Promise for the Future:
How Federal Programs Can Improve Career Outcomes For Youth & Young Adults With Serious Mental Health Conditions

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The Learning & Working During the Transition to Adulthood
Rehabilitation Research & Training Center
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EXECUTIVE SUMMARY

This publication examines various federal programs that can provide assistance in meeting the educational, vocational and basic supports needs of youth and young adults (from ages 16 to 30) with serious mental health conditions (SMHCs). It briefly examines the breadth and scope of available assistance and offers recommendations to improve state, local and federal policy. The information is intended for a diverse audience including policymakers, those assisting youth and young adults (family members and professionals) and individuals and groups that advocate for improved public policy.

THE IMPERATIVE FOR CHANGE

Youth with SMHCs are often unprepared for the transition to adulthood and for participation in the labor force. In today’s economy, gaining a firm footing on a career path is hard for most anyone, but it is particularly difficult for those with SMHCs. Overall, individuals with these conditions are more likely to drop out or be expelled from school and to forego higher education and job training when compared to a cohort of peers with disabilities of all types. Even more marked are the disparities in outcomes between those with SMHCs and the general population of their peers.

These negative outcomes and experiences not only make it exceptionally hard to find work in the current labor market, but they also lead to discouragement and a declining interest in activities that could help young adults establish a economically secure and independent life in the community. Employment and other forms of engagement in community life are generally recognized as protective factors that help individuals recover from SMHCs. Because chronic unemployment and poverty have high societal costs as well as personal ones, there is a compelling public policy interest in improving the transition programming and policies for youth and young adults with SMHCs.

MISSED OPPORTUNITIES FOR ASSISTANCE

Currently there are numerous federal programs that can help youth and young adults with the transition to adulthood through education, job training and community services and supports. Nonetheless, many individuals who would be eligible for these types of assistance miss out – often because professionals or others helping them are unaware of what is available. Young people also miss out when state and local officials fail to take advantage of some federal grant opportunities that could help them improve services and policies for these youth and young adults in their community.
CURRENT TRANSITION POLICY LIMITATIONS

It is not surprising that many policymakers and service providers have gaps in knowledge and perspective about the array of existing programs, forms of assistance, and eligibility rules. Programs span many different systems and agencies and have different purposes and target populations. Some provide services or resources directly to youth, while others provide grants to state and local government or to individual provider agencies for specific grant activities. The sheer number of programs makes it difficult for providers and policymakers to be aware of, much less fully understand, all federal programs. Typically, there are rules unique to each program and no specific attempt has been made by policymakers to align programs with each other.

This report identifies other obstacles and complications that encumber transition assistance including:

- Insufficient capacity in various systems to work and collaborate on transitioning planning and in providing comprehensive, coordinated services and supports.
- The absence of an overarching framework for systems and services integration.
- Adult services that are geared to older adults and are not developmentally and culturally attuned to young adults, ages 18-30, and youth services that may be ill-suited for older teens.
- Unclear lines of accountability when individuals are involved with multiple public systems—such as special education, mental health, and child welfare or juvenile justice—and between child and adult service systems since the transition period spans both systems.

RECOMMENDATIONS FOR NEW POLICY

Included in this report are numerous local, state and federal level policy recommendations to improve transition planning and assistance, addressing issues in major program areas, including:

- Secondary School Education
- Higher Education
- Employment
- Mental Health
- Medicaid
- Health Care
- Child Welfare
- Juvenile Justice
Exemplary transition support practices require a policy framework that allows for developmentally appropriate and integrated service delivery that is guided by individual preferences and situations.

Recognizing that a large slate of recommendations that involve numerous agencies and policy officials will take time, this report suggests prioritizing policies that:

- Address education needs of secondary-school youth with SMHCs, particularly to ensure successful high school completion and in acquiring knowledge and skills needed for higher education and employment.
- Support youth and young adults in planning for the future and in progressing toward their goals by ensuring that individuals have case managers for support and help in navigating various systems and programs. Coordination is needed, particularly in bridging youth and adult services’ cliffs, but also in spanning the boundaries of various systems.
- Focus on youth most at risk who can be expected to have particular difficulties and will need help in connecting to adult services and programs.

While some of the recommendations suggest narrow changes to specific programs, many involve broad systems issues – e.g., determining which agency has the locus of responsibility when young people with SMHCs are served by multiple agencies and the roles and responsibilities of child and adult systems during the transition period. Certainly, there are many potential actions for all levels of government that could improve the life prospects and employment-related outcomes for youth and young adults with SMHCs. Some changes, like small tweaks to enhance a particular program, will be relatively easy to achieve. Some of the most critical recommendations in this report, however, involve systemic or structural change. Recommendations that require restructuring are admittedly more difficult but policymakers should not shirk from these larger endeavors as they ultimately are key to improving the lives of individuals with SMHCs.

Below are some of the recommendations that represent larger system change:

- The adult and child systems must have shared responsibility for youth and young adults with SMHCs, understanding that the primary locus of responsibility rests with them, even when they refer individuals to other community services and systems. In particular, the adult mental health system must become a full partner in collaborating with the children’s system on transition and in developing appropriate and welcoming programs for young adults.
• In addition to age-appropriate services and environments for mental health programs, other service systems (e.g., vocational rehabilitation) must target the needs and preferences of young adults, rather than relying on services geared to adults over 30.

• States should take advantage of opportunities in the Affordable Act that increase access to Medicaid, expand the work force, and increase access to a full array of the most effective services. The state monies that currently are expended for the uninsured can be redirected to pay for support needs that are not allowable under Medicaid.

Certainly, there are many potential actions for all levels of government that could improve the life prospects and employment related outcomes for youth and young adults with SMHCs. Policymakers will have to make strategic choices about priorities and stage the implementation of new policies accordingly. They must, however, resist the tendency to divert their attention to other matters after taking one or more small steps, keeping in mind that what is required is a multipronged, sustained effort over time.
SECTION I. OVERVIEW OF THE REPORT

A. Introduction

This report focuses on a critical area of mental health policy – how to assist youth and young adults (ages from 14 to 30) with serious mental health conditions (SMHCs)* with improved prospects for successful independent living and economic security through education, job training and community services and supports. It identifies and discusses the array of federal programs that can be deployed to help these individuals through the transition into adulthood; includes recommendations on how state and local policymakers can make the best use of these programs; and suggests changes that should be made to make them more accessible and more effective.

Far too many youth today are disconnected from school and work. According to the White House Council on Community Solutions, there are 6.7 million 16 to 24 year-olds in the U.S. who are neither in school or the workplace. Teen parents, school drop-outs, and youth who have been in foster care or involved with the juvenile justice system are at particular risk, as are youth and young adults SMHCs. Without a solid foundation of education and work experience to build on, these individuals are likely to have diminished prospects for the future. They will have lower levels of education and rates of employment than their peers and higher rates of poverty, unplanned pregnancy, substance use disorders, homelessness and involvement in the criminal justice system.¹

Students with “emotional disturbances” under the Individuals with Disabilities Education Act (IDEA) have the highest school dropout rate of any group of youth with disabilities. In 2005-2006, the drop-out rate for these students was 44.9 percent, while the rate for all students with disabilities was significantly lower at 26.2 percent.² According to research on post-high school outcomes of youth with disabilities, former high school students with emotional and behavioral disturbances have worse outcomes when compared to others with disabilities including a lower employment rate (over 10 percentage points lower), a lower rate for enrollment in four-year colleges (over 8 percentage points lower) and startlingly higher arrest rates (a nearly 30 percent percentage point difference).³

*Federal programs have different aims, terminology, and eligibility criteria, and serve individuals of different ages. For the purposes of this report, a “serious mental health condition” is used as a general term in place of program-specific definitions. The report considers the transitional period to be from ages 14-30 years. Programs are considered, regardless of whether they are targeted to individuals of all ages or only a subset of the population under discussion in this report. Further, only programs that were authorized and funded in FY 2012 are discussed; proposals or programs that have no funding were omitted.
In addition to needing a high school diploma, young people are at a disadvantage in today’s labor market without post-secondary education or training. Of the 30 fastest-growing occupations, about two-thirds require such qualifications. To succeed in higher education or training programs, many individuals with a SMHC will need significant assistance and support.

