Moving On

Analysis of Federal Programs Funding Services to Assist Transition-Age Youth with Serious Mental Health Conditions

Bazelon Center for Mental Health Law
Moving On is an analysis of 57 federal programs offering resources to assist youth with serious mental health conditions in making the transition from childhood—and often, foster care—to independence. The analysis and a companion set of 57 fact sheets were developed by Chris Koyanagi, policy director of the Bazelon Center, with Laurel Stine, legislative affairs director, policy analyst Elaine Alfano and research assistant Elizabeth Lind. Both publications were designed by publications director Lee Carty.

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The fact sheets are available as PDF files by sections on the Bazelon Center’s website, [www.bazelon.org](http://www.bazelon.org). They are also available for purchase as a complete set, as is the separate analysis, through the Bazelon Center’s online bookstore, [http://store.bazelon.org](http://store.bazelon.org), or ordered from:

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MOVING ON
An Analysis of
Federal Programs Funding Services for Transition-Age Youth with Serious Mental Health Conditions

Introduction

Myriad federal programs can address the wide range of needs of youth with serious mental health conditions who are transitioning into adulthood. This review by the Bazelon Center has identified 57 programs that are run by 20 or more different agencies in nine departments of the federal government.1

The extensive range of programs found is not surprising, given the various areas of life with which transition-age youth with serious mental health conditions may need assistance. Federal programs, in fact, are quite well aligned with the needs that youth themselves identify. Youth with serious mental health conditions, when asked which issues they might want assistance with, identify the following areas of functioning:2

◆ finishing school
◆ finding an enjoyable job
◆ having independent living skills
◆ balancing a budget
◆ finding a home
◆ having friends
◆ dealing with issues with family

In addition, research suggests that assistance in the areas of parenting and family planning and of citizenship (crime and delinquency prevention), is important.

To be most effective, research suggests that services to help young people address these functional areas should, at a minimum, incorporate the following features:3

◆ Age: Policies must recognize that (developmentally) transition-age youth are between the ages of approximately 14 and 25. The artificial barrier in many federal programs that arises at either 18 or 21 undermines the effectiveness of programs for this population.

◆ Continuity: Transition-age youth whose serious mental health conditions affect their functioning should receive services in familiar settings with minimal disruption in therapeutic relationships. Policies and strategic approaches should support greater coordination among programs serving children, youth and adults.

◆ Developmental appropriateness: Services that address the developmental tasks of older adolescence and young adulthood must be offered in a developmentally appropriate fashion. Adults programs need a special focus to serve young adults.

◆ Appeal: Services should be designed so that adolescents and young adults find them relevant to their lives and offered in an engaging manner. Specific programs, or incentives,
requirements or set-asides in larger programs, may be needed to ensure appropriate services for transition-age youth with serious mental health conditions.

Also, due to issues related to their mental health condition (or the reactions of others to the behavioral manifestations of their condition), significant numbers of youth with serious mental health conditions may not be able to participate in some programs identified in this analysis that theoretically might greatly benefit them. For example, high secondary school dropout rates mean that many youth with serious mental health conditions cannot benefit from school-based programs. This highlights not only the importance of amending school-based programs, but also the need to develop and expand compensatory programs so that youth who drop out can still be prepared for post-secondary education.

**Overview of Federal Programs**

The 57 programs identified in this report are quite different in purpose, target population, funding and organization. It is important both to understand each program individually and to understand the collective impact of all 57. While programs can be categorized in several different ways, some method of organization must be chosen to assess the effect of so many (and so disparate) programs. One way to group them is according to their target population:

◆ Some broad social programs, like Medicaid, SSI and the Social Services Block Grant, help disadvantaged individuals of all ages pay for needed services and supports.

◆ Some programs are targeted to youth in general—not specific subpopulations, such as youth with serious mental health conditions or youth with disabilities. These programs are designed to help youth move toward independence and assume roles associated with adulthood. Eligibility for these programs may be determined by financial need but otherwise they are available to the general youth population. Workforce Investment Youth Formula Grants and college grants and loans are some examples.

◆ Other programs are targeted to children and youth who have particular needs, such as those with disabilities (including serious mental health conditions), homeless youth, youth who have had difficulties with the law, or youngsters in foster care. Special education, programs for youth aging out of foster care and programs for homeless and runaway youth are examples of such targeted programs.

◆ A number of programs specifically target transition-related needs, and some of these are exclusively focused on youth with serious mental health conditions. Healthy and Ready to Work is a program targeted to transition-age youth with both health and behavioral health needs, while Youth in Transition to the Workplace is specifically designed for youth with behavioral health problems.

◆ Other programs, including the Mental Health Block Grant and the Substance Abuse Block Grant, are behavioral health programs that fund services for children, youth and/or adults but do not specifically prioritize youth in transition and the specific services they need.

While grouping programs by target population will have its useful application, it may also be helpful for the purposes of policy analysis to categorize programs according to how funding
flows from the federal government. Using the funding mechanisms as criteria for sorting, programs may be grouped by whether they provide:

- **Individual grants or entitlements to youth themselves.** Examples include Medicaid, higher education grants and loans, and SSI.

- **Formula or block grants to all states, which are generally for a broad purpose.** Examples include the Maternal and Child Health Block Grant, the Community Services Block Grant, the Mental Health Block Grant and the Substance Abuse Block Grant.

- **Discretionary grants to state or local agencies for specific programming.** These, too, may be for a broad purpose that can include youth in transition, or they may be for programs that very specifically target youth, youth in transition, or even youth with serious mental health conditions in transition. Discretionary grant programs include the Comprehensive Community Mental Health Services for Children and Their Families program, the Safe Schools and Healthy Students program and the Partnership for Youth Transition.

Finally, programs can be clustered by their impact on the lives of youth and by the domains identified by youth themselves as areas of concern. Indeed, this may be the most useful way to review them initially in order to identify gaps in need. *In toto*, the 57 programs address all of the life domains with which youth may need assistance.

To understand more about each program, review the individual program summaries in *Summaries of Federal Programs for Transition-Age Youth with Serious Mental Health Conditions*, available from the Bazelon Center. Each summary includes information about the program’s purpose, services and activities that are funded, the administering federal agency, grantee and beneficiary eligibility, and a brief assessment of the program’s impact.

In the following chart, programs are listed by life domains; and within each domain, programs are listed in descending order by the size of the federal allocation (as measured by FY 2005 funding levels)—i.e., programs with the largest budgets are listed first. Programs with no specific identified funding level are listed last in their category. The acronym for the agency responsible for each program is provided in parentheses. (A list of acronyms appears at the end of this report.) It should be noted that a number of programs may address multiple domains and that rather than listing these programs more than once, we simply selected what we thought was the one most appropriate category.

### Programs by Domain

#### Federal Programs Aiding Transition-Age Youth with Mental Disorders

1. **Mental Health Programs**
   - Mental Health Block Grant (CMHS)
   - Comprehensive Community Mental Health Services for Children and Their Families (CMHS)
   - Grants for the Integration of Schools and Mental Health Systems (ED)

2. **Substance Abuse Programs**
   - Substance Abuse Block Grant (CSAP)
   - Drug Free Communities Support Program Grants (OJJDP)
3. **Health Services (some include mental health treatment)**
   - Medicaid (CMS)
   - S-CHIP (CMS)
   - Maternal & Child Health Block Grant (MCH)
   - Title IV-B (ACF) and Promoting Safe & Stable Families (ACF)
   - Health Care for the Homeless (HRSA)
   - Healthy and Ready to Work Initiative (MCH)
   - Partnerships for Youth Transition (SAMHSA)

4. **Basic Supports**
   - Food Stamp Program (AG)
   - Supplemental Nutrition for Women, Infants & Children (WIC) (AG)
   - Title IV-E — Payments for Children in Foster Care (ACF)
   - SSI Childhood Disability Benefits (SSA)
   - SSI Youth Transition Demonstration (SSA)

5. **School-Based Programs Addressing Transition Issues**
   - IDEA, Part B (OSEP)
   - Safe Schools and Healthy Students (ED, SAMHSA & OJJDP)
   - Safe and Drug Free Schools (OSDFS)
   - Transition Initiative (OSERS)
   - Elementary and Secondary School Counseling (ED)

