities and requires these employers to take affirmative action to recruit, hire, promote, and retain individuals with disabilities. The rule strengthens the affirmative action provisions of the regulations, requiring increased efforts by contractors to recruit and hire people with disabilities, and improve job opportunities for individuals with disabilities.
    - The February 2014 Executive Order 13658, signed by ***President Barack Obama***, “Establishing a Minimum Wage for Contractors,” to raise the minimum wage to $10.10 for all workers on Federal construction and service contracts, including all workers with disabilities whether covered under the Section 14(c) special minimum wage certificate program or not.

6 See <https://downloads.cms.gov/cmsgov/archived-downloads/CMCSBulletins/downloads/CIB-9-16-11.pdf>

7 Medicaid HCBS Waivers first became available in 1983 when Congress added section 1915(c) to the Social Security Act, giving States the option to receive a waiver of Medicaid rules governing institutional care. Medicaid HCBS Waivers allow a state to offer services and supports to people with disabilities, otherwise qualified for institutional care, in the community.

8 <https://www.ncd.gov/publications/2012/August232012>

9 <http://www.abilityone.gov/commission/documents/US%20AbilityOne%20Commission%20Declaration%2018March2016%20Final.pdf>

* + - The March 2014 promulgation of the Medicaid Home and Community-Based Settings Rule by the ***Centers for Medicare and Medicaid Services (CMS)*** which requires all HCBS settings eligible for Medicaid funding to provide opportunities for individuals to pursue employment, work in competitive integrated settings, and engage in community life. The rule further requires all HCBS settings eligible for Medicaid funding to be integrated in, and support full access to, the greater community. And finally, the rule establishes a requirement that states must offer HCBS participants an opportunity to receive HCBS services in non-disability-specific settings, thus requiring states to develop and offer integrated prevocational and day habilitation service models if the state had only facility-based prevocational and day habilitation service options prior to the implementation of the rule.[10](#_bookmark14)
    - The July 2014 passage into law of the ***Workforce Innovation and Opportunity Act (WIOA)***, raising expectations across state workforce and vocational rehabilitation systems that competitive integrated employment be the prioritized investment and outcome for transition-age youth and adults with disabilities. WIOA ushered in the expectation that state workforce system programs achieve true programmatic accessibility for individuals with disabilities, while also introducing new requirements for state vocational rehabilitation agencies to provide pre-employment transition services to youth with disabilities enrolled in secondary education.
    - The May 2016 promulgation of new Medicaid Managed Care Rules by the ***Centers for Medicare and Medicaid Services (CMS)*** which requires states and managed care organizations to ensure access to, and supports for, competitive integrated employment in Medicaid Managed Long-Term Services and Supports programs that serve persons with disabilities. Prior to the issuance of these rules, numerous states moving to Medicaid Managed Care had built in expectations for increasing competitive integrated employment outcomes for enrollees with



… a number of federally funded grant and technical assistance initiatives include a focus on supporting provider transformation, extending mentoring, training, technical assistance and other key support strategies to a growing number of disability service providers across the country that are seeking such supports to evolve their organization’s services to align with changing expectations and opportunities.

disabilities.

Throughout this time, the country has also seen an array of federally funded grant and technical assistance initiatives aimed at increasing competitive integrated employment opportunities for transition-age youth and adults with disabilities, including an emphasis on facilitating systems change and implementing policies consistent with ***Employment First***. In addition to EFSLMP, a number of other federally funded grant and technical assistance initiatives include a focus on supporting provider transformation by extending mentoring,

training, technical assistance and other key support strategies to a growing number of disability service providers across the country that are seeking such supports to evolve their organization’s services to align with changing expectations and opportunities.

10 https:[//w](http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-01-10-2.html)ww[.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-01-10-2.html](http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-01-10-2.html)

At the same time, our nation’s economy is beginning to recover from one of the most serious and long- standing recessions in history. Coupled with this is the stark reality that our workforce is fundamentally changing. With baby boomers now retiring in record



Yet at the end of the day, what appears to be moving more and more disability service provider organizations to embrace sustained organizational transformation is the recognition of the benefits and possibilities that transformation brings to the people with disabilities each of these organizations serves.

numbers, most every industry and economic sector is projecting major workforce shortages in the decades to come. And there is a recognition that American workers are changing as well, with the millennials ushering in expectations for a better work-life balance and greater workplace flexibility. As employers of all kinds respond to these trends, there is a groundswell of interest in non-traditional labor pools and groups that are untapped and/or underrepresented in the current labor

market, with individuals with disabilities being a key part of these groups. Further, there is growing interest in

progressive and innovative approaches to human resource (talent) management, including Customized Employment[11](#_bookmark15) and the concept of a Teachable Fit[12](#_bookmark16) to bridge the divide between employers and the new face of America’s modern workforce. These approaches not only make room for workers with disabilities but endorse fundamental strategies that pave the way for increased hiring of workers with all kinds of disabilities into competitive integrated employment situations.

For several decades, we have seen the emergence of a research and evidence base for competitive integrated employment services, thus enabling disability service providers to fill their toolboxes with a variety of innovative and “proven to work” strategies for facilitating competitive integrated employment outcomes for individuals with various types of significant disabilities. In the last decade, research addressing the connection between competitive integrated employment and positive health and mental health outcomes has increased, as has research demonstrating the cost-effectiveness of public investments in supported employment.

As federal and state funders of disability services increase emphasis on integrated service provision and competitive integrated employment services in particular, providers of more traditional employment and day services are no doubt feeling the pressure to participate in this evolution and bring their organizations and practices into full alignment with the many developments discussed above that have come about in rapid succession in recent years. Yet at the end of the day, what appears to be moving more and more traditional employment and day service provider organizations to embrace sustained organizational transformation is the recognition of the benefits and possibilities that transformation brings to the people with disabilities each of these organizations serves. What’s more, organizations embracing transformation are also finding that staff at all levels of the organization are similarly positively affected, finding new energy, passion and satisfaction in doing new work that is changing their roles and their impact on the people with disabilities they support and

11 [https://www.accenture.com/t20150824T010002 w /us-en/\_acnmedia/Accenture/Conversion-](https://www.accenture.com/t20150824T010002__w__/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy_7/Accenture-Trends-Reshaping-HR-Workforce-One.pdf) [Assets/DotCom/Documents/Global/PDF/Strategy\_7/Accenture-Trends-Reshaping-HR-Workforce-One.pdf](https://www.accenture.com/t20150824T010002__w__/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy_7/Accenture-Trends-Reshaping-HR-Workforce-One.pdf) and <https://www.dol.gov/odep/documents/vignette_v3_blue_508_final.pdf> For more information on Customized Employment, also see: <https://www.dol.gov/odep/topics/CustomizedEmployment.htm>and