Virtually all young people need some support in order to make a successful transition from high school student to independent adult, but young people with serious mental health conditions often need much more than their family and natural support network can provide.

**B. Organization of the Report**

The various programs discussed in this report have been organized into three major categories: secondary-school education, higher education and employment. In addition, there are federal programs that fund supportive services to youth who are engaged in education or employment but which are not directly providing education or employment services. These programs are also included in each of the major sections, but are identified as “support” programs since they do not specifically fund education or employment. In some sections, programs targeted to youth who have been involved in the foster care or juvenile justice systems are summarized separately as they do not readily fit into the major categories.

The report includes a section on federal programs that address other essential needs, such as access to health care, income support and housing. These programs are essential if the education and employment programs discussed in the report are to be effective. For example, many youth and young adults with SMHCs are from low-income families. They will need income support for basic needs until they are established in a job. The report briefly discusses these important programs including federal disability benefits, housing programs, nutrition assistance, TANF, Medicaid, social services, family planning, and juvenile justice programs. Without concurrent access to these forms of assistance, education and employment programs are unlikely to achieve their goals.

Each of the education and employment related programs discussed here are more fully described in a set of fact sheets developed for this report, available through the Transitions Research and Training Center at the University of Massachusetts Medical School at [http://labs.umassmed.edu/transitionsRTC/Resources/Publications.html](http://labs.umassmed.edu/transitionsRTC/Resources/Publications.html)
C. HOW FEDERAL PROGRAMS OPERATE

Programs may be categorized or grouped in a variety of ways. One important distinction is whether a program is universal, targeted to people with disabilities, targeted to transition aged youth and/or young adults with SMHCs, or targeted in some other way. For example, federal financial aid programs for higher education are almost all universal programs; that is, they are available to all who meet the basic eligibility requirements and do not offer specialized supports. For youth still in secondary school, programs are far more targeted. The largest relevant program, the Individuals with Disabilities Education Act (IDEA), focuses on the needs of youth with disabilities, while several small grant programs from the Department of Education provide resources for specific mental health or transition services. In the case of job supports, most programs are universal, but there are also targeted programs for youth with disabilities or youth in foster care; however, there are none that are specific with respect to youth with SMHCs.

These differences are important. Universal programs tend to have the most resources but are designed to address broad needs of all youth. Young people with SMHCs may have difficulty in accessing and using programs because of behavioral, emotional, social, cognitive, communication or other functional difficulties associated with their disorders. Services that address these underlying functional difficulties are therefore critical if the individual is to benefit from the program. A few of the universal programs discussed below either include such services or encourage collaboration between education or employment programs and mental health services. However, these linkages could often be stronger and some of these programs, as suggested below, could be amended to provide more support to individuals with SMHCs.

Additionally, there are programs that are specifically tailored for young people with SMHCs. These are generally grant programs that are significantly less well funded, and they may come and go as federal priorities change and resources are redirected elsewhere. Moreover, there are significant eligibility issues for youth with SMHCs as they become young adults. Different disability and eligibility criteria in Supplemental Security Income (SSI), adult mental health systems and Medicaid mean that many youth lose access to benefits or services as they age.

Yet another important difference in federal programs is that some are entitlements (all applicants meeting eligibility criteria will receive the benefit) and some are discretionary (meeting eligibility criteria alone is insufficient if limited funding precludes everyone who is eligible from participating).
Finally, another distinguishing aspect is whether a federal program funds an organization or agency or whether it provides a benefit that goes directly to the individual. Often those assisting young people may overlook (or may have only limited knowledge of) the array of direct assistance programs.

Programs targeted to people with disabilities are generally more supportive of the needs of those with a SMHC, but too often there is limited funding and program capacity. Capacity problems can cause long delays and missed opportunities. There are some challenges that individuals with SMHCs face that are different from those experienced by other disability groups. For example, their disability may not be obvious, yet their impairments may impede social participation and self-advocacy. Due to stigma, they often do not want to acknowledge their SMHC. Schools may see them as willfully impaired, rather than recognizing that their behaviors may be a symptom of their disability. Rehabilitation agencies may doubt that employers will be willing to hire them due to misconceptions about mental disorders. An additional burden is that compared to the families of other disability groups, families of children with a SMHC have higher levels of poverty overall.

This mix—universal programs, targeted programs for individuals with disabilities (that may not be particularly well-suited to those with SMHCs), and underfunded, temporary grant programs that provide specific mental health supports—makes it challenging to cobble together a package of services at the local level to address the education and work support needs of youth with SMHCs.

**Programs Youth May Access Directly**

Programs working with youth and young adults with SMHCs should encourage and assist individuals to apply for relevant federal benefit programs, such as:

- Higher education grants and loans
- Work-Study programs at school
- One-Stop Career Center services
- Job Corps employment programs
- AmeriCorps
- Youth Conservation Corps
- YouthBuild
- Assets for Independence
- Medicaid
- Social Security disability benefits (and beneficiary work incentives)
- Section 8 and other housing vouchers
- TANF (Temporary Assistance for Needy Families)
SECTION II. LISTING OF FEDERAL PROGRAMS

A. SECONDARY SCHOOL EDUCATION PROGRAMS

Major federal programs that provide assistance with secondary school education:

- **Individuals with Disabilities Education Act (IDEA).** Provides some funding for special education and related services to school-aged children with disabilities until school completion, but not beyond the school year in which the student reaches age 21.* Schools identify students whose disability adversely affects their ability to benefit from their education. IDEA also provides specific support for transition from school to work including, in many states, through linkages with state vocational rehabilitation programs. (Program for youth with disabilities)

- **Transition Initiative.** A small discretionary pilot program authorized under the IDEA to provide funds to states to improve high school graduation rates and post-school outcomes for students with disabilities. (Targeted to youth with disabilities)

Support programs to assist individuals to succeed in secondary education:

- **Safe Schools/Healthy Students Initiative.** A discretionary grant program, operated jointly by three federal agencies, that provides funds to local education agencies to work in partnership with mental health, law enforcement and juvenile justice agencies. The program fosters safe school environments and focuses on preventing violence and mental health and substance use problems. (Targeted to children, youth and families and to improve mental health)

- **Elementary and Secondary School Counseling.** A small, discretionary grant program to expand counseling programs and to improve instructional practices and school policies through increasing capacity for data-based decision-making. (Targeted to children, youth and families and to improve mental health)

- **High School Graduation Initiative.** Also known as the School Dropout Prevention Program, this is a discretionary grant program for high schools that have dropout rates exceeding the state average. (Targeted to help at-risk youth in under-performing schools)