6. **Higher Education**
   - Direct Student Loan and Family Education Loan Loan Programs (ED)
   - Pell Grants (ED)
   - Vocational and Adult Education State Basic Grants (ED)
   - Work-Study Program (ED)
   - Supplemental Educational Opportunity Grants (ED)
   - Perkins Loan Program (ED)
   - Educational and Training Vouchers Program for Youths Aging Out of Foster Care (ACF)

7. **Independent Living for People with Disabilities and Other Special Populations**
   - Vocational Rehabilitation Title I Formula Grants (RSA)
   - Chafee Independence Program (ACF)
   - Vocational Rehabilitation: Supported Employment (RSA)
   - Independent Living Centers (OSERS)
   - Engaging Persons with Disabilities in National and Community Service (CNCS)
   - Youth Transition Into the Workplace (SAMHSA)
   - Ticket-to-Work and Work Incentives Improvement (SSA)

8. **Generic Independent Living (skills training, employment-related services, etc.)**
   - One-Stop Shop Career Centers (ETA, Labor)
   - Job Corps (ETA, Labor)
Workforce Investment Act Youth Formula Grants (ETA, Labor)
American Conservation and Youth Service Corps (AG & Interior)
National Guard ChalleNGe Program (DOD)
YouthBuild (HUD)

9. Housing
   Section 8 Housing Choice Vouchers (HUD)
   Public Housing (HUD)
   Community Development Block Grant (HUD)
   HOME Investment Partnership (HUD)
   Shelter-Plus-Care (HUD)
   Runaway and Homeless Youth Act (ACF)
   Projects to Assist in Transition from Homelessness —PATH (SAMHSA)

10. Family Planning and Parenting Assistance
    Child Care Block Grant (ACF)
    Adolescent Family Life Demonstration (Office of Public Health & Science, HHS)

11. Social Services
    Temporary Assistance for Needy Families—TANF (ACF)
    Social Services Block Grant (ACF)
    Community Services Block Grant (ACF)

12. Youth Involved With or At Risk of Involvement in Juvenile Justice
    Juvenile Justice and Delinquency Prevention State Formula Grant (OJJDP)
    Local Community Prevention Incentive Grants (OJJDP)

Policy Issues to Address

1. Confusion

   This assortment of federal programs covers all essential domains of service and support needs and can provide significant resources for state and local efforts that seek to address the needs of transition-age youth with serious mental health conditions. However, understanding the patchwork of programs is challenging and there are a number of issues that can impair efforts to create a comprehensive system of care.

   ◆ The sheer number of programs makes it difficult for providers and policymakers to be aware of, much less fully understand, all programs.

   ◆ No specific attempt has been made by the federal government to align programs with each other. Typically, there are rules unique to each program.

   ◆ Eligibility differences result in an individual youth’s being eligible for some programs but not others, or being eligible at one age but not consistently eligible through the age of 25.

   ◆ Funding may go directly to states, local nonprofit entities or some combination of public and private entities. In addition, many programs establish varying eligibility criteria for the individual youth beneficiaries, while others have few or no entrance requirements. Even
among programs that have similar funding mechanisms, the eligibility criteria for grant applicants can be quite different. Thus, there is no one kind of entity serving transition-age youth with serious mental health conditions that is eligible to apply for all federal programs.

2. Definition of “Youth”

Programs have a range of requirements for youth participation. The two most critical are the youth’s age and the youth’s and/or family’s income and resources, which may exclude many youth from helpful programs. This is particularly relevant to issues of developmental stage and continuity. With respect to age, federal programs serving youth have a range of upper age limits.

◆ Ten programs limit services to those under age 21.
◆ Five programs limit services to those under 18/19.
◆ One program limits services to those under age 23.
◆ Seven programs accept youth up to age 25.

There are other age-related issues. For example, 15 programs are for individuals of all ages, so that youth must compete with adults for services. Two of these programs (Medicaid and SSI) change the rules at a certain age. (In Medicaid that is 18, 19, 20 or 21 depending on the state; SSI rules change at age 18.) Some programs require an individual be a legal adult, while others have no upper age limit but target individuals who have left school.

3. Relevance of Income

With respect to low-income status:

◆ Sixteen programs are means-tested—i.e., eligibility is dependent on the individual’s or family’s having a low-income (defined in the individual programs and generally related to the federal poverty level\(^5\)) and often assets must be low as well. These programs are available only to individuals with limited resources.
◆ Six programs are targeted to individuals who are in low-income categories (even though there is no specific means test), such as programs for homeless persons or youth in foster care.
◆ Five programs relate benefits to income (lower income = higher benefit) or target a specific percentage of program funds for low-income recipients.
◆ Twenty-four programs operate without regard to income.
◆ In two programs, income is not relevant—i.e., the programs are designed to assist broad community initiatives/coalitions.

In more than half the programs, access to program benefits is restricted for those with higher incomes and stable living situations.
4. **Imbalance of Program Resources**

Not all programs are created equal.

- Funding issues mean that some programs are extremely small and most localities have no chance of receiving a grant.
- There is a general pattern that the more specific the program is in its target population and use of funds, the more limited the resources provided for it.
- While significant funds may flow through entitlement programs and state formula grants, these funds can be used for a wide array of purposes and specific decisions on their use are made at the state and local level, not the federal level.

5. **Control of Access and Services**

- Some programs provide resources directly to youth and, within basic rules of the program, youth make the decision on when to access their benefit and how to use it (SSI).
- Another set of programs uses a pass-through mechanism to provide a benefit to the individual youth, while allowing the youth to decide when or whether to use the benefit (higher education loans, Medicaid).
- Under formula or block grant programs, states control decisions on resource allocation (Juvenile Justice and Social Services block grants).
- Other kinds of programs provide funds to local provider agencies that then control the funds and make decisions on who is eligible for the covered services and activities (discretionary grant programs in SAMHSA).

6. **Some Populations Need Special Support**

Some sub-populations of youth have unique needs because they must deal with issues most other youth do not face. For example:

- Youth aging out of foster care will suddenly lose the support of their foster families.
- Youth in juvenile justice systems need assistance in gaining skills that will enable them to avoid future contacts with juvenile or criminal justice.
- Homeless and runaway youth (many of whom may have suffered abuse) have an array of difficult issues at a very vulnerable time of their lives.

Consideration of how to improve the federal government’s response to the needs of transition-age youth with serious mental health conditions requires consideration of all of these factors, as well as an understanding of the contributions (or potential contributions) of each of the 57 programs.
Understanding the Programs

The following is a short summary of the potential of each of the programs that has been reviewed. These assessments assume a basic level of understanding regarding the purpose of each program and the services and activities it funds, presented in the fact sheets.

Mental Health Programs

- **Community Mental Health Services Block Grant (CMHS)**
  
  A state formula grant program. Funds from the Mental Health Block Grant may be used to provide community services for individuals of all ages (specifically, adults with “serious mental illness” and “children with serious emotional disturbance”) and can include any mental health and related support services needed by eligible individuals.

  On the surface, the block grant appears to provide a flexible and sizeable set of resources that could be targeted to assist youth with mental disorders in their transition to adulthood. In fact, several barriers impede this. First, most states have allocated funds for either child or adult services. Transition-age youth do not readily fit into either set of services. Second, most adult mental health systems limit services to those with the most severe mental illnesses. As a result, many young people served by child mental health systems do not qualify for adult mental health services.6

  The special array of services needed by transition-age youth—and their different interests, lifestyles and activities—sets them apart. Even when an appropriate set of services is funded through the block grant and available in their community, youth may not be welcomed, helped or comfortable in a program serving adults in their 30s, 40s and above. Specialized and parallel programs for youth are extremely rare. The adult mental health systems in half of the states do not offer a single program specialized for the young adult population, and single specialized services, such as supported housing for young adults, are offered in at most 20 percent of states, and then usually in only one location.7

  Among the limited number of specialized programs are some truly innovative approaches, such as Thresholds in Chicago, Our Town Integrated Service Agency in Indianapolis, the Transitional Community Treatment Team (ACT program) serving youth between 16 and 22 in Columbus, Ohio, and a young adult specialized Homeshare program (adult foster care) in Charleston, SC.

