

## Improving Transition Services for Youth and Young Adults with Disabilities through Braided Funding

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### Introduction

Federal initiatives fund key transition and employment supports for youth and young adults with disabilities (Y&YAD). These efforts include Pre-Employment Transition Services (Pre-ETS) — funded by the Workforce Innovation and Opportunity Act (WIOA) and Career and Technical Education (CTE) — funded by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V). They share common goals, but are housed in different federal and state agencies and have varying priorities, outcome expectations and requirements.

Service providers can leverage these different resources, maximize efficiency of delivery and strengthen programs through “braided funding.” Braided funding involves using multiple resource streams from varying agencies or programs separately and simultaneously “to provide specific services that support an individual in pursuing, obtaining or maintaining competitive integrated employment.”<sup>1,2</sup> Braiding funds has been shown to “reduce complexity, to provide supports more effectively, to use funds and resources more efficiently, and ultimately to better serve jobseekers with disabilities.”<sup>3</sup>



## What is braided funding?

“Braided funding is a funding and resource allocation strategy that taps into existing categorical funding streams and uses them to support unified initiatives in as flexible and integrated a manner as possible.”<sup>4</sup> Braided funding streams remain visible to program operators but invisible to the participants benefiting. Each public funder maintains responsibility for tracking and maintaining accountability for its funds.<sup>5</sup>

Braided funding is distinct from “blended funding” or “sequencing.” Blended funding involves co-mingling funds into one ‘pot,’ where the exact funding source for a particular service cannot be distinguished, even by program operators. [Sequencing](#) occurs when various funding streams separately and sequentially provide specific services that support an individual with a disability in pursuing, obtaining,

or maintaining competitive integrated employment. This brief focuses on braided funding, given some federal funding streams require that funding be tracked independently.

If you’re interested in learning more about blending, braiding, and sequencing as well as how they can promote competitive integrated employment, visit the US Department of Labor’s [“Resource Leveraging & Service Coordination to Increase Competitive Integrated Employment for Individuals with Disabilities”](#) and [“Frequently Asked Questions: Competitive Integrated Employment and Blending, Braiding, and Sequencing Resources \(Services and Funding\)”](#). This brief provides further detail about braided funding specifically for programs and services that serve youth and young adults with disabilities.

## Blending and Braiding



**Blending** pools dollars from multiple sources and makes them in some ways indistinguishable. Blended monies can be used to fund activities that frequently cannot be adequately funded from just one source.



**Braiding** is a funding and resource allocation strategy that taps into existing categorical funding streams to support unified initiatives. Funding streams remain visible and are used in common to produce greater strength.

# Background

The unemployment rate for youth with disabilities ages 16-19 is nearly 50 percent higher than the rate for youth without disabilities (19.6 percent vs. 10.4 percent).<sup>6</sup> Addressing this disparity requires evidence-based policy and program interventions, including ensuring that people with disabilities have access to work experiences early in life that lead to better employment outcomes as adults.<sup>7</sup>

There have been numerous laws designed to improve employment opportunities for Y&YAD, such as WIOA and Perkins V. The programs enabled by these laws were developed individually over many years and have historically operated in silos, making for a patchwork of services.<sup>8</sup> The result has been a system that can be inefficient and fragmented, with both gaps and duplications in services.<sup>9,10,11,12</sup> Over the past decade, efforts made on behalf of the Department of Labor and other workforce agencies to reduce fragmentation through collaboration, monitoring, data tracking and technical assistance have not fully quelled coordination concerns. "Without knowing whether these actions are working to improve program coordination and integration, agencies may persist in activities that are ineffective, fail to expand those that work, or ignore unintended consequences."<sup>13</sup>

Frequently, individuals with disabilities need services or supports from multiple programs or systems to achieve their employment goals. "One program may be able to finance training and placement services

while another may be able to provide transportation, assistive technology, or the services of a job coach."<sup>14</sup> By braiding funding from several sources, states can streamline systems to offer comprehensive services that lead to sustained employment among more Y&YAD.<sup>15,16,17</sup> For example, programs that are funded by Mental Health Block Grants, providing behavioral or mental health services, could potentially be braided with programming from Centers for Independent Living that provide job readiness training and benefits counseling.<sup>18</sup> This allows agencies and programs to provide more and better support than when acting alone.

