



Promise for the Future

**A Compendium of Fact Sheets
on Federal Programs for Transition-Age Youth
with Serious Mental Health Conditions**

By the Judge David L. Bazelon Center for Mental Health Law

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For an analysis of these federal programs and recommendations for federal policies, please see the companion paper “Promise for the Future: How Federal Programs Can Improve Outcomes for Transition-Age Youth and Young Adults with Serious Mental Health Conditions.”

Both of these documents are available via www.bazelon.org and www.umassmed.edu/cmhsr/TransitionsRTC.aspx.

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Introduction

The period from adolescence through early adulthood is a challenging time for most young people, but it is particularly fraught with difficulties for those who have serious mental health conditions (SMHCs). Tragically, far too many of these youth leave high school without a diploma and without the resources and skills needed to obtain gainful employment. Without a solid foundation of education to build upon, their future prospects are substantially diminished and over the course of a lifetime, they will experience very high rates of unemployment, poverty, homelessness, substance use disorders, and criminal justice system involvement. Their future, however, would be much brighter with the right kind of assistance and support to finish high school and pursue further education, job training and employment.

This compendium of fact sheets describes 34 programs administered by the federal government that could help young people (14-30 year-olds) gain a firm footing on the path to a career and independent living. While some programs may target a broad population, others only serve a subset of youth and young adults, such as individuals age 18 to 25. It should be noted that only programs authorized and funded in Fiscal Year 2012 are included; the compendium does not include proposals or programs that do not have funding.

Despite an array of programs, many young people are not helped because they are unaware of the assistance that is available. Also, professionals assisting youth are often unable to keep track of the variety of possible sources of assistance because programs can vary so widely in purpose, target population, funding and organization. Notwithstanding the enormous detail, it is vitally important that those those directly assisting youth and young adults—and policymakers who are responsible for program planning and administration—understand each program individually and the collective impact of all.

For the purposes of this document, a “serious mental health condition” is a general term to cover all of the program-specific definitions. The fact sheets are organized into the following categories: school-based programs addressing transition issues, higher education programs, employment programs for people with disabilities and other special populations, general employment programs, and basic support programs. In the last category, we have included, among other programs, Supplemental Security Income (SSI) and Medicaid. While these support programs are not primarily education or employment programs, they do provide access to key benefits that help prepare young people for the workplace. SSI beneficiaries, for example, have access to the Ticket-to-Work and Work Incentive Improvement Act programs and PROMISE (Promoting Readiness of Minors), while Medicaid provides access to employment and education supports.

The fact sheets also describe different forms of government assistance. Some of the federal programs—like SSI or subsidized higher education loans—provide funds that require individuals to apply for direct assistance, while other programs distribute money to states or other entities that carry out grant activities. Many involve grants to states that in turn contract with local government or other organizations.

Discretionary grant programs are awarded competitively for specific projects, while formula grants distribute money to all states based on a formula that adjusts for population demographics and other factors authorized in law. Block grants are a type of formula grant that give states a fixed amount of money for broad purposes. Generally, formula grants are more targeted than block grants and leave less to the discretion of states.

The Bazelon Center developed this compendium for state and local officials involved in service planning and delivery and as a resource for educators, advocates, and service professionals who directly assist youth and young adults.

1. School-Based Programs Addressing Transition Issues

Individuals with Disabilities Education Act (IDEA), Part B

Safe Schools / Healthy Students

Elementary and Secondary School Counseling

Education for Homeless Children and Youth

High School Graduation Initiative

Investing in Innovation Fund

Individuals with Disabilities Education Act (IDEA)

Part B: Assistance to States for Education of Children with Disabilities

Statutory Authority

Individuals with Disabilities Education Act (IDEA), most recently amended in 2004, P.L. 108-446, 20 U.S.C. § 1400 et seq.

Federal Agency

Office of Special Education and Rehabilitation Services, Department of Education

Program Type

This is a formula grant to states, with resources passed through to local education agencies (LEAs).

Eligibility, General

Services under Part B of the IDEA are provided to children who meet the federal definition of a “child with a disability” and who because of that disability need special education and related services in order to benefit from a free and appropriate education.

Eligibility, Age

Through age 21

Eligibility, Severity of Condition

Thirteen categories of disability are listed in federal rules, including several that can include children with serious mental health conditions: Emotional Disturbance, Other Health Impaired, Autism and Specific Learning Disability. Definitions are based on function, not diagnosis.

Youth in Transition

Not targeted, but schools must begin to include a statement of the transition service needs in a student’s individualized education program (IEP) by age 14, if this is determined appropriate by the IEP team. The IEP and the transition service plan are updated annually and focus on how to plan the student’s education program through appropriate courses of study.

Beginning at age 16 (or younger if determined appropriate by the IEP team), a student’s IEP must include a statement of needed transition services. The IEP must address a range of activities, such as instruction, related services, community experiences, developing employment and other adult living objectives and, when appropriate, acquiring daily living skills and a functional vocational evaluation.

Beginning at least one year before the student reaches majority (between ages 18 and 21, depending on the state), the IEP must contain a statement that the student has been informed of the rights under the law that now transfer to the student as an adult. This requirement does not apply to students who are determined legally incompetent under state law. Also, for students who are not able to provide informed consent but have not been found incompetent, the state must establish procedures to appoint parents to represent them in their educational interests.

Unfortunately, some states have interpreted the law to end education and related services at age 18 for special education students who graduate without receiving a regular high school diploma. In these cases, the student's transition services in the IEP are halted and successful transition from school to higher education or work (and other adult objectives) is stifled.

Services and Activities

Federal rules define the requirements for services to be furnished to students with disabilities who are transitioning to adulthood (34 C.R.F. 300.29). Transition services for a student with a disability are defined to mean a coordinated set of activities that:

- ◆ are designed within an outcome-oriented process that promotes movement from school to post-school activities, including postsecondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living or community participation; and
- ◆ are based on the individual student's needs, taking into account the student's preferences and interests.

Transition services may be special education, if provided as specially designed instruction, or related services, if required to enable a student with a disability to benefit from special education. Transition services include:

- ◆ instruction;
- ◆ related services;
- ◆ community experiences;
- ◆ development of employment and other post-school adult living objectives; and
- ◆ if appropriate, acquisition of daily living skills and a functional vocational evaluation.

Funding

States:

Fiscal Year (FY) 2010, \$11.5 billion; FY 2011, \$11.5 billion; FY 2012, \$11.6 billion

Evaluation

The Department of Education monitors states' performance under the IDEA on a regular basis (although these evaluations have been criticized as too focused on paper review). The Department also provides field grants to review the law's implementation.

Relevance for Youth with Serious Mental Health Conditions

IDEA Part B, and particularly the services required for youth in transition, is potentially of enormous benefit to youth with serious mental health conditions. However, several very significant barriers often prevent these youth from benefitting. To be eligible for IDEA Part B services, the youth must be found to have a disability that impedes the ability to benefit from a free and appropriate public education. In fact, schools identify only a small fraction of the children and youth who, through mental health assessments, have been found to have serious mental health conditions with *extreme* functional impairment. As a result, many youth served by the mental health system are ineligible for any IDEA services.¹

1 Bazelon Center for Mental Health Law (2003). *Issue Brief: Failing to Qualify: The First Step to Failure in School?* Washington, DC

Safe Schools / Healthy Students

Statutory Authority

Safe and Drug-Free Schools and Communities Act, 20 U.S.C. § 7131; Public Health Services Act, 42 U.S.C. § 290aa; and Juvenile Justice and Delinquency Prevention Act, 42 U.S.C. § 5614(b)(4)(e) and § 5781 et seq.

Federal Agencies

Office of Safe and Healthy Students, Department of Education; Center for Mental Health Services, Department of Health and Human Services; and Office of Juvenile Justice and Delinquency Prevention, Department of Justice

Program Type

This is a discretionary grant program.

Eligibility, General

Eligible entities are local education agencies (LEAs) or a consortium of LEAs. At a minimum, LEAs must demonstrate that they have developed a partnership with local mental health, local law enforcement, and local juvenile justice agencies.

Eligibility, Age

Children, youth and their families

Youth in Transition

Not targeted

Services and Activities

The Safe Schools/Healthy Students (SS/HS) initiative draws on the best practices of education, justice, social services and mental health systems to provide integrated and comprehensive resources for prevention programs and pro-social services for youth.

Federal funds support a variety of activities, curricula, programs and services, and are used to implement an enhanced, coordinated, comprehensive plan of activities, programs and services that focus on promoting healthy childhood development and preventing violence and substance abuse. Beginning in fiscal year 2007, grants are for four years. Grantees must provide a community-specific plan for use of the funds that focuses on five elements:

- ◆ safe school environments and violence prevention activities;
- ◆ alcohol, tobacco, and other drug prevention activities;
- ◆ student behavioral, social, and emotional supports;
- ◆ mental health services; and
- ◆ early childhood social and emotional learning programs.

The comprehensive approach is designed to ensure that students, schools and families have a network of effective services, supports and activities that:

- ◆ help students develop the skills and emotional resilience necessary to promote positive mental health and to engage in pro-social behavior;
- ◆ prevent violent behavior and drug use;
- ◆ create schools and communities that are safe, disciplined and drug-free; and

- ◆ engage parents, community organizations and social service agencies to help develop an infrastructure that will institutionalize and sustain successful grant components after federal funding has ended.

Grant funds may also be used to support activities, curricula, programs, and services. Technical assistance services are provided by the National Center for Mental Health Promotion and Youth Violence Prevention and by the Gallup Organization via Macro International.

Funding

Funds for this program are authorized through three Departments: Education, Justice, and Health and Human Services.

Fiscal Year (FY) 2010, \$94.5 million; FY 2011, \$77.7 million; FY 2012, \$23.2 million

Evaluation

Grantees report seeing large impacts from this grant. Most staff at grantee schools reported feeling that their schools were safer. By year three of the program, 84% reported improved school safety, 77% reported reduced violence on campus, and 78% reported reduced violence in the community. The number of students reporting witnessing or experiencing violence also decreased significantly; there was a 15% decrease in the number of students involved in violent incidents. Perceptions of school safety improved by 59%, and perceptions of reduced violence on campus and in the community improved by 61% and 46%, respectively. Staff attributed 84% of these improvements to the SS/HS grant.

Relevance for Youth with Serious Mental Health Conditions

This program funds interagency collaborations around safe schools, promoting best practices in education and mental health to improve students' behavior and to strengthen their psychosocial and emotional development. The program can provide early identification and assessment in the school setting, provide school-based mental health early intervention services for at-risk children and adolescents, and provide referral and follow-up with local public mental health agencies when treatment is indicated. However, the services provided through the SS/HS program, do not directly address the pressing needs of youth with serious mental health conditions with respect to assuming adult roles (e.g., daily living skills, post-secondary education, employment).

Elementary and Secondary School Counseling

Statutory Authority

Elementary and Secondary Education Act of 1965, as amended, Title V, Part D, Subpart 2, 20 U.S.C. § 7245

Federal Agency

Office of Safe and Healthy Students, Department of Education

Program Type

These are discretionary/competitive grants for programs to enable local agencies to establish or expand counseling programs in elementary and secondary schools, and to enable more data-based decision-making about instructional practices, policies and student outcomes.

Eligibility, General

Funds are awarded through a competitive grant process to school districts that demonstrate the greatest need for new or additional counseling services, show the potential for replication or dissemination, and that propose the most promising and innovative programs. School districts are awarded a maximum of \$400,000 per year for three years.

Eligibility, Age

The program serves children in elementary and secondary schools.

Youth in Transition

Not targeted

Services and Activities

Funds are to be used to:

- ◆ increase the range, availability, quantity, and quality of counseling services;
- ◆ expand counseling services provided by qualified school counselors, school social workers, school psychologists, other qualified psychologists or child and adolescent psychiatrists;
- ◆ use innovative approaches to help students with interpersonal skills and academic and career planning;
- ◆ provide counseling services in settings that meet the range of student needs;
- ◆ include in-service training appropriate to the activities funded for teachers, instructional staff, and appropriate school personnel;
- ◆ involve parents of participating students in the design, implementation, and evaluation of the counseling program;
- ◆ involve community groups, social service agencies, or other public or private entities in collaborative efforts to enhance the program and promote school-linked integration of services; and
- ◆ work toward meeting the American School Health Association's recommended ratios of students to mental health professionals.

If the amount of funds appropriated by Congress annually is less than \$40 million, grants are made only to establish or expand counseling programs in elementary schools. If the

appropriation is \$40 million or more, then \$40 million is to be used for grants to establish or expand counseling programs in elementary schools and the remainder for grants for secondary schools.

Funding

Fiscal Year (FY) 2010, \$55 million; FY 2011, \$52.4 million; FY 2012, \$52.3 million

Evaluation

FY 2007 data indicate that the program has had a positive impact on both the number of counselors present at grant sites as well as the number of student referrals for disciplinary reasons.

Relevance for Youth with Serious Mental Health Conditions

As stated, secondary schools only receive funding through this small program if the annual appropriation totals \$40 million or more. As a result, secondary schools have had little access to funding.

The program can help youth with serious mental health conditions, since school counselors are specifically trained to identify early warning signs of students' mental, emotional or developmental problems. The program also emphasizes collaboration with community-based organizations that provide mental health and other services to students.

Education for Homeless Children and Youth

Statutory Authority

The McKinney-Vento Homeless Assistance Act (Subtitle B)

Federal Agency

Office of Elementary and Secondary Education, Department of Education

Program Type

This is a formula grant program.

Eligibility, General

The McKinney-Vento Act gives homeless children and youth the right to enroll in school immediately even if they do not have documents that are usually required for enrollment, the right to stay in one school even if they are transient, and the right to get transportation to that school.

Every school district has a local homeless education liaison, whose job is to make sure that homeless children and youth can go to school and get all the services they need. Children and youth are eligible if they lack a fixed, regular, and adequate nighttime residence. This includes living in the housing of others, in abandoned buildings, substandard housing units, motels, hotels, trailer parks, camping grounds, emergency or transitional shelters, public and private spaces not designed for habitation, or if awaiting foster care placement.