  Unfortunately, block grant appropriations have not increased significantly for decades. As a result, the funds are generally allocated before they are even received, and it is hard for states and localities to use them to initiate new programs for youth.

- **Comprehensive Community Mental Health Services for Children and Their Families Program (CMHS)**
  
  A discretionary grant program funding interagency systems of care for children and adolescents with serious emotional disturbance and their families. Non-federal matching funds are required for each of the six years of the federal grant. Funds can be used for community mental health services, including those that assist youth in transition. Programs emphasize
a strengths-based approach, provide a full range of supportive services and encourage independence and empowerment.

However, youth remain eligible only up to age 21. To continue receiving necessary services they will need either to transition into the adult mental health system or to somehow gain access to health coverage and the needed range of independent living and support services. For many, this is not possible.

◆ **Grants for Integration of Schools and Mental Health Systems (OSDFS)**

A discretionary grant program to state or local education agencies and Indian tribes. LEAs that have ever received funds under the Safe Schools/Healthy Students Initiative are not eligible. Funds are to be used to supplement existing funds for mental health services and to support innovative approaches linking schools and local mental health systems.

This small new program focuses on the important need for linkage between schools and mental health systems. Although there is no particular targeting of transition-age youth, improved collaboration across these systems is needed and, if successful, could have an impact on the availability of services for youth with serious mental health conditions.

**Substance Abuse Programs**

◆ **Substance Abuse Block Grant (CSAT)**

A state formula grant program funding substance abuse prevention and treatment. Certain populations are designated as priorities for grant spending, including those with HIV/AIDS and pregnant women.

Youth with co-occurring substance abuse disorders may benefit from these federal funds, but they are not a priority population. However, women with children or who are pregnant are a priority population.

Substance abuse block grant funds may not be used to furnish mental health treatment, creating a barrier to integrated treatment programs that address both issues. However, there is new understanding of and research on the co-occurrence of mental health conditions and substance abuse among both adults and youth. Many substance abuse programs are now screening for serious mental health conditions and either furnishing treatment for mild to moderate mental illness or referring individuals to mental health care. But integrated programming is not a focus of the block grant.

◆ **Drug-Free Communities Support Program Grants (OJJDP)**

A discretionary grant program, providing one-year grants to community coalitions with strategic plans aimed at reducing substance abuse among youth and, over time, among adults. Matching funds are required.

The program does not fund new services, but strives to improve collaboration among local initiatives and promote better dissemination of information. While the coordination of agencies that furnish substance abuse prevention and treatment at the local level may make these activities more effective, it is difficult to gauge the effect of this program on youth. The concept of funding the work for local collaboration is, however, an intriguing one that might be applied to other services needed by transition-age youth with serious mental health conditions.
◆ **State Adolescent Substance Abuse Treatment Coordination (SAMHSA)**

Provides discretionary grants to states. The program is designed to improve a state’s capacity to provide effective and coordinated services to adolescents and their families. This program focuses on coordination of services across state agencies and promotes comprehensive, integrated services for youth with substance abuse and co-occurring mental and emotional disorders. While youth with serious mental health conditions may not directly benefit, better coordination across state mental health and substance abuse authorities and a focus on integrated services would benefit transition-age youth with serious mental health conditions who also have a substance abuse problem.

**Health Services (some include mental health treatment)**

◆ **Medicaid (CMS)**

An entitlement program providing health and mental health care coverage for low-income individuals, including youth who qualify under Medicaid eligibility criteria. Medicaid’s covered services include a wide array of the services needed by transition-age youth with serious mental health conditions. The most significant problem is the fact that eligibility rules change as a youth ages. Although states can opt to cover children and youth up to age 22, this is not a mandate and not all states have done so. Moreover, as youth pass the age of eligibility for children and adolescents in their state, they must qualify under the adult criteria, which are based both on income and on category of need (e.g., a person with a disability receiving SSI or an individual residing in a facility such as a nursing home). Many youth with serious mental health conditions cannot qualify under these categories and, therefore, as they become young adults they lose access to all of the health, mental health treatment and, important, psychiatric rehabilitation services covered by Medicaid.

On the other hand, emancipated youth who could not qualify for Medicaid based on family income might qualify for a few years (depending on the state) if their eligibility can be determined based on their own income.

◆ **S-CHIP (CMS)**

A capped entitlement program providing health and mental health coverage for low-income children and youth who meet federal and state eligibility criteria. Coverage can be provided through Medicaid or through private plans, at the state’s option.

Youth in states where S-CHIP-covered children are enrolled in Medicaid have the advantages of other Medicaid-eligible youth. Youth in states with private insurance S-CHIP plans often have very limited mental health benefits because these are taken from a benchmark private health plan. The typical private plan limits outpatient visits (often 20 or fewer) and inpatient stays (30 or fewer). In addition, the range of psychiatric rehabilitative services these youth require (and could receive if covered by Medicaid) is generally not covered at all.

Age limits are a problem in S-CHIP because children lose eligibility at 19. However, some emancipated adolescents who cannot qualify for S-CHIP based on family income might qualify briefly if their eligibility can be determined based on their own income, although they too will lose eligibility at age 19.
Maternal and Child Health Block Grant (MCH)

A block grant to states funding services needed by low-income children and youth with special health care needs. The MCH Title V programs serve youth with all disabilities, including those with serious mental health conditions, although these youth are generally under-represented in MCH programs. Moreover, while addressing transition issues is a national requirement for MCH programs, activities with respect to transition vary considerably by state. Some states, according to information in their MCH block grant plans, are paying significant attention to transition issues, but others appear to be in the early stages of discussion and planning. Finally, although the law permits states to serve youth up to age 25 with Title V funds, most states only serve youth up to age 21.

Title IV-B—Promoting Safe and Stable Families (ACF)

Title IV-B and the Promoting Safe and Stable Families program cover skill-building services as well as health and mental health services, but appear in this list only once.

Title IV-B authorizes both a capped entitlement (formula grant) program and discretionary grants to states. States receive allotments under Title IV-B based on the number of children in the state who received Food Stamps in the previous three years.

Generally, these funds can be used to prevent abuse and neglect and to promote reunification and adoption as ultimate permanent plans for them. Funds can be used for a wide range of mental health services from inpatient to community care. Specialized services for transition-age youth with serious mental health conditions can be provided.

Title IV-B can cover services particularly needed by transition-age youth with serious mental health conditions, such as crisis intervention, social skills training, daily-living skills training, tutoring, supported employment, supported education and substance abuse services. However, funds are limited, particularly in comparison with child welfare Title IV-E funds for children already in care. Given the great need for services to prevent out-of-home placements, there is particularly strong competition for these resources and states may therefore be inclined to prioritize services to younger children, in order to avoid many years of an out-of-home placement, instead of using significant resources for youth reaching the age of transition.

Health Care for the Homeless (HRSA)

A discretionary grant program to community health centers to provide health care services to individuals who are homeless or transitioning from homelessness.

Homeless youth in transition can receive important health, mental health, substance abuse and case management services through this program. In addition, the program funds aggressive street outreach and client advocacy. It also emphasizes integrated systems of primary care, mental health and substance abuse services. These grants could be an important adjunct for programs serving homeless transition-age youth with serious mental health conditions, and youth themselves could benefit significantly if they come in contact with a grantee who emphasizes integrated systems of primary care, mental health and substance abuse services.

Healthy and Ready to Work Initiative (MCH)

A discretionary demonstration grant program run by the Maternal and Child Health Bureau that has funded nine sites to date. These programs help youth with special health care needs make the transition to adult life.
The Healthy and Ready to Work programs provide an excellent array of services for transition-age youth, including the services most needed by those with serious mental health conditions. However, these programs exist in only a few states.

**Partnerships for Youth Transition (SAMHSA)**

A discretionary program operating through cooperative agreements with five local applicants. Funds may be used to offer long-term support to young people with serious emotional disorders and emerging serious mental illness who are between 14 and 25.

As a program specifically targeted to the service needs of transition-age youth with serious mental health conditions, this demonstration is critically important. However, the lack of funding since FY 2002 (and the small number of projects funded) suggests that the program has not received the priority needed to transform it into a substantial initiative.

However, information from the five sites funded should prove invaluable to policymakers considering how to improve the federal response to the needs of youth with serious mental health conditions.