<http://www.leadcenter.org/customized-employment>

12 <https://www.manpowergroup.com.au/documents/White-Papers/2010_Teachable-Fit-Framework.pdf>

their communities. As one thirty five-year veteran manager of employment services from a community rehabilitation provider in Wisconsin put it:

“When you have staff achieve an employment goal with someone, and you see the joy that they experience with that individual…and you have someone come into your office and say ‘Yes! I’m a working man now. I’m going to be a working man now!’ it really brings home to you why you are putting all of this effort into this.”[13](#_bookmark17)

And finally, it seems clear that organizations engaged in transformation are recognizing the positive benefits of this work on their reputation and standing in the wider community. They are finding support is increasing from the local business community and their traditional community supporters. They are also finding significantly increased support from their funding sources that are equally invested in their success. And they are finding that peer organizations, both from within the state and from other states, are now looking to them for advice, mentoring and technical assistance.

If these outcomes are the kinds of outcomes that resonate with you and your organization, then transformation is the right next step. This manual brings together in one place, the best strategies, tips, lessons learned and perspectives on provider transformation to help you and your organization get started, or if you have already started, to help you and your organization continue your efforts and ultimately achieve the best possible success with transformation.

13 To view a video on organizational transformation efforts in Wisconsin and the perspective of this and other community rehabilitation provider directors and managers, see: <https://www.youtube.com/watch?v=xd3qgUwLHbw>

**Module 4:**

**Funding**

**Key Terms**

*Title I*

*Customized Employment Developmental Disability Council*

*Workforce Innovation and Opportunity Act*

*American Job Center Ticket to Work Braiding Funding Supported Employment*

*Pre-Employment Transition Services HCBS Waiver*

Resources and References for Module 4-Funding

|  |  |
| --- | --- |
| References |  |
| Taking an Inventory of Potential Funding Sources / Medicaid Home and Community-Based Services Funding | |
| Pre-Employment Transition Services (p. 50):  Primary requirements of Section 511 of the Rehabilitation Act | <https://www.dol.gov/whd/workerswithdisabilities/keynews.htm> |
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| Ticket to Work (p.52): Ticket to Work (TTW)  Program | <https://yourtickettowork.com/web/ttw/en-home> |
| Workforce Funding (p.53): LEAD Center | [www.leadcenter.org](http://www.leadcenter.org/) |
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| Workforce Funding (p.53): Potential Funding Partnerships in the Workforce System | [https://www.doleta.gov/wioa/Docs/WIOA\_YouthProgram\_FactS](https://www.doleta.gov/wioa/Docs/WIOA_YouthProgram_FactSheet.pdf) [heet.pdf](https://www.doleta.gov/wioa/Docs/WIOA_YouthProgram_FactSheet.pdf) <https://wdr.doleta.gov/directives/attach/TEGL/TEGL_03-15.pdf> [http://www.leadcenter.org/wioa-workforce-](http://www.leadcenter.org/wioa-workforce-development/american-job-center-ajc-and-partners) [development/american-job-center-ajc-and-partners](http://www.leadcenter.org/wioa-workforce-development/american-job-center-ajc-and-partners)  <https://www.doleta.gov/usworkforce/onestop/onestopmap.cfm> |
| Foundation Funding (p.55): The Foundation  Center | [www.foundationcenter.org](http://www.foundationcenter.org/) |
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| Examples of Braiding (p.56): Braiding  Example 1 | [http://www.worksupport.com/documents/jvr\_transCen\_worklin](http://www.worksupport.com/documents/jvr_transCen_worklink_program.pdf)  [k\_program.pdf](http://www.worksupport.com/documents/jvr_transCen_worklink_program.pdf) |
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| Reallocation of Existing Resources | |
| Adapting to revenue and resource changes  (p.59): Scholz Non-Profit law | [www.scholznonprofitlaw.com](http://www.scholznonprofitlaw.com/) |
| Advocating with Your Funder | |
| Preparing a presentation for your funders  (p.61): Comparison of Costs | <https://www.dhs.wisconsin.gov/employment-skills/cimera.pdf> |
| Resources | |
| Technical Brief #3: Criteria for Performance Excellence in Employment First State Systems Change and Provider  Transformation, Table 3 | Employment First Technical Briefs, Lead Center, Report/Brief,  December 2015  [http://www.leadcenter.org/resources/report-brief/employment-](http://www.leadcenter.org/resources/report-brief/employment-first-technical-briefs) [first-technical-briefs](http://www.leadcenter.org/resources/report-brief/employment-first-technical-briefs) |
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| 2013 LEAD Center Policy Roundtable Report – Making Collaboration Real | Mills, L., & Morris, M., LEAD Center, Report/Brief, January 2014  [http://www.leadcenter.org/resources/report-brief/2013-lead-](http://www.leadcenter.org/resources/report-brief/2013-lead-center-policy-roundtable-report-making-collaboration-real) [center-policy-roundtable-report-making-collaboration-real](http://www.leadcenter.org/resources/report-brief/2013-lead-center-policy-roundtable-report-making-collaboration-real) |

**Module 4: Funding**

## Determining long term funding needs: Start from your Strategic Plan

Your strategic plan will be your starting point for developing sustainable funding for a new focus on competitive integrated employment and community integrated activities. Through that process, you will have a clear picture of current costs associated with your facility that will not need to be covered when transformation is complete. Costs that may not need to be covered long term include wages and benefits for persons with disabilities working in the workshop, staff associated solely with the facility- based programs who will not transition to integrated employment services or community integrated wrap-around services, building costs for workshop and facility-based day program space, contract costs, and compliance costs associated with the use of subminimum wage. The long-term costs you will need to cover will include administrative and staffing costs for your competitive integrated employment program and other integrated support services, the costs of office space, utilities, services such as phone and internet, and technology necessary to operate a decentralized program. You will want to get a good estimate of what long term costs will be and look at all your potential sources of funding to see how they align to cover the costs of a healthy and vibrant competitive integrated employment program complemented by an integrated, community based pre-employment and employment wrap around support program.

## Taking an Inventory of Potential Funding Sources

An inventory of suggested funding sources for operating and sustaining competitive integrated employment initiatives is referenced at the end of this Module. This inventory can be used as a starting point for making your own inventory of possibilities. Availability will depend on where you are located and the particular population of individuals with whom you are working. In this section, we focus on some of the most frequently sources of funding that have been used.