Youth in Transition

Not targeted

Services and Activities

The program provides funding for a coordinating office for the education of homeless children and youth in each state, and funding for homeless liaisons in school districts. Subgrants to school districts are aimed at facilitating enrollment, attendance, and success in school. Local liaisons help address problems due to transportation, immunization and residency requirements, lack of birth certificates and school records, and guardianship issues.

Funding

Fiscal Year (FY) 2010, \$65.4 million; FY 2011, \$65.4 million; FY 2012, \$65.2 million

Evaluation

Over 852,000 students were served in school year 2009-2010, a 38% increase from school year 2008-2009 (617,027) and an 81% increase for the three-year period 2007-08 (472,309) to 2009-2010. Of the number of homeless students in high school taking the state reading test in school districts with subgrants in 2009-2010 (30,439), 48% (14,479) met or exceeded state proficiency standards in reading. This is a three percentage point increase from the 45% of homeless high school students who were found to meet or exceed state proficiency standards in reading in districts with subgrants in 2008-2009.¹

Relevance for Youth with Serious Mental Health Conditions

Without this program, students who are homeless are at risk of being deterred from enrolling in school or being forced to change schools frequently as they move around

various temporary locations. The local liaisons provide much needed and timely assistance in removing some of the barriers to school attendance and in ensuring that incomplete records do not result in inappropriate placements or curricula that contribute to student frustration and failure. Liasons also help families make connections with community mental health, housing, employment and other health and social service agencies.

High School Graduation Initiative

Statutory Authority

Elementary and Secondary Education Act of 1965, as amended, Title I, Part H, §1801-1803

Federal Agency

Office of Elementary and Secondary Education, Department of Education

Program Type

This is a discretionary grant program.

Eligibility, General

State education agencies (SEA) and local education agencies (LEA) are eligible to apply for these discretionary grants on behalf of high schools with dropout rates that exceeded the state average dropout rate. Grant funds may also be used at middle schools that feed into such high schools.

Youth in Transition

Not targeted

Services and Activities

In 2010, the High School Graduation Initiative, formerly called the School Dropout Prevention Program, awarded five-year grants (contingent upon funding) to SEAs and LEAs. The grant funds are to be used in support of dropout prevention and re-entry efforts at high schools with dropout rates that exceed the state average dropout rate and middle schools that feed into such high schools.

Examples of activities that may be funded by these grants include:

- ◆ the early and continued identification of students at risk of not graduating;
- ◆ providing at-risk students with services designed to keep them in school;
- ◆ identifying and encouraging youth who have left school without graduating to re-enter and graduate; and
- ◆ implementing transition programs that help students successfully transition from middle school to high school.

Funding

Fiscal Year (FY) 2010, \$50 million; FY 2011, \$48.9 million; FY 2012, \$48.8 million

There was not a new competition for grant funds in FY 2012. However, existing grants continue to be funded, and the possibility of future new competitions for funds has not been ruled out. The President's FY 2013 Budget calls for this program to be consolidated along with the Advanced Placement program into a new College Pathways and Accelerated Learning program.

Evaluation

Grantees with multi-year grants must submit an annual performance report showing progress in meeting approved program objectives. The Department of Education identified the following performance measures for the High School Graduation Initiative overall.

- ◆ For each high school served, the overall graduation rate and the graduation rate broken down by subgroups.
- ◆ The number and percentage of students enrolled in grades 9-12 at served schools who, in the most recent school year, earned one quarter of the credits necessary to graduate with a standard diploma.
- ◆ The number and percentage of students served who had not attended school for 60 or more instructional days immediately prior to participation in the project, and the average daily attendance of such students while participating in the project.
- ◆ The number and percentage of students served during the most recent school year who were two or more years behind their expected credit accumulation in high school based upon age, and the number and percentage of such students who earned one-half or more of the credits they needed to graduate with a standard diploma.
- ◆ For each served school with an eighth grade, the average daily attendance of the school, and the number and percentage of students enrolled in the eighth grade who enrolled in ninth grade at the start of the next school year.

Relevance for Youth with Serious Mental Health Conditions

According to the National Center on Secondary Education and Transition, the dropout rate for students with disabilities, is twice the dropout rate of their non-disabled peers. Over two-thirds of these students with disabilities are youth with serious mental health conditions.¹ Dropout prevention and re-entry services funded by High School Graduation Initiative grants could help to close this gap. Project performance must be reported by subcategory, and one of those subcategories is students with disabilities.

1 Martha L. Thurlow, Mary F. Sinclair, and David R. Johnson, "NCSET Issue Brief: Students with Disabilities who Drop Out of School—Implications for Policy and Practice," June 2002, <http://www.ncset.org/publications/viewdesc.asp?id=425>.

Investing in Innovation Fund

Statutory Authority

American Recovery and Reinvestment Act of 2009, §14007 (P.L. 111-5), amended by the Consolidated Appropriations Act of 2010, §307 (P.L. 111-117)

Federal Agency

Office of Innovation and Improvement, Department of Education

Program Type

This is a discretionary grant program.

Eligibility, General

Local education agencies (LEA) or partnerships between nonprofit organizations and either an LEA or a consortium of schools are eligible to apply for Investing in Innovation Fund grants.

Youth in Transition

This program is not specifically targeted at transition-age youth. The Investing in Innovation Fund could potentially benefit any school-age individual in one of the specific groups targeted by the Elementary and Secondary Education Act (ESEA):

- ◆ economically disadvantaged students;
- ◆ students from major racial and ethnic groups;
- ◆ students with disabilities; and
- ◆ students with limited English proficiency.

Services and Activities

The Investing in Innovation Fund provides grants to either LEAs or a partnership between a nonprofit organization and an LEA or consortium of schools that has already achieved all of the following three objectives:

- ◆ significantly close the achievement gaps between the groups of students targeted in the ESEA (see “Youth in Transition” section above), exceed the state’s annual measurable objectives for two or more consecutive years, or demonstrate success in significantly increasing student academic achievement for all groups of students described in ESEA;
- ◆ make significant improvements in other areas such as graduation rates or increased recruitment and placement of high-quality teachers; and
- ◆ demonstrate the establishment of one or more partnerships with the private sector, in which the private sector will provide matching funds.

The purpose of the grant is to fund innovative practices already successfully in use by grantees.

Funding

Fiscal Year (FY) 2010, \$0; FY 2011, \$149.7 million; FY 2012, \$149.4 million

Evaluation

No evaluation of the overall Investing in Innovation Fund program has been conducted. However, evaluation is an integral part of the program. Grant applicants must submit evidence of studies showing that the model or practice they seek to implement is promising, and the

funded project must be evaluated. An evaluation plan is part of the grant application.

Relevance for Youth with Serious Mental Health Conditions

The Investing in Innovation Fund provides additional funding for projects that are already making an educational difference for students, including youth with serious mental health conditions. Grants from this fund could increase the availability of practices that reduce the achievement gap between students with disabilities and their non-disabled peers. Programs that increase graduation rates and help schools retain high quality teachers, which the Investing in Innovation Fund aims to promote, can also greatly improve the educational outcomes of youth with serious mental health conditions.

2. Higher Education Programs

Direct Student Loans

Pell Grants

Career and Technical Education State Basic Grants

Work-Study Program

Supplemental Educational Opportunity Grants

Perkins Loan Program

**Education and Training Vouchers Program for Youth Aging
Out of Foster Care**

TRIO: Talent Search

TRIO: Upward Bound

TRIO: Student Support Services

Direct Student Loans

Statutory Authority

Title IV of the Higher Education Act, as amended, 20 U.S.C. §§ 1070 and 1071 et seq. and Health Care and Education Reform Reconciliation Act, Title II

Federal Agency

Office of Federal Student Aid, Department of Education

Program Type

Under the Direct Loan Program, the federal government uses Treasury funds to provide loan capital directly to schools, which then disburse loan funds to students. The loans provided can be subsidized or unsubsidized.

Eligibility, General

For any of the Direct Student Loans, the applicant must:

- ◆ demonstrate financial need (except for a Stafford unsubsidized loan);
- ◆ be a U.S. citizen or an eligible non-citizen;
- ◆ demonstrate qualifications to enroll by one of the following means: high school diploma, GED certificate, passing test score on an approved ability-to-benefit test (ATB), meet home-school completion standard or other approved standard set by the state;
- ◆ be enrolled or accepted for enrollment as a regular student working toward a degree or certificate in an approved associate, bachelor's or graduate degree program; and
- ◆ demonstrate satisfactory academic progress set by the postsecondary school.

Eligibility, Other

Individuals incarcerated in a federal or state penal institution are not eligible while incarcerated but are once released. A student is not considered incarcerated if in a halfway house or home detention, or if serving time only on weekends. Ineligibility applies only to convictions on a student's record—not expunged or sealed juvenile records. Individuals who receive drug convictions while receiving federal financial assistance for higher education become ineligible for further assistance for a specific period of time or indefinitely. The length of this ineligibility depends on whether the charge is for possession or for sale of a controlled substance, and whether or not the student has had any prior drug offenses.

Eligibility, Financial

Subsidized loans are awarded on the basis of financial need, determined from information provided on the Free Application for Federal Student Aid (FAFSA). The unsubsidized loans are not awarded on the basis of need.

Youth in Transition

Student loans are not targeted toward youth in transition. However, a youth in transition would qualify for any of the loan programs if attending a postsecondary education program and meeting the other eligibility rules.

Services and Activities

Federal student loan programs from the Department of Education provide a way for students to borrow money to pay for education after high school.

Loan Maximums

First year:

- ◆ Dependent undergraduate student: \$5,500. No more than \$3,500 of this amount may be in subsidized loans.
- ◆ Independent undergraduate student: \$9,500. No more than \$3,500 of this amount may be in subsidized loans.
- ◆ Graduate student: \$20,500. No more than \$8,500 of this amount may be in subsidized loans.

Second year:

- ◆ Dependent undergraduate student: \$6,500. No more than \$4,500 of this amount may be in subsidized loans.
- ◆ Independent undergraduate student: \$10,500. No more than \$4,500 of this amount may be in subsidized loans.
- ◆ Graduate student: \$20,500. No more than \$8,500 of this amount may be in subsidized loans.

Third year:

- ◆ Dependent undergraduate student: \$7,500. No more than \$5,500 of this amount may be in subsidized loans.
- ◆ Independent undergraduate student: \$12,500. No more than \$5,500 of this amount may be in subsidized loans.
- ◆ Graduate student: \$20,500. No more than \$8,500 of this amount may be in subsidized loans.

Maximum total debt upon graduation:

- ◆ Dependent undergraduate student: \$31,000. No more than \$23,000 of this amount may be in subsidized loans.
- ◆ Independent undergraduate student: \$57,500. No more than \$23,000 of this amount may be in subsidized loans.
- ◆ Graduate student: \$138,500. No more than \$65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study. However, graduate and professional students enrolled in certain health profession programs may receive additional unsubsidized Stafford Loan amounts each academic year beyond those shown above. For these students, there is also an increased aggregate loan limit of \$224,000 (maximum \$65,500 subsidized).

Interest Rates

Interest rates are set each year for loans authorized in that particular year. The following rates are for loans first disbursed between July 1, 2012, and June 30, 2013:

- ◆ Undergraduate students' subsidized loans have a fixed interest rate of 3.4%.
- ◆ Graduate students' loans have a fixed interest rate of 6.8%.
- ◆ Unsubsidized loans have a fixed interest rate of 6.8%.

There is a cap on military interest rates. The interest rate on loans obtained before entering military service may be capped at 6% during military service, but the lender must

be contacted. Interest is not charged (for a period of 60 months or less) on Direct Loans disbursed on or after October 1, 2008, while a borrower is on active duty or performing qualifying National Guard duty during a war or other military operation, and is serving in an area of hostilities qualifying for special pay.

Funding

Fiscal Year (FY) 2010, \$84.7 billion; FY 2011, \$116.1 billion; FY 2012, \$124.3 billion

Relevance for Youth with Serious Mental Health Conditions

These loans support youth who wish to pursue a college education and can benefit youth with serious mental health conditions. For many schools (particularly community colleges or state institutions), the loans can cover up to the full cost of undergraduate education. These loans are therefore a potentially significant benefit for students from low- and moderate-income families. Loans must be repaid after graduation, although deferments are possible in certain circumstances. To be eligible for loans, students cannot be enrolled less than half-time. This may prevent a youth with serious mental health conditions from benefitting from these programs. Students who are convicted of drug offenses while receiving federal financial assistance lose their eligibility for further aid for either a fixed period of time or indefinitely; this may also impact some transition-age youth.

Pell Grants

Statutory Authority

Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §1070a, and Health Care and Education Reform Reconciliation Act, Title II

Federal Agency

Office of Federal Student Aid, Department of Education

Program Type

Pell Grants are awarded to a student through the institution he or she is attending.

Eligibility, General

Eligibility criteria are based on acceptance either into an undergraduate program or some post-baccalaureate programs and on financial need. Other factors that determine whether the individual receives a grant, and the amount of the grant, are whether the student is full- or part-time and whether the student attends for a full academic year or less.

A student who is accepted into a program must complete the Free Application for Federal Student Aid (FAFSA) annually to apply for a grant.

Eligibility, Financial

Whether an individual will receive a Pell Grant and in what amount depends on the student's expected family contribution. The Department of Education calculates what the family could possibly contribute, based on family income and assets. The lower the expected family contribution, the greater the possibility that a student will receive a Pell Grant and the greater the likelihood of receiving the maximum amount.

Eligibility, Other

Incarcerated individuals are not eligible while incarcerated but are once released. A student is not considered incarcerated if in a halfway house or home detention or only serving time on weekends. Ineligibility applies only to convictions on a student's record—not expunged or sealed juvenile records. Individuals who receive drug convictions while receiving federal financial assistance for higher education become ineligible for further assistance for a specific period of time or indefinitely. The length of this ineligibility depends on whether the charge is for possession or for sale of a controlled substance, and whether or not the student has had any prior drug offenses.

Youth in Transition

Not targeted. Youth in transition would need to be accepted into an undergraduate program or an approved post-baccalaureate program. They would also need to meet the expected family-contribution standard.