**Basic Supports**

**Food Stamps (AG)**

An entitlement for low-income households, including households of one, to provide coupons or electronic benefits that may be used like cash at grocery stores. Youth living in low-income households and youth who can qualify as a household of one for Food Stamp purposes, may be eligible. Youth receiving SSI or TANF are automatically considered eligible. Food Stamps can help youth with serious mental health conditions to live independently and obtain food that meets daily nutritional needs.

**Women, Infants and Children (WIC) (AG)**

WIC provides supplemental food and nutrition education to pregnant women, mothers and young children. In addition, WIC programs screen women and children and refer them to health, welfare and social services.

Transition-age youth with serious mental health conditions are not identified as a primary target group of the WIC program, but their age and disorders would qualify many young women as having medically based risks. The nutrition education and the medical and social services referrals have the potential to be especially beneficial to transition-age youth.

**Title IV-E — Payments for Children in Foster Care (ACF)**

An entitlement to states for the maintenance costs of children in foster care. Title IV-E provides substantial sums to address the needs of children and youth in foster care. States may also claim administration and training costs. However, to qualify, the child must be removed from the family. Title IV-E children from low-income families are also eligible for Medicaid, which can fund social and independent living skills training and mental health treatment. Title IV-E funds can also be used for training, and a number of states have used that authority to improve the training of child welfare case managers in mental health issues.
Title IV-E is an important component of a system of care for transition-age youth up to age 18. Title IV-E funds, combined with the Medicaid entitlement for Title IV-E children, can support a wide array of needed services.

However, youth in foster care often do not receive the services that would enable them to make a successful transition to adulthood and they are not eligible for basic Title IV-E services beyond the age of 18. For these reasons, the law was amended to create the Chafee Independence Program (see below) to assist youth exiting from foster care.

**SSI Childhood Disability Benefits (SSA)**

An entitlement for adults and children who meet a standard of disability spelled out in federal rules. This standard is different for children/youth under age 18 than it is for adults.

SSI provides critical income support for low-income individuals with significant disabilities resulting from physical or mental impairments. Unfortunately, a substantial percentage of youth (over a quarter) lose their SSI benefits when they turn 18 years of age and are re-assessed by SSA under the adult criteria. Given the high percentage of youth with mental impairments on SSI (30 percent) and the discrepancies between the child and adult criteria for mental impairments, it is likely that a significant number lose benefits upon reaching majority. However, many regain benefits on appeal. Some may also qualify for SSI for the first time once they are emancipated, since only their own income and resources (not their parents’) will count.

**SSI Youth Transition Demonstration (SSA)**

A discretionary grant program that has funded seven projects in six states. Projects are to help youth with disabilities prepare for the transition from school to work and maximize their opportunities to achieve self-sufficiency. Under the program, certain SSI rules that may hinder youth in transition are waived for youth who are participating in the demonstration.

While only a demonstration, this project has several attractive features. First, it waives some of the most problematic SSI rules with respect to transition-project participants. SSI benefits are payable as long as the individual participates in the program and benefits are not cut off at age 18, even if a review at that age would find the person ineligible. Second, the waivers and rule changes provide incentives for youth to pursue education, training and employment, without risking immediate loss of their SSI income benefit, as might normally be the case. Third, the project encourages grantee states to blend other resources to provide a more comprehensive package of services that support education, training and other critical activities for youth in transition.

Unfortunately, the demonstration only operates through seven projects in six states, and because the projects have not completed their initial grant period, the demonstration has not been fully evaluated.

**School-Based Programs Addressing Transition Issues**

**IDEA, Part B (OSEP)**

The Individuals with Disabilities Education Act (IDEA) provides formula grants to states, with resources passed through to Local Education Authorities (LEAs). Services are provided
to children who meet the federal definition of “a child with a disability” and who, because of that disability, need special education and related services in order to benefit from a free and appropriate education. Mental health services are among the related services that can be provided.

IDEA Part B and particularly the services required for youth in transition are potentially of enormous benefit to youth with serious mental health conditions. However, several very significant barriers often prevent these youth from benefiting:

- To be eligible for IDEA Part B services, youth must be found to have a disability that impedes their ability to benefit from a free and appropriate public education. In fact, schools identify only a small fraction of the children and youth who, through mental health assessments, have been found to have serious mental health conditions with extreme functional impairment (and even fewer children with serious mental health conditions and significant functional impairments)—still a high standard of disability. As a result, many youth served by the mental health system are ineligible for any IDEA services.¹⁰

- A substantial proportion of children with diagnosed, serious mental health conditions who are found eligible for IDEA are misidentified and, as a result, receive inappropriate placements and services.¹¹

- Even when youth with serious mental health conditions receive appropriate special education and related services, they often leave school before reaching 18.¹² Some are removed from school due to disciplinary actions, others are arrested and many drop out. For these youth, any transition services they were receiving end when they are permanently suspended/expelled or drop out of school.

- When youth with serious mental health conditions do remain in school and continue to qualify under the IDEA, parents report very little action on a transition plan. Youth with “emotional disturbance” receive job- and life-skills training assistance at much lower rates (13 percent receiving such services in 2001) than, for example, youth with mental retardation (24 percent), visual impairments (26 percent) or orthopedic impairments (37 percent). Anecdotally, families of children with serious mental health conditions also report that these youth often do not have a transition plan or receive transition services.¹³

Accordingly, although the IDEA is one of the most significant federal programs with the potential to aid transition-age youth with serious mental health conditions, it fails to live up to its promise.

- **Safe Schools and Healthy Students (ED, SAMHSA & OJJDP)**

  This program provides discretionary grants to LEAs in partnership with their community’s local public mental health authority, law enforcement agency and juvenile justice entity. It funds interagency collaborations around safe schools, promoting best practices in education and mental health to improve student behavior and strengthen their psychosocial and emotional development. Thus the program can significantly benefit transition-age youth with serious mental health conditions who are still in school. The interventions, however, are school-wide and focus on the entire school community. Some students with serious mental health conditions may need additional services, and the services furnished through the Safe Schools
and Healthy Students program, while building strengths in transition-age youth with serious mental health conditions, do not directly address their most pressing needs with respect to assuming adult roles (such as daily-living skills, post-secondary education or employment).

**Safe and Drug-Free Schools (OSDFS)**

A formula grant program providing support to state education agencies for a variety of drug- and violence-prevention activities.

Youth with serious mental health conditions are at high risk of substance abuse and accordingly may benefit from some of the programs funded through this formula grant. However, the program may need reforms to make it more effective and to link it better with other school-based reforms. Moreover, unless Congress acts to restore funding, the program may end in 2005.

**Transition Initiative (OSERS)**

A discretionary grant program to help states improve high school graduation rates and post-secondary outcomes for students with disabilities through implementation of research-based employment, education and transition practices. However, this program has not yet been funded. As one of the groups of students most poorly served under IDEA transition requirements, youth with serious mental health conditions who are identified as needing special education and related services could benefit significantly. The emphasis on research-based practices would be particularly helpful for these youth.

However, the authorization for the program is small and, even if it were fully funded, only seven grants are anticipated. While the pilot projects would have the potential to demonstrate convincingly the effectiveness of these types of efforts, achieving wider application would require translation of these results into the schools’ main IDEA transition initiatives.

**Elementary and Secondary School Counseling Program (ED)**

Discretionary grants for school counseling services and linkschools with other local services. The program emphasizes collaboration with community-based organizations that provide mental health and other services to students.

Unless the appropriation for this program exceeds $40 million, however, all funds go to elementary schools. To date, this has been the case and secondary schools have not yet benefited from these funds.

The program could overcome significant barriers to youth with serious mental health conditions, since school counselors are specifically trained to identify early warning signs of students’ mental, emotional or developmental problems.

**Higher Education**

**Direct Student Loan and Family Education Loan Programs (OFSA)**

These loans support youth who wish to pursue a college education. The federal Stafford subsidized and unsubsidized direct and family loans provide loans to students who wish to pursue a college education and can benefit youth with serious mental health conditions. For many schools (particularly community colleges or state institutions) the loans can cover up to the full cost of undergraduate education. These loans are therefore a potentially significant
benefit for students from low- and moderate-income families. Loans must be repaid after
graduation, although deferments are possible in certain circumstances. Issues that may prevent
a youth with serious mental health conditions from benefiting from these programs include the
fact that to be eligible students cannot be enrolled less than half-time. Youth with convictions
for drug offenses lose their eligibility for financial aid, either for a fixed period of time or, with
a third offense, indefinitely.