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*A state may, using its own funds, extend the upper age limit for special education in order to foster school completion—e.g., in Michigan a student may receive special education services through age 26; however, federal funds are not available for this purpose.*
• **Investing in Innovation Fund.** Provides grants to local education agencies (LEAs) or LEA partnerships with nonprofits for improving student achievement. Applications that address special needs of students with disabilities, economically disadvantaged and minority students, and students with limited English proficiency are favored. Programs can focus on raising graduation rates or closing achievement gaps. (Targeted to disadvantaged students)

### B. Higher Education Programs

• **Career and Technical Education State Basic Grants.** Authorized under the Perkins Act, funds are distributed to all state Boards for Vocational Education, which generally distribute monies to both secondary and post-secondary schools including community colleges, vocational and technical schools and other programs. Funds support integrated academic and technical learning and participants graduate with various industry certifications, licenses or degrees. (Universal program)

• **Work-Study Program.** Provides funds to institutions of higher education to help needy students finance the cost of postsecondary education through part-time employment. (Universal program)

• **Educational and Training Vouchers Program for Youth Aging Out of Foster Care.** A small program providing funds to states to assist youth aging out of foster care (or adopted from foster care) who are seeking post-secondary education and training. (Targeted to young adults from foster care)

• **Pell Grants.** Competitive grants for higher education costs are made to individual college students, based on financial need. (Universal program)

• **Perkins Loan Program.** Federally-guaranteed, low-interest loans to students who qualify based on income. Funds are passed through to the institution the student is attending. (Universal program)

• **Direct Student Loan and Family Education Loan Programs.** Loans and loan guarantees for students to use at institutions of higher education. Loans may be subsidized or unsubsidized. (Universal program)

• **Supplemental Educational Opportunity Grants.** Funds for institutions to provide grants to needy undergraduate students. The institution must contribute 25% of the funding. The level of funding for this program is relatively low. (Universal program)
C. Employment Programs

- **Vocational Rehabilitation (VR) States Grants.** Provides formula grants to states for vocational rehabilitation services to assist people with disabilities with job skills, and in obtaining and keeping employment. VR programs may also provide financial assistance for training, education, transportation and other needs. (Targeted to people with disabilities)

- **Supported Employment.** Formula grants to states to supplement funds provided under the VR State Grants Program for supported employment for individuals with the most significant disabilities. Grants fund support services for individuals placed in competitive employment. (Targeted to people with disabilities)

- **One Stop Career Centers.** Grants to states help job seekers with employment-related services. Through these centers, young people can learn about opportunities for on-the-job training, apprenticeship, summer youth employment and work experience programs. One Stop Career Centers provide an assessment of the individual’s needs and information regarding jobs available in the local area. Core services are offered to everyone. Some individuals may be eligible for additional specialized services and, for some participants, job training support is provided. One-stop shops generally foster collaboration with disability service agencies, particularly VR agencies, and many have co-located services. In several states Centers also hire Disability Resource Coordinators. (Universal and targeted to people with disabilities)

- **Job Corps.** Provides funds to private companies to operate Job Corps Centers that serve low income individuals with significant education and employment needs. Generally, the program serves 16-21 year-olds, but individuals who meet certain criteria and require additional help may be served up to age 24. Education, training and support services are provided in residential and community settings to provide classroom, practical and job-based learning. Social-competency training is also provided. (Targeted to disadvantaged youth and young adults)

- **Workforce Investment Act Youth Formula Grants.** Provides states with funds for services for 14-21 year-olds who lack skills or who are homeless, in foster care or meet other specific criteria. The grants are designed to help states and localities assist low-income youth in acquiring educational and occupational skills needed for academic and employment success. (Targeted to disadvantaged young people)
• **Workforce Investment Act, Workforce Innovation Fund.** A small program that provides funds for training and supportive services designed to improve outcomes. Grants can be made to states, local workforce investment boards and other related entities to retool service delivery and administrative systems so as to improve outcomes. (Universal program)

• **The Workforce Investment Act Disability Employment Initiative.** Establishes three-year Cooperative Agreements with states to develop and implement a plan for increasing participation of individuals with disabilities in the workforce. Grants are to improve educational, training, and employment opportunities and outcomes for youth and adults with disabilities who are unemployed, underemployed, and/or receiving Social Security disability benefits. States that participate must have a Disability Resource Coordinator and utilize partnerships and collaborations with other agencies. State workforce agencies or local workforce investment boards must actively participate in the Ticket to Work program as Employment Networks. (Targeted to people with disabilities)

• **YouthBuild.** Offers competitive grants, with a match requirement, to public or nonprofit agencies, including state or local housing authorities. Participating low-income youth must be 16-25 years of age. Funds are used to help youth obtain a high school diploma or GED and for skills training in construction trades. The program promotes leadership skills and asset development, offers counseling, and assists participants seeking post-secondary education and financial aid, internships and other related experiences. YouthBuild serves young people with disabilities or who have foster care or criminal justice involvement, and other high risk groups. (Targeted to disadvantaged young people)

• **Youth Conservation Corps (also Young Adult Conservation Corps).** This program, as part of a larger initiative (21st Century Conservation Service Corps) focuses on helping young people gain valuable training and work experience on public lands, waterways and cultural heritage sites. Based on a service-learning approach, the program offers participants the chance to acquire work experience, new knowledge and job skills, as well as an understanding about the pathway to a career in environmental management. The programs serve 15-25 year-olds in summer and in year-round programs. (Universal program)

• **AmeriCorps programs (VISTA, FEMA Corps and the National Civilian Community Corps).** Grants provided to public and non-profits agencies for young adults to gain work experience and serve their community. Participants may receive a small living allowance and financial awards for post-secondary education. Health insurance is also provided during period of service. (Universal program)
• **Assets for Independence Program.** Enables community-based agencies to help participants save earned income in special-purpose savings accounts. These Individual Development Accounts are matched (from $1 to $8 in combined federal and nonfederal funds). Savings can then be used to enroll in postsecondary education or training, acquire a first home or capitalize a small business. (Universal program)

• **Independent Living Centers.** Funded through competitive grants to non-profit entities, each center has its own eligibility rules resulting in different groups being targeted by different centers. Youth in transition can be a target group, but most centers do not serve many individuals with serious mental health conditions. (Targeted to people with disabilities)

Support programs that can assist youth to succeed in job training and work:

• **Chafee Independence Program.** Provides grants to states based on the number of children in foster care. Funds are flexible and can be used for various services, including employment and education, housing, life-skills training, case management and counseling for youth in foster care or those who have aged out of care, up to age 21. (Targeted to foster care youth)

• **Medicaid Home and Community Based Waivers and State Plan Services** (Section 1915(c) of the Medicaid statute, Title XIX of the Social Security Act, and Section 1915(i) of the Act.) These options allow states to cover a broader array of services as part of psychosocial rehabilitation than is otherwise generally permitted under Medicaid—including all costs of a supported employment program including career planning, job placement, job development, training, coaching and support services. (Targeted to Medicaid recipients with disabilities)

• **SSI Work Incentives.** For youth and young adults receiving federal SSI disability benefits, there are incentives to encourage individuals to gain work experience. The first $85 dollars earned does not affect the level of the cash benefit and after that, only half of earnings result in a dollar-for-dollar reduction in benefits. Additionally, SSI benefits can continue to be payable for youth who are no longer disabled (or found not to meet adult criteria at age 18) but who participate in vocational rehabilitation programs or continue to have an Individualized Education Program (IEP) at school (up to age 21). A new interagency grant initiative, PROMISE, will test interventions to improve the health, education and employment outcomes for youth aged 14-18 on SSI. (Targeted to SSI Beneficiaries)
• **SSDI Work Incentives.** The Social Security Disability Insurance program (SSDI) is available to those who have built up a work history and paid Social Security taxes before becoming disabled. (Note: A child with a parent receiving SSDI may also qualify for a benefit on the basis of the parent’s disability. If a child of a parent receiving SSDI developed a disability prior to age 22, that child may be eligible to continue to receive SSDI benefits as an adult based on their parent’s earnings record.) Most work incentives are available to both SSI and SSDI beneficiaries and include earned income disregards, a trial work period, ways to save resources, access to services and other incentives. (Targeted to those on SSDI)

**D. Federal Programs Providing Basic Supports**

The following section is not a fully comprehensive list of all federal programs of relevance to youth with SMHCs, but it presents information on the most important federal programs that can help with basic needs. These programs are not specifically focused on education or employment.