Services and Activities

Pell Grants normally cover undergraduate study for only four years, but may extend to five years if the program is meant to be a five-year program. Grant awards are not extended if students need extra time to complete the degree. Schools can either apply the Pell Grant to outstanding tuition or fees or pay it directly to the student. Schools may use the grant to pay charges for tuition, fees and room and board without the student's permission.

The maximum amount given to an individual was increased from \$5,350 to \$5,975 by the Health Care and Education Reconciliation Act

Funding

Fiscal Year (FY) 2010, \$21.8 billion; FY 2011, \$41.7 billion; FY 2012, \$24.5 billion

Relevance for Youth with Serious Mental Health Conditions

Youth with serious mental health conditions who wish to pursue a college education can benefit from Pell Grants. While the grant level is not sufficient to cover all costs for most institutions, it is a significant amount for low-income youth who can receive the maximum level of support. Moreover, the costs of community colleges and public universities could be more affordable for youth who qualify and receive a grant. Unlike the various federal loan programs, Pell Grants do not have to be repaid. Students who are convicted of drug offenses while receiving federal financial assistance lose their eligibility for further aid for either a fixed period of time or indefinitely.

Career and Technical Education State Basic Grants

Statutory Authority

Carl D. Perkins Career and Technical Education Act of 2006, Title I, 20 U.S.C. §2321 et seq., as amended by P.L. 109-270

Federal Agency

Office of Vocational and Adult Education, Department of Education

Program Type

These are formula grants to states.

Eligibility, General

Only State Boards for Vocational Education are eligible to apply for the State Basic Grants. Funds are distributed based on priorities established by the state in accordance with an approved state plan for vocational-technical education. States determine what share of these funds should be allocated to secondary and postsecondary institutions in the state.

Generally, states distribute the funds by formula to local education agencies, vocational and technical schools, community colleges and nonprofit programs that meet the law's requirements. However, there is great variability in how states allocate the funds between secondary and postsecondary programs.

Individuals enrolled in a particular vocational education program that receives funds can benefit from this funding.

Eligibility, Other

Incarcerated individuals are not eligible while incarcerated but are once released. A student is not considered incarcerated in a halfway house or home detention, or if serving time only on weekends. Ineligibility applies only to convictions on a student's record—not expunged or sealed juvenile records. Individuals who receive drug convictions while receiving federal financial assistance for higher education become ineligible for further assistance for a specific period of time or indefinitely. The length of this ineligibility depends on whether the charge is for possession or for sale of a controlled substance, and whether or not the student has had any prior drug offenses.

Youth in Transition

Not targeted, but youth in transition could benefit from this program if they participate in a program of vocational education that receives the funds.

Services and Activities

This program provides support for state leadership activities, administration of a state plan for vocational and technical education, and grants to eligible local programs to improve vocational and technical education. Funding is not directed at creating new programs nor does it target specific populations. Rather, the intent is to strengthen existing vocational education programs.

Funds may be used for a variety of purposes:

- ◆ occupationally relevant technology/equipment;
- ◆ vocational curriculum materials;
- ◆ materials for learning labs, curriculum development or modification;
- ◆ staff development;
- ◆ career counseling and guidance;
- ◆ efforts to integrate academic and vocational programs;
- ◆ remedial education;
- ◆ supplemental services for special populations; and
- ◆ expansion of technical preparation programs.

Services offered vary greatly between community colleges, nonprofits targeting a specific population and traditional vocational schools.

Funding

Fiscal Year (FY) 2010, \$1.2 billion; FY 2011, \$1.1 billion; FY 2012, \$1.1 billion

Evaluation

States are held accountable for the performance of the programs that receive federal funds. The Act requires that states report on 14 indicators for any program that receives federal funds, including:

- ◆ student attainment of challenging state-established academic, vocational and technical skill proficiencies;
- ◆ student attainment of a secondary school diploma or equivalent or a credential;
- ◆ placement in or completion of postsecondary education or advanced training, or placement in military service; and
- ◆ student participation in and completion of vocational and technical education programs that lead to nontraditional training and employment.

States must provide disaggregated data for students considered to be in a special population such as individuals with disabilities.

Relevance for Youth with Serious Mental Health Conditions

To receive these formula grants, states are required to submit five-year plans (revised annually) that include a description of how they will provide special populations—including youth with serious mental health conditions—programs that prepare them for further learning and for skilled, well-paid careers. While there is the expectation that states will have strategies and services for youth with special needs, states are also given broad discretion to determine how they will allocate funding. States are likely to invest to varying degrees in programs for special populations, and programs for youth with serious mental health conditions must compete with other vocational education funding priorities. A youth with a drug conviction will either be barred for a period of time or, if it was for a third offense, permanently barred from receiving aid.

Work-Study Program

Statutory Authority

Higher Education Act of 1965, as amended, Title IV, Part C, 42 U.S.C. §§ 2751-2756b

Federal Agency

Office of Federal Student Aid, Department of Education

Program Type

These are formula grants to institutions of higher education to assist students in financing the cost of postsecondary education.

Eligibility, General

Institutions of higher education may apply for an allocation of funds that will then be awarded to undergraduate, vocational and graduate students enrolled or accepted for enrollment at the participating school. Institutional allocations are based on institutional requests for program funding under a statutory formula. Under the formula, funds are distributed to institutions, first on the basis of the institution's base guarantee plus the pro rata share received during the previous award year under the program, and then on the basis of the aggregate need of the eligible students in attendance.

Employers of Work-Study Program recipients must contribute 25% of the funding, except in the case of private, for-profit organizations, which must contribute 50%. The Department of Education can waive the matching requirements in cases where doing so could further the goals of the program.

Eligibility, Financial

Students receive awards from participating institutions after filing the Free Application for Federal Student Aid (FAFSA) with the Department of Education. Financial need of individual students is determined by the Department, using a standard formula established by Congress. The formula takes into account the financial information reported on the FAFSA and the expected family contribution. The fundamental elements in this formula are the student's and, in the case of dependent students, the parents' income and assets, the family's household size, and the number of family members (excluding parents) attending post-secondary institutions.

Eligibility, Other

Incarcerated individuals are not eligible while incarcerated but are once released. A student is not considered incarcerated in a halfway house or home detention, or if serving time only on weekends. Ineligibility applies only to convictions on a student's record—not expunged or sealed juvenile records. Individuals who receive drug convictions while receiving federal financial assistance for higher education become ineligible for further assistance for a specific period of time or indefinitely. The length of this ineligibility depends on whether the charge is for possession or for sale of a controlled substance, and whether or not the student has had any prior drug offenses.

Youth in Transition

Not targeted.

Services and Activities

The federal Work-Study Program provides funds to students at approximately 3,400 participating postsecondary institutions. Students earn the funds through part-time employment. Institutional financial aid administrators at the participating institutions have substantial flexibility in determining the amount of the award.

Hourly wages for the part-time employment must be at least equal to the federal minimum wage, but can vary with job requirements, skill and experience levels.

Students may be employed by:

- ◆ the institution itself;
- ◆ a federal, state or local public agency;
- ◆ a private nonprofit organization; or
- ◆ a private for-profit organization.

The Department of Education encourages and can provide additional funding to colleges and universities whose students are employed through Work-Study at off-campus community service organizations. Institutions must use at least 7% of their allocation to support students working in community service jobs, including as reading tutors for preschool or elementary school children, mathematics tutors for students enrolled in elementary school through ninth grade, as civics educators in schools, or as literacy tutors in a family literacy project.

Funding

Fiscal Year (FY) 2010, \$980 million; FY 2011, \$978.5 million; FY 2012, \$980.5 million

Relevance for Youth with Serious Mental Health Conditions

Youth with serious mental health conditions who intend to attend a postsecondary institution can apply for a Work-Study Program grant that can supplement other student aid for which they may be eligible. Students who are convicted of drug offenses while receiving federal financial assistance lose their eligibility for further aid for either a fixed period of time or indefinitely.

Supplemental Educational Opportunity Grants

Statutory Authority

Higher Education Act of 1965, as amended, Title IV, Part A, Subpart 3, 20 U.S.C. § 1070b-1070b-3

Federal Agency

Office of Federal Student Aid, Department of Education

Program Type

These are formula grants.

Eligibility, General

Allocations are made to eligible institutions to provide grants to needy undergraduate students attending the institution. Institutional allocations are based on requests for funding under a statutory formula. Under this formula, funds are distributed first on the basis of the institution's base guarantee plus the pro rata share received during the previous award year and then on the basis of the aggregate need of the eligible undergraduate students. Institutions must contribute 25% of the funding.

Eligibility, Other

Incarcerated individuals are not eligible while incarcerated but are once released. A student is not considered incarcerated if in a halfway house or home detention, or only serving time on weekends. Ineligibility applies only to convictions on a student's record—not expunged or sealed juvenile records. Individuals who receive drug convictions while receiving federal financial assistance for higher education become ineligible for further assistance for a specific period of time or indefinitely. The length of this ineligibility depends on whether the charge is for possession or for sale of a controlled substance, and whether or not the student has had any prior drug offenses.

Eligibility, Financial

The program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. While financial aid administrators have significant flexibility in determining which students receive funding, priority is given to Pell Grant recipients who demonstrate the most "exceptional" financial need—that is, students with the lowest expected family contributions.

Youth in Transition

Not targeted

Services and Activities

Students can receive Supplemental Educational Opportunity Grants at any one of approximately 4,000 participating postsecondary institutions. Institutional financial aid administrators at the participating institutions determine the exact amount of the award. Between \$100 and \$4,000 a year is available for a student, depending on when the student applies, his or her level of need and the funding level of the school attended. Students do not have to repay these grants.

Unlike the federal Pell Grant program, there is no guarantee that every eligible student at a school will be able to receive a Supplemental Education Opportunity Grant. Students at each school are paid based on the availability of funds.

Funding

Fiscal Year (FY) 2010, \$757 million; FY 2011, \$735.9 million; FY 2012, \$757.5 million

Relevance for Youth with Serious Mental Health Conditions

Financially needy youth with serious mental health conditions who intend to attend a postsecondary institution can apply for a federal Supplemental Educational Opportunity Grant.

Perkins Loan Program

Statutory Authority

Higher Education Act of 1965, as amended, Title IV, Part E, 20 U. S. C. §§ 1087aa-1087ii

Federal Agency

Office of Federal Student Aid, Department of Education

Program Type

Federally guaranteed low-interest Perkins Loans are awarded to a student through the institution he or she attends.

Eligibility, General

The Perkins Loan program provides low-interest loans to help needy students finance the costs of postsecondary education. Students can receive Perkins Loans at any one of approximately 1,800 participating postsecondary institutions. Institutional financial aid administrators at participating institutions have substantial flexibility in determining the amount of Perkins Loans to award to students enrolled or accepted for enrollment.

Eligibility, Financial

Financial need is determined through a formula based on financial information reported by the student on the Free Application for Federal Student Aid (FAFSA). This information determines the student's expected family contribution. The formula assesses the student's (or in the case of dependent students, the parents') income and assets, family size and number of family members attending post-secondary institutions.

Eligibility, Other

Incarcerated individuals are not eligible while incarcerated but are once released. A student is not considered incarcerated if in a halfway house or home detention, or only serving time on weekends. Ineligibility applies only to convictions on a student's record—not expunged or sealed juvenile records. Individuals who receive drug convictions while receiving federal financial assistance for higher education become ineligible for further assistance for a specific period of time or indefinitely. The length of this ineligibility depends on whether the charge is for possession or for sale of a controlled substance, and whether or not the student has had any prior drug offenses.

Youth in Transition

Not targeted

Services and Activities

This campus-based program provides low-interest loans to undergraduate, graduate and professional students. Loan funds are provided through new Federal Capital Contributions, institutional matching funds and collections from prior borrowers. Part of or the entire loan may be forgiven for borrowers who work in certain occupations. This has helped increase the number of law enforcement officers, teachers and nurses in rural and inner-city areas.

Undergraduates may borrow up to \$5,500 per year, up to a maximum of \$27,500. Graduate students may borrow up to \$8,000 per year, up to a maximum of \$60,000 including any undergraduate Perkins Loans. The amount awarded depends on both the student's financial

need and the school's level of funding.

In 2002-2003, the Perkins Loan Program provided new federal loan funds to more than 728,000 students at about 1,750 postsecondary institutions. The average loan was \$2,003. Nearly half of undergraduate dependent borrowers were from families with incomes of \$30,000 or less. In fiscal year (FY) 2004, \$98.8 million was provided to students.

Since its inception, more than 10 million students have received more than \$15 billion in loans from the Perkins Program. A key factor of the program's success is the central role of the college that originates, services and collects the loans, while providing loan counseling for the borrower.

Institutions of higher education may apply for an allocation of funds to be awarded to undergraduate, vocational and graduate students enrolled or accepted for enrollment at participating schools.

Payments on Perkins Loans begin nine months after graduation or when the student leaves school for any reason. Students may take up to 10 years to pay back Perkins Loans. In some cases, they may postpone loan repayments through deferments or forbearance procedures.

Borrowers who undertake certain public, military or teaching service are eligible to have all or part of their loans canceled. In general, schools are reimbursed for 100% of the principal amount of the loan canceled, and the reimbursement must be reinvested in the school's revolving loan fund. These institutional reimbursements for loan cancellations are an entitlement.

Funding

FY 2010, \$970.7 million; FY 2011, \$970.7 million; FY 2012, \$4.2 billion

Relevance for Youth with Serious Mental Health Conditions

Perkins Loans are low-interest loans to help needy students. Loans may be for varying percentages of the costs of the education, and must be repaid upon graduation, although deferments are possible in certain circumstances. These loans could benefit students with serious mental health conditions by putting the cost of a community college or public university education within reach of youth with very modest incomes and resources. Students who are convicted of drug offenses while receiving federal financial assistance lose their eligibility for further aid for either a fixed period of time or indefinitely.

Education and Training Vouchers Program for Youth Aging Out of Foster Care

Statutory Authority

Section 477 of Title IV-E, Social Security Act, 42 U.S.C. § 677(a)(6). The Education and Training Vouchers Program for Youth Aging out of Foster Care adds a sixth purpose to the Chafee Foster Care Independence Program.

