

# T-TAP

## Training and Technical Assistance for Providers

Virginia Commonwealth University & The Institute  
for Community Inclusion University of Massachusetts  
Boston

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## Q & A on Customized Employment: Creating a Diversified Funding Base

Customized employment involves individualizing the employment relationship between a job seeker or an employee and an employer in ways that meet the needs of both. Many customized employment outcomes are supported by blending multiple funding sources. For example, a customized employment opportunity might blend funding to purchase assistive technology drawn from an Individual Training Account through a One Stop Center with additional training and ongoing supports being paid for by Vocational Rehabilitation and from a Plan For Achieving Self Support (PASS). Community organizations providing customized employment services will benefit greatly from tapping into a diversified funding base. Diversifying funding improves the ability of a service provider to represent the job goals and choices of individual consumers responsively with employers. Diversification also presents a number of potential challenges. This fact sheet provides strategies that address key questions on both the challenges and opportunities involved with diversified funding.



### What is Diversified Funding?



Diversified funding involves (1) establishing a flexible funding base that includes multiple sources of funding support and (2) assuring that support dollars can follow and adapt to the employment goals and support needs of each individual consumer. Diversification is accomplished in two primary ways. First, diversification involves tapping into a full array of funding options that are consistent with the mission, goals, and core services provided by the Community Rehabilitation Program (CRP). Limiting funding agreements to a primary agency such as Vocational Rehabilitation or the Home and Community Based Medicaid Waiver restricts the CRP in terms of the population it can serve and the services it can provide. It also makes the CRP vulnerable to periodic funding shortages. There are multiple funding agencies at the state and local level that support employment related services. The CRP needs to be directly linked to this full array of funding opportunities.

Diversification also means effectively mixing program level funding with funds that exist outside of the core-funding stream of the community rehabilitation program. For example, a customized employment position might involve the ongoing assistance of an employment support person to help negotiate the customized job with the employer and to assist with training and developing co-worker supports once the job begins. The Community Rehabilitation Program might draw on its program funding agreement for the Home and Community Based Medicaid Waiver to pay for the job coach supports. However, for the



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individual to be successful in the job, resources and/or supports might be needed for which the CRP is not directly funded. In these situations, the funding plan for the individual needs to be diversified beyond core program funding to include more flexible, consumer-directed funding. To effectively support customized employment outcomes, the CRP needs to blend and/or braid core program funding with funds from sources such as One Stop Centers, Social Security Work Incentives, and Small Business grants and loans.



### How would creating a diversified funding base benefit a community rehabilitation program?



Community Rehabilitation Programs (CRPs) should diversify their funding bases for a variety of reasons. In these times of budget constraints and accountability at the federal, state and local levels, isolated funding mechanisms have been downsized. Many public funding agencies are placing an increased emphasis on competitive employment outcomes. These changes in the funding environment create a need for CRPs to diversify their funding base as a key organizational development strategy. For example, as of early 2004, the majority of State Vocational Rehabilitation (VR) Agencies are on Order of Selection because funding is not available to respond to the service needs of all eligible individuals. Order of Selection requires that funding from VR be prioritized to specified groups within the overall population of eligible individuals. CRPs who receive their primary funding from a state VR agency on Order of Selection could experience a significant change in funding. It is critically important that these CRPs have a diversified funding base to avoid budget shortfalls.

Funding for Community Rehabilitation Programs is frequently tied to service agreements made with a variety of funding agencies. These funding agreements frequently define specific services that can be purchased for eligible individuals. These services might include assessments, job development, and/or workplace and related training and ongoing support services. For many individuals with a disability who need a more customized employment opportunity, these core employment services need to be supplemented by other resources to achieve the desired employment outcome.



### What funding sources are currently available?



The majority of funding for direct employment supports has come traditionally from state agencies that provide supports to individuals with disabilities. Depending on the population a CRP chooses to serve, typical funding entities and their service priorities may include: State Mental Retardation/Developmental Disability agencies (Wrap around services and Long term supports); State Mental Health agencies (Individualized Placement and Supports); Vocational Rehabilitation (Evaluation, Skills training, Job development, Vocational services, On the job training, the initial supports within a supported employment approach). Individual customers can also allocate personal resources from the use of the Social Security Administration work incentive programs, including Plans for Achieving Self Support (PASS) and Impairment Related Work Expenses (IRWE), or from the Ticket to Work program. Finally, organizations can consider reaching out to other state service systems that support employment, including Welfare to Work services for individuals receiving Temporary Aid to Needy Families (skills Training, job search and placement) or Workforce Development Services and One Stop Career Centers (skills training, job search and placement services).