**Health Care**

One of the most essential basic needs is access to health care. Once the Affordable Care Act is fully implemented, youth and young adults will have greater opportunity to acquire health insurance or receive coverage in public programs like Medicaid and the Children’s Health Insurance Program (CHIP).

The Affordable Care Act (ACA) holds the potential to significantly expand access to services for individuals with SMHCs. When fully implemented, the ACA will expand access to subsidized private insurance coverage and in states that choose to expand their Medicaid program, it provides coverage to all those with incomes below 133 percent of the federal poverty level.

**Private Insurance.** The most relevant insurance reforms for youth include:

- Insurers must allow coverage for youth up to age 26 on their parents’ health insurance policy (implemented).

- Children 18 and under can no longer be denied health coverage for a pre-existing condition (implemented; effective for adults starting January 1, 2014).
• Young adults uninsured for more than six months may be eligible for federally-subsidized, state-based plans that provide coverage for people who have pre-existing conditions. These pre-existing conditions insurance plans (PCIPs) are an interim measure until 2014, when insurers will no longer be able to refuse to cover people or charge them more because of health conditions.

• There can be no lifetime or annual limits on certain benefits nor may coverage be cancelled if an individual is sick (implemented).

• Health insurers must sell policies to all who apply (effective January 1, 2014).

• Exchanges (health insurance marketplaces) will offer a choice of health plans; subsidies will be available for those with incomes below 400% of poverty, and assistance will be provided (starting in 2013) to help individuals pick their plan (effective January 1, 2014).

• Exchange plans will have coverage of mental health and substance abuse services, at parity with other health care coverage (effective January 1, 2014).

• Exchanges will offer a plan specifically for children under age 21 (effective, January 1, 2014).

**Medicaid and CHIP.** In addition to the reforms of private insurance, the ACA also creates a new optional eligibility category for Medicaid and improves various aspects of the Medicaid program. The Child Health Insurance Program (CHIP) is also reauthorized in the ACA, with an increased federal match.

All children and adults with incomes up to 133% of poverty can be eligible for Medicaid, at state option, with a much higher federal match than for other populations (starting at 100% federal funding for the first three years in states that choose to expand). States may decide to offer the same benefits as under regular Medicaid or may use a benefit structure based on a private health insurance plan chosen by the state to serve as a model. Benchmark plans must cover all ten essential health benefit categories specified in the ACA, and mental health and addiction services must be covered at parity with other health benefits. What is still not clear is the extent to which these new Medicaid benchmark plans will offer the full array of mental health rehabilitative services that states can offer under Medicaid—such as peer support, home-based services, multisystemic therapy and other intensive community service programs, like ACT (Assertive Community Treatment). Youth who were in foster care at their 18th birthday will be eligible, at state option, for Medicaid coverage until they are aged 26 (effective, January 1, 2014).
Enrollment will be simplified, with a single application developed for Medicaid, CHIP and Exchange plans and there will be outreach to underserved populations, such as homeless youth.

Some of the most relevant ACA provisions to improve Medicaid that youth and young adults with SMHCs will benefit from are:

- **Health homes** – a new state option for integrated health and mental health care for individuals of all ages who have two or more chronic conditions (or one chronic illness and at risk for a second) or who have serious mental illness. States may focus on a specific population—e.g., children with disabilities or adults with serious mental illness. Mental health centers are eligible to become health homes if they agree to offer integrated medical and behavioral health services, comprehensive care management, health promotion, and referrals and care coordination with specialty and community support providers.

- **Section 1915(i)** – a state plan option, amended by the ACA, that can fund any and all of the services previously available only through a Home and Community Based Waiver (Section 1915(c). These services include peer support, respite, supported employment, supported housing and some housing start-up costs (e.g., utility or rental deposits).

- **Prevention services expansion** – The ACA includes grants to states to fund initiatives to prevent chronic diseases among Medicaid beneficiaries. States can apply for five-year grants to provide incentives to Medicaid beneficiaries who participate in comprehensive, evidence-based, widely available and easily accessible programs aimed at encouraging healthy lifestyles. State Medicaid programs must now offer smoking cessation, depression and substance abuse screening and expanded family planning services.

- **Community First Option** – a new state plan option to pay for attendant services and supports for individuals with functional limitations in activities of daily living (ADLs) and instrumental activities of daily living (IADLs).

- **Assistance for new parents and newborns** - includes coverage of home visitation programs, improved newborn care and parenting skills training.

**Income Support for People with Disabilities**

Young adults who have mental health problems with severe functional impairments will need income support if they cannot work, which two federal disability programs can provide:
The Supplemental Security Income (SSI). SSI is available for low-income children up to age 18 and to adults. However, the transition from the child program to the adult program is not simple. The Social Security Administration considers the child’s disability status anew, and as an adult they are judged under adult criteria which are different from the ones used for mental health conditions in children and youth. As a result, many youngsters lose their SSI as they turn 18. SSA operates some transition demonstration programs, but these are not widespread. (Targeted to people with disabilities)

The Social Security Disability Insurance (SSDI) program. SSDI provides cash assistance and has the same eligibility criteria with respect to disability status, but since an individual must work for several years before being eligible, most youth will not qualify for a significant SSDI benefit. As described in a previous section, there is an exception for adults who became disabled before age 22 and who had a parent also on SSDI. These individuals may continue to receive SSDI if they have impairments that meet the definition of adult disability. (Targeted to people with disabilities)

Housing

Access to housing for those whose income is low is likely to prove very difficult. Most states place youth into group homes and foster homes if they are too young to sign their own lease and cannot live with their family. In the states that do permit youth under 18 to sign leases, federal and local housing subsidies are in very short supply and individuals may find themselves on a waiting list for many years. In a limited number of states, mental health agencies may agree to back-up the rental agreement and pay rent if the tenant defaults or may pay rent for tenants at-risk of institutionalization.

Most low-income youth and young adults with SMHCs will be challenged to find affordable housing. If SSI disability is the sole source of income, the lowest rents available will still be out of reach. In 2010, the national average rent for a modestly priced one-bedroom apartment was more than the entire amount of Supplemental Security Income received by people with disabilities. Some mental health systems subsidize housing for adults who need supported housing, but here young adults must compete with other older adults who have been in the mental health system for many years and are likely to be given priority.

Collaborations between mental health authorities and public housing agencies (PHAs) can facilitate quicker access to housing assistance and increase the number of housing options available to young adults with SMHCs. PHAs may develop a local preference for individuals who are ready to exit institutional care or who are at serious risk of institutionalization.
The preference may apply to rental vouchers, either mainstream or the vouchers set aside for individuals with disabilities and/or conventional public housing. State mental health authorities can create lists of young adults with SMHCs (as well as other adults with mental illnesses), and these individuals can be given a preference for public housing vouchers or other HUD programs.