Federal Agency

Children's Bureau, Administration for Children and Families, Department of Health and Human Services

Program Type

This is discretionary funding that is allotted to states using the same formula as for the Chafee Foster Care Independence Program (see section 5).

Eligibility, General

Youth in foster care and youth adopted from foster care who are seeking postsecondary education and training are eligible.

Eligibility, Age

Youth are eligible after they reach age 16. Individuals participating in the voucher program on the date they turn 21 remain eligible until they are 23, as long as they are enrolled in a postsecondary education or training program and are making satisfactory progress toward completion of that program.

Youth in Transition

Targeted

Services and Activities

The program is designed to assist students aging out of foster care to prepare for and enter postsecondary training and education institutions. The program provides resources to states for vouchers of up to \$5,000 per year per person. The program supplements the assistance authorized in the Chafee Independence Program (see section 5).

Vouchers may be used for a variety of services and supports designed to help the youth attend and satisfactorily complete postsecondary education or training at an institution of higher education (as defined in Section 102 of the Higher Education Act of 1965). Funds may be used for tuition, fees, books, equipment (such as computers), supplies, uniforms, housing, internships, school-related travel and other purposes.

Funding

Fiscal Year (FY) 2010, \$45.4 million; FY 2011, \$45.4 million; FY 2012, \$45.2 million

Evaluation

The National Child Welfare Resource Center for Youth Development was commissioned by the Administration for Children and Families to study how states were implementing their Education and Training Voucher Programs and to identify strategies that appeared to be working. The study focused on how states carried out the outreach, application,

implementation and collaboration components of the program. The study suggests that these programs should adhere to four core principles—youth development, collaboration, cultural competence and permanent connections—and that successful programs will involve youth in all phases of the program, promote community and interagency collaboration, strive to be culturally competent, and assist youth in developing lifelong permanent connections.

Relevance for Youth with Serious Mental Health Conditions

This program has strong potential for assisting youth with serious mental health conditions who are aging out of foster care and are engaged in postsecondary education or job training. A strength of the program is that it can provide assistance to youth up to age 23. This is a higher age limit than many transition programs, although not as high as might be required developmentally.

On the other hand, the amount of the voucher (\$5,000), while helpful, may fall short of the costs of postsecondary education and, therefore, may not be sufficient to enable youth to pursue a college career. Furthermore, congressional appropriations for this program are limited and it is likely that many youth in need cannot be served.

TRIO: Talent Search

Statutory Authority

Higher Education Act of 1965, as amended, Title IV, Part A, Subpart 2, Chapter 1, Section 402B, 20 U.S.C. 1070a-12

Federal Agency

Office of Postsecondary Education, Department of Education

Program Type

This is a discretionary grant program.

Eligibility, General

Funds are awarded to institutions of higher education, public and private agencies and organizations, combinations of such entities, and secondary schools, to identify qualified disadvantaged youth with potential for postsecondary education, to encourage them to complete secondary school and undertake postsecondary educational training, and to publicize existing forms of student aid.

Eligibility, Beneficiaries

To be eligible, individuals must reside in the target area or attend a target school, have potential for education at the postsecondary level, and can benefit from one or more of the services provided by the project. Two-thirds must be low-income individuals who are also potential first-generation college students. Project participants must be between 11 and 27 years old (exceptions allowed). Required low-income criteria for participants are stated in application materials.

Youth in Transition

Targeted

Services and Activities

Projects must provide connections to academic tutoring services, assistance in selecting secondary and college courses, assistance in preparing for college entrance exams and in completing college applications, information on student financial aid, assistance in completing financial aid applications, connections to services designed to improve financial and economic literacy, and guidance on and assistance in re-entering and completing secondary school.

Projects may also provide academic tutoring; personal and career counseling; information on career options; exposure to college campuses; workshops and counseling for families of students served; mentoring programs involving school teachers and counselors; and services specially designed for students with disabilities or limited English proficiency, homeless children and youth, and students in foster care.

A grantee may not use the project as a part of its recruitment program.

Funding

Project Grants:

Fiscal Year (FY) 2010, \$141.6 million; FY 2011, \$135.9 million; FY 2012, \$135.9 million (est)

Evaluation

According to a 2006 study of the program in three states, Talent Search participants were more likely than peers from similar backgrounds to be first-time applicants for financial aid and to enroll in colleges or universities. Talent Search participants also appeared more likely to complete high school, although evaluators were unable to say with confidence that this improved outcome was attributable to the program.¹

Relevance to Youth with Serious Mental Health Conditions

Youth with serious mental health problems may not only often have low expectations for themselves, but they may also be saddled with the low expectations that others have for them—based on academic and social problems in school. Talent Search and other programs that nurture aspirations for college and help individuals overcome barriers have the potential to improve the life prospects of these young people.

1 U.S. Department of Education. 2006. A Study of the Effect of the Talent Search Program on Secondary and Postsecondary Outcomes in Florida, Indiana and Texas: Final Report from Phase II of the National Evaluation. <http://www2.ed.gov/rschstat/eval/highered/talentsearch-outcomes/index.html>

TRIO: Upward Bound

Statutory Authority

Higher Education Act of 1965, as amended, Title IV, Part A, Subpart 2, Chapter 1, Section 402C, 20 U.S.C. 1070a-13

Federal Agency

Office of Postsecondary Education, Department of Education

Program Type

This is a discretionary, competitive grant program to educational institutions and community agencies with experience in serving disadvantaged youth. It is aimed at improving high school graduation rates among disadvantaged youth and in fostering their participation and success in higher education.

Eligibility, General

Local education agencies, postsecondary schools, and public and private agencies and organizations with experience in serving disadvantaged youth may apply.

Eligibility, Beneficiaries

The program is intended to serve high school students who are in need of academic support and who come from low-income families in which neither parent holds a bachelor's degree. To be eligible, participants must be between the ages of 13 and 19 and have completed 8th grade. Two-thirds of the participants in a project must be both low-income and potential first-generation college students. One-third must be either low-income, potential first-generation college students, or students who have a high risk for academic failure.

Youth in Transition

Targeted

Services and Activities

All projects must provide instruction and tutoring in math, laboratory science, composition, literature, and foreign language. Other services include counseling and assistance with secondary school re-entry, alternative education programs when needed, postsecondary education, financial aid programs, work-study opportunities, and financial literacy. Appropriate services should be provided for students with disabilities, those with limited English proficiency, and students who are homeless or in foster care.

Funding

Project Grants:

Fiscal Year (FY) 2010, \$302.5 million; FY 2011, \$290.5 million; FY 2012, \$290.5 million

Evaluation

According to a 2004 evaluation from Mathematica, Upward Bound has a substantial impact on high school and postsecondary outcomes for certain groups of students. In particular, Upward Bound consistently showed a positive impact on students who, when applying for the program, did not expect to earn a B.A. degree. Staying in Upward Bound for longer periods is associated with better student outcomes. The median length of program participation is 19 months. Each additional year a student remains in Upward Bound is associated with a 9

percentage point increase in attendance at a postsecondary institution.

Relevance to Youth with Serious Mental Health Conditions

Youth with serious mental health conditions have high dropout rates and very low rates of participation in higher education. The extra support and services provided by Upward Bound could help these youth succeed in obtaining their high school diploma and to pursue higher education.

TRIO: Student Support Services

Statutory Authority

Higher Education Act of 1965, as amended, Title IV, Part A, Subpart 2, Chapter 1, Section 402D, 20 U.S.C. 1070a-14

Federal Agency

Office of Postsecondary Education, Department of Education

Program Type

This is a competitive grant to institutions to provide supportive services to disadvantaged college students to enhance their potential for successfully completing their postsecondary education programs and increase their transfer rates from 2-year to 4-year institutions.

Eligibility, General

Institutions of higher education and combinations of institutions of higher education may apply.

Eligibility, Beneficiaries

Eligible students are low-income, first-generation college students or students with disabilities who are enrolled, or accepted for enrollment, at the institution receiving the grant, and who are in need of academic support in order to successfully pursue a program of postsecondary education.

Youth in Transition

Targeted

Services and Activities

All projects must provide academic tutoring, advice on postsecondary course selection, financial aid counseling, services to improve financial and economic literacy, assistance in applying for graduate and professional programs, and activities to help students in 2-year institutions enroll in 4-year programs. Projects may also provide personal and career counseling; exposure to cultural events; mentoring; services to secure temporary housing during academic breaks for students who are homeless; activities for students with disabilities or limited English proficiency, homeless students, and students in foster care; and grant aid (not to exceed 20% of a project's funds).

Funding

Project Grants:

Fiscal Year (FY) 2010, \$302.5 million; FY 2011, \$290.5 million; FY 2012, \$290.5 million

Evaluation

A 2010 evaluation of the program found that receipt of student support services correlated with improved student academic outcomes. Participation was also associated with receiving a higher level of supplemental services, including both those services specifically designed for program participants and supplemental services in general. This finding was consistent across all measures of academic outcomes and there were positive and statistically significant effects on key measures of college retention and degree completion.

Relevance to Youth with Serious Mental Health Conditions

The evaluation also suggested that a key benefit of the program is that it creates a pathway and opportunities for providing at-risk students with an individualized set of services. The program allows participants to determine the types and the amounts of services they receive, as long as the services are offered by the institutions (whether under the aegis of the student support services program or not) or, when needed, a connection can be made to services in the community. This flexibility is an important design feature that can be particularly helpful to students who have psychiatric conditions and who may have a complex set of needs. In order to achieve its desired effect, program staff must understand that student support services are not a narrow and fixed set of discrete services and that the overall aim in working with any student is identifying and obtaining the individual services needed.

3. Employment Programs for People with Disabilities and Other Special Populations

Vocational Rehabilitation Title I Formula Grants

Disability Employment Initiative

Vocational Rehabilitation: Supported Employment

Ticket-to-Work and Work Incentives Improvement

Promoting Readiness of Minors on SSI (PROMISE)

Vocational Rehabilitation Title I Formula Grants

Statutory Authority

Rehabilitation Act of 1973, as amended, Title I, Parts A and B, 29 U.S.C. §§ 720-724 and §§ 730-731

Federal Agency

Office of Special Education and Rehabilitative Service, Department of Education

Program Type

These are formula grants to states to assist individuals with disabilities in preparing for and engaging in gainful employment.

Eligibility, General

State agencies in all states, territories and possessions that are designated as the sole state agency to administer the Vocational Rehabilitation (VR) program may apply for these grants. State agencies must prepare a five-year state plan for vocational rehabilitation services, meeting federal requirements established under the Rehabilitation Act. States must match 20% of the federal dollars received.

Eligibility, Severity of Condition

The law requires that priority be given to people with the most significant disabilities. People receiving Supplemental Security Income benefits are automatically eligible for VR services. To be eligible for VR services from a state VR agency, a person must:

- ◆ have a physical or mental impairment that is a substantial impediment to employment;
- ◆ have the ability to benefit from VR services in terms of their employment prospects; and
- ◆ require VR services to prepare for, enter, engage in or retain employment.

Youth in Transition

Youth in transition could benefit from this program. They would need to meet the disability requirements of the state program. Schools also may refer students with disabilities for VR services as part of a student's transition plan.

Services and Activities

The VR program provides a wide range of services and job training to people with disabilities who want to work. State VR agencies must provide comprehensive rehabilitation services that go beyond those found in routine job training programs. This frequently includes work-evaluation services, assessment for and provision of assistive technology, job counseling services, and medical and therapeutic services. Title I funds can also be used for supported employment programs.

Services include:

- ◆ assessments for determining eligibility and VR needs;
- ◆ vocational counseling, guidance and referral services;
- ◆ physical and mental restoration services;
- ◆ vocational and other training, including on-the-job training;
- ◆ maintenance for additional costs while receiving VR services;

- ◆ transportation related to VR services;
- ◆ services to assist students to transition from school to work;
- ◆ personal assistance services while receiving VR services;
- ◆ rehabilitation technology services and devices;
- ◆ supported employment services; and
- ◆ job-placement services.

Each individual served by a VR agency has an individualized plan for employment (IPE) that authorizes the services to be provided or funded by the VR agency. This plan supports informed choice by the individual in the selection of the IPE's employment outcome, specific services, service providers and methods to procure the services. In theory, the planning processes for an individual education program (IEP) for a student with disabilities and the IPE should be coordinated, and some of the same individuals should serve on both the IEP and the IPE teams.

State VR agencies assist individuals with disabilities in locating employment by developing and maintaining close relationships with local businesses.

Funding

Fiscal Year (FY) 2010, \$3.05 billion; FY 2011, \$3.05 billion; FY 2012, \$3.1 billion

Evaluation

Of individuals whose service records were closed by VR agencies in FY 2011, 179,535 were transition-age youth at their time of application, roughly representing about 30% of all the VR closures. At closure, about half of the youth participants obtained employment.

The Individuals with Disabilities Education Act (IDEA) requires schools to invite representatives from VR to transition planning for students with an IEP, but VR attendance is more the exception than the norm. The rate of VR counselor participation in IEP transition planning varies by disability category, from 30% for students with visual impairments to 12% for students with emotional disturbances.¹ A commonly cited barrier to better employment outcomes for youth with disabilities is this low level of collaborative planning between school and VR personnel.² Other problems include long delays in access to services, confusion about whether VR or schools are responsible for transportation and for providing certain services, services that are not adapted to youth needs and preferences, and structural disincentives for serving those most in need of assistance.

Relevance for Youth with Serious Mental Health Conditions

Unfortunately, VR services have not been available to the many youth with serious mental health conditions who could benefit from them. A number of assessments of the program have found that VR providers are apt to serve the least disabled since there are rewards for providers who quickly place clients in permanent employment. Transition-youth who have serious disorders and who are likely to need more intensive services and a longer period of support are thus much less likely to receive services.

1 U.S. Department of Education, Institute of Education Sciences, National Center for Special Education Research, National Longitudinal Transition Study-2 (NLTS2), Waves 2, 3, 4, and 5 parent interview and youth interview/survey, 2003, 2005, 2007, and 2009.

