

# Funding Strategies for Transformation

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PENNSYLVANIA EMPLOYMENT FIRST

BOOT CAMP TRAINING

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# Diversifying Your Funding Sources for Community Integrated Employment

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AN OVERVIEW OF THE POSSIBILITIES

# The Old Employment Budget

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◆ Vocational Rehabilitation	55%
◆ Medicaid I/DD Waivers	30%
◆ ID/DD State dollars	10%
◆ Mental Health	5%

# Steps toward Greater Diversity of Funding

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- Take an inventory of possible funding sources
- Look at each funding streams requirements to see how employment and community integration are a match for that funding
- Think about how to redesign your staffing and program to match these requirements
- Look at funding streams to help individual business start up too
- Pilot a project

# Potential Sources of Funding

*[ODEP's Criteria for Performance Excellence, Table 3]*

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- Medicaid Waivers for various long-term supports and services (LTSS) that helps people with disabilities sustain employment
- Money Follows the Person Grants and Operational Protocols
- Community First Choice Option
- Medicaid Balanced Incentive Programs
- Medicaid Buy-In Levels State Funding
- Medicaid State Plan Services such as Personal Care, Rehabilitation, Durable Medical Equipment and Home and Community Based Services
- Mental Health System Overview Service Funding Integration
- Vocational Rehabilitation
  - Title I & Other VR Funding Streams
  - Supported Employment Services
- Workforce Investment Service Funding Integration
- TTW Employment Networks
  - Providers
  - American Job Centers
  - VR Categories (Target Markets)

# Potential Sources of Funding

*[ODEP's Criteria for Performance Excellence, Table 3]*

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- Education Funds
  - IDEA Part B Discretionary Funds
  - Charter School Transition Funds
- County Funding
- Foundations
- Private Business Funding
- Veteran-Specific Funding Initiatives
- Benefits Assistance & Planning Services including all SSA Work Incentive Options
- State Independent Living Council Grants
- Children with Special Health Care Needs Grants under Title V, from HRSA
  - Education Transition Funding
- Traumatic Brain Injury Planning Grants from the Health Resources & Services Administration (HRSA)

# Vocational Rehabilitation Services

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- ❖ Funding varies by region
- ❖ Review all the VR funding categories to help you do creative employment work
  - Assessment
  - Job Development
  - Customized Employment
  - Self-employment

# Potential Sources of Funding: Work Force Investment Act (WIOA) Opportunities

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- ◆ Went into effect on 7/01/2015
- ◆ Enhanced School to Work transition efforts
- ◆ Customized Employment as a Vocational Rehabilitation (VR) billable service under Supported Employment
- ◆ Requires increased cooperation between VR and I/DD, Mental Health (MH) and Work Force Development
- ◆ Partnering with Work Force Development on funding for internships, apprenticeships, summer employment and after school jobs
- ◆ There are a number of new opportunities to partner!!!



# *Medicaid HCBS Waivers*

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- Services that can be funded using HCBS waiver funds
  - Home and community habilitation or day habilitation funding
  - Long term employment support funding
  - Job Development and intensive support
  - Pennsylvania ODP supported employment rates are some of the best in the country ranging from \$68.32 Area 3, \$73.12 Area 2 , \$77.24 Area 1 per hour
  - Autism Waiver (Still working on getting an update)
- Opportunity to fund innovative employment services, benefits counseling, self-determination, peer support, transportation, and other services that can and should be used to advance integrated employment.

# *Medicaid HCBS Waivers to Promote Employment*

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## For Discovery and Person Centered Planning

- Home and Community Habilitation
- Supported Employment Services
- Licensed Day Habilitation Services
- Residential Services

## For Job Development and Support

- Job Finding
- Job coaching support

## For wrap around services, community exploration and job exposure

- Home and Community Habilitation
- Licensed Day Habilitation Services

# Potential Sources of Funding:

## *Local, State & Grant Funding*

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- Local funding
  - Municipal or town funding
  - Local funding for a very specific group
- Potential State Funding
  - State funding specific to disabilities
  - State funding for youth
- State & Federal Grants Opportunities
  - Keep your eye out to see if a grant matches your needs.
  - Look for partners (e.g. local college or university, family/self-advocacy organizations, employers)