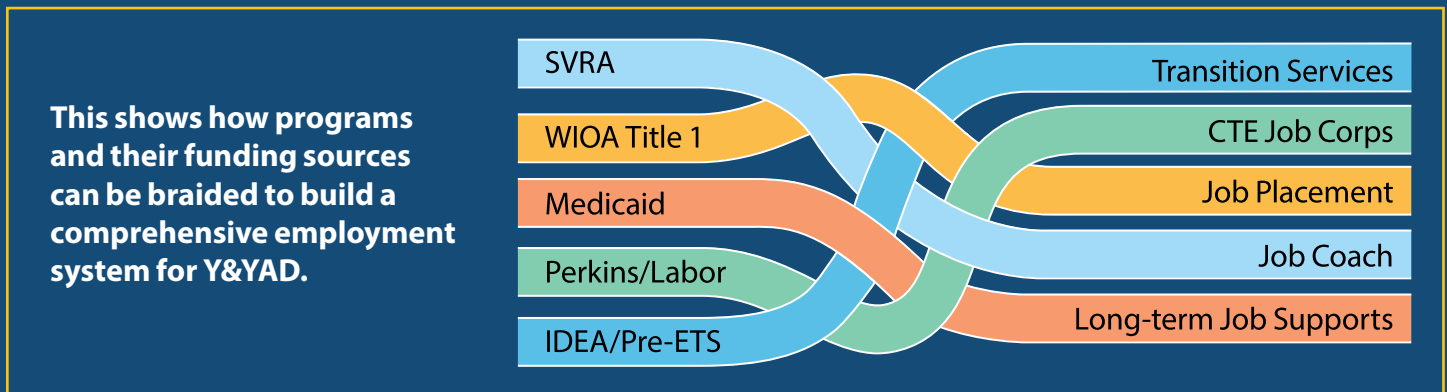
Additionally, policymakers may advocate a braided funding approach because doing so can fulfill (in part) the intention of WIOA. WIOA requires states to develop and implement a state plan that includes the state's strategic vision and operational planning elements for a comprehensive workforce development system.<sup>19</sup> Moreover, state vocational rehabilitation agencies (SVRA) are required under WIOA to enter into a "formal cooperative agreement with the state agency responsible for administering the state Medicaid plan and the state agency with primary responsibility for providing services and supports for individuals with mental health needs, intellectual disabilities and developmental disabilities."<sup>20</sup> This WIOA requirement lays the groundwork for building a comprehensive employment system through braided funding.



# Hypothetical Example:

In this hypothetical example, career supports for Y&YAD include:

- Secondary transition services funded by the Individuals with Disabilities Education Act (IDEA) or by SVRA through Pre-Employment Transition Services (Pre-ETS).
- Job placement and job coaching services funded by WIOA Title 1 and SVRA.
- Career and Technical Education (CTE) funded by Perkins V or Job Corps training funded by the U.S. Department of Labor.
- Long-term job support through Medicaid.



## Policy Considerations

### 1 Incorporate braided funding into state WIOA plans.

Every four years, states submit a WIOA state plan to the U.S. Department of Labor and U.S. Department of Education, which outlines a workforce development strategy across required partners, and includes both strategic planning and operational planning elements.<sup>21</sup> Included among the required partners are the Adult program, the Dislocated Worker program, the Youth program, the Adult Education and Family Literacy Act program, the Wagner-Peyser Act Employment Service program and the Vocational Rehabilitation (VR) program. Some states also include other partners such as CTE programs or Temporary Assistance for Needy Families (TANF). The development of WIOA plans provides an opportunity for state partners to collaborate and think about workforce development holistically. This provides state agencies and programs a unique opportunity to work together to develop disability employment efforts. States may use WIOA plans to commit to and plan for braided funding approaches across agencies

and serving Y&YAD. For example, states may outline integrated resource teams, cost sharing negotiations, and specific braided funding strategies within their WIOA plans.

### State Example:



**Indiana** is piloting an [integrated resource team](#) approach to braid funding and coordinate services among WIOA core programs for individuals with disabilities seeking employment. Indiana's 2020-23 Combined State WIOA Plan encourages the braiding of VR funds with Title I WIOA Adult & Youth funds to provide accommodations, follow-up support, and transportation for individuals with disabilities receiving employment services. The plan also highlights the benefits of braiding Pre-ETS funding from SVRAs with WIOA Title I and the U.S. Department of Education's Every Student Succeeds Act (ESSA), Perkins V, and IDEA transition funds to provide college and career readiness activities for students with disabilities.

## 2 Design comprehensive and structured braided funding mechanisms.

Any braided funding approach to employment services requires careful design. The design process should identify:

- Partners.
- Goals or desired outcomes of services.
- Gaps or duplications in existing services.
- Allowable investments for each funding stream.
- Reporting and auditing requirements for each funding stream.
- Decision-making systems to address problems.<sup>22</sup>

### State Example:



Iowa's SVRA and Iowa Medicaid developed a [Resource Sharing Agreement](#) that describes their funding obligations for supported employment services for individuals with disabilities who are under age 24 and are clients of both agencies. The VR agency funds services for obtaining and retaining competitive integrated employment and the Medicaid agency pays for individual supported employment services that are necessary to maintain competitive integrated employment after stabilization. This includes, where appropriate, "discovery services" that assess the youth's strengths and interests that lead to a career pathway and customized employment where jobs are designed to align with the abilities and skills of the individual and the needs of the employer.<sup>23</sup>