2 Government Accountability Office, Students with Disabilities: Better Federal Coordination Could Lessen Challenges in the Transition from High School, July 2012.

Disability Employment Initiative

Statutory Authority

Consolidated Appropriations Act of 2010, P.L. 111-117

Federal Agency

Education and Training Administration and Office of Disability Employment Policy, Department of Labor

Program Type

This is a discretionary grant program to states to improve education, training, and employment opportunities and outcomes for youth and adults who are unemployed, underemployed and/or receiving Social Security disability benefits.

Eligibility, General

State agencies that administer the Workforce Investment Act (WIA) are eligible to apply for a grant through the Disability Employment Initiative.

Youth in Transition

This program is not specifically targeted at transition-age youth. Programs developed with Disability Employment Initiative funds could potentially benefit any working-age individual with a disability. Grantee state agencies must use the funds to benefit either adults or youth. Three of the nine states selected for the first round of grants in 2010 chose to focus on youth.

Services and Activities

The purpose of the Disability Employment Initiative is to “improve education, training and employment outcomes for youth and adults with disability by improving access to the WIA funded services that are designed to improve these outcomes.” It is, overall, a program designed to improve WIA service delivery, especially by taking advantage of community resources.

To meet this goal, grantee states must develop a plan design that includes the following three required elements: 1) a commitment to hire or designate a Disability Resource Coordinator; 2) participation in Ticket-to-Work as an Employment Network; and 3) utilization of partnerships and collaboration.

Grantee states must also commit to using two of an additional six strategies to improve their service delivery approach. Those strategies include:

- ◆ an Integrated Resource Team approach to coordinating services and leveraging funding;
- ◆ integrating and blending resources and funds from multiple sources;
- ◆ customized employment, or individualizing the relationship between prospective employees and employers;
- ◆ self-employment;
- ◆ Guideposts for Success educational and career development interventions; and
- ◆ asset development strategies to enhance long-term economic self-sufficiency.

Funding

Fiscal Year (FY) 2010, \$22 million; FY 2011, \$21 million; FY 2012, \$24 million

Evaluation

Evaluation of the Disability Employment Initiative is ongoing. From the beginning of the project, Local Workforce Investment Areas within each participating state were divided into treatment and control groups. Data will be collected through document review, observations, interviews and focus groups. At this early stage in the program, the evaluators from Social Dynamics, LLC, the Altarum Institute and Berkeley Policy Associates are only just beginning to gain insights into the implementation of the Disability Employment Initiative in the participating states.

Relevance for Youth with Serious Mental Health Conditions

Youth with serious mental health conditions face significant barriers to employment. The Disability Employment Initiative provides funding toward efforts that will make delivery of employment and training services to individuals with disabilities more efficient. Increased efficiency of these services could lead to better employment outcomes for youth with serious mental health conditions, increasing the chance that they will be able to live independent, self-sufficient lives.

1 Noble, John H., Honberg, Ronald, S., Lee Hall, Laura & Flynn, Laurie (January, 1997). *A Legacy of Failure: The Inability of the Federal-State Vocational Rehabilitation System to Serve People with Severe Mental Illnesses*. A Report of the National Alliance for the Mentally Ill, Arlington, VA

Vocational Rehabilitation: Supported Employment

Statutory Authority

Rehabilitation Act of 1973, as amended, Title V, Part B; 29 U.S.C. § 795g

Federal Agency

Office of Special Education and Rehabilitative Services, Department of Education

Program Type

These are formula grants to states. Funds are distributed based on state population. No state receives less than \$300,000 or one third of one percent of the sums made available for the fiscal year, whichever is greater.

Eligibility, General

State vocational rehabilitation agencies designated in the state plan may apply.

Eligibility, Severity of Condition

Supported employment programs are for individuals with the most severe disabilities who have been evaluated for their rehabilitation potential and have been determined to be able to engage in a training program leading to supported employment.

Youth in Transition

Youth in transition could benefit from this program if they meet the disability eligibility criteria and are judged to have the capacity to achieve the outcome of supported employment.

Services and Activities

Funds are used to complement services under Title I of the Rehabilitation Act (see separate fact sheet). Supported employment programs, which can also include transitional employment programs, place individuals in jobs after negotiation with the employer. The supported employment program then provides the necessary on-the-job or off-site services that ensure that the person succeeds and is able to keep the job. Unlike sheltered workshops, supported employment jobs are competitive jobs that can be permanent positions.

Transitional employment jobs are also competitive in the local economy, but in this case they are temporary (generally for six months) and an individual may hold a succession of transitional employment jobs before moving on to permanent employment. Generally, transitional employment is a technique employed in mental health systems—not in systems serving people with other disabilities.

Supported employment programs:

- ◆ provide skilled job trainers for intensive on-the-job training;
- ◆ foster job development;
- ◆ provide follow-up services that are necessary to maintain employment;
- ◆ provide supervision at training sites; and
- ◆ deliver other services related to serving an individual in supported employment.

Funding

Fiscal Year (FY) 2010, \$29.2 million; FY 2011, \$29.2 million; FY 2012, \$29.2 million

Evaluation

Approximately 36,500 individuals are served annually. Major outcomes for supported employment programs include:

- ◆ full inclusion into the business workforce;
- ◆ improved employment retention;
- ◆ competitive employment earnings; and
- ◆ enhanced fringe benefits.

Relevance for Youth with Serious Mental Health Conditions

Supported employment and transitional employment programs are highly successful approaches for helping people with serious mental health conditions to obtain and retain employment. While supported employment can also be funded under Title I of the Vocational Rehabilitation (VR) Act, state VR agencies generally do not invest significant Title I resources in this approach, particularly for people with serious mental health conditions. As a result, the separate statutory authority for supported employment has been a very important part of the federal government's contribution to promote employment for this population.

Ticket-to-Work and Work Incentives Improvement Act

Statutory Authority

P.L. 106-170, 42 U.S.C. § 1320b-19

Federal Agency

Social Security Administration (SSA)

Program Type

This is an entitlement program.

Eligibility, General

All adult Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) beneficiaries with disabilities

Eligibility, Age

Youth 18 years of age and older

Eligibility, Other

For youth who are not employed, an alternative criterion for eligibility is attending a secondary education institution.

Youth in Transition

Transition-age youth meeting the above criteria would be deemed eligible. Each youth on SSI automatically receives a ticket in the mail upon reaching age 18 (after the age-18 redetermination). Young adults do not have to assign their tickets immediately but can wait until they leave school at age 21.

Services and Activities

The goal of the Ticket-to-Work Program is to increase employment opportunities for individuals with disabilities and to improve their access to, and choice of, vocational rehabilitation and other support services. Ticket holders may use their ticket to obtain vocational rehabilitation, employment or other support services from an approved provider of their choice to help them go to work and achieve their employment goals.

Any private entity or agency or a state or political subdivision that takes responsibility for the delivery of services or for service coordination and referral is eligible to apply to be an Employment Network (EN), including One-Stop career centers. ENs are responsible for providing pre- and post-employment services to ticket holders who choose to go to work. ENs coordinate or offer a variety of essential job placement, vocational rehabilitation, job preparation, support and retention services to help ticket holders be successful in the workplace.

Secondary education institutions can become ENs, thereby increasing the funds they have available to help students make the transition from school to work. Schools may also collaborate with an EN and share EN payments. Program funding can be used to offset expenses of providing transition services.

The Act seeks to remove many of the barriers that previously influenced decisions about going to work because of people’s concerns about losing health care coverage and other federal benefits. Once individuals have tickets and are actively participating, they will not have to go through another SSA continuing-disability review. In addition, individuals holding a ticket remain eligible for Medicaid.

The Act also authorizes:

- ◆ an expedited process for the reinstatement of disability benefits so that people are not discouraged from seeking employment for fear of losing their job and being unable to promptly regain benefits;
- ◆ a state option to extend Medicaid eligibility to disabled individuals with higher incomes and to establish a Medicaid buy-in program for individuals with incomes 250% of the federal poverty level;
- ◆ Medicare eligibility for individuals on SSDI who work by extending Part A (hospital) coverage premium-free for an additional four years beyond the usual limit of 39 months; and
- ◆ a community-based work incentives planning and assistance program in SSA to disseminate information about work incentives and to give beneficiaries more choice. SSA provides work incentives specialists in local Social Security offices and has cooperative agreements and contracts to provide benefits planning and assistance to all Social Security disability beneficiaries.

Funding

Fiscal Year (FY) 2010, \$2.8 million; FY 2011, \$3.7 million; FY 2012, \$5 million

Evaluation

One aim of the law was to open up the sources of rehabilitation services for people with disabilities beyond the traditional state vocational rehabilitation agencies. However, VR agencies generally control the great majority of tickets and typically either do not reach and engage a substantial proportion of individuals with psychiatric disabilities or fail to provide the effective services and supports that are needed. Psychiatric rehabilitation programs have found it difficult to become Employment Networks (ENs) since ENs are not paid for services until the individual succeeds in work. Most small psychiatric rehabilitation programs cannot afford to offer services under this reimbursement model.

Relevance for Youth with Serious Mental Health Conditions

Some youth with serious mental health conditions may benefit through the link between schools and secondary education institutions and the Ticket-to-Work program, particularly if they are identified as a student with disabilities and have an IEP with a transition plan. While SSA reports that there are almost one million youth under the age of 18 receiving SSI benefits and that approximately 70% of them will be eligible for tickets once they reach age 18, it is far from certain that youth with serious mental health conditions will be able to access the type of services they need through this system.

Promoting Readiness of Minors in SSI (PROMISE)

Statutory Authority

Title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq.

Federal Agency

Office of Special Education and Rehabilitation Services, Department of Education; Social Security Administration (SSA); Department of Labor; Department of Health and Human Services

Program Type

This is a discretionary grant program.

Eligibility, General

Children receiving Supplemental Security Income (SSI) and residing in a state that receives a competitive PROMISE grant will be eligible for services.

Youth in Transition

This program does not specifically target youth in transition. Rather, the program targets all individuals under age 18 who receive SSI. The purpose of the program, however, is to improve transition outcomes.

Services and Activities Funded

Grant funds are intended to improve coordination and use of existing state programs for which children receiving SSI and their families are already eligible. Examples of existing programs that may be built upon using PROMISE funds include:

- ◆ special education and related services funded by the Individuals with Disabilities Education Act (IDEA)
- ◆ programs funded by Vocational Rehabilitation State Grants
- ◆ Medicaid's care coordination services
- ◆ Job Corps
- ◆ Head Start
- ◆ other Workforce Investment Act (WIA) programs

Funding

Fiscal Year (FY) 2010, \$0; FY 2011, \$0; FY 2012, \$2 million

Evaluation

When the first PROMISE grants are awarded in FY 2013, monitoring and evaluation will be a built-in aspect of the program. Outcome-based incentive payments will be incorporated into grants, and a contract will be awarded to evaluate PROMISE-funded pilot interventions.

Relevance for Youth with Serious Mental Health Conditions

The goal of this program is to test interventions that may improve health, education, and employment outcomes for children receiving SSI. By improving coordination and take-up of existing services, policymakers hope that more children who receive SSI, including youth with serious mental health conditions, will be better prepared for the transition to adulthood and, once adults, be able to support themselves.

4. General Employment Programs

Workforce Investment Act Youth Formula Grants

Workforce Innovation Fund

One-Stop Career Centers

Job Corps

Youth Conservation Corps and Public Lands Corps Programs

National Guard ChalleNGe Program

YouthBuild

AmeriCorps

Workforce Investment Act Youth Formula Grants

Statutory Authority

Workforce Investment Act (WIA) of 1998, Title I, Part B, P.L. 105-220, 29 U.S.C. § 2851 and 20 U.S.C. § 9201

Federal Agency

Employment and Training Administration, Department of Labor

Program Type

These are formula grants.

Eligibility, General

States must submit a plan that outlines a five-year strategy for the workforce investment system.

Eligibility, Age

Youth must be between ages 14 and 21 to access the funded services.

Eligibility, Financial

Youth must live in a household whose income either does not exceed the federal poverty level or is 70% of the lower living-standard income (a standard adjusted for regional, metropolitan, urban, and rural differences and family size determined by the Secretary of Labor).

Eligibility, Other

Youth must meet one or more of the following criteria: 1) lack basic literacy skills; 2) be a school dropout; 3) be a homeless, runaway or foster youth; 4) be pregnant or a parent; 5) be an offender; or 6) require assistance to complete their education or secure and hold employment. Thirty percent of funding must be used to serve out-of-school youth.

Youth in Transition

Targeted. These grants are designed to help states and local communities assist low-income youth in acquiring the educational and occupational skills needed for academic and employment success.

Services and Activities

Title I of the Act authorizes the Workforce Investment System and establishes state Workforce Investment Boards that have state oversight of local Workforce Investment Boards. It also mandates local Youth Councils, whose role is to ensure provision and coordination of workforce investment activities for low-income youth in the local area. The law provides a process by which eligible providers of training and other youth activities are identified.

Youth have access to locally provided services and employment and training activities in partnership with the WIA One-Stop Career Center system, which is under the direction of local Workforce Investment Boards. These activities and services will provide:

- ◆ needed assistance to achieve academic and employment success;
- ◆ ongoing mentoring;
- ◆ opportunities for training;
- ◆ continued supportive services;

- ◆ incentives for recognition and achievement; and
- ◆ leadership development, citizenship and community service opportunities.

Funding

Fiscal Year (FY) 2010, \$924.1 million; American Recovery and Reinvestment Act (a.k.a. stimulus funds) 2010, \$1.2 billion; FY 2011, \$825.9 million; FY 2012, 824.4 million

Evaluation

The Office of Management and Budget rated this program as “adequate.” In 2007, 62% of youth entered into employment or enrolled in post-secondary education after completing funded programs; 57% attained a diploma, GED, or certificate. The program costs approximately \$3,700 per participant.