Social Services

Several federal programs are critically important for youth and young adults who have become parents. These programs can provide income to help support the family, as well as provide child care and other services that ensure young parents have the opportunity to work and advance their family’s economic security. Relevant social service programs are:

**Temporary Assistance for Needy Families (TANF).** A federal program providing funds to states for cash support payments and other benefits to low-income families with dependent children in the home. Families are eligible for no more than five years and the program includes work requirements (except for individuals with mental or physical disabilities who are unable to work. In addition to a cash benefit, TANF provides employment supports and training, Medicaid, child care subsidies and food stamps. (Universal program)

**Child Care Block Grant.** Provides funds to states to make child care affordable for low income families. (Universal)

**The Supplemental Nutrition Assistance Program, (SNAP).** Provides “food stamps” to low-income individuals and families for the purchase of groceries.

**Supplemental Nutrition for Women, Infants and Children (WIC program).** Provides federal grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant and postpartum women, and infants and children under age five. (Universal program)

While block grants for social services and community programs involve significant allocations to states, funds may serve people of all ages and thus resources specifically targeted to youth and young adults are usually limited.

**Social Services Block Grant.** Gives states wide discretion on eligibility and services funded but few states use a significant portion of their social services block grant funds to provide services to youth. States may not use these funds for medical care or rehabilitation. (Universal program)
Community Services Block Grant. Provides grants to states for funding community agencies to provide services to low-income individuals and revitalize low-income communities. Childcare, employment, education, youth development and other community programs are some of the priorities funded. (Universal program)

Juvenile Justice
Two relatively large federal programs provide funds to states for services to youth involved with or at risk of involvement with the juvenile justice system.

Juvenile Justice and Delinquency Prevention State Formula Grants. Support state and local delinquency prevention and intervention efforts and juvenile justice system improvements. (Universal program)

The Community Prevention Incentive Grants. These grants give states and localities broad discretion to fund collaborative, community-based delinquency prevention efforts. Funds can be used for programs targeting youth with SMHCs. (Universal program)
The two most essential tasks for youth and young adults are to complete their education and to move successfully into the world of work. As is clear from the above listings, there are myriad federal programs that might assist individuals in these areas. With such an array of federal programs available, questions remains to why youth with SMHCs continue to have such difficulty in making the successful transition to adult self-sufficiency.

One problem is that often programs only address a specific set of needs and are not comprehensive; thus in order for individuals to get the ranges of services needed, they will have to interact with several agencies to enroll in different programs. There are also difficulties with programs that serve a diverse population. For example, universal programs do not prioritize youth with SMHCs and if there are difficulties in complying with the administrative requirements or rules for behavior, they may not be served. Even programs that are more targeted — e.g. programs for people with disabilities — may be structured to serve individuals with other disabilities who may be easier to accommodate than young people with SMHCs. Competitive grant programs specifically for youth with mental health needs exist, but they are generally small. While low funding levels limit the number of people who can be served, the programs are often particularly beneficial since they are designed with this population in mind.

Additionally, there are the programs that families or young people apply for directly and which provide a direct benefit. The issue, however, is whether potential beneficiaries are aware of these opportunities and whether they have the necessary supports to prepare and follow through on applications for benefits. Since these benefits go directly to individuals rather than programs, professionals in the field may be less familiar with these resources and thus may not suggest them.

The array of programs are generally not coordinated in any significant way, leaving participants and those who are assisting them to piece together and coordinate the services appropriate for a particular individual. Many programs are restricted to certain ages (such as under 18 or under 21) and leave youth stranded as they age-out. Eligibility requirements vary, with some programs only applicable to low-income youth or with some unique eligibility requirements. Financing works differently across the programs as well. Funds may flow to states, local governments, private, non-profit entities or to youth themselves.

A number of needed support services may be covered and available to young adults, but not necessarily through the same sources as when they were younger. For example, a student in
a special education program in her local school may have to change therapists as she ages out of school if the therapist is school-based. In addition, mental health programs typically have different providers for adults than for children and adolescents. Another concern is whether services are appropriately tailored to appeal to a younger age group. Too often, needed services that are available through a program that supports all adults, including young adults, may be delivered in a way that is not developmentally appropriate or appealing for those under age 30. All of these factors can combine to make it extremely difficult to develop a single, comprehensive transition support plan.

It is also critical to bear in mind that many youth and young adults with SMHCs are unlikely to succeed in programs that support education and employment opportunities for a wider population without more targeted support services. There is now a strong research base for a range of effective programs. Supported employment, for example, is an evidenced-based practice that has shown to be effective for many adults with mental illness and also has been successfully used with younger adults and youth. Supported education is also an evidence-based practice that has not been widely disseminated, but greater adoption of this practice could help many students with SMHCs succeed in higher education. Skills training and other services to address functional impairments are key to helping individuals take full advantage of education and employment opportunities.
The primary purpose of this report is to present to state and local policymakers a summary of the opportunities for assisting youth and young adults with SMHCs to successfully transition into adulthood. Listed below are various suggestions as to how state and local policymakers can take advantage of federal programs and federal funding. Since these federal programs are themselves often problematic for youth with SMHCs, recommendations for changes to several federal programs follow.

Clearly, there are many potential actions listed and it will not be possible for state or local policy makers to implement them all. In making strategic choices, policymakers should give priority to policies that:

**Address the education needs of youth with SMHCs in high school**, particularly to help them graduate and acquire the skills and knowledge they need to be ready for higher education or employment.

**Support youth in their planning for the future by funding case management staff** who can assist youth with SMHCs to find and access educational and employment opportunities.

**Focus on youth most at risk who can be expected to have particular difficulties**, such as youth in or exiting from child welfare systems, youth with a juvenile justice history, youth who have dropped out of school, and youth from very low income families.

**Establish that the state mental health authority will lead interagency efforts to ensure that transitions services for youth and young adults with SMHCs are comprehensive, age appropriate, and of high quality.** Given the complexity of coordinating across different departments and agencies and the age span of the target population (age 14 to age 30), there needs to be state leadership on transition policies from the agency responsible for public mental health planning and programming.

**Create a shared responsibility for transition planning and programming by the adult and children’s mental health system.** It should not be the responsibility of the underfunded child mental health system alone. The adult system, which has greater resources and greater long-term responsibilities, should be co-leading transition initiatives.
As transition programs improve, future cost savings will accrue to the adult mental health system, underscoring the stake that this system has in investing in transition services.

Take advantage of significant options in the Affordable Care Act to improve the system of care for youth and young adults. While only a few of the programs in the ACA are directly related to education and employment, many of the Medicaid amendments can lead to significantly greater access to the health and mental health care that will enable young people to take advantage of education and employment opportunities.

A. Recommendations For State Policy Changes

States have opportunities to improve and/or target the operation of federal programs in many federal statutes that provide them with specific flexibility. Greater attention to students with SMHCs in state policies for programs such as IDEA, as well as greater collaboration between education, employment and mental health agencies, could have a significant impact. Collaboration is used to mean that agencies understand their shared responsibility for comprehensive transition planning and outcomes and that they are accountable not only for delivering the services within their system’s scope, but also for working with partners from other systems to ensure that all the components of transition plans are working together effectively. Higher education institutions should not be ignored. In particular, making greater use of work-study opportunities for those who attend community college could be very beneficial. By directing federal and state dollars towards the most effective approaches, states can drive local policy and program changes that are necessary to ensure a smooth transition to adulthood.