◆ **Pell Grants (OFSA)**

Pell grants are made to individual students through the higher education institutions
they are attending. The amount of the grant depends upon the student’s expected family
contribution, which is calculated by the Department of Education based on a formula that
takes into account family income and resources.

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

◆ **Vocational and Adult Education State Basic Grants (OVAE)**

Formula grants to state Boards of Vocational Education. States determine what share of
these funds should be allocated to secondary and postsecondary institutions within their state.

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

◆ **Work-Study Program (OFSA)**

Work-Study funds are distributed through formula grants to institutions of higher
education to help students finance the cost of postsecondary education. Students earn these
grants through part-time employment, and funds are awarded based on financial need (and
expected family contribution).

Youth with serious mental health conditions who intend to attend a postsecondary
institution can apply for a Work-Study grant that can supplement other student aid for which
they may be eligible. Youth with convictions for drug offenses lose their eligibility for financial
aid, either for a fixed period of time or, with a third offense, indefinitely.
Supplemental Educational Opportunity Grants (OFSA)

Formula grants to eligible institutions to support needy undergraduate students. Institutions must contribute 25 percent of the funding. The program provides needs-based grants to low-income undergraduate students to promote access to post-secondary education. Students must be in exceptional financial need.

Financially needy youth with serious mental health conditions who intend to attend a postsecondary institution can apply for a federal Supplemental Educational Opportunity Grant that will provide some level of financial aid. Youth with convictions for drug offenses lose their eligibility, either for a fixed period of time or, with a third offense, indefinitely.

Perkins Loan Program (OFSA)

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

Educational and Training Vouchers Program for Youths Aging Out of Foster Care (ACF)

A discretionary grant program that allots funds to states using the same formula as the Chafee Independence program (see below). Youth in or adopted from foster care who are seeking post-secondary education and training can be eligible for vouchers from age 16 until 23 years of age. Vouchers valued up to $5,000 per year can be awarded and used for a variety of service and supports, such as tuition, fees, books, etc.

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

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

Independent Living for People with Disabilities and Other Special Populations

Vocational Rehabilitation Title I Formula Grants (RSA)

A state formula grant that assists individuals with disabilities in preparing for and engaging in gainful employment. Funds are distributed to state Vocational Rehabilitation agencies, which must have a five-year plan for providing services that meet the requirements of the law. States must provide matching funds of 20 percent. The VR program provides a wide range of services and job training to people with disabilities, including locating employment, work
evaluation services, job counseling, and medical and therapeutic services. Title I funds may be used for supported employment programs.

This multi-billion dollar program has been severely criticized by families and advocates for people with serious mental health conditions for its failure to address this population’s needs. Despite the mandate that the program serve those with the most severe disabilities, people with serious mental health conditions generally are either not accepted for services or are inappropriately served. VR counselors are rewarded for the number of people they place in permanent employment—particularly if this outcome is achieved quickly—creating a disincentive to serve people with cyclical illnesses or those who need ongoing supports on the job.

Nonetheless, for some youth, VR agencies may provide valuable services. This may be particularly true of youth with an IEP from their special education program who are referred to VR by their school. VR agencies are used to working with schools around transition issues for youth with other disabilities, and they may be more receptive in these cases than when a young adult with a serious mental health condition seeks services directly.

◆ **Chafee Independence Program (ACF)**

Authorized under Title IV-E of the Social Security Act, a capped entitlement to states based on the number of children in foster care. States may use these funds to serve youth who are likely to remain in foster and those up to 21 years old who have aged out of care. The funds are flexible and may be used in any manner that is reasonably calculated to achieve the program’s aim of independent living for foster care children.

For transition-age youth who have been in foster care, this program has the potential to be extremely helpful. First, it continues Medicaid eligibility up to age 21 and thus allows these youth to access important treatment and rehabilitation services (e.g., social-skills and communications-skills training) that foster independent living. In addition, the program can provide resources for meeting critical needs, including housing, financial management services and employment services.

Drawbacks include the optional nature of the program’s provisions. To date, only seven states have opted to extend Medicaid eligibility up to age 21; other states are not participating in this option or have set younger eligibility cutoffs. Second, while the services furnished are appropriate for all transition-age youth, eligibility is limited by law to those under age 21. Resources are also an issue, since the program is a capped entitlement and states do not receive sufficient funds to serve all eligible children.

◆ **Vocational Rehabilitation: Supported Employment (RSA)**

Under Title V of the Vocational Rehabilitation Act, states may receive formula grants for supported employment. Funds are distributed based on state population. These funds are used for individuals with the most severe disabilities who are determined to be able to engage in a program leading to supported employment. In a supported employment program, individuals are placed in competitive employment and then provided necessary support services, including job coaching and, if needed, mental health services. Funds may also be used for transitional employment—a similar approach, but one where individuals work for a temporary period in a
job (normally six months) before leaving for either another transitional employment position or for fully competitive employment.

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

The fact that the program is slated for elimination in the FY 2006 proposed budget suggests that it may no longer be an option for transition-age youth. Should the program be funded by Congress, youth with serious mental health conditions could benefit significantly.

◆ **Independent Living Centers (OSERS)**

A program of competitive grants to nonprofit entities and to states for establishing a system of Independent Living Centers. Each center has its own eligibility rules, and may choose to serve a specific population of people with disabilities or a specific age group. Center services vary greatly, depending on the population being served, but must include information and referral, training in independent living skills, peer counseling and individual and system advocacy.

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

◆ **Engaging Persons with Disabilities in National and Community Service (CNCS)**

A discretionary grant program run by the Corporation for National and Community Service. The program identifies two areas for funding: services to transition-age youth with disabilities and services to veterans with disabilities. Public and private entities with experience in community service programs may receive funds and use them for developing volunteer placements and assisting volunteers with supports and training so they can be successful.

Although not exclusively a program for transition-age youth, one of the priority populations for the program is youth with disabilities. The program offers young adults the opportunity to gain work experience by volunteering. It could be a valuable experience for some transition-age youth with serious mental health conditions, and is one of the few federal youth programs to set the upper age limit as high as 25. However, the program is extremely small, with only a handful of grants made in FY 2005.

◆ **Youth Transition into the Workplace (SAMHSA)**

A discretionary grant program run by the Center for Substance Abuse Prevention. Funds are available to public and private entities with promising practices for substance abuse prevention/intervention for young adult employees. The grants are for studying workplace
prevention/early intervention programs so as to enhance existing programs and assess their effectiveness.

Although these programs can improve the effectiveness of substance abuse services for transition-age youth with serious mental health conditions who are employed, they will not provide new services. The benefit is therefore indirect, but potentially valuable.

- **Ticket-to-Work Program (SSA)**
  
  A voluntary program for individuals with disabilities who receive disability cash benefits under either the SSI or the SSDI program and who have completed their age-18 redetermination of eligibility. Only individuals over age 18 are eligible. The program waives several rules of the disability program in order to encourage employment and provides a ticket that people can use to obtain rehabilitation and other support services from an approved provider of their choice.

  The Ticket-to-Work program is potentially a significant benefit for youth in transition. However, the program has several fundamental problems as it has been implemented to date.

  One objective of the law was to open up the sources of rehabilitation services for people with disabilities beyond the traditional state Vocational Rehabilitation agencies. However, in most states VR agencies generally control the great majority of the tickets and are a poor source of support for people of all ages who have serious mental health conditions—either by not serving them or by offering inappropriate services. Psychiatric rehabilitation programs have found it difficult to act as Employment Networks (ENs) under the payment system set up by SSA. ENs are not paid for services rendered until the individual succeeds in work, and most small psychiatric rehabilitation or other mental health agencies are unable to offer services without ongoing payment.15

  Some youth with serious mental health conditions may benefit through the link between schools and secondary education institutions and the Ticket-to-Work program, particularly if identified as students with disabilities and have an IEP with a transition plan.