## Braided funding mechanisms

Braided funding mechanisms can vary, but some examples include memoranda of understanding (MOUs), resource sharing agreements and data sharing agreements. For example, a braided funding design can use an MOU involving SVRA, Medicaid, and a disability-serving agency. MOUs should include:

- Parties to the agreement.
- Purpose(s) of the MOU.
- Philosophy/principles.
- Interagency planning and policy development.
- Joint responsibilities.<sup>24</sup>

### In addition, MOU participants may consider including:

- Eligibility criteria.
- Customer referral processes.
- Coordinated individualized service delivery.
- Financial responsibility of each agency.
- Training and technical assistance.
- Release and confidentiality of information.
- Accountability, monitoring, and reporting.<sup>25</sup>

### 3 Train, coordinate, and designate staff to implement the plan.

Intentional interagency coordination and collaboration are needed to turn a vision and design of braided funding into a functioning system of support. States use several strategies including forming strategic planning groups, steering committees, or workgroups at the executive level (sometimes commissioned by the governor) to implement these plans. Such committees are charged with setting goals, evaluating outcomes, conducting professional development, coordinating services, or otherwise problem-solving to assure the success of the braided funding vision.

Other states have used an intermediary to facilitate coordination and communication among involved agencies. The intermediary can be an involved agency staff person serving as the lead of the braided funding project or, where appropriate, a contracted third-party organization familiar with the administration of services and funds. A knowledgeable intermediary can serve as the facilitator for interagency communication, as well as help with identifying available funding, providing technical assistance and training to agency staff, adapting administration systems to track and report funding usage, and evaluating interagency progress towards desired project outcomes.<sup>26,27</sup>

Finally, many states provide cross-training and professional development to staff to implement braided funding designs. Training in the mission, eligibility rules, services offered, and administration of state and federal funding sources equips staff with the knowledge to successfully enact braided funding initiatives while avoiding duplication of services.<sup>28,29</sup>

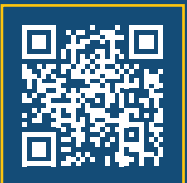


#### State Example:



**Alabama's** [Governor's Office of Education and Workforce Transformation](#) is charged with achieving equity-based workforce outcomes for underserved populations including Y&YAD. One assignment of this office is to braid the state's federal

education and workforce development funding streams to support an education-to-workforce pipeline. The office employs a coordinator who reports to the governor and is advised by representatives from more than 20 state agencies. That coordinator serves as an intermediary on matters related to braiding federal education and workforce development funding streams.



If you are interested in learning more about state policies relevant to interagency coordination and collaboration, visit this resource from the State Exchange on Employment and Disability (SEED).

## 4 Braid emergency response funds with existing employment funding sources.

As new federal funds are allocated, there may be sufficient flexibility to apply them to existing funding for employment supports for Y&YAD. For example, the [American Rescue Plan Act \(ARPA\) of 2021](#) established the Coronavirus State and Local Fiscal Recovery Fund, which provides \$350 billion in assistance to state and local governments. This fund provides substantial flexibility for governments to meet local needs created or exacerbated by the COVID-19 pandemic, including job training for displaced workers. These funds can be braided and used in conjunction with other funding sources, provided the costs are eligible under each program source.<sup>30</sup> Similarly, the [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#) provides funding to states that can be braided with eligible federal funds including those designated for workforce development. CARES Act funds can be used to provide relief, such as job training, from adverse economic impact on a worker's occupation.

### State Examples:



**Hawaii** braided [CARES Act funding with existing economic development resources](#) to provide internships and on-the-job employment training for displaced workers in conservation; renewable energy; science, technology, engineering, and mathematics; and other industry sectors.



**Utah** allocated \$15,000 in ARPA funding to the Utah Talent Ready Center's Learn and Work Program that provides tuition assistance for short-term programs at postsecondary institutions for unemployed or underemployed individuals. The program [braids ARPA funding with existing education and workforce training dollars](#) for training at the state's public higher education institutions. The added funding from ARPA provides for training and re-training of workers displaced due to the coronavirus.

Y&YAD are likely to benefit from these programs given there is a disproportionate number of Y&YAD who are unemployed, underemployed, or displaced.



# Conclusion

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Braided funding involves using multiple resource streams from varying agencies or programs separately and simultaneously “to provide specific services that support an individual in pursuing, obtaining or maintaining competitive integrated employment.”<sup>31</sup> Braiding federal and/or state funding sources to develop comprehensive career supports for Y&YADs can reduce duplication of services, increase efficiency of programming, and ultimately

lower the unemployment rate for this population. State policymakers may consider designing comprehensive and structured braided funding mechanisms; training, coordinating, and designating staff to implement the plan; braiding COVID-19 response funds or other new sources of federal funds with existing employment funding sources; and incorporating braided funding into state WIOA plans.

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