Secondary School Education

State education departments can lead efforts to improved transition outcomes for youth with SMHCs by focusing the attention of Local Education Agencies and schools on the needs of youth with SMHCs. There are two critical policy goals—keeping students with SMHCs in school so that they graduate and giving them full access to transition services and supports. To address the first issue:

Promote the use of positive approaches for improving student behavior and for fostering greater school success. States should monitor the use of suspension, expulsion, zero tolerance policies and referrals to law enforcement and target technical assistance to local school districts that rely on these practices. School personnel should receive training in positive approaches to student behavior and learning, such as the three-tiered approach of School-wide Positive Behavioral Interventions and Supports (PBIS) and
Response to Intervention (RTI). These initiatives can improve school climate overall, making it more conducive for learning for all students, and provide targeted interventions and supports to help students with SMHCs stay in school and graduate. For more information, see http://www.pbis.org and http://www.rti4success.org/.

Ensure that state graduation initiatives take a very deliberate approach and focus on students with SMHCs who have higher dropout rates than peers with other types of disabilities.

States should have explicit expectations for schools and ensure that:

- **Schools report on transition activities and outcomes.** Data should include the number and percent of IDEA students with SMHCs who have transition plans, graduation rates, and percentage who have active VR involvement in school transition planning. This information is critical for informing policy and creating an imperative for change.

- **Schools and VR agencies collaborate with mental health authorities to create full and appropriate transition plans and programs.** Students with SMHCs should have an integrated transition plan, not three unrelated plans.

- **Career counseling in schools addresses the specialized needs of youth with SMHCs.** Students with SMHCs may not be thinking about future plans and engagement strategies will be important to reach those who are unlikely to seek services.

**Higher Education**

- **State Boards for Vocational Education should address the needs of young people with SMHCs in their five-year plans.** The plans should specifically include how they will ensure provision of the supplemental services these students need to prepare them for further learning and skilled careers.

- **States should expand work study and supported employment opportunities.** Federal funding that is available to community colleges should be supplemented with state funding to expand work study options for youth with SMHCs and to provide a supported employment option in this program.

**Employment**

State VR agencies should collaborate with mental health in interagency efforts to improve VR
services and reach students with SMHCs not served by special education. To better serve individuals with SMHCs, State VR agencies should:

- **Create specialized case workers and promote policies and practices that facilitate greater access to VR services and linkages between local VR and local mental health agencies.**

- **Work with state mental health authorities, child welfare and juvenile justice agencies to identify youth with SMHCs who need transition services but who are not identified as special education students with an IEP.**

- **Streamline jobs programs at the state level and, to the extent allowable under federal rules, make eligibility rules with regard to age and income limits as uniform as possible.**

- **Require One-Stop Career Centers to create specific programs that are tailored to young people.** In creating youth and young adults programs for One-Stop Centers, Workforce Investment Boards (WIBs) should ensure that young people (who are users or former users of services) are engaged in the design and quality assurance of youth and young adult programs in One-Stop Centers, as well as mental health planners experienced in programming for individuals with SMHCs. Individuals with disabilities, including those with SMHCs, should have specialized assistance and be given some priority for both intensive services and, when appropriate, training through an Individual Training Account.

- **Work with state mental health authorities to promote co-location of mental health staff in One-Stop Career Centers to work with youth and young adults with SMHCs.** One-Stop Centers could have better results if young people who are struggling with employment goals due to mental health problems did not disengage from employment services. Having a mental health professional on-site to provide some added support and counseling, as well as to facilitate timely assessment and access to more intensive community services and support, would contribute to improved employment outcomes. Co-location also provides formal and informal opportunities for cross-disciplinary learning and collaboration that is mutually beneficial to both employment and mental health agencies. Centers should also receive training in appropriately screening, assessing and referring individuals who would benefit from mental health services and supports.
• **Urge state Work Force Investment Boards to ensure sufficient funding for specialized programming for hard to serve young people with SMHCs.** WIBs could provide customized services and training to young people with SMHCs through Supported Employment designed and provided by mental health employment services providers. Additional funding for these programs could be sought from a Governor’s discretionary pool that was established under WIA to set aside funds for “hard to serve” populations or for special projects.

• **Urge state Workforce Investment Boards to allocate additional funding for Individual Training Accounts.** These accounts pay for training services through the One-Stop system for young people with SMHCs.

• **States should apply for federal grants that can be used to provide employment opportunities for youth and young adults with SMHCs.** Relevant federal grant programs include the Disability Employment Initiative and the Workforce Innovation Fund.

• **State Housing Agencies should apply for YouthBuild grants.** This program has successfully helped disconnected youth re-engage in productive activities, motivating participants to obtain their high school diploma or GED while learning job and interpersonal skills. Afterwards, many find jobs in the building trades that pay them livable wages.

**Mental Health System**

One of the biggest systemic barriers to transition for youth with SMHCs is the split responsibility between the child and the adult mental health systems. While there are a number of specific transition programs and funding streams available, almost all of these are directed at the system youth are leaving (the child system) and a significant disconnect exists between this system and the adult mental health system. The years during which critical supports are needed for young adults to successfully finish post-secondary schooling and/or training, and develop and consolidate work skills, occur after age 18 (i.e. 18-25 and above). Individuals of these ages are primarily the responsibility of adult, not child, mental health systems. Moreover, as youth age-out of the child mental health system, eligibility criteria for services tighten considerably, as adult systems focus on those with major mental illnesses. While children’s mental health systems should certainly continue to improve transition supports for youth as they reach late adolescence, states should focus greater effort on how to develop programs for youth and young adults as part of the adult mental health system.
• States should create within adult mental health systems an individualized, person-centered, youth-directed, recovery-focused system for youth starting at age 16, linked to the child mental health system. Child mental health systems should continue to provide supports as youth transition into the adult system.

• Policies supporting programs for youth and young adults within the adult mental health system should support programming that is appropriate and welcoming to 16-30 year-olds.

Other state mental health policies that could benefit youth and young adults with SMHCs include:

• Requiring local systems to have specialized case managers or transition facilitators who assist individuals with their higher education and employment goals.

• Providing funding for local mental health programs to do outreach and furnish information to youth and young adults about various education and job training opportunities.

• Requiring the mental health system to ensure that all young people with SMHCs, whether served through child or adult mental health programs, have transition plans. This plan should be developed through a youth-directed and recovery-focused process. Mental health systems should work with schools for youth with IEPs and special education transition plans.

Medicaid

• Amending Medicaid state plans, where necessary, to better support the education and employment of youth with SMHCs. Both Supported Employment and Supported Education programs can be funded under Medicaid. The service components of those evidence-based practices can be funded under the rehabilitation option. However, under the Section 1915(i) state plan option, providers can bill for these each of these practices under a unique service code, without having to break them down into individual component services for the purposes of billing. This state plan option can be specifically targeted for transition-age individuals with SMHCs.

• Ensuring that young people in Medicaid have the full continuum of services. For young people for whom a supported employment or supported education
program is not necessary, Medicaid can cover basic skills training for individuals with SMHCs. For those who need very intensive services to meet education, employment and independent living goals, state Medicaid programs can also develop and cover specialized youth and young adult ACT (Assertive Community Treatment) teams, in addition to other important evidence-based practices, such as Family Psychoeducation, Illness Self-Management and Recovery, and WRAP training (Wellness, Recovery Action Planning).