  While SSA reports that almost one million youth under the age of 18 receive SSI benefits and that approximately 70 percent of them will be eligible for tickets when they reach age 18, it is far from certain that youth with serious mental health conditions will be able to access the types of services they need through this system.

- **Generic Independent Living (skills training, employment-related services, etc.)**

  - **One-Stop Shop Career Centers (ETA, Labor)**
    
    Grants to states to set up programs providing core job-related services, with additional services for those who need more assistance. The Workforce Investment Act, under which the program operates, has consolidated several separate federal employment program and replaced the Job Training and Partnership Act.

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

◆ **Job Corps** (ETA, Labor)

A discretionary program of contracts with private companies to operate Job Corps Centers. These centers serve youth, generally ages 16-24, who are low income and have one or more characteristics that put them at risk—i.e., youth with basic skills deficiencies; school dropouts; those who are homeless, runaway or in foster care; parents; and youth who need additional education, vocational training or intensive counseling and related assistance to participate successfully in regular schoolwork or to secure and hold employment.

This program is targeted to transition-age youth through age 24 and provides a series of services and supports that enable youth to complete their education and find and keep a job. The inclusion of social competencies training is particularly relevant for youth with serious mental health conditions. The inclusion of both classroom and practical experiences and the emphasis on stable, long-term, well-paid jobs is potentially very helpful to this group of youngsters, many of whom could, with the right training, attain suitable employment leading to independent living and satisfying careers.

Moreover, the program is not specifically targeted to youth with disabilities. Rather it is an integrated program that allows youth with serious mental health conditions to associate with many other youth and be treated similarly to youth without disabilities.

◆ **Workforce Investment Act, Youth Formula Grants** (ETA, Labor)

State formula grants designed to help states and local communities assist low-income youth in acquiring the educational and occupational skills needed to achieve academic and employment success. This is a highly successful program and the activities funded include training and supportive services that are very appropriate for youth with serious mental health conditions. However, the President's FY 2006 budget proposes to consolidate this program with programs for adults and to reduce spending levels for the consolidated programs. If this consolidation is approved by Congress, new resources for local WIA youth programs are unlikely to be forthcoming in the next few years.

◆ **American Conservation & Youth Service Corps** (AG & Interior)

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

A Department of Defense program providing matching grants to states to set up programs for youth who have dropped out of school to improve their employment and life skills through military-based training. The program provides life-skills training through a residential program and year-long mentoring. For youth who have dropped out of school and meet the other qualifications for the program, this support and mentoring might be of significant value. A high percentage of graduates have completed a GED.

◆ YouthBuild (HUD)

A discretionary program of grants to public or private nonprofit entities to provide very low-income youth (who generally are also school dropouts) the opportunity to obtain high school equivalency diplomas and training in homebuilding skills that will qualify them for careers in the building industry. These programs could provide significant training and experience to transition-age youth with serious mental health conditions if they are interested in entering the building trades. However, with only 200 programs nationwide, few youth will find such a program in their local area. Reductions proposed for FY 2006 federal spending would shrink the program further.

Housing

◆ Section 8 Housing Choice Vouchers (HUD)

Section 8 is a formula grant to Local Public Housing Authorities (PHAs), which then award rental-subsidy vouchers to individuals who seek to rent privately owned housing. Section 8 also funds housing projects, such as group homes for persons with disabilities.

A PHA may adopt priorities—including a priority for transition-age youth with serious mental health conditions—for allocation of Section 8 vouchers through its administrative plan, which must be developed with public participation and updated annually. However, long wait lists are a significant problem and emancipated youth who previously lived in a family receiving support will lose that support when they leave home. In addition, the project assistance under Section 8 provides assistance to people with disabilities. This support has been valuable to many state mental health agencies, although it has been used predominantly by the adult system to fund housing options for adults.

◆ Public Housing (HUD)

The Department of Housing and Urban Development provides capital and operating subsidies to local public housing authorities that serve as landlords and program administrators. Once admitted to public housing, residents typically pay 30 percent of household income as rent and the balance is made up by the PHA operating funds appropriated by Congress.

There are approximately 1.4 million occupied public housing units across the country, but because demand among low- and moderate-income applicants exceeds supply, only one in four income-eligible families is actually served. Waiting lists in some metropolitan areas are nearly 10 years long. Under the Quality Housing and Work Responsibility Act, PHAs have expanded discretion to serve single people, so long as the PHA incorporates this priority for admission in its administrative plan. Therefore, PHAs can choose (but are not required) to make public housing units available to transition-age youth. As a practical matter, transition-age youth are
more likely to be served in public housing if they are members of a low- or moderate-income family, but would lose access to that housing when they leave home and have to reapply as a single person.

- **Community Development Block Grant (HUD)**
  The CDBG is a formula grant to states and local governments for construction, rehabilitation and other capital costs of low- and moderate-income housing. CDBG is one of the largest federal programs supporting housing for low-income people, giving units of state and local government broad discretion in the allocation of funds. However, because of the high cost of housing in many areas and the pressing needs of other groups, it is not always easy to mobilize these resources for transition-age youth with serious mental health conditions.

- **HOME Investment Partnership (HUD)**
  The HOME Investment Partnership is a formula grant that requires states and localities to have an approved Consolidated Plan under the Community Development Block Grant Program in order to participate. The HOME Investment Partnership funds can be used for rental assistance, homebuyer programs and homeowner rehabilitation. HOME assistance to tenants of rental housing might support transition-age youth who are moving into independent living. However, competition for these funds is strong. Unless transition-age youth are included as a priority population in a jurisdiction's Consolidated Plan, it may be difficult for them (or service providers working on their behalf) to access HOME assistance.

- **Shelter-Plus-Care (HUD)**
  Competitive grants to local programs for rental housing assistance for homeless individuals. Youth with serious mental health conditions fall within the target population for this program and could benefit significantly if homeless. Program sponsors are required to secure funding for services as a condition for receipt of Shelter-Plus-Care funds. Thus, Shelter-Plus-Care may be available to youth with serious mental health conditions if the program sponsor is capable of providing the range of mental health, substance abuse, independent living and other support services these youth require.

- **Runaway and Homeless Youth Act (ACF)**
  A discretionary grant program funding private community groups that provide shelter, outreach and transitional living services to youth. There are three grant programs: 1) a Basic Center Program providing temporary emergency shelter; 2) a Transitional Living Program that allows youth to complete their education, learn practical skills and develop positive relationships while living in a safe and supported environment; and 3) Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth, which funds outreach to protect youth on the streets from abuse or exploitation.

  For a discretionary program, this initiative has significant resources. It provides essential services to ensure the safety of runaway and homeless youth, while also addressing their need for transition-related services. Youth with serious mental health conditions are at significant risk for becoming runaways or homeless due to their tendency for risk-taking behavior and their difficulties with the transition from adolescence to adulthood. Overall, people with mental illnesses are about one third of all homeless adults, and similar proportions may apply to youth.
Transition-age youth with serious mental health conditions would be well-served by the range of services that can be funded through this law. The outreach component is especially important in finding youth at risk. The Runaway and Homeless Youth Act has the potential to greatly assist a significant group of transition-age youth with serious mental health conditions.

◆ **Projects to Assist in Transition from Homelessness (PATH) Program (CMHS)**

PATH funds are used to provide mental health and related services to homeless individuals with a “serious mental illness.” States generally use these funds to address the needs of adults, but nothing in the law or program rules excludes youth in transition (or young adults), provided that they have a serious mental illness, as defined by the state.

**Family Planning and Parenting Assistance**

◆ **Child Care Block Grant (ACF)**

Primarily a formula block grant to states, although it is a combination of a discretionary and capped entitlement program. The purpose is to improve the overall quality and supply of child care for families receiving TANF support and for families in general. The grants might provide valuable assistance for transition-age youth who are parents and who need child care. In addition, families of transition-age youth may qualify for services if the grantee has opted to serve families with children up to 18 or 19 years of age.

◆ **Adolescent Family Life Demonstration (Office of Public Hlth & Science, HHS)**

A discretionary demonstration grant to establish innovative, comprehensive and integrated approaches to the delivery of services for pregnant and parenting adolescents. While it might fund certain services useful to some transition-age youth with serious mental health conditions, this very small grant program is unlikely to be of benefit to many. However, pregnant adolescents who come in contact with one of the demonstration projects could benefit from its services.