### Vocational Rehabilitation Funding

**Title I Funds.** These funds will be administered by your state Vocational Rehabilitation Agency. Title I funds support a variety of services including job assessment, training, job development, and initial intensive job coaching support for people with disabilities. Although this funding is typically used for VR consumers who do not require supported employment, these funds can also be used to fund supported employment services if earmarked Supported Employment grant funds have been exhausted.

**Title VI Supported Employment Funds**. These funds will also be administered by your state Vocational Rehabilitation Agency. Supported employment is based on a place, train, and fade model in contrast to the models often used with jobseekers without disabilities, or with less complex disabilities, which train people to obtain particular skills and then place them in jobs that use the skills. Many people with complex disabilities have trouble generalizing skills and therefore will have some need to learn skills in the particular site where they will be working, even if they have participated in internship or training programs prior to obtaining a job. After assessment, discovery and/or development of a vocational profile, employment specialists assist individuals with the most complex disabilities to secure a job, learn the job tasks, workplace routines and expectations, and utilize natural workplace supports. Funding for

supported employment through VR is time limited and is available for job development and intensive job coaching.

**Customized Employment.** The Workforce Innovation and Opportunity Act (WIOA Title IV) authorizes State Vocational Rehabilitation (VR) agencies to provide customized employment for eligible individuals. Review your contracts and talk with your funders about accessing funding for customized employment. Customized employment is a strategy of creating jobs through an individualized negotiation with employers which matches the abilities of individual job seekers with the needs of employers. This strategy is described in detail in Module 5 and is considered an essential strategy for facilitating competitive integrated employment for individuals with more complex disabilities, including many transitioning out of facility-based programs.

**Pre-Employment Transition Services.** WIOA also requires VR agencies to set aside at least 15% of their federal funds to provide pre-employment transition services to students with disabilities who are eligible or could be eligible for VR services. These funds are intended to be used in collaboration with local education authorities. Pre-employment transition services include:

* [Job exploration counseling](http://www.wintac.org/topic-areas/pre-employment-transition-services/overview/job-exploration-counseling%23overlay-context%3Dtopic-areas/pre-employment-transition-services/overview/job-exploration-counseling)
* [Work-based learning experiences, which may include in-school or after school opportunities, experiences outside of the traditional school setting, and/or internships](http://www.wintac.org/topic-areas/pre-employment-transition-services/overview/work-based-learning-experiences)
* [Counseling regarding opportunities for enrollment in comprehensive transition or postsecondary educational programs](http://www.wintac.org/topic-areas/pre-employment-transition-services/overview/counseling-opportunities-enrollment)
* [Workplace training to develop social skills and independent living](http://www.wintac.org/topic-areas/pre-employment-transition-services/overview/workplace-readiness-training)
* [Instruction in self-advocacy](http://www.wintac.org/topic-areas/pre-employment-transition-services/overview/instruction-self-advocacy)

These funds are intended to support the mandates of Section 511 of the Rehabilitation Act, also enacted through WIOA, to divert young people from subminimum wage employment into competitive integrated employment. The primary requirements of Section 511[15](#_bookmark91) are described in the Introduction to this manual. Community rehabilitation providers in your State may be funded to provide pre- employment transition services in partnership with VR and local education boards and schools. If you are not already receiving this funding, consider looking into these funds to support students who will transition from school.

### Medicaid Home and Community-Based Services Funding

Medicaid Home and Community Based Services (HCBS) funding is provided by States to support people with disabilities in the community rather than in institutional settings.[16](#_bookmark92) The following types of HCBS funding are available to promote and sustain competitive integrated employment and community integrated activities.

15 More information can be found at: <https://www.dol.gov/whd/workerswithdisabilities/keynews.htm>

16 Medicaid HCBS funding first became available in 1983 when Congress added section 1915(c) to the Social Security Act, giving States the option to receive a waiver of Medicaid rules governing institutional care. Medicaid HCBS Waivers and a relatively new HCBS Medicaid State Plan option allow a state to offer services and supports to people with disabilities, otherwise qualified for institutional care, or at risk of becoming qualified for institutional care, in the community

**Supported Employment Funding.** These HCBS funds are available for longer term employment supports (including job coaching, personal assistance, and transportation to and from work) for people with disabilities. States may also opt to allow this funding to be used for pre-employment supports such as benefits counseling, assessment/discovery/career profile and job development. States may also permit HCBS Supported Employment funding to pay for supports for people to be self-employed or operate a microenterprise. These funds are administered by the state agencies that provide Medicaid-funded supports to specific populations of people with disabilities, e.g. Intellectual/Developmental Disabilities, Mental Health, Alcohol and Substance Abuse, Traumatic Brain Injuries, and Physical Disabilities.

**Community Pre-vocational and Day Services Funding**. These funds can be used to help people develop skills beneficial for employment as part of integrated community activities and/or provide people with opportunities for career exploration, career planning and community engagement. Community pre- vocational funding can also be used for unpaid internships, supports for paid internships (where payment for wages comes from a source other than Medicaid), volunteering in accordance with federal, state and local requirements, job shadowing, job preparation skills, interviewing skills, resume writing, etc. Day services funding can be used for career exploration and planning, and to assist people to engage in a range of meaningful community, social, recreational and volunteer activities. These funds can be used to support people while they look for jobs and to supplement part-time employment with support for participation in community activities.

**Career Planning.** States also have the option to offer time-limited Career Planning services as a stand- alone service category. Additionally, states may develop their own unique employment services that can be offered through HCBS funding with federal approval. These services can include but are not limited to Discovery, community employment exploration, career advancement, and work incentives benefits counseling. Review your state’s Medicaid State Plan and approved HCBS Waivers to see if your state has taken advantage of these options. See [https://www.medicaid.gov/medicaid/section-1115-](https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers_faceted.html) [demo/demonstration-and-waiver-list/waivers\_faceted.html](https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers_faceted.html)

### Ticket to Work

The Ticket to Work (TTW) program, administered by the Social Security Administration, rewards providers with milestone and outcome payments when people who are eligible ticket-holders achieve employment at specified wage levels over particular periods of time. Providers and other organizations can register to be an Employment Network (EN) that provides employment services to individuals with disabilities who receive Supplemental Security Income (SSI) or Social Security Disability (SSDI) payments. SSI and SSDI recipients can assign their “ticket” to a registered EN. If the employer network provides services to the SSI recipient that result in employment at specified earnings levels, the employer network receives milestone payments and/or outcome payments. These milestone payments can help fund job development and can supplement other funding sources, including Medicaid HCBS funding.