Funding for organizational change initiatives may also be available from foundations or other charitable organizations. ARC Industries, an organization participating in Training and Technical Assistance for Providers (T-TAP), secured funding from a local foundation to support strategic planning and visits to organizations that have implemented organizational change to expand community employment. Local foundations often fund strategic planning or organizational development activities, and can also be a resource for facilitating planning efforts. On occasion, state agencies will also support change initiatives. Organizations should look beyond direct service funding to facilitate change.



## How does an organization begin diversifying its funding base?

**A**

A diversified funding base creates opportunities for access to a wide array of funding that consistently supports the core mission, goals, and services of an organization. Diversified funding is most effective when a CRP has a clearly defined mission and service plan that supports competitive employment outcomes. Program Funding tied to achieving non-community integrated employment outcomes will not follow the individual into a competitive job outcome. Therefore, the first step in creating a diversified funding base is to assure that the CRP is structured to emphasize competitive employment outcomes. Traditional funding streams may not fully meet the customized support needs of individuals, and the process of redirecting resources from facility-based services to community employment may cause short-term budgetary stresses. Organizations have to assure that new funding options contribute productively to focus on competitive employment outcomes.

There are a variety of steps a CRP can use in diversifying its funding base. In negotiating with representatives of new funding options or in potentially seeking to redirect funding from an existing resource to achieving competitive employment outcomes, it is most helpful if information on current employment outcomes is readily available. Here are some suggestions on how a CRP can effectively position itself to negotiate with potential funding sources.

### On an organizational level:

Collect data on your employment outcomes – It is time to invest in the collection of data about the services you offer. The system that you create needs to include statistical data about your outcomes as well as satisfaction data from all the stakeholders involved. Find out what the important outcomes are for all your stakeholders and develop data collection/tracking systems that will generate factual information about your successes in those areas.

Use the data to sell your service to new stakeholders – How do you want to tell your story? What should be the platform that is used to market your services to a diverse pool of stakeholders? Whatever system you create it has to be one that is easily configured and updated regularly with accurate information. There will be nothing worse than using old, inaccurate data to sell your service.

Collect data on your processes – Know your cost of doing business, and become sophisticated in financial planning.

Use the data to evaluate and improve your service – Develop an internal process for a self-evaluation of your data. Create a mechanism to adjust aspects of your service operation based on the results of your data. Disseminate reports that show your results and changes your agency is making to strengthen your operation.

### On an individual level:

Discuss support needs and resource options early in developing a comprehensive person-centered employment plan - Funding should be addressed in the context of specific career goals and support needs, and developing the necessary resources should be a partnership between the provider and the job seeker. Use of PASS resources, for example, requires a personal commitment from the job seeker. Similarly there may be a wide range of solutions to barriers like transportation including sharing the costs across funding agencies and the individual, identifying low or no-cost neighbor or family supports, or cost-sharing purchase of a car with a family member using a personal loan.

**Q**

**What are the some of the issues in diversifying funding streams?**

**A**

Most funding sources come with specific guidelines or expectations about the targeted populations, required outcomes, and in some cases, the level of effort the funder is willing to support. Some funding streams may not be available as a primary source to support all individuals being served by a CRP.

Organizations can also blend or braid various funding streams as a strategy and supplement core funding with resources such as the Ticket to Work or individual resources established under a PASS or IRWE.

The transition to emphasizing competitive employment outcomes often requires organizations to shift to new funding models that are more outcome or task driven. First, when selecting new funding sources, be sure that the funding mechanism does not have an inadvertent negative affect on your ability to achieve your core mission and values. Second, your organization may need to build the capacity to monitor your budget's cost centers in a more detailed way than you have before. Knowing the real average cost per job placement, for example, is critical when working under an outcome reimbursement model.

**Q**

**What are examples of customized employment outcomes that represent use of a diversified funding base?**

**A**

A young woman expresses an interest in working with children and computers. A customized job is negotiated with a day care center for this individual where she sets up a computer lab and provides computer training for the pre-school children at the Center. The daycare center does not have the means to purchase the equipment for the computer lab.

The necessary computer equipment is purchased through an Individual Training Account at the local One Stop Center. Funding through the Home and Community Medicaid Waiver assists with training and ongoing support needs. The young woman's ownership of the computer equipment brings a valued resource to the employer. The blending of support funds helps her realize her employment goal and establishes her on a career path.

A young man expresses an interest in cars and car washing. A customized employment arrangement is negotiated with a new car wash business in his community. The business would benefit from a piece of equipment that cleans car carpets thoroughly. The young man uses his Individual Training Account to purchase the needed carpet cleaning equipment and brings this resource to his job duties with his employer. Funding from Vocational Rehabilitation and the local Mental Retardation agency are blended together for his training and support needs.

Both of these examples are actual customized employment situations.

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Creating a diversified funding base is one component of an overall organizational development strategy for programs seeking to provide effective customized employment services. There are additional resources on funding and other key organizational development strategies available online at the T-TAP website: <http://www.t-tap.org>

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