Relevance for Youth with Serious Mental Health Conditions

The activities funded under Workforce Investment Act Youth Formula Grants include training and supportive services that are very appropriate for youth with serious mental health conditions. However, the grant continually receives less funding. Programs funded in the past under the grant have been shown to be successful. As a result, the program’s full potential to help a large number of at-risk youth may be undermined by its diminishing funding levels.

Workforce Innovation Fund

Statutory Authority

Workforce Investment Act (WIA) of 1998, P.L. 105-220

Federal Agency

Employment and Training Administration, Department of Labor

Program Type

This is a discretionary/formula grant program.

Eligibility, General

Eligibility is determined by the programs that states and local workforce areas decide to create with these funds. At the most expansive programs, any individual eligible for WIA services is potentially eligible to benefit from the Workforce Innovation Fund.

Youth in Transition

Not targeted

Services and Activities

The Workforce Innovation Fund can provide grants to the following entities:

- ◆ state workforce agencies;
- ◆ local workforce investment boards;
- ◆ entities eligible to apply for WIA Section 166 grants;
- ◆ consortia of state workforce agencies;
- ◆ consortia of local workforce investment boards; and
- ◆ consortia of entities eligible to apply for WIA Section 166 grants.

Grant recipients are directed to use the funds to:

- ◆ retool service delivery strategies to improve outcomes for workforce system customers;
- ◆ retool policy and administrative systems and processes to improve outcomes for workforce system customers; and
- ◆ evaluate the effectiveness of such activities.

Funding

Fiscal Year (FY) 2010, \$0; FY 2011, \$125 million; FY 2012, \$50 million

Evaluation

Because it is a new program, no formal evaluation of the Workforce Innovation Fund has been completed, but the evaluation of grantee programs is an element of the overall Workforce Innovation Fund program design.

Relevance for Youth with Serious Mental Health Conditions

Activities funded by WIA grants include training and supportive services that are beneficial to transition-age youth with serious mental health conditions. Workforce Innovation Fund grants will build on those services, making the WIA system more efficient and emphasizing positive outcomes for all beneficiaries of WIA services, including youth with serious mental health conditions.

One-Stop Career Centers

Statutory Authority

Work Force Investment Act (WIA) of 1998; P.L. 105-220, 29 U.S.C. § 2841. (The WIA consolidated several separate federal employment programs and replaced the Job Training and Partnership Act.)

Federal Agency

Employment and Training Administration, Department of Labor

Program Type

These are formula grants to states.

Eligibility, General

All individuals seeking assistance from a One-Stop Career Center are eligible for core job-related services; additional services are available to those who need more assistance.

Eligibility, Age

Any individual over the age of 18 is eligible at any time in his or her career.

Youth in Transition

This program does not specifically target youth or people with disabilities. However, it offers a range of services that would be beneficial to youth in transition. Services are always available, and youth may return for career and job search assistance at any time without waiting for eligibility

Services and Activities

The One-Stop model is intended to foster collaboration between disability service agencies and generic employment agencies by co-locating them in the same facility. This collaboration can help individuals simultaneously manage their disability and integrate an effective employment strategy. For youth in transition, this may provide a more coordinated delivery of services and employment training.

States have a significant amount of latitude in services provided and the operations of One-Stop Centers; therefore, the facilities vary greatly across states. All Centers must provide core services, which are informational and intended to motivate individuals to find employment. Core services include an intake and assessment of the individual's skills and background and provision of information, including information on the area's economy and employers. Internet access to career development information is also provided as well as resume development and other services.

If an individual does not gain employment through the core services, he or she then becomes eligible for more intensive services. These services often include additional intensive testing of skills and the development of an individualized employment plan. If these intensive services also do not lead to employment, then the individual can seek training. The training will be directly linked to the jobs and occupations that are in demand within the One-Stop Career Center's area. Individuals requiring training will be issued an Individual Training Account, which allows them to choose an approved trainer. They then pay for the training out of their own account. However, this option is available only on a limited basis.

Each state must appoint a WIA Board, which must include the governor, local leaders and members of the business community. These boards are charged with choosing One-Stop Career Center service providers and conducting a thorough screening and evaluation of the providers.

The Department of Labor also has several initiatives designed in part to help the One-Stop model serve employers. One of these is the President's High-Growth Job Training Initiative, of which 138 grants totaling approximately \$250 million had been made as of August 2006.

Funding

Fiscal Year (FY) 2010, \$63 million; FY 2011, \$63.6 million; FY 2012, \$63.5 million

Evaluation

WIA identifies performance standards that One-Stop Career Center operators and service providers must meet in order to receive funding. These indicators include job-placement rates, earnings, retention in employment, skills attained and credentials earned. Indicators must be reported to the federal government and are used to determine grant reauthorization and funding amounts.

A 2002 report by the Government Accountability Office (GAO) on WIA Youth Services questioned whether the One-Stop Career Centers have been successful for youth, concluding that youth were more likely to receive WIA services directly through contracted service providers rather than through One-Stop Career Centers. However, the program has been successful for other populations in more recent GAO evaluations, with primary concerns being the lack of One-Stop use by small employers and lack of overall awareness of the program.

Relevance for Youth with Serious Mental Health Conditions

One-Stop Career Centers could provide resources for transition-age youth with serious mental health conditions as they transition to adult employment, if the youth are willing to visit the typically adult-focused centers.

The program integrates the services for transition-age youth with those for adults with or without disabilities. As such, it extends mainstream opportunities to youth with serious mental health conditions. Training, career development and job placement services available through One-Stop Career Centers can aid youth in preparing for and securing employment. The open-ended nature of the program, which allows youth to return for services as needed and as often as needed, could be particularly helpful for youth with serious mental health conditions who may not be able to succeed in employment initially. However, GAO found that youth gravitated to contracted youth service providers, rather than seeking services at the One-Stop Shop Career Centers.

Job Corps

Statutory Authority

Title I-C of the Workforce Investment Act (WIA) of 1998, P.L. 105-220, 29 U.S.C. § 2881 et seq.

Federal Agency

Office of Job Corps, Employment and Training Administration, Department of Labor

Program Type

These are discretionary funds for contracts with private companies to operate Job Corps Centers. Contracts for Job Corps Centers can be either with the Department of Labor or with other federal agencies, through interagency agreements.

Eligibility, General

An individual must have a low income and one or more of the following characteristics: 1) basic skills deficiency; 2) school dropout; 3) homeless, runaway or foster youth; 4) parent; and/or 5) in need of education, vocational training or intensive counseling and related assistance in order to participate successfully in regular schoolwork or to secure and retain meaningful employment.

Eligibility, Age

Generally, the law requires youth to be not younger than age 16 and not older than age 21 on the date of enrollment. However, the maximum age may be waived by the Secretary of Labor in the case of an individual with a disability, although not more than 20% of individuals enrolled nationwide may be 22 to 24 years old. Those over age 24 are not eligible to enroll.

Youth in Transition

Targeted

Services and Activities

Education, training and support services are provided to students at Job Corps Centers located throughout the country. The program offers residential and nonresidential services. About 88% of the students live at Job Corps Centers while enrolled. In addition to education and training, the program offers a comprehensive array of career development services to at-risk individuals, including wraparound services, such as counseling and health care. Education follows a standardized curriculum, and vocational courses are offered for at least 11 trades.

The program uses a career-development training approach that integrates the teaching of academic, vocational, employability and social competencies through a combination of classroom, practical and job-based learning experiences to prepare youth for stable, long-term, high-paying jobs. Component services include: diagnostic testing, comprehensive basic education (including reading, math, GED preparation, health education, parenting education, computer-skills training and driver education), competency-based vocational education, occupational exploration, social-skills and work-readiness training, counseling, support services, leadership development, health care, recreation, post-program support and follow-up. In addition, participants may receive meals, lodging, clothing, personal allowances and child-care support.

Funding

Fiscal Year (FY) 2010, \$1.7 billion; FY 2011, \$1.7 billion; FY 2012, \$1.7 billion

Evaluation

Annually, 60,000 youth are served at 122 mostly residential facilities. Performance results are mixed, and it appears as though the costs exceed the benefits, likely because of the high costs of providing residential services. Improvement plans are currently in place. Only 53% of the participants receive a degree or certificate (more than 10% below the goal of 64%), but almost 73% of them find a job placement (also 10% below the goal of 83%). In 2007, the program cost slightly over \$25,000 per participant.

Relevance for Youth with Serious Mental Health Conditions

This program targets transition-age youth through age 24 and provides a series of services and supports that enable youth to complete their education and find and keep a job. The inclusion of social-competencies training is particularly relevant for youth with serious mental health conditions. The inclusion of both classroom and practical experiences and the emphasis on stable, long-term, well-paid jobs is potentially very helpful to these youth, many of whom could, with the right training, attain suitable employment leading to independent living and satisfying careers. The program allows youth with serious mental health conditions to associate with many other youth and be treated similarly to youth without disabilities.

Youth Conservation Corps and Public Lands Corps Programs

Statutory Authority

Public Land Corps Healthy Forests Restoration Act of 2005 (P.L.109-154), 16 USC §1701-1730

Federal Agency

Departments of Interior and Agriculture

Program Type

These are discretionary grants to state and local programs.

Eligibility, General

To qualify for funding, state and local government (including any governing body of Indian tribe) programs must offer opportunities for young people to engage in projects for the “conservation, restoration, construction or rehabilitation of natural, cultural, historic, archaeological, recreational or scenic resources.” Individuals, at the time of enrollment, must be U.S. citizens or nationals or permanent residents. The law also requires that educationally or economically disadvantaged youth be given opportunities to enroll.

Eligibility, Age

The various Corps programs are offered to individuals between the ages of 16 and 25, or between the ages of 15 and 21 in the case of summer programs, to engage in approved projects that benefit the public or are carried out on federal or Indian lands.

Youth in Transition

Targeted

Services and Activities

Programs focus on helping youth and young adults advance their education, acquire job skills and provide pathways to careers in natural and cultural resource management. The programs may operate on a year-round or seasonal basis, ranging from 8 to 10 weeks during the summer to full-time employment. Participants are offered a mix of work experience, job and life skills training, support services, and activities to promote civic engagement. Funding may be provided for stipends (not more than 100% of the poverty level will be paid to participants), health insurance, classroom training (basic skills, GED, high school diploma), general and technical job skills training, supportive services, and educational awards for higher education or vocational training.

Funding

Fiscal Years 2010-2012: \$60 million per year

Evaluation

There are over 100 Conservation Corps programs serving approximately 20,000 young people per year in conservation projects. A 2011 national evaluation of Corps programs by Texas A&M University researchers showed positive impacts on participants' education and employment levels.

The percentage of participants who obtained a high school diploma or GED increased from 57 to 82%. Nearly two thirds (63.9%) of Corps members surveyed indicated that their experience helped them secure a job, and 77.1% said the program gave them an advantage when they applied for jobs. Overall, satisfaction levels among Corps members were very high. Members reported that the programs fostered leadership and self-management skills and interest in pursuing careers related to natural resource management and other outdoor recreation.

In 2005, 46% of Corps members came from families that received Temporary Assistance for Needy Families; 39% had family incomes of less than \$15,000 a year; 56% lacked a high school diploma; 20% had previous court involvement; and 6% were previously in foster care.

Relevance for Youth with Serious Mental Health Conditions

The Corps offers young adults the opportunity to gain work experience and to improve their academic qualifications while earning money. It could be a very good experience for transition-age youth with serious mental health conditions, either as a summer job experience or on a more permanent basis. It is one of the few federal youth programs to set the upper age limit as high as 25 years of age and the program offers health insurance (although not necessarily with significant mental health coverage). Moreover, the public-good theme of the program might appeal to many individuals in this age group. However, the program is small and not available in all states.

National Guard ChalleNGe Program

Statutory Authority

1993 National Defense Authorization Act, 32 U.S.C. § 509

Federal Agency

National Guard Bureau, Department of Defense

Program Type

This is a formula grant program.

Eligibility, General

Funds are distributed to states, which must provide 40% matching funds. Applicants must be nominated by a member of the local community and selected by a state appointed committee. To be eligible, youth must be:

- ◆ a volunteer;
- ◆ 16-18 years old;
- ◆ a high school dropout of at least one month prior to application;
- ◆ a citizen or legal resident and resident of the state where the program is operated;
- ◆ unemployed;
- ◆ drug-free;
- ◆ not on parole or probation, not indicted or charged, and free of felony convictions; and
- ◆ physically and mentally capable of completing the program with reasonable accommodation for physical or other disabilities.

Youth in Transition

Targeted

Services and Activities

Through military-based training, this program is designed to improve life skills and employment potential of youth who stop attending secondary school before graduating. Core components of the program are citizenship, academic excellence (GED attainment or high school graduation), life-coping skills, service to community, health and hygiene-skills training, leadership development and physical training.

A five-month residential phase is followed by a year-long mentoring relationship with specially trained mentors from each youth's community. The mentor helps participants enter the workforce or continue schooling.

In addition, an enrollee may receive the following benefits in connection with this training program: lodging, meals, transportation, equipment, clothing, recreation, a stipend for successful completion of training and funds for other personal expenses.

Funding

Fiscal Year (FY) 2010, \$110.8 million; FY 2011, \$11.5 million; FY 2012, \$12.5 million

Evaluation

According to the National Guard Youth ChalleNGe Program web site, the following

performance indicators have been achieved:

- ◆ Over 60% of 2009 ChalleNge graduates received their high school diploma or GED.
- ◆ Over 50% joined the work force.
- ◆ 14% joined the military.
- ◆ Nearly 28% continued their education.
- ◆ Program participants have donated well over 5 million hours of community service during the program's 16-year duration.
- ◆ Programs have awarded graduates nearly 50,000 academic credentials since 1993.
- ◆ More than 100,000 teens have graduated.

Relevance for Youth with Serious Mental Health Conditions

This program provides life-skills training through a residential program and year-long mentoring. For youth who have dropped out of school and meet the other qualifications for the program, this support and mentoring may be of significant value.

YouthBuild

Statutory Authority

The Workforce Investment Act of 1998, as amended by the YouthBuild Transfer Act, P.L. 109-281, 29 U.S.C. §2918a

Federal Agency

Employment and Training Administration, Department of Labor

Program Type

These are discretionary grants to public or private nonprofit agencies, including state or local housing agencies or authorities, states or units of local government. YouthBuild programs are funded through a combination of public and private monies and require a 25% match.