Some EN’s elect to focus their services primarily or exclusively on ongoing supports for people exiting from the VR system after they have achieved a successful closure and worked at least 90 days. These EN’s are called Partnership Plus EN’s. A description of the TTW program and how to register as an EN, and the current milestone and outcome payments can be found at <https://yourtickettowork.com/web/ttw/en-home>

### Education Funds – Limitations on Use of Subminimum Wage

Section 511 of WIOA places joint responsibility on school districts and VR to provide counseling and work experiences that will promote competitive integrated employment and divert young people from subminimum wage employment.[17](#_bookmark96) Providers can be useful partners to school districts as they fulfill these responsibilities and may be able to leverage funding from local educational authorities to assist in this work. Additionally, some school districts will contract with providers or consultants to assist them with transition planning, particularly with young people who have complex needs. Developing opportunities with the school system may also be an outgrowth of a provider’s work with families who have children with complex needs or through ongoing partnerships with school districts and transition teams. Some school districts will want to engage providers as partners in operating an internship program like Project Search and school districts will sometimes contract with providers for job development/placement and coaching and/or for an 18-21-year-old program to provide services to students who opt to stay in school until age 21. It’s critically important that providers engage with school districts and staff in their area, respond to their needs, and let them know how the provider could assist with ensuring successful school to work transitions for students with disabilities. With WIOA’s strong emphasis on students with disabilities graduating into competitive integrated employment or post-secondary education, schools’ interest in partnering with community rehabilitation providers focused on integrated rather than facility-based services should grow substantially.

### Workforce Funding

Consider reaching out to representatives of the Workforce System, including local workforce investment boards and American Job Centers (AJCs), to explore partnerships. Under WIOA the public workforce system is mandated to increase its efforts to effectively serve job seekers who face significant barriers to employment, including those with disabilities. WIOA also establishes new expectations for American Job Centers to ensure that accessibility for people with disabilities moves beyond physical accessibility to true programmatic accessibility in order to ensure job seekers with disabilities can participate in all aspects of the American Job Center’s programs and services. WIOA further gives local workforce investment boards the option to establish a standing committee focused on people with disabilities.

Providers can assist the people with disabilities they serve to access and utilize the resources of their local American Job Center. Providers can also become more involved with their local workforce investment board to ensure local resources address the needs of jobseekers with disabilities. The Workforce System’s American Job Centers work closely with many critical community partners, including

17 Section 511 of the Rehabilitation Act as amended by WIOA is designed to advance competitive employment opportunities by imposing limitations on employers who hold special wage certificates from hiring youth under the age of 24 at subminimum wages unless certain steps have been taking including obtaining documentation that mandated transition services have been provided. It also imposes limitations on these employers in continuing to hire people of any age unless certain services have been provided. Section 511 places specific responsibilities on State VR agencies and local educational including documenting that youth who are known to be seeking subminimum wage employment have received mandated transition services and mandates that the State VR agency ensure that all individuals with disabilities who continue in subminimum employment receive career counseling, information and referral services. See full summary in Lead Center Policy Brief at ttp:[//w](http://www.leadcenter.org/system/files/resource/downloadable_version/wioa_title_IV_summary_0.pdf)ww[.leadcenter.org/system/files/resource/downloadable\_version/wioa\_title\_IV\_summary\_0.pdf](http://www.leadcenter.org/system/files/resource/downloadable_version/wioa_title_IV_summary_0.pdf)

Vocational Rehabilitation, and can purchase employment services from providers for jobseekers who require intensive services to obtain competitive integrated employment.

A number of recent collaborations, spearheaded by the LEAD Center ([www.leadcenter.org](http://www.leadcenter.org/)), demonstrate the advantages of combining the resources of the American Job Centers and community partners to advance employment outcomes. With support from the LEAD Center, American Job Centers have combined resources with those of community provider partners (e.g., mental health centers; Medicaid HCBS prevocational providers) to implement guided group discovery, a highly effective customized employment strategy. In these partnerships, AJC’s have hosted group discovery workshops co-facilitated by AJC staff and a staff person from a community partner agency, braiding resources to maximize supports for people with disabilities. See [http://www.leadcenter.org/system/files/webinar/presentation\_files/CE\_Success\_Through\_Partnerships](http://www.leadcenter.org/system/files/webinar/presentation_files/CE_Success_Through_Partnerships_Slides.pdf)

[\_Slides.pdf.](http://www.leadcenter.org/system/files/webinar/presentation_files/CE_Success_Through_Partnerships_Slides.pdf) Also see Module 5 for a more extensive description of customized employment strategies generally and group discovery as an alternative to 1:1 facilitated discovery.

As a provider, you can also look specifically for opportunities and partnerships available as a result of the youth provisions of WIOA. Implementation of WIOA will result in increased focus by the Workforce System on in-school and out-of-school youth, creating new opportunities for partnerships with disability providers. New program elements for youth, including youth with disabilities include: (1) financial literacy; (2) entrepreneurial skills training; (3) services that provide labor market and employment information in the local area; (4) activities that help youth transition to postsecondary education and training; and (5) education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster. There will also be a strong emphasis on work experience. At least 20 percent of local youth formula funds must be used for work experiences, such as summer and year round employment, pre-apprenticeship, on-the-job training, or internships and job shadowing. WIOA also mandates a focus on dislocated workers. The youth provisions of WIOA can be found at Public Law 113-128, Sections 126-129, 29 USC 3161-3164.

The following references may be a good starting point for your exploration of potential funding partnerships in the Workforce System.

* <https://www.doleta.gov/wioa/Docs/WIOA_YouthProgram_FactSheet.pdf>
* <https://wdr.doleta.gov/directives/attach/TEGL/TEGL_03-15.pdf>
* <http://www.leadcenter.org/wioa-workforce-development/american-job-center-ajc-and-partners>
* <https://www.doleta.gov/usworkforce/onestop/onestopmap.cfm>
* <https://youth.workforcegps.org/resources/2017/01/18/13/28/EKFA-OSY>
* https://youth.workforcegps.org/resources/2017/01/18/13/58/EKFA\_isy

### State Funded Services and Initiatives

State legislators and state administrative agencies may elect to fund employment services or launch initiatives designed to support competitive integrated employment and community integration for people with disabilities, for young people, for senior citizens, veterans, or other populations. Providers should stay informed about such state funding and identify opportunities for collaboration. You can also

develop and present your own proposal for a state funded initiative that can assist in supporting transformation efforts for your agency.

### WIPA Funding

In some states, the state may contract with providers to provide federally funded Work Incentive Planning and Assistance (WIPA) services to individuals. These are counseling services to promote employment by ensuring that individuals receive accurate information about work incentives. Providers can explore whether this funding is available in their state.