**Social Services**

◆ **Temporary Assistance for Needy Families, TANF (ACF)**

The TANF program is a capped entitlement block grant designed to move welfare recipients into work and self-sufficiency through services and cash assistance for a limited time (5 years in total). Low-income youth with serious mental health conditions may be heads of households for purposes of TANF and pregnant youth may also qualify for cash assistance. Some youth may also qualify as child-only TANF cases. Funds may assist them in the difficult years of transition, and the array of services that can be offered could be extremely valuable in assisting them in making a transition to adult roles.

However, youth who tap into TANF resources as an adult could become ineligible for further assistance in later years if they hit the five-year limit. In addition, youth with serious mental health conditions may find it difficult to meet the work requirements of the program and may not be included in the group of individuals permitted an exemption from work requirements under state rules.
Social Services Block Grant (ACF)

A formula grant program to states under Title XX of the Social Security Act. States have considerable flexibility to determine the services provided and populations of adults and children to be served. Funds may be used for a range of social services, provided they are directed at one or more of the statutory goals related to independence, prevention of neglect or abuse, prevention of inappropriate institutional care and similar goals.

Although some states use Title XX funds for mental health services, there is no federal targeting of funds for this purpose. However, Title XX funds a broad range of relevant services for youth and the services are available to youth in foster care and as they are transitioning out of care.

Funding for the block grant has been reduced in recent years and there is little to no new money available to use for new populations. Thus, although some states might redirect current spending (especially mental health spending) to help transition-age youth with serious mental health conditions, there is little likelihood that the program can provide significant new resources nationwide to address these needs.

Community Services Block Grant (ACF)

Formula grants to states, enabling them to make grants to local nonprofit community anti-poverty agencies that serve low-income individuals and families. Funds flow to local community services networks (predominantly community action agencies, but also other neighborhood-based organizations). Typically, services are provided to low-income individuals who are unemployed, on public assistance, seniors, high-risk youth, public housing residents, homeless individuals and people with disabilities.

Local programs serving low-income, transition-age youth with serious mental health conditions might benefit from the funds that flow to the local Community Services Networks. Additionally, low-income youth may benefit from many of the programs funded through the block grant, particularly those offering education, employment, housing, transportation or youth development. In some communities, these funds may play a significant role.

Youth Involved With or at Risk of Involvement in Juvenile Justice

Juvenile Justice and Delinquency Prevention State Formula Grant (OJJDP)

Provides funds to states based on a formula related to the proportion of a state’s population under age 18. States generally issue RFPs for local government, private nonprofit entities and Indian tribes to apply for funding of programs of juvenile delinquency prevention. To receive a grant, states must demonstrate compliance with core requirements relating to incarcerated juveniles.

States receive significant funds through the program, ensuring that the few core requirements for appropriate policies for handling juvenile offenders are in place. The state flexibility and priority-setting (through the state plan process) results in each state’s allocating its funding to local programs for diverse purposes. There is strong competition for these funds. As a result, many local agencies serving transition-age youth with serious mental health conditions may find it difficult to secure significant (or even any) resources for their programs. On the other hand, in some communities these funds may be underwriting very significant
initiatives for these youth—perhaps through interagency agreements for systems of care to serve youth with serious mental and emotional disorders.

- **Title V Local Community Prevention Incentive Grants (OJJDP)**

  A formula grant program to states, with funds then passed through to localities. States must establish State Advisory Groups and either the state or the community must contribute a 50 percent non-federal match. Units of local government apply to the state for funding to improve prevention programs serving at risk youth and their families. Local projects must be collaborative and involve other relevant systems. State Advisory Groups determine how the funds will be spent, but federal rules require that these grants be used to reduce risks and enhance protective factors so as prevent youth from entering the juvenile justice system. Specifically authorized are programs to provide treatment for mental health problems.

  Local juvenile justice agencies have received a significant level of funds through the Community Prevention Grants program, and the emphasis on collaboration has led to the engagement of mental health agencies in these initiatives in many communities. These grants are particularly relevant for children and youth with serious mental health conditions as they can fund a range of programs, including early childhood prevention programs, mentoring, after-school programs, tutoring, truancy and dropout reduction, substance abuse prevention, and gang outreach/intervention in addition to mental health treatment. Services may also target victims of child abuse or neglect or those who have experienced violence at home, in school or in the community.

  However, the broad range of projects that can be funded and the long list of allowable purposes results in serious competition among many worthy local projects. As a result, many local agencies serving transition-age youth may find it difficult to secure significant (or even any) resources through the program. On the other hand, in some communities these funds may underwrite very significant initiatives for these youth through the mandated collaborations that have allowed mental health agencies to engage with juvenile justice entities to support systems of care for youth with serious mental health conditions.

**Making the Best Use of Federal Policy for Transition-Age Youth with Serious Mental Health Conditions**

To facilitate the use of federal programs to improve services available to transition-age youth, it is helpful to identify both the programs with the greatest potential, if amended, and those that are least likely to support the goal of helping transition-age youth with serious mental health conditions adapt to adult roles.

For example, programs that may provide the most significant support are the large entitlement programs and the discretionary programs that are specifically targeted to transition-age youth with disabilities. Behavioral health service programs for broader populations of children and/or adults are also strong candidates for targeting resources to transition-age youth. Other programs for youth in general might be helpful to youth with serious mental health conditions. Similarly, large formula and block grant programs could have a significant impact in states that have established transition-age youth with serious mental health conditions as a
priority population if covered services encompass the range and scope of services appropriate for these youth.

The following charts group the programs in this manner, beginning with programs that the Bazelon Center assesses as having the greatest potential to aid youth with serious mental health conditions in their transition to adulthood. Within each chart, programs are organized by domain and information is provided on the administering agency and the FY 2005 funding level.

1. Programs where youth (once found eligible) continue to receive a benefit/service themselves, in contrast to programs where access depends on a local program’s becoming and remaining eligible. The key factor across all these programs is that once individuals are found eligible, their benefits are guaranteed. Also, in comparison to discretionary grants, these programs are generally well funded.

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Agency</th>
<th>FY 2005 Funding</th>
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<tbody>
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<td>Medicaid</td>
<td>Health</td>
<td>CMS</td>
<td>$188.3 billion</td>
</tr>
<tr>
<td>S-CHIP</td>
<td>Health</td>
<td>CMS</td>
<td>$4.05 billion</td>
</tr>
<tr>
<td>Food Stamps</td>
<td>Basic Supports</td>
<td>AG</td>
<td>$32.5 billion</td>
</tr>
<tr>
<td>SSI disability benefits</td>
<td>Basic Supports</td>
<td>SSA</td>
<td>$2.6 billion</td>
</tr>
<tr>
<td>IDEA, Part B</td>
<td>School-Based</td>
<td>OSEP</td>
<td>$10.6 billion</td>
</tr>
<tr>
<td>Higher Education grants and loans</td>
<td>Higher Education</td>
<td>DOE</td>
<td>$25.3 billion</td>
</tr>
<tr>
<td>TANF</td>
<td>Social Services</td>
<td>ACF</td>
<td>$17.8 billion</td>
</tr>
<tr>
<td>Title IV-E</td>
<td>Skills Training</td>
<td>ACF</td>
<td>$4.8 billion</td>
</tr>
<tr>
<td>Ticket-To-Work</td>
<td>Employment</td>
<td>SSA</td>
<td>-----</td>
</tr>
<tr>
<td>Section 8 Housing</td>
<td>Housing</td>
<td>HUD</td>
<td>$14.7 billion</td>
</tr>
<tr>
<td>Work-Study Program</td>
<td>Higher Education</td>
<td>DOE</td>
<td>$990 million</td>
</tr>
<tr>
<td>Supplemental Educational Opportunity Grants</td>
<td>Higher Education</td>
<td>DOE</td>
<td>$779 million</td>
</tr>
</tbody>
</table>
2. Programs that specifically target transition-age youth with disabilities (including those with serious mental health conditions) and the transition-related services that they require. These programs are generally small, discretionary demonstration programs.