# Braided Funding Approaches

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## 1) School Districts

- 2) Settlement Agreements
- 3) Vocational Rehabilitation
- 4) ID/DD/ BAS Medicaid Waivers
- 5) State Funded Intellectual Disability Programs
  - Private Pay
  - Trusts
- 7) Social Security
  - Work Incentives – Student Earned Income Exclusion, Plan for Achieving Self-Support
- 8) Work Force Development (summer jobs, internships, paid employment)
- 9) Grants
- 9) Ticket to Work

# Diversifying the Employment Budget

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◆ Vocational Rehabilitation	27%
◆ Medicaid Waivers	23%
◆ ID/DD State dollars	6%
◆ Mental Health	2%
◆ High Schools	19%
◆ Autism Waivers	7 %
◆ Grants	13%
◆ Private Pay	3%

# Potential Sources of Funding:

## *Foundations*

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- Look for partnerships and collaborations
  - Community centers and other not-for-profits
  - Schools
  - Community colleges
- Frame as a specific pilot project to meet specific needs
- Network to find contacts with particular foundations
- Don't forget family and corporate foundations
- Great Resource: Foundation Center [www.foundationcenter.org](http://www.foundationcenter.org)

# Potential Sources of Funding:

## *Ticket 2 Work Overview*

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- Determine how helpful it will be
- Look at milestones
  - 1<sup>st</sup> Phase milestones are based on earnings of \$810 a month in 2016
  - 2<sup>nd</sup> Phase milestones are based on earnings of \$1130 a month in 2016
  - Outcomes are based on \$1130 and no cash benefits
- If individual is receiving VR funding, ticket can be assigned to you for second phase and forward.
- CMS has indicated that EN can receive ticket to work milestone payments if they are providing waiver services. No conflict because one is a service and the other is for outcomes.
- How to become an Employment Network (EN) – [www.yourtickettowork.com](http://www.yourtickettowork.com)

# Blending in Social Security Work Incentives

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- ◆ Student Earned Income Exclusion- allows a student to make \$7,200 a year before any adjustment to Supplemental Security Income
- ◆ Plan for Achieving Self Support (PASS)- allows a job seeker to set aside Social Security funds for a work goal
- ◆ Property Essential for Self Support (PESS)- allows a business owner with a disability to have large amounts of money in a business account without effecting Social Security Substantial Gainful Activity



# PLAN FOR ACHIEVING SELF SUPPORT (PASS)

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- ◆ A Work Incentive that can help an individual who has work related expenses
- ◆ Set aside income and/or resources, other than SSI
- ◆ In return receive increased SSI, or become eligible for SSI, to pay for living expenses

# PLAN FOR ACHIEVING SELF-SUPPORT (PASS)

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- ◆ Currently 32% of adults over the age of 21 receiving Social Security (SSA) benefits are able to attain a PASS worth between \$8,000-\$14,000
- ◆ These are individuals who are receiving both Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).

# Blending & Braiding Resources Micro

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- ◆ Integrates all potential resources
  - Maps how each resource can support larger goal
- ◆ System Resources (benefits, VR, FSS, I/DD)
- ◆ Community Resources: Microloans, etc.
- ◆ Personal/Family Income or Contribution
- ◆ Explore individually during Discovery

# School to Work Transition

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- ◆ Special Education Indicator 13- requires that all special education students have an “effective” transition plan
- ◆ Special Education Indicator 14- Requires the tracking of students served one year after leaving school and report on the percentage of students in high education, COMPETITIVE EMPLOYMENT, OR BOTH!!
- ◆ Increasing numbers of families are taking legal action to attain compensatory education \$\$\$ to help students improve their 18.4% chance of being successfully employed after high school

# Working with High Schools: How we got started

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- ◆ Presentations to parent groups
- ◆ Parent's requesting employment for a tough to serve student
- ◆ School requesting "something different" for vocation services
- ◆ Indicator 14
- ◆ Showing families "another way"

# Success Story #1 - School to Work Transition

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- ◆ Started Early during transition
- ◆ Was deemed unemployable by a local provider
- ◆ Did Discovery the summer before graduation
- ◆ Negotiated Position
- ◆ Remains Successfully Employed

- ◆ Funding Position
  - Local High School
  - OVR
  - ODP
  - Michaels Uncle
  - PA DD Council
  - Discovery
  - Job Development
  - Follow Along Coaching
  - Plumbing
  - Washing & Dryer