### County, Municipal and Local Funding

In some states, services for people with disabilities, including employment services, may be funded and/or administered by counties. Additionally, special grants or new programs from your local government can be targeted to populations that local authorities or legislators think have been underserved by the State, such as youth or adults with learning disabilities, autism spectrum disabilities, mental health and/or addiction issues, or veterans. These general local funds may be used to assist providers in developing opportunities for young people who are transitioning into the adult world. You will want to network with local government staff, but also look for announcements of Request for Proposals related to these grants. Grant contracts may be short-term, one time opportunities, or may be ongoing funding that is renewed on a periodic basis.

### Foundation Funding

While most foundation funding is time limited, foundations can be a good source of seed funding for new pilots or bridge funding. If you establish good relationships with a foundation and produce good results, the foundation may continue to work with you on an ongoing basis to channel funding in ways that will help your organization continue to innovate and achieve positive outcomes. Such ongoing innovation projects can help fund mid-level managerial staff and other priorities you may have for a successful employment program.

While there are some foundations that will fund general operating costs, most foundations are looking for innovative projects or capacity building projects. Transformation falls directly into these two areas and if you locate a foundation partner interested in disability, employment or community integration, your transformation efforts may be an ideal project for them.

The best way to locate foundation partners is through the connections you have in the community. Talk with your board, families with whom you are working, employers, and community partners. You may want to structure a pilot program in partnership with a community partner that has its own connection with a foundation but is looking for a new project to present to the foundation. Two possible ways to generate a list of potential foundations that have missions that align with yours are:

* The Foundation Center operates an extensive data base of foundation information. You can subscribe for a month to the database or you can get a yearly subscription. The cost in 2016 for one month without a contract is $49.99. You can search by keyword, geographic location, and a range of advanced searches to pinpoint good target foundations. The list can be distributed to

your stakeholders and board to see where you might develop contacts. For more information about the Foundation Center see [www.foundationcenter.org.](http://www.foundationcenter.org/)

* If you know the name of a foundation, you can find out more about its trustees and the grants it has made recently through GuideStar (www.guidestar.org).

### State Developmental Disabilities Council Funding

Each state has a Developmental Disabilities (DD) Council, a federally funded organization charged with promoting self-advocacy, self-determination and integration for people with developmental disabilities. In addition to developing a plan and working with partners throughout the State to achieve plan objectives, DD Councils also develop Requests for Proposals (RFPs) to fund initiatives that help to implement the plan. Discuss opportunities for funding to support your transformation efforts with your state DD Council. Even if particular funds are not directly related to employment, they may help advance employment through education and advocacy.

## Braiding Funding to Support Transformation

Braided funding occurs when multiple funding streams are used ***simultaneously* to** provide specific services that support individuals to pursue, obtain, or maintain competitive integrated employment.

### Some of the Many Ways to Braid Funding

Here are just some examples of how to braid funding:

* Use Vocational Rehabilitation funding to provide assessment and job placement services, and HCBS funding from the ID/DD system to support community-based employment skill building experiences (prevocational services) and long term job coaching (supported employment services).
* Use special education funds to support discovery and/or internships while young people are in the transition years of school, Vocational Rehabilitation funding for job placement, and HCBS funding to support long term job coaching.
* Use foundation funding or DD Council money for project start up and development of employer partners, VR funding for short term job coaching, and DD or Mental Health (MH) funding for long term supports.
* Use local city or town funding to support discovery and person-centered planning for young people transitioning from school, VR funding for job development and short term supports, and DD or MH funding for long term supports.
* Use Ticket to Work milestones to provide job development and short-term support, followed by the use of HCBS waiver funding for long-term supports.
* Use VR funding to provide job development and placement, followed by combined HCBS and Ticket to Work milestones to fund on-going supports.
* Leverage resources of American Job Center (AJC) and disability provider to guide people through group discovery and then access AJC resources to obtain employment outcomes, through Integrated Resource Team for an individual the AJC enrolls in intensive services.

### Examples of Braiding

The following are two examples in which agencies braided funding across systems to create a vibrant program that supported people to obtain and maintain employment.

|  |
| --- |
| **Example 1. VR and Medicaid Community Day Funding – Transcen, San Francisco**  Transcen, a not-for-profit organization that provides supports for employment and consultant services around the nation, and developed and operates a WorkLink program that combines supports for integrated employment with wrap around community based activities. This flexible approach ensures that people with more significant disabilities can work and continue to get the supports they need when they are not at work to participate in community life. The model braids Medicaid Waiver day service funding with Vocational Rehabilitation employment resources. It is designed to respond to rapid changes in a person’s situation including a sudden hire or job loss. (See full description in the following article: <http://www.worksupport.com/documents/jvr_transCen_worklink_program.pdf> |
| **Example 2. Education, VR and Medicaid Waiver Employment Supports – Charles County, Maryland**  Since the late 1990’s the public school system in Charles County, Maryland has been achieving employment outcomes for youth with developmental disabilities transitioning from school by integrating resources and funding from the education system, VR and the DD agency. First, the schools provide work experiences throughout the secondary school years to help students identify interests, skills and supports relevant to the attainment of adult employment. Second, a resource team is formed two years before the projected date for school exit. This team includes the teacher, a VR counselor, a representative of the state I/DD agency, a local community rehabilitation provider (CRP), the youth, and the youth’s family. An employment service provider (CRP) staff works under contract with  the school system and is paid by that system to assist the teacher locate integrated employment in the last year of school. The VR agency opens a case while the student is in school so that assistive devices, job development and short-term job coaching can be available as needed immediately upon school exit. At the same time, the state I/DD agency ensures that eligibility is confirmed and authorizations are put in place so that long-term post school employment support can begin as soon as school ends and the VR short-term support is exhausted. The CRP is also a vendor for VR and I/DD agency services so that it receives on-going reimbursement for the staff working with the transitioning youth as the youth’s services are funded by the different partner agencies. The CRP receives funding from three distinct sources that are braided so that the youth makes a successful and seamless transition to employment. (Source: Mills, L. & Morris, M. (2013). LEAD Center Policy Roundtable Report found at [http://www.leadcenter.org/resources/report-brief/2013-lead-center-policy-roundtable-report-making-](http://www.leadcenter.org/resources/report-brief/2013-lead-center-policy-roundtable-report-making-collaboration-real)  [collaboration-real](http://www.leadcenter.org/resources/report-brief/2013-lead-center-policy-roundtable-report-making-collaboration-real)) |

The Reference section at the beginning of this section provides additional examples of braided funding across service systems.