Affordable Care Act

The Affordable Care Act has given states some new tools in Medicaid—options, for example, like Section 1915(i), which is previously described, and health homes that will improve coordination of health and mental health care for youth with SMHCs (see above). In addition, the ACA gives states the opportunity to expand Medicaid eligibility. The expansion also allows states to provide a different benefit package to newly eligible individuals. While the ACA requires that the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) mandate—which requires states to cover screening and any medically necessary diagnosis or treatment service that is authorized in federal Medicaid law, even if the state has elected not to include it in their state Medicaid plan—applies to newly eligible children under age 21, there is no EPSDT mandate for young adults.

- States should take advantage of the generous federal funding and expand eligibility for their Medicaid program to cover all individuals with incomes at or below 133 percent of the federal poverty level.
- When implementing their Medicaid expansion, states should ensure that youth and young adults have the most robust Medicaid benefit package.

Child Welfare Programs

Youth leaving foster care have a particularly hard time with the transition to adulthood. While all of the federal programs covered in this report can be utilized for these individuals, there are specific options that states that can adopt to improve outcomes.

- Child welfare and mental health agencies should work together regarding youth with SMHCs who are leaving foster care to ensure the most effective use of federal Education and Training Vouchers and the Chafee Independence Program for youth with SMHCs.
- States should use the flexible funds under the Chafee Independence Program to help all foster care youth obtain a high school diploma or GED and to access career counseling and job training. States should ensure that these funds support youth who have dropped out of school as well as those continuing their education.
Juvenile Justice Programs

- Juvenile justice agencies should target funds from their federal formula grant programs so as to focus more specifically on ways to assist incarcerated juveniles prepare for further education or employment upon release.

B. RECOMMENDATIONS FOR LOCAL POLICY CHANGES

Many of the policies recommended above for state action can be adapted and implemented at the local level. However, these will not be repeated here. The most pressing need is for local agencies to come together to focus on the needs of transition age youth and young adults with SMHCs and for local agencies to fully appreciate the various federal and state options and funding streams that can improve their education and employment outcomes. As a starting point, local community collaborations should:

- Map funding streams—federal and state—to determine what options are available regarding education and employment opportunities and supports.

- Identify gaps within the community and assess whether existing programs and funds can be adjusted to close those gaps. As part of this review, determine whether local resources (public and private) can also be found to enhance funding.

- Fund case managers to assist young people across the child and adult systems with life planning and the transition from school to work, including ensuring that the fundamental supports are in place. Specialized case managers with very low case loads, and who are cognizant of the major federal (and state) resources that might be available, are a critical need.

There are several opportunities at the local level to encourage youth with SMHCs to stay in school, pursue post-secondary education and/or train for and find employment. This includes having the opportunity to receive the necessary mental health supports that will enable them to succeed in these roles. Beyond that, improvements are needed in school and VR transition practices, as well as funding for supported employment and supported education.

Secondary Education

Secondary schools should:
• **Focus on the needs of students with SMHCs and collaborate with local mental health agencies.** Collaboration between the school and local mental health agencies will be essential to ensuring that students with SMHCs graduate and have access to the supports they need to move into post-secondary education and employment.

• **Ensure that the climate in the school is conducive to learning and that interventions are available for students who need support with respect to behavioral issues, academic problems, as well as access to intensive services for students with SMHCs.** Schools should adopt initiatives like Positive Behavior Interventions and Support (PBIS) and Response to Intervention, which are multi-tiered systematic approaches to helping all students meet behavioral expectations and achieve academic and social goals.

• **Work with local education agencies to investigate whether they are eligible for a federal Investing in Innovation Fund grant.** If awarded, these funds could expand and improve programs to assist disadvantaged youth to foster greater academic achievement and increase school graduation rates with a particular focus on students with disabilities, including those with SMHCs.

**Higher Education**

• **Community colleges and local mental health agencies should collaborate to expand work-study options for youth with SMHCs by creating supported employment programs that include on-campus employment and allow the student to accrue college academic credit concurrently.** Federal work-study funds can be utilized for such programs. The employment options might include positions—such as lab technician or computer maintenance—that build skills for later job success.

• **College disability services (resource centers for students with disabilities and college counseling services) should work with mental health agencies and with students with psychiatric disabilities to improve campus services and access to community programs when needed.** Given high attrition rates for young adults with mental health conditions, post-secondary schools should engage in a process to identify gaps and problems in supporting students with psychiatric disabilities and ways to address current shortcomings in programs and policies.
Employment

- **Local Public Housing Agencies** should apply for **YouthBuild** grants from the Department of Labor and seek to match these funds from local private sources. YouthBuild has been quite successful in helping disconnected, low-income youth to earn their GED or high school diploma, while working and learning important job skills. The program serves individuals with SMHCs, as well as foster care and court-involved youth. Positive youth development components, such as mentoring, leadership development, and individualized supports and case work, combine with important vocational skills training to help individuals secure a brighter future.

- **Local One-Stop Career centers** should designate a disability program manager for young people. Without a staff specialist concentrating on this population, Centers will be less able to develop and focus on changes that are needed to improve services to this population.

- **Programs working with youth and young adults with SMHCs** should connect with AmeriCorps programs in the area and encourage participation in the regular or summer program. Community service provides work experience, opportunities for socialization, and promotes civic engagement. These experiences can be very important to individuals who may need added support and encouragement to stay on track with their education and develop skills needed for a career of their choosing.

- **Local mental health agencies** should work with local employers to develop supported employment options specific for youth with SMHCs.

Mental Health

Local mental health systems should:

- **Train specialized case managers** who are fully knowledgeable about local resources and federal/state rules and funding opportunities for youth. These individuals should facilitate access to all the local, state and federal opportunities available for young people with SMHCs.

- **Create specialized ACT (Assertive Community Treatment) teams** for youth and young adults with SMHCs to support them in pursuing their education and employment goals.

- **Engage other local agencies** to collaborate on building integrated systems...
for youth and young adults with SMHCs. This should include mental health, child welfare and justice agencies as well as secondary and post-secondary education institutions and VR.

C. RECOMMENDATIONS FOR FEDERAL POLICY

For advocates seeking to improve federal programs, some high priorities are:

- Creating more consistency in the age limits for programs that are aimed at helping youth transition to adulthood.

- Improving the access of youth with SMHCs to the crucial services already authorized in law for students with disabilities in school and in improving the graduation rates for all students with SMHCs, whether they are identified under IDEA or not.

- Federal programs that promote employment should be encouraged to focus on furnishing the evidence-based services that youth with SMHCs require in order to move successfully into the world of work.

Age Range in Federal Programs

Individuals must receive services that are developmentally appropriate and cannot be expected to succeed if they only have access to services designed for older adults or for younger adolescents. Current federal programs set a range of different age-related eligibility criteria, but rarely extend “youth” or “transition” services beyond age 25. However, several, including some major and critical programs, use even lower age limits, such as 18 or 21. An important improvement in federal programs would be creation of more consistency on the age range for eligibility for critical or targeted education, employment and support programs. While some transition-age youth could benefit if federal programs used a higher age-limit, the number of programs that provide a precedent for using age 25 as the upper parameter suggest that this is a good target at this time for relevant federal programs.