Eligibility, General

Individuals selected for full-time participation in a YouthBuild program may be offered full-time participation for a period of not less than six months and not more than two years.

Eligibility, Age

Participants must be 16 to 24 years of age.

Eligibility, Other

Participants must have already dropped out of school. In addition, they must also either be a member of a low-income family, in or aging out of foster care, a youth offender, have a disability, be a migrant youth, or a child of incarcerated parents. Exceptions (for up to 25% of a program's participants) to these requirements can be made if individuals are found to be deficient of basic skills or have been referred to the YouthBuild program by a local secondary school.

Youth in Transition

Targeted

Services and Activities

The program is designed to help disadvantaged youth obtain the skills, education and training that will help them achieve economic self-sufficiency in occupations in demand. Specific services include:

- ◆ secondary education services designed to lead to the attainment of a high school diploma or its equivalent, including tutoring, study skills training, remedial education, and dropout prevention activities, as well as alternative secondary school services such as comprehensive guidance, bilingual education for individuals with limited English proficiency, and drug and alcohol abuse counseling services;
- ◆ counseling and assistance in obtaining postsecondary education and financial aid;
- ◆ occupational training, leadership, and community service activities; and
- ◆ paid and unpaid internship, job shadowing, and preapprentice and registered apprentice opportunities.

A special emphasis is placed on leadership and skills training within the construction industry. Participants help to rehabilitate or build new community and public-use facilities, and

provide new or better housing options for homeless individuals and low-income families. Support services and need-based stipends are provided to enable individuals to participate successfully in the program and retain employment, and all programs must be structured so that 50% of participants' time is devoted to educational services and activities. Selected YouthBuild sites also function as re-entry programs for youth offenders.

On October 22, 2008, it was announced that 16 YouthBuild sites would begin testing a pilot mentoring program "friendly match," based on one currently offered through the National Guard Challenge program.

Funding

Fiscal Year (FY) 2010, \$102.5 million; FY 2011, \$79.8 million; FY 2012, \$79.7 million

YouthBuild also receives funds from a variety of sources other than the Department of Labor. Since 1993, AmeriCorps has provided funding to many local YouthBuild sites, and has also provided educational vouchers to program participants. The Department of Agriculture also currently provides supplemental funding for some rural YouthBuild sites, and much of the funding for the program comes from private donors, including individuals, nonprofit organizations, and corporations.

Evaluation

In 2005, there were more than 200 YouthBuild programs nationwide, and over 14,000 people participated in the program between 2002 and 2006. A 2004 Brandeis University study found many positive outcomes for program graduates, including a decrease in overall drug use, arrest, and homelessness, and an increase in community engagement. Youth overall have recalled their participation in the program as a positive experience.

Relevance for Youth with Serious Mental Health Conditions

These programs could provide significant training and experience to transition-age youth with serious mental health conditions if they are interested in entering the building trades. However, as only 200 programs were available nationwide in 2005, few youth could find programs in their local area. The program is growing but it will take time and additional resources to meet the demand from interested and eligible youth.

AmeriCorps

Statutory Authority

Serve America Act, P.L. 111-13

Federal Agency

Corporation for National and Community Service

Program Type

This is a formula grant program with matching funds required.

Eligibility, General

AmeriCorps programs are open to U.S. citizens, nationals, or lawful permanent resident aliens.

Eligibility, Age

AmeriCorps programs are open to those 17 years of age and older. AmeriCorps NCCC (National Civilian Community Corps) is only available to men and women ages 18-24.

Youth in Transition

While AmeriCorps is not specifically targeted at transition-age youth, many youth join AmeriCorps directly after leaving high school or college. Many of the skills gained through AmeriCorps, such as job experience and working with a team, can help youth make a smooth transition from school to employment.

Services and Activities

AmeriCorps members work in all 50 states to address critical needs in communities all across America. Some of the services AmeriCorps members participate in include tutoring and mentoring disadvantaged youth, fighting illiteracy, improving health services, building affordable housing, teaching computer skills, cleaning parks and streams, managing or operating after-school programs, helping communities respond to disasters, and building organizational capacity.

AmeriCorps is made up of several different programs, each with a slightly different mission. AmeriCorps State and National supports a broad range of local service programs that engage thousands of Americans in intensive service to meet critical community needs. AmeriCorps VISTA provides full-time members to community organizations and public agencies to create and expand programs that build capacity and ultimately bring low-income individuals and communities out of poverty. AmeriCorps NCCC strengthens communities while developing leaders through direct, team-based national and community service. FEMA Corps is a subset of AmeriCorps NCCC and is dedicated to disaster preparedness, response, and recovery.

Funding

Fiscal Year (FY) 2010, \$365.5 million; FY 2011, \$349.3 million; FY 2012, \$344.3 million

Evaluation

Performance reviews, policy analyses, and other kinds of research and evaluation are conducted on an ongoing basis to help measure the success of AmeriCorps efforts. One example is the AmeriCorps Performance Report that was conducted for the years 2002-2003 through 2004-2005, as well as trends reflecting prior years organized by state, which offered

a comprehensive review of impact and performance data. The Urban Institute Report on Performance Measurement, however, focused on identifying outcomes, outcome indicators, and data sources that will enable the Corporation for National and Community Service to track the outcomes of its programs. A longitudinal study of AmeriCorps members examining the impact of national service on participants found that “AmeriCorps alumni are more connected to their communities and are more likely to participate in community activities” than their peers.

Relevance for Youth with Serious Mental Health Conditions

While AmeriCorps does not specifically target youth with serious mental health conditions, there are many aspects of AmeriCorps that could greatly benefit and improve the lives of youth with serious mental health conditions. AmeriCorps members receive health insurance benefits, including mental health services. As an AmeriCorps member, youth with serious mental health conditions will have opportunities to develop essential skills that will help them succeed later in life.

Some AmeriCorps members may also receive a modest living allowance during their term of service, which can help members lead independent, self sufficient lives. In addition, when AmeriCorps members complete their service they receive a Segal AmeriCorps Education Award of up to \$5,350 that can be used to pay off qualified student loans or to finance college, graduate school, or vocational training at eligible institutions.

5. Basic Support Programs

Supplemental Security Income (SSI) Childhood Disability Benefits

Medicaid

Chafee Independence Program

Independent Living Centers

Client Assistance Program (CAP)

Supplemental Security Income Childhood Disability Benefits (SSI)

Statutory Authority

Title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq.

Federal Agency

Social Security Administration (SSA)

Program Type

This is an entitlement to cash assistance for low-income people with disabilities.

Eligibility, General

Individuals must meet income and resource standards and also meet the federal definition of a person with a disability.

Eligibility, Age

Individuals of any age may be eligible. There are different rules for adults and children under age 18.

Eligibility, Financial

A child may be eligible for SSI disability benefits if he or she lives in a family whose income and resources meet the federal requirements. In calculating family income and resources, an allowance (exclusion) is made for the parent(s) and for other children in the home. There is a maximum limit on earned and unearned income, but these amounts vary by state. In addition, the family's resources cannot exceed \$3,000. Financial eligibility must be documented every month.

Children in families whose income is too high to qualify them for SSI might be able to qualify once they reach age 18. At this point, SSA can consider them as adult heads-of-household and their income, rather than parental income, determines eligibility.

A child cannot be working and earning more than \$1,000 per month (2011). In most states, a child who qualifies for SSI is also eligible for Medicaid; in many states, Medicaid enrollment is automatic once the child is approved for SSI benefits. Additionally, children with disabilities who receive SSI are also automatically eligible for other federal/state social service programs such as food stamps.

Eligibility, Severity of Condition

For the SSI disability program, an individual who reaches age 18 is considered an "adult." A child who has been receiving SSI payments for a childhood disability must be re-evaluated by SSA using adult disability criteria, usually within the year after his or her 18th birthday.

SSA lists mental disorders of childhood separately from those listed as mental disorders of adulthood. This is primarily because the aspects of life in which children will experience impairment are different from those of adults, and because symptoms present differently in children than in adults. Accordingly, there are specific assessment criteria for different age groups of children, such as infants, toddlers, preschool, primary school-age, etc. (i.e. from birth to one year; ages 1-3; 3-6; 6-12; and 12-18). To be eligible, the child's disorder must be

substantiated medically and meet criteria related to the severity of functional impairment. Standardized tests and other medical findings are used to evaluate the functional severity of a child's condition. SSA only lists categories of mental disorders that are commonly found in children, but encourages applicants with non-listed conditions that cause severe impairment to seek a determination that would qualify those disorders as well.

For the 12-18 adolescent age group, functional criteria measure severity related to cognitive and communication abilities, social and personal functioning, and concentration, persistence or pace. Adolescents are evaluated in terms of social relationships, interaction, contact, isolation, situational behavior, and self-care as it pertains to the youth's ability to meet personal care needs and the potential for self-harm. Adolescents' functional impairment is examined in work, school, social, and other relevant age-appropriate settings.

Like those for children, disability determinations for adults are also based on medical evidence, measures of severity, and duration of impairments. For adults, SSA also assesses the disorder's impact on the individual's ability to work. There are no age-specific criteria in making adult disability determinations.

Youth in Transition

Not targeted. At age 18, all new applicants for SSI disability benefits, and all individuals who previously qualified as children, must meet the adult standards set by SSA. Youth in transition who received SSI benefits as children are at risk of losing them when eligibility is redetermined after their 18th birthday.

Services and Activities

In many states, individuals may be able to receive an additional payment from the state's SSA agency.

If health insurance, including Medicaid, is paying more than half the cost for a child to reside in a medical facility, the monthly SSI benefit is typically limited to \$30. Often, however, individuals residing in public group facilities—such as prisons, halfway houses or group homes that serve more than 16 people—are no longer able to receive their SSI payments. SSA can provide more details regarding children who are living in medical and other public facilities, such as detention centers and homeless shelters.

Once approved for SSI disability benefits, the local SSA agency will refer the child and family to health care services that assist children with special health care needs. Usually the referral is to the state agency responsible for the provision of services under Title V funds, or an associated community health or hospital provider.

SSI disability provides a monthly cash benefit. The maximum monthly federal benefit from 2009-2011 remained the same at \$674 for individuals, and \$1,011 for couples. In 2009, the most recent year for which data is available, the average monthly federal SSI payment was \$476.33 and the average monthly state SSI supplement was \$124.96.

Work Incentives

Youth who wish to begin working while remaining on SSI may also receive important benefits.

SSI work incentives include the following:

- ◆ Young adults found ineligible during a redetermination may continue to receive SSI if they began receiving state vocational rehabilitation agency services before their 18th birthday.
- ◆ Youth between ages 18 and 21 who are participating in an individualized education program (IEP) under the Individuals with Disabilities Education Act (IDEA) may continue to receive SSI benefits without regard to a redetermination.
- ◆ Under Section 1619, cash benefits can continue, but at a reduced rate, even as an individual begins to earn income. This section also permits Medicaid coverage to continue despite earnings as long as the individual: 1) still meets the SSI criteria for disability, 2) needs Medicaid services in order to work, and 3) earns too little to pay for health care and other needed services.
- ◆ A Plan for Achieving Self Support (PASS) can be an important source of funds in families of children and youth who have enough resources to set aside funds for a youth's transition needs. A PASS is a written plan, approved by SSA, that sets a realistic work goal, a timetable for meeting it and a description of money that will be needed to reach the goal. PASS funds can then be used to pay for various vocational, educational and work-related expenses. For children who are age 15 or older, the PASS program allows the child to save income and resources to use for education and work-related expenses. SSA will not include these savings as income or resources when determining financial eligibility for SSI disability benefits nor will SSA use the savings when figuring the child's SSI payment.
- ◆ Students under age 22 have a special earned-income exclusion that can help them qualify financially for SSI. To qualify, students must not be married or a head of a household and must regularly attend school, university or college, or a course of vocational or technical training.
- ◆ For the monthly earnings requirement, SSA will not count the amount of purchased items or services, known as Impairment-Related Work Expenses (IRWEs), that are considered necessary to support employment for individuals with medical conditions (e.g. transportation, personal assistant, attendant care services, etc.).
- ◆ For the Student Earned Income Exclusion, students age 22 or younger, who have disabilities, and who attend school on a regular basis may exclude \$1,640 of monthly earnings, with an annual limit of \$6,600, as it pertains to SSI income eligibility requirements. These figures are only for year 2011 and may increase each year.
- ◆ SSA refers SSI-eligible individuals, starting at age 16, to state vocational rehabilitation agencies for vocational training and rehabilitation.
- ◆ If a child's earnings begin to exceed the amount that qualifies him/her for SSI benefits and SSI payments are therefore terminated, Medicaid coverage will continue so long as the earnings are less than a specific amount.
- ◆ The Ticket-to-Work Program encourages SSI recipients who want to work and links them with vocational rehabilitation programs, job support services, and employment networks.
- ◆ Individuals who no longer meet SSA criteria for having a disability can continue to receive SSI under Section 301 until the individual's participation in an approved work or

education support program ends, or until SSA determines that program participation is not contributing to the person's chances of removal from the SSI program. Youth who are found ineligible during a redetermination may continue to receive SSI if they began receiving state vocational rehabilitation services before their 18th birthday.

- ◆ People with disabilities who are working and earning enough to be considered substantially and gainfully employed may still receive SSI payments if they have been receiving SSI for at least one month prior to their change in earnings, they still have a disability, and they continue to meet the other income and resource standards. Benefits may continue for two months for individuals eligible under Section 1619, who are living in a public medical, psychiatric or Medicaid facility.