## Integrated, Community-Based Wrap Around Supports

As you begin to place people in competitive integrated employment, some people will not have full-time jobs for a variety of reasons. These reasons may include the economy, stamina, availability of jobs that match their strengths and abilities, and/or existing state policies that may terminate vital community supports (e.g. Medicaid waiver services) if a person earns above a certain threshold. People with more complex needs may need access to “wrap-around” supports during their non-work hours. Families and individuals will be much more enthusiastic about competitive integrated employment if they know that wrap-around supports are in place for at least some of the non-work hours, or can be easily put back into place if individuals lose their job. State agencies that serve specific populations may provide funding for these wrap-around supports (e.g., State agencies that serve people with ID/DD, MH, TBI, Substance Abuse). It is vitally important that this funding is used to provide integrated, community-based wrap- around supports where people can continue to learn skills through community involvement, including orientation and navigation skills that can help them continue to be successful in competitive integrated employment. Facility-based or segregated wrap-around supports do not provide the same benefits.

## Reallocation of Existing Resources

### Adapting to revenue and resource changes

As you develop a strategic plan for transformation, one of the first things you will want to do is take a careful look at the funding you already have to identify how you can use that funding to support your transformation efforts. If your agency operates a workshop and does contract work, you may begin to lose net revenue as people begin to transition to competitive integrated employment and less contract work is performed. If this is the case, you will need to develop strategies that focus on greater efficiency, diversification of funding, expansion of services, and reallocation of existing resources to accommodate those losses. There are several strategies below that can be employed to address this issue.

* Review your services to determine which services support the acquisition of competitive integrated employment and meaningful community integration. With the agreement of existing customers who are receiving services that do not support competitive integrated employment, work with funders to get authorizations for the ones that do. Do not accept more referrals to services that do not support competitive integrated employment and gradually phase them out while marketing and growing the preferred services.
* Review staff deployment strategies - Look at each service with fresh eyes and think about how you might use the funding and staff differently to promote competitive integrated employment. Just because things have always been done a certain way previously does not mean that continues to be the best way as you transform. In transformation, all management and staff positions should be reconsidered and job descriptions may be rewritten to ensure efficient use of personnel.
* Analyze service definitions and regulations to see if you can cost effectively use the current funding you receive for competitive integrated employment. Check and obtain confirmation in writing from funders. If funding cannot be used for competitive integrated employment, advocate with funders to see if there is flexibility in the definitions and staffing ratios, and confirm in

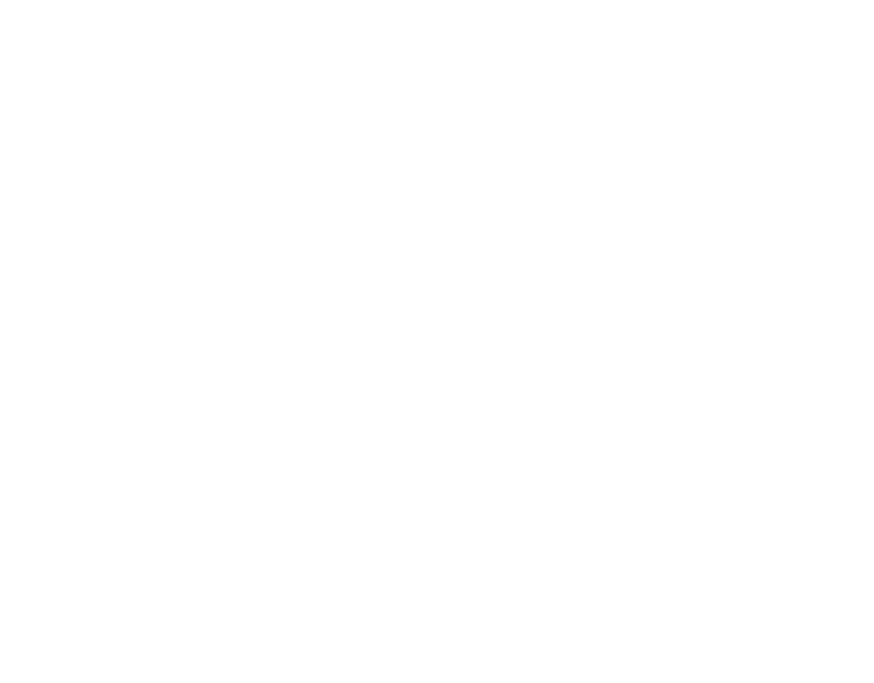
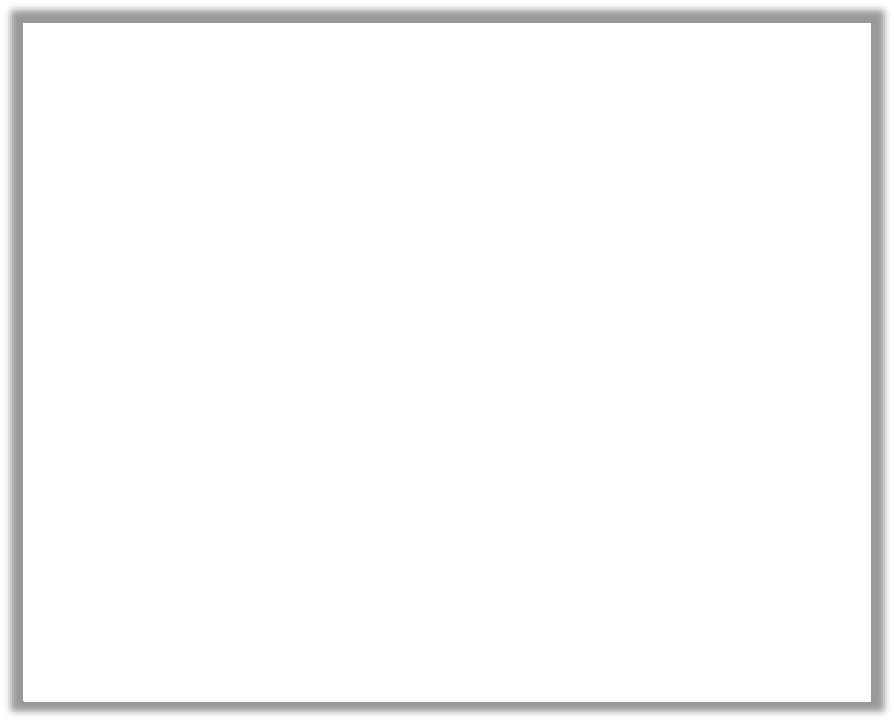
writing. Pilot the use of the funding in the new ways and document its effectiveness in supporting transformation outcomes.