- All federal youth-focused employment programs should allow eligibility at least up to age 25. Specifically, the age limit on Job Corps programs for youth who meet certain criteria of need should be increased from 24 to 25 and the percentage of youth who may be over 21 should also be increased from 20 percent to 25 percent. The Workforce Investment Act Youth Formula Grants (now limited to youth aged 14-21) should be available to youth up to age 25.
• Medicaid family-income-based coverage for children should extend to young adults up to age 25. Medicaid currently requires states to cover children up to age 18 and allows them to cover them up to age 22. As a first step, states could be mandated to cover “children” up to age 22 and given the option to cover them to age 25.

• State Medicaid programs should be mandated to cover youth in or leaving foster care up to age 25 and continue to have the option to extend this to age 26. The Educational and Training Vouchers program for these youth should allow participation until age 25 (current law permits this up to age 23 if youth are participating when they turn 21).

• The AmeriCorps summer programs should be open to youth up to age 25.

Greater Focus in Education and Employment Programs

Several key federal programs that address educational and employment related needs of youth are not currently serving youth with SMHCs in an effective manner. This is amply demonstrated by the data showing this group currently has worse outcomes than other youth with disabilities. In these programs, some targeting towards the special needs of this group would have a significant impact as would a review of policies and practice to demonstrate and implement techniques that lead to better outcomes. To accomplish this, an interagency collaboration linking educational and employment agencies is needed.

• The Departments of Education and Labor should collaborate regarding policies to ensure appropriate services are available to transition aged youth and young adults. As part of this collaboration there should be a specific focus on individuals with SMHCs. Each department should review and make necessary changes to its programs to more clearly target the needs of those with SMHCs, seeking to align policies and establish benchmarks of performance.

Another area where interagency collaboration is relevant is the existing Safe Schools/Healthy Students program jointly funded by the Department of Education, Department of Justice and the Health and Human Services Department’s Substance Abuse and Mental Health Services Administration. This program is small, but could have a more substantial impact.

• The Safe Schools/Healthy Students program should create a specific focus, with targeted funding, on students with SMHCs by creating demonstration initiatives designed to develop more effective approaches to helping these students succeed in school.
The Department of Education (DoE) should also engage in several activities to assist youth with SMHCs.

- **DoE should review current initiatives and develop a plan for assisting schools to more adequately address the mental health needs of all students.** DoE has significant initiatives to prevent bullying, school drop-out and the use of seclusion and restraint — all areas where youth with SMHC represent a high percentage of those who are impacted. In addition, DoE should focus more on promoting positive behavior interventions and supports, and in ensuring appropriate school responses to children who fall into tier three of the approach (i.e. those who have the most serious problems). DoE should also encourage schools to eliminate unreasonable zero-tolerance policies that lead to juvenile justice involvement.

- **DoE should conduct a comprehensive review of the IDEA transition programs, practices and policies and their effectiveness for youth with SMHCs.** This should include requiring all schools to report on the number of youth receiving transition services that both address their mental health needs and their vocational needs. The DoE new Transition Initiative demonstration grants should also include specialized transition programs for youth with SMHCs with outcomes measured and results used to inform policy.

- **DoE should review state VR agency participation and success rates for youth with SMHCs and develop policies that will improve their outcomes, including encouraging state VR agencies to train specialized counselors to work with transition-aged youth with SMHCs.**

One of the most relevant and under used higher education programs for youth with SMHCs is the Work-Study program that promotes community college attendance by allowing youth to engage in both academic learning and work.

- **DoE should increase funding for the Work-Study program and also shift funding priorities so community colleges can operate work-study programs that also support off-campus sites.**

The Department of Labor should consider how mainstream employment programs could provide more support, and more focused support, for all youth with disabilities and specifically for youth with SMHCs.

- **The Workforce Investment Act performance standards should be amended to include indicators of skills attained and job placement rates for youth**
with disabilities, with such data broken down by disability group – physical and mental health, and intellectual disabilities.

- One-Stop Career Centers should be required to train counselors to work specifically with transition-age youth and young adults with SMHCs and to provide access to more comprehensive mental health services. This can be done through collaborations with local mental health agencies and should result in increased access to social and other skills training that addresses functional areas that relate to success in employment. While youth and young adults with SMHCs often do not disclose their mental health status, and thus forego accommodations available to them, well trained counselors could more readily identify such youth and provide appropriate assistance. In addition, performance measurement standards should be amended to make it easier for youth to use services beyond a year.

- The Workforce Investment Act should be amended to give youth with SMHCs who have received public mental health services direct referral and priority for intensive and training services in the One Stop Career Centers for one year following their exit from secondary education.

There are several other small federal education and employment programs that are more specifically targeted to transition-aged youth with SMHCs (for more information on these programs, see summaries, above). However, these are generally extremely small and often unavailable in many parts of the country.

- Effective programs that have wide reach should receive increased funding, particularly programs, ones that offer relevant services and supports—e.g., the Department of Labor’s YouthBuild program, Youth Formula Grants under the Workforce Investment Act, the Disability Employment Initiative of the Department of Labor; Grants to States for Education and Training for Youth Aging out of Foster Care.

- Other federal programs might be amended in order to improve access to employment opportunities for youth with SMHCs include, for example—stipends from AmeriCorps should be disregarded when calculating income for SSI purposes in order to encourage youth with disabilities to engage in useful community activities.
Mental Health

The Substance Abuse and Mental Health Services Administration (SAMHSA) should have a permanent focus on the needs of transition-age youth with SMHCs. Even without specific Congressional funding for transition programs, SAMHSA could have a major impact through collaborations with other relevant federal agencies. SAMHSA should:

- Have permanent authority for a program for transition for youth and young adults with SMHCs to promote state attention to the education, employment and mental health service needs of this population.

- Collaborate with Departments of Labor and Education so as to maximize the impact of existing federal programs regarding the specialized needs of youth with SMHCs.

- Promote the use of supported education through state and local mental health systems.

- Foster greater dissemination of supported employment programs that have been adapted for use by youth and young adults with SMHCs.

- Use its existing authorities, such as the mental health block grant, to promote greater attention within state adult mental health systems across the country to the service needs of transition-aged youth with SMHCs.

- Require states to count the number of youth ages 16-21 in their child mental health system and those aged 18-25 in their adult system. This age group, 16-25, should then be targeted as part of the federal mental health block grant to states.
As the outcomes summarized at the beginning of this report make clear, youth and young adults with SMHCs are too often unable to successfully surmount difficulties obscuring their pathway to adulthood. There is a need for a much greater focus on transition policy than is currently the case. Although many federal programs could be of great assistance and states and localities could be making better use of them, the most outstanding need is for a rigorous and coordinated effort at the national, state and local levels to establish a solid framework of policies and programs that comprehensively address the needs of young people with SMHCs.

Mental health authorities must initiate and provide the primary leadership for this undertaking. More resources are needed at the federal level, but SAMHSA could also adjust its policies for demonstration grants and the use of federal block grant funds to encourage more local innovation. States and localities should require adult mental health systems to take on more responsibility for transition services and should expand eligibility to enable those served through the child system to continue to access services once they reach adulthood.

At all levels, there also needs to be more collaboration across the different systems that touch the lives of these individuals, especially between mental health and secondary education, and between both of those systems and employment agencies. However, even without these improvements—and despite the problems of program complexity and fragmentation—there are many opportunities to improve outcomes for young people with SMHCs by using existing federal programs more extensively and in a more planned manner. Hopefully, this report will be informative to those in the field, whether they are involved in policymaking and system planning or in providing direct assistance to individuals with SMHCs in the transition to adulthood.

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