Funding

Fiscal Year (FY) 2010, \$9 billion; FY 2011, \$10.1 billion; FY 2012, \$9.1 billion

Evaluation

Parents of children with mental disorders often miss work and even lose jobs because of absenteeism associated with their child's care. They are frequently called to pick children up from school before the end of the school day because of behavioral or emotional problems. Myriad health and mental health appointments, school-parent conferences, and other care-giving activities interfere with work. SSI helps replace some of the lost wages and helps families provide for their children with disabilities without forgoing the basic necessities that are needed for all family members. Receipt of children's SSI is associated with an 11% reduction in the probability that a child lives in poverty.¹

Relevance for Youth with Serious Mental Health Conditions

SSI provides critical income support for low-income individuals with significant disabilities resulting from physical or mental impairments. Unfortunately, a substantial percentage of youth lose their SSI benefits when they turn age 18 and are re-assessed by SSA under the adult criteria. Given the high percentage of youth with mental impairments on SSI and the discrepancies between the child and adult criteria for mental impairments, it is likely that a significant number of youth with mental impairments lose benefits upon reaching majority. However, many regain benefits on appeal. Some may also qualify for SSI for the first time once they are emancipated, since only their own income and resources (not their parents') will count.

1 Mark Duggan & Melissa Kearney, The Impact of Child SSI Enrollment on Household Outcomes, 26 *Journal of Policy Analysis and Management* 861 (2007).

Medicaid

Statutory Authority

Title XIX of the Social Security Act, 42 U.S.C. § 1395 et seq.

Federal Agency

Centers for Medicare and Medicaid Services (CMS), Department of Health and Human Services

Program Type

This is an entitlement with required state (and in some states also local) match.

Eligibility, General Rules

Medicaid is jointly funded and administered by the federal government and the states. States have considerable flexibility over eligibility (above federal minimums) and covered services for adults (above federal minimums). As a result, there are significant variations nationwide.

Federal law mandates coverage for certain individuals and describes other groups who may be covered at state option. While there are more than 25 specific eligibility categories, covered individuals fall into three major groupings: 1) low-income individuals (primarily dependent children, the parents of dependent children and pregnant women), 2) people who have a disability, and 3) people who are elderly.

Eligibility, Age

Medicaid covers people of all ages. The rules applying to low-income children and youth apply to individuals under age 19, but states may raise the limit to age 20 or 21 for some groups of youth.

Eligibility, Financial

Medicaid eligibility is based on household income and assets. Most states have eliminated asset testing in the case of children but still have asset limitations for parents, seniors and adults with disabilities.

Federal law requires states to cover certain “mandatory” groups:

- ◆ pregnant women and children under age 6 with family income below 133% of the federal poverty level;
- ◆ children age 6 to 18 below 100% of the federal poverty level;
- ◆ children in foster care (or those who have been adopted but whose families receive support through the child welfare system);
- ◆ parents below states’ 1996 welfare eligibility levels (often below 50% of the federal poverty level); and
- ◆ most seniors and adults with disabilities who receive Supplemental Security Income (SSI).

Under current law, there are also optional eligibility categories including:

- ◆ children and youth in families with incomes up to 185% of the federal poverty level or at or above 185% for those meeting eligibility for their state’s Children’s Health Insurance Program (CHIP);

- ◆ uninsured individuals with higher incomes through one of Medicaid’s waiver programs; and
- ◆ adolescents aging out of foster care.

Eligibility, Other

Optional categories for people with disabilities:

- ◆ individuals with incomes up to 100% of the federal poverty level;
- ◆ individuals receiving services through a home and community-based waiver;
- ◆ children living at home with family income and resources too high to qualify, who would qualify if they were in an institution (the TEFRA or Katie Beckett option);
- ◆ working people with disabilities;
- ◆ individuals who receive only optional state SSI supplements;
- ◆ individuals with high health care costs who do not otherwise qualify but who can become “medically needy” by spending down their income on health care; and
- ◆ people with disabilities with incomes up to 100% of the federal poverty level.

Other Rules

Other rules on eligibility include the following:

- ◆ Children under age 19 and pregnant women can be found presumptively eligible for Medicaid. They can be placed on the rolls immediately before the time-consuming process of determining eligibility has been completed.
- ◆ Children up to age 19 can also be covered at the state’s option for up to 12 continuous months, regardless of any changes in their circumstances that would otherwise make them ineligible.
- ◆ Services furnished for three months prior to a successful application for Medicaid coverage are covered for individuals of all ages.
- ◆ With some exceptions, the federal government will not pay for Medicaid services furnished to individuals in a public institution. This includes publicly operated psychiatric hospitals, jails and prisons. While a person can remain eligible for Medicaid during a stay in such an institution, most states find it more convenient to terminate rather than suspend coverage in these situations. As a result, the person may lack coverage when first returning to the community.

Several states now cover uninsured individuals with higher incomes under Medicaid through Section 1115 waivers or Section 1915(c) waivers for home and community-based care. Some states have limited the services furnished to optional populations through waivers.

Single adults with no children are generally ineligible for Medicaid unless they have a disability, require nursing home care, or live in a state that has expanded eligibility through a Medicaid waiver. Thus, young adults who are not parents and do not fit the other special eligibility categories generally do not qualify for Medicaid, unless their state has a Medicaid waiver that would apply to them.

Youth in Transition

Not targeted

Services and Activities

All Medicaid-eligible children (defined as up to ages 19, 20 or 21, depending on the state) are entitled to receive any federally defined Medicaid service when it is medically necessary. This mandate stems from the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) provision in the law. Children are eligible for periodic screening for health and mental health problems and for diagnosis and treatment of any condition identified through such a screen. Under EPSDT, any service covered in federal law must be made available to the child for this treatment, whether or not the state includes that service in its state plan.

For adults, some federally defined services are mandatory while others are available only at state option. Medicaid covers a comprehensive array of health and mental health services, including rehabilitation, case management and other services of particular relevance to people with disabilities. For adults, most community-based mental health and substance abuse services are optional. Mandatory services include general hospital care, physician services, outpatient hospital care and services of a community health center. Optional services include psychiatric rehabilitation, clinic services, intensive outpatient services for substance use disorders, services of clinical psychologists or clinical social workers, prescribed medications, targeted case management and psychiatric hospital care for those over age 64.

Federal rules govern planning, administration, provision of care through managed care entities, quality assurance requirements, appeals processes and myriad other issues. States set provider-reimbursement rates and certification standards (although federal rules do impose some broad, general requirements). States may apply to waive these rules, and increasing numbers are using that approach to run their programs differently.

Funding

Federal share:

Fiscal Year (FY) 2010, \$272.8 billion; FY 2011, \$275 billion; FY 2012, \$255.3 billion

The federal government contributes a percentage of costs for covered services furnished to an eligible individual. Federal match rates vary related to a formula based on each state's per capita income. All states receive at least 50% of costs from the federal government.

Evaluation

Medicaid is the nation's largest program financing health and mental health care, currently covering 60 million people, including 31 million children. As such, it is a much-studied program. Many reports on various aspects of the program have been issued by governmental and non-government sources.

Relevance for Youth with Serious Mental Health Conditions

Medicaid's covered services include a wide array of the services needed by transition-age youth with serious mental health conditions. The most significant problem is the fact that eligibility rules change as a youth ages. Although states can opt to cover children and youth up to age 21, this is not a mandate, and not all states have done so.

Moreover, as youth pass the age of eligibility for children and adolescents in their state, they must qualify under the adult criteria, which are based both on income and on categories of need (e.g. a person with a disability receiving SSI or an individual residing in a certain facility, such as a nursing home). Many youth with serious mental health conditions cannot

qualify under these categories. Therefore, as they become young adults, they lose access to the health, mental health and, importantly, psychiatric rehabilitation services covered by Medicaid.

The “categorical eligibility requirement” for adults is set to change in many states by 2014 due to provisions of the Affordable Care Act. States that choose to participate in the Affordable Care Act’s Medicaid expansion will at least cover all adults with incomes up to 133% of the federal poverty level.

Chafee Independence Program

Statutory Authority

Title IV-E of the Social Security Act (formally known as the Independent Living Initiative), the Chafee Independence Program; 42 U.S.C. § 677

Federal Agency

Administration for Children and Families, Department of Health and Human Services

Program Type

This is a capped entitlement. Allocation formula is based on the number of children in foster care for the most recent fiscal year, with a minimum allotment of \$500,000 for every state.

Eligibility, General

Funds flow to states, which must provide a 20% match. Eligible children are those who are in, or have been in, foster care. Eligibility for the Chafee Independence Program is separate from eligibility for Title IV-E.

Eligibility, Age

States may serve youth who are likely to remain in foster care and those who have aged out of foster care, until they reach the age of 21. States must use a portion of their funds for assistance and services for former foster children between ages 18 and 21 who left foster care because they reached age 18.

States have the option of allowing youth who have left foster care on or after their 18th birthday to remain eligible for Medicaid up to age 21. States can use up to 30% of their program funds for room and board for these former foster children.

Services and Activities

The Chafee Independence Program provides flexible resources for states to fund a range of services. States may use these funds in “any manner that is reasonably calculated to accomplish the purposes” of the program. Among the services that can be funded are:

- ◆ financial services;
- ◆ housing;
- ◆ counseling;
- ◆ employment;
- ◆ education;
- ◆ life-skills training;
- ◆ case management; and
- ◆ other appropriate services.

States may amend their Medicaid state plan to cover youth up to age 21 who were in foster care at 18. States have flexibility in the extent of coverage, including presumptive eligibility.

Funding

Fiscal Year (FY) 2010, \$140 million; FY 2011, \$140 million; FY 2012, \$140 million

Evaluation

The law requires the Department of Health and Human Services (HHS) to develop outcome measures for these programs as well as data elements to track outcomes. HHS has outlined a plan for a National Youth in Transition Information System. This is a comprehensive system that will integrate information about the characteristics of youth served through independent living programs, the services delivered and the outcomes achieved. The final version of this outline was completed in April, 2008.

Relevance for Youth with Serious Mental Health Conditions

For transition-age youth who have been in foster care, this program has the potential to be extremely helpful. First, it continues Medicaid eligibility up to age 21, which allows youth to access important treatment and rehabilitation services that can aid them with independent living. In addition, the program can provide resources for meeting critical needs, including housing, financial-management services and employment services.

Drawbacks include the optional nature of the provisions. While the program is open at the national level to youth up to age 21, eligibility is limited to those who currently qualify for Medicaid. As not all states extend Medicaid eligibility to this age, not all targeted at-risk youth are eligible for the program. Resources are also an issue, since the program is a capped entitlement and states do not receive sufficient funds to serve all eligible children.

Independent Living Centers

Statutory Authority

Rehabilitation Act of 1973, as amended, Title VII, Chapter 1, Part C; 29 U.S.C. §§ 796f-796f-6

Federal Agency

Office of Assistant Secretary for Special Education and Rehabilitative Services, Department of Education

Program Type

These are competitive grants to non-profit independent living centers and a formula grant program to states for establishing a system of independent living centers.

Eligibility, General

Independent living centers may receive funding from the federal government to serve a specific population, and may also receive federal funds through the state as part of a system of independent living. Independent living centers must be nonprofit organizations that also receive funding from other sources outside of the federal government to serve that specific population.

Each center has its own general eligibility rules, such as those specific to a certain age or type of disability. There is a good deal of variability in the population focus of independent living centers.

Grants are also awarded to states to develop statewide systems of independent living.

Eligibility, Age

There are no age requirements; however, each individual center may serve a specific disabled population or a specific age group.

Youth in Transition

An independent living center may target youth in transition or youth with specific disabilities.

Services and Activities

Independent living center services vary greatly and depend on the population being served. The common theme is a reliance on consumer involvement, choice and autonomy. Core services must include:

- ◆ information and referral;
- ◆ training in independent living skills;
- ◆ peer counseling; and
- ◆ individual and system advocacy.

The majority of staff and individuals in decision-making positions must be individuals with disabilities.

Funding

Centers for Independent Living:

Fiscal Year (FY) 2010, \$78.6 million; FY 2011, \$78 million; FY 2012, \$77.7 million

State Grants:

FY 2010, \$23.5 million; FY 2011, \$23.4 million; FY 2012, \$23.4 million (estimated)

Evaluation

States must demonstrate that the centers constitute a statewide system of independent living. The states must also report the centers' effectiveness in the core services areas.

Relevance for Youth with Serious Mental Health Conditions

Although by statute independent living centers could target youth in transition with serious mental health conditions (or a broader population of individuals of all ages with serious mental health conditions), these centers have a history of primarily focusing on people with physical disabilities. Some centers also serve significant numbers of individuals with developmental disabilities. Serious mental health conditions are less often addressed. However, if part of the target population of a center, youth with serious mental health conditions can benefit significantly from the center's services.

Client Assistance Program (CAP)

Statutory Authority

Rehabilitation Act of 1973, as amended, Title I, Part B, Sec. 112, 29 U.S.C. § 732

Federal Agency

Office of Special Education and Rehabilitative Services, Department of Education

Program Type

This is a formula grant program.

Eligibility, General

State governments receive these funds based on a pre-determined formula. Any individual who is seeking or receiving services or protections under the Rehabilitation Act of 1973 or the Americans with Disabilities Act may use CAP-funded services and programs.

Youth in Transition

Not targeted

Services and Activities

State governments often delegate the state's rehabilitation services agency to administer the CAP. Another common organizational choice is to house the CAP within the state's Protection and Advocacy (P&A) agency. The CAP provides information about rehabilitation services that are available and rights under the Rehabilitation Act of 1973 and the Americans with Disabilities Act. State CAP programs may also assist and advocate on behalf of individuals with disabilities who are seeking to obtain state rehabilitative services. CAP staff will advocate on behalf of individuals with disabilities who have been denied rehabilitation services or are receiving unsatisfactory services.

Funding

Fiscal Year (FY) 2010, \$12.3 million; FY 2011, \$12.3 million; FY 2012, \$12.2 million

Relevance for Youth with Serious Mental Health Conditions

Youth with serious mental health conditions may use CAP services in their state to learn about their rights under the Rehabilitation Act and the Americans with Disabilities Act. Youth with serious mental health conditions may also obtain advice and advocacy services from state CAP programs when denied vocational rehabilitation services or unsatisfied with services. A number of studies have documented the disparity in employment outcomes between youth with disabilities and their non-disabled peers. The services provided by state CAP programs can help to narrow this gap by making sure youth with serious mental health conditions are informed both about their rights and about employment-related services for which they qualify.