# Resource Ownership

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- ◆ Based on match between individual skills/interest and business need
- ◆ Individual contributes necessary items or equipment to business
- ◆ Operating equipment becomes duty of individual
- ◆ Individual retains ownership
- ◆ An economic development approach (win/win)

# Success Story #2

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- ◆ Getting acquainted
- ◆ Technology
- ◆ The unmet business need
- ◆ The PERFECT PASS
- ◆ Meeting each others needs
- ◆ New Equipment



# Success Story #3

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## ◆ Limited Transportation Options and Personal Support Needs

## ◆ Computer and People Skills

## ◆ Sales Skills

## ◆ Business Growth Takes Time

- First year sales
- PASS was approved to help get things moving
- Since then sales have increased

## ◆ Funding a Start-Up

- High School paid for Discovery
- VR paid for some job coaching
- PASS paid for most of business start-up \$\$\$
- PA DD Council grant paid for consultation
- Local I/DD Medicaid pays for follow along

# Grant Opportunities for Community Employment

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Autism Speaks

KNBT Bank

DHL Chamber of Commerce  
Grants

Office of Disability Employment  
Policy

Office of Vocational  
Rehabilitation Innovation Grants

Source America Customized  
Employment

City and County Community and  
Economic Development grants

PA Office of Disability  
employment grants

American Job Centers/Career  
Links

# Micro Lending Details

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Micro loans are usually set up with grant funding or public fund raising. The loans are usually set up with low or no interest to stimulate economic development.

# Micro-Lending Options

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- ◆ ARC of Allegan County
- ◆ Knights of Columbus
- ◆ City of Bethlehem SBDC
- ◆ Bedford PA Advocacy Group
- ◆ Job Squad WV CD Guarantee
- ◆ Kennedy Foundation

# Compensating Loan Balance

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- ◆ Using CD's as loan collateral
- ◆ Partnering with a local credit union
- ◆ If the job seeker is delinquent on the loan the financial institution just cashes out the CD
- ◆ Self-Employment
- ◆ Resource Ownership

# Micro-Lending Program

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New Micro-lending program sponsored by the Kennedy Foundation that requires no positive credit rating, no background check, low interest loans backed through local banks

# Kennedy Foundation Details

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Griffin-Hammis in partnership with employment providers work with small banks and credit unions to provide backing for small employment loans that if they fail are covered by the Kennedy Foundation Funding.

# Partnering Traditional & Nontraditional Funding

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- **Developing roughly 1.3 mill in nontraditional funding helped increase traditional funding by \$200,000**

**WE NEED TO MAKE EMPLOYMENT FOR THE PEOPLE  
WE SERVE AN ISSUE OF ECONOMIC DEVELOPMENT**



# Determining your true costs

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TAKING A FRESH LOOK AT CURRENT PROGRAMS  
AS PART OF TRANSFORMATION

# Financial Modeling

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- Develop a proposed program design and roll out – based on estimate of revenues and costs
- Redesign to ensure financial feasibility
- Project out over a number of years -- from pilot to fuller expansion
- Project reallocation of resources and costs as transformation continues

# Compare revenue and costs for each program

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Take a look at costs associated with facility based services

- Rent and mortgage on space used for facility based programs
- Program supplies associated with work activities
- Costs associated with business development
- Costs associated with managing group functions

## Compare revenue and costs for each program

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Project real costs for expanded employment program

- Gather realistic information about program need from managers and staff including
  - Costs of effective support services
  - Ensure that you have adequate program management
  - Associated agency admin and OTPS costs – share of costs will increase as the program expands

# Tailoring your operational costs

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RESTRUCTURING FOR THE NEW ENVIRONMENT

## Take a thoughtful look at where you need to spend

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- Have you allocated enough costs to sufficiently pay your employment specialists, job developers and employment managers?
- Is your HR staff sufficient?
- Do you (and can you) move administrative costs into program management/resource development or redesign your administrative positions to contribute to program management needs?

# Small-Group Discussions (1)

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1. Using your rates for VR and the waiver funding rates attached, discuss how you might use these funding mechanisms to increase employment opportunities for people in your current programs?
2. What other sources of funding might you access to assist in moving people into employment.
3. What benefits and challenges do you anticipate in diversifying?

# Small Group Discussion (2)

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4. What are the potential cost savings for you from bringing services into the community?
5. Brainstorm with the group about how you might reallocate your current costs?