* Audit billing - It is important to audit all your service delivery to make sure that your agency is billing for every service and every hour or milestone payment to which you are entitled. This may seem evident, but often when an agency is changing to provide new services they are also changing to a new billing process. It is easy for field staff to miss recording some billable activities or accounting staff to fail to properly bill for them.
* Monitor staff efficiency – You must have highly trained and accountable staff with clear productivity goals that are reviewed frequently to maximize billing opportunities. It is possible to expend more resources than you will be able to draw down if you don’t oversee productivity carefully. This is particularly true in performance based payment systems. Supervisors should have the skill to assist staff in analyzing their performance, identifying areas where improvement may be needed, and providing support and guidance.
* Improve administrative efficiency – Many agencies feel like they have accomplished all the efficiency they can. However, there may be other strategies that can help such as use of electronic time keeping systems for staff, web-based employee portals for increased involvement in management of benefits, telecommuting, and implementation of cloud based client information systems that interface with billing. Affiliations with other provider agencies to share and defray some administrative costs should be considered as well.
* Pursue growth – You should be seeking to expand the numbers of people served by the agency in competitive integrated employment. As agencies become more adept with successful job placement, that success should be used to market competitive integrated employment to individuals, families, and referral agencies.
* Diversification
  + Funding – A surprising number of agencies do not use all possible sources to fund competitive integrated employment. Earlier in this module there is extensive discussion of the many sources of funds that may be used for employment support.
  + Services – There are other complementary services that can be used to enhance the employment experience such as community based day support. This service may be used for pre-employment activities as well as wrap-around services for those who work part time.
  + Populations of people served – The competencies you and your staff have developed may be used to assist a variety of people to find work in the community. You may want to explore who those people are and how you can tap into referral sources or even insurance and private pay to provide services to them.
  + Geographic footprint – You may also want to consider broadening the areas in which you are providing services. Competitive integrated employment services do not require a great deal of physical space to provide. Many agencies expand their employment services into new areas without much investment by allowing staff to work from home or some other public location until they have enough business in the new area to merit leasing office space.
  + Facilities – Downsizing facility space is discussed earlier in this module. As stated before, it is imperative that agencies make a careful assessment of their physical space needs. It may be possible that some of the space can be “repurposed” to address another agency need. When it is determined that you can lease or sell unused or underused space you should pursue that strategy.

Some providers may operate workshops that generate significant net revenue (e.g. $100,000 or more annually) for the organization that is being applied to integrated services including supported employment, integrated community supports) and other valuable programs (e.g. birth to three). If this is the case, there may be an option, under IRS rules, to convert the workshop operation to be a separate, taxable entity of the non-profit agency. If done correctly, and with advice/counsel of an attorney with expertise in charitable law, the separate, taxable entity can achieve two very important goals for transformation:

1. As a separate entity, the organization can fully eliminate the use of workers with disabilities in the workshop without creating an obligation to pay unrelated business income tax (UBIT) and without jeopardizing the charitable status of the organization.
2. As a separate taxable entity, the workshop would need to pay tax on net revenues but the remainder (typically over 70%) could still flow to the non-profit organization to support its charitable mission and its focus on competitive integrated employment services and other services that enable people with disabilities who are served to have the best possible life as a fully participating member of their community.

For more information on this option, consult a charitable law attorney in your state or contact Scholz Non-Profit Law ([www.scholznonprofitlaw.com](http://www.scholznonprofitlaw.com/)) which is a firm with experience assisting providers with this type of transformation.



Horizons Unlimited, Inc. in Emmetsburg, Iowa, was a primarily facility based agency that ran a recycling and can redemption business and a thrift shop when they began transformation to competitive integrated employment and other fully community based services. They started transformation by first closing their recycling service. Before the closure, they started ramping up competitive integrated employment placements and enhancing their relationships with local public school and the local VR office to gain additional referrals. The agency then moved to close their redemption business, thereby freeing up an entire building owned by the agency. After an audit of operations, it was determined that the thrift shop was not profitable and was transferred to an employee who was the store manager. In the interim, the agency created a community based day service which functioned as both a pre-employment training program and an employment wrap-around service. This move began to empty out more of the agency’s facility. Finally, the agency’s facility was placed on the market. It sold and they purchased new offices in town. At first, they were going to also purchase another facility for day services but they were so close to being 100% community based they decided to forego purchasing the second building. After their conversion, they had lost the income from the recycling businesses but gained income from the provision of new services. They also lost substantial expense by selling their facilities, purchasing an administrative office and providing all services totally in the community.

## Advocating with Your Funders

### Creating a partnership with your funders

As you develop new services, encourage your funders to be engaged partners in your transformation efforts. Negotiation and advocacy will be most successful if you keep the funders informed and communicate your positive outcomes and results. Let them know what you are piloting, even if you are piloting with private or foundation funding. Invite the funder to an onsite visit and allow them to keep abreast of your results. If you are piloting a new approach invite them to participate in the process. For example, if your agency is beginning a customized employment effort, you can invite the VR counselors to planning meetings. If you are beginning to braid funding, let the funders know why their piece of the funding is so important to the results that you aim to achieve.

### Preparing a presentation for your funders

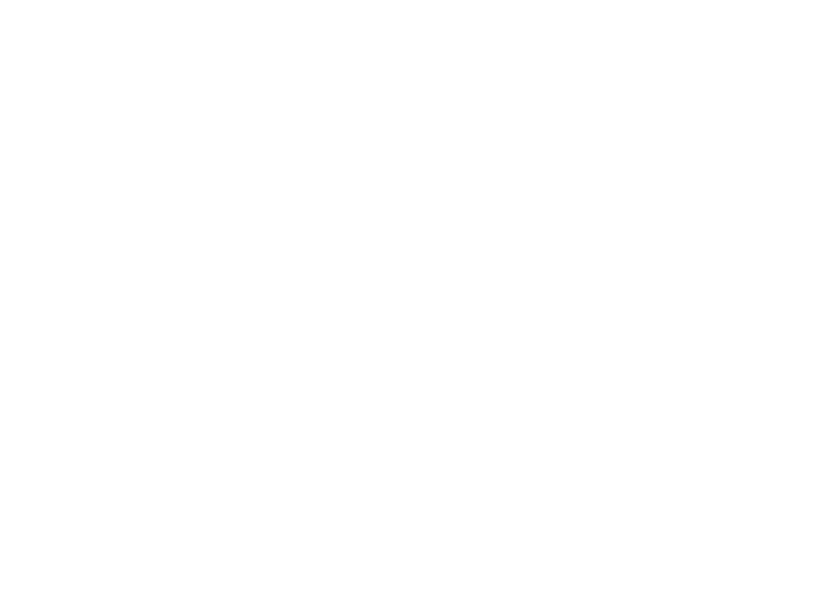
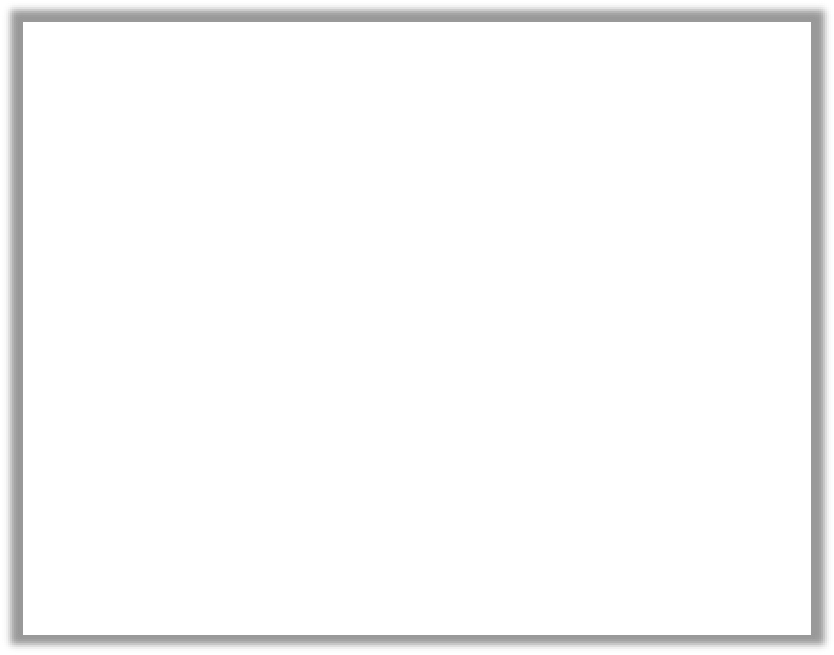
Preparation is the key to successful advocacy around funding. Once you have defined what funding you need to move forward with transformation, determine which are the most realistic funders for particular pieces of your work and then provide information to them about your costs and why these costs are necessary for you to obtain the desired outcomes. This requires bringing your fiscal and

program staff together to evaluate costs and align those costs with desired outcomes so that you can make a compelling argument to your funders. It may be helpful to ask funders what their basic cost assumptions were in developing the current rates, if they have not shared this information with you previously. If you are piloting a project, collect, and analyze data from the pilot to support the outcomes of your transformation efforts.

Some information to collect includes:

* Current costs from the pilot project - both managerial and direct staffing costs.
* Costs to bring the project to scale, such as additional service delivery and administration costs as you expand to a full-scale project.
* Outcomes achieved at the individual and aggregate levels, and projected outcomes you intend to achieve with scaling up.
* Cost savings to the system – e.g., if people for whom you have found jobs are not using day or prevocational supports and otherwise would have, measure and document those cost savings.
* Overall current cost to the system for your facility based program compared to the long-term support costs of the supported employment program. In particular, calculate for your funders how much your proposed reimbursement(s) for supported employment services actually costs the government. It can be very helpful to compare facility-based day and prevocational services to supported employment based on the cost per hour worked and cost per dollar earned by individual participating. In developing your comparison of costs to the system, you may find it helpful to look at the research by Dr. Cimera. See [https://www.dhs.wisconsin.gov/employment- skills/cimera.pdf.](https://www.dhs.wisconsin.gov/employment-skills/cimera.pdf)

Here is one example of a cost comparison:



Emphasize that when people are employed in competitive integrated positions, much of the structure and oversight for employees with disabilities is provided through the supervision and oversight provided to all employees rather than through job coaches. The number of hours of support provided by a job coach, therefore, is usually far less than the number of hours of service provided in a sheltered workshop or day program. Show your funders that while your proposed hourly rate for supported employment services may be higher than the rate for support in a day program or sheltered workshop, the total cost per individual is still less than it is in a day or sheltered work program. For example, an individual may replace twenty hours of services in a sheltered workshop, at the billing rate of $11.00 per unit of service, with twenty hours of work in a competitive integrated job receiving only 4 hours of support from a job coach at the rate of $40 an hour. The weekly cost to the government funder for that individual for those twenty hours he is working would be

$160 an hour (4 hours x $40 an hour) which is substantially less than the previous cost to the government funder for the sheltered workshop services of $220 per week ($11 x 20 hours a week.) While the hourly cost is more for employment services, the total weekly cost (and yearly cost) is far less.

## Determining Who Needs to be at the Table

Discussions with your government funders may be through individual negotiations or may be in response to a request by multiple providers (or your provider association) to state or local funders to meet with providers to review the costs and benefits of a proposed payment structure. If rates are regional or statewide, as a provider it is important to determine to what extent your services, service costs, funding needs, outcomes and return on investment are consistent with those of other providers, and to what extent your agency may be able to justify seeking higher rates in exchange for producing better outcomes and a greater return on investment for your funder(s).

## Bridge Funding

One of your challenges could be covering costs from your current facility based programs while you pilot and expand new community integrated efforts. There is a period of time when you are still fully operating the facility while ramping up competitive integrated employment services. Bridge funding can help cover costs until your organization generates sufficient revenue to downsize and reduce some of the operating costs from facility based programs. Foundation funding can be a good source of bridge funding, if the request is for the new and innovative practices you are putting in place. As noted above, state and federal funding initiatives geared at encouraging providers in their transformation efforts

should be sought, when available. These initiatives in various states have included DD Council RFP’s, Benefits Information & Planning grants, and VR innovation grants as well as foundation funding initiatives.

# Conclusion

This manual reflects best practices that have been developed over the course of the past 40 years, with an emphasis on the most up-to-date and effective practices that are relevant in today’ environment where we see a tremendous acceleration toward competitive integrated employment and inclusive community supports. The manual is a synthesis of the knowledge and experience that the authors, their colleagues and numerous provider organizations across the country have gained in transforming organizations, and the public systems that fund them, so that individuals with disabilities, including those with complex support needs, can get and keep competitive integrated employment in their communities.

Clearly, there is no one way for organizations to implement a transformational change process, but we hope that the practices described in this manual – practices that are considered “tried and true” among those who make this topic their life’s work – will assist you in your efforts. Be sure to tap the many resources cited in this document, as well as experts and mentors who can provide guidance on your journey.

We urge you to advocate for and enact positive change with a sense of urgency. Be part of the exciting Employment First movement that is underway toward true systems change and full lives in the community for all individuals with disabilities. As Margaret Mead said, “Never believe that a few caring people can’t change the world. For, indeed, that’s all who ever have.”