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Agency</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy and Ready to Work</td>
<td>Health</td>
<td>MCH</td>
<td>$3.5 million</td>
</tr>
<tr>
<td>Partnerships for Youth in Transition</td>
<td>Health</td>
<td>SAMHSA</td>
<td>$2 million</td>
</tr>
<tr>
<td>State Adolescent Substance Abuse</td>
<td>Health</td>
<td>SAMHSA</td>
<td>$6.5 million</td>
</tr>
<tr>
<td>Treatment Coordination</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSI Youth Transition Demo</td>
<td>Basic Supports</td>
<td>SSA</td>
<td>$12.4 million</td>
</tr>
<tr>
<td>Transition Initiative, OSERS</td>
<td>School-Based</td>
<td>OSEP</td>
<td>N/A ($5 million FY2006 request)</td>
</tr>
<tr>
<td>Youth Transition into Workplace</td>
<td>Employment</td>
<td>SAMHSA</td>
<td>$2 million</td>
</tr>
</tbody>
</table>

3. Behavioral health programs have the potential to be very supportive of youth in transition.

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Agency</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Community MH Services for Children and Their Families Program</td>
<td>Health</td>
<td>CMHS</td>
<td>$105.1</td>
</tr>
<tr>
<td>Mental Health Block Grant</td>
<td>Health</td>
<td>CMHS</td>
<td>$436.1</td>
</tr>
<tr>
<td>Safe Schools and Healthy Students</td>
<td>School-Based</td>
<td>SAMHSA/DODJ</td>
<td>$43 million</td>
</tr>
<tr>
<td>Projects to Assist in Transition from Homelessness (PATH)</td>
<td>Housing</td>
<td>CMHS</td>
<td>$55 million</td>
</tr>
<tr>
<td>Grants for Integration of Schools and Mental Health Systems</td>
<td>School-Based</td>
<td>OSDFS</td>
<td>$4.9 million</td>
</tr>
</tbody>
</table>
4. Programs targeted for transition-age youth in general can also address the needs of youth with serious mental health conditions. These programs include programs targeted to youth who have specific problems or challenges.

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Agency</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs Corps</td>
<td>Skills Training</td>
<td>ETA</td>
<td>$1.54 billion</td>
</tr>
<tr>
<td>Youth Formula Grants, WIA</td>
<td>Skills Training</td>
<td>ETA</td>
<td>$986 million</td>
</tr>
<tr>
<td>National Guard ChalleNGe Program</td>
<td>Skills Training</td>
<td>DOD</td>
<td>$73.4 million</td>
</tr>
<tr>
<td>American Conservation &amp; Youth Service Corps</td>
<td>Skills Training</td>
<td>AG/Interior</td>
<td>No specific appropriation</td>
</tr>
<tr>
<td>YouthBuild</td>
<td>Housing</td>
<td>HUD</td>
<td>$62 million</td>
</tr>
<tr>
<td>Chafee Independence Program</td>
<td>Skills Training</td>
<td>ACF</td>
<td>$140 million</td>
</tr>
<tr>
<td>Education and Training Vouchers for Youth Aging out of Foster Care</td>
<td>Higher Education</td>
<td>ACF</td>
<td>$46.6 million</td>
</tr>
<tr>
<td>Runaway and Homeless Youth Act</td>
<td>Housing</td>
<td>ACF</td>
<td>$104 million</td>
</tr>
<tr>
<td>Health Care for the Homeless</td>
<td>Health</td>
<td>HRSA</td>
<td>$149 million</td>
</tr>
<tr>
<td>Juvenile Justice &amp; Delinquency Prevention State Formula Grants</td>
<td>JJ Prevention</td>
<td>DOJ</td>
<td>$83.3 million</td>
</tr>
<tr>
<td>Community Prevention Grants</td>
<td>JJ Prevention</td>
<td>DOJ</td>
<td>$79.3 million</td>
</tr>
</tbody>
</table>
5. Programs with significant resources (formula and block grant programs) can be used to support transition-age youth with serious mental health conditions. 4.

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Agency</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title IV-B, Entitlement</td>
<td>Health</td>
<td>ACF</td>
<td>$305 million</td>
</tr>
<tr>
<td>Title IV-B, Discretionary</td>
<td>Health</td>
<td>ACF</td>
<td>$98.5 million</td>
</tr>
<tr>
<td>MCH Block Grant</td>
<td>Health</td>
<td>MCH</td>
<td>$724 million</td>
</tr>
<tr>
<td>Substance Abuse Block Grant</td>
<td>Health</td>
<td>CSAT</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Vocational &amp; Technical Education</td>
<td>Higher Education</td>
<td>OVAE</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>One-Stop Shop Career Centers</td>
<td>Employment</td>
<td>ETA</td>
<td>$3.9 billion</td>
</tr>
<tr>
<td>Public Housing</td>
<td>Housing</td>
<td>HUD</td>
<td>$5 billion</td>
</tr>
<tr>
<td>Child Care Block Grant</td>
<td>Family</td>
<td>ACF</td>
<td>$4.8 billion</td>
</tr>
<tr>
<td>Community Services Block Grant</td>
<td>Social Services</td>
<td>ACF</td>
<td>$637 million</td>
</tr>
<tr>
<td>Supplemental Nutrition for Women, Infants and Children (WIC)</td>
<td>Basic Supports</td>
<td>FNS</td>
<td>$5.235 billion</td>
</tr>
</tbody>
</table>

Finally, a number of the identified programs appear unlikely to play a significant role. These include programs that are significantly under-resourced for their purpose; programs focused heavily on other populations; programs with significant local discretion and such a broad mandate that in most areas it is difficult to secure a focus on this population, although some transition programs may make good use of these funds; and programs targeted for elimination or severe cutbacks by the Administration.

- Drug-Free Communities Support Program (OJJDP)
- Safe and Drug Free Schools (OSDFS)
- Vocational Rehabilitation, Title I (RSA)
- Vocational Rehabilitation, Supported Employment Program (RSA)
- Independent Living Centers (OSERS)
- Engaging Persons with Disabilities in National & Community Services (CNCS)
- Community Development block grant (HUD)
- Shelter-Plus-Care (HUD)
- Home Investment Partnership (HUD)
- Adolescent Family Life Demonstration Projects (Public Health)
- Social Services Block Grant (ACF)
- Elementary and Secondary School Counseling (DoE)
**Conclusion**

This review of federal programs finds a significant number that can help youth with serious mental health conditions address issues of transition. The programs either provide assistance to youth directly or fund local programs to provide services for them. Although a number of these programs have drawbacks—age limitations, financial-eligibility criteria, low funding levels, uncertain future funding, broad mandates that may dilute the funds available for this group of youth and other rules that hamper youth participation—there is nonetheless ample opportunity to use current federal policy to advance the goal of a successful transition into adulthood for all youth with serious mental health conditions.

**Notes**

1. To identify the programs, the Bazelon Center reviewed *Major Federal Programs Supporting and Financing Mental Health Care* (a document produced in January 2003 for the President’s New Freedom Commission on Mental Health), examined the web sites of federal departments and agencies that are responsible for programs that address the range of needs of this group as identified by research, and consulted with various groups with expertise on programs serving transitional-aged youth, including the Children’s Defense Fund, and the member organizations of the Consortium for Citizens with Disabilities and the Mental Health Liaison Group.


3. Davis, M., Green, M., Beckstrom, T., & Wing, S. (2005). The Collision of Institutions and Individuals During the Transition to Adulthood. Presented to System of Care Community Meeting: Collaborative Approaches to Successful Transitions for Children, Youth and Families Within Systems of Care (February 7-10, 2005). Dallas, Tx. Center for Mental Health Services, Substance Abuse and Mental Health Administration.

4. Entitlement programs are those where all youth who meet eligibility criteria are entitled to the program’s benefits; grant programs, on the other hand, are limited by federal appropriations and funds generally (but not always) flow to states, localities or private entities and not directly to the youth.

5. For more information about federal poverty measures, see http://aspe.hhs.gov/poverty/05poverty.shtml


9. Data on SSI participation rates for children and changes in eligibility when youth turn 18 based on SSI data on the Social Security Administration’s web page: http://policy.ssa.gov/


MOVING ON: Federal Programs For Transition-Age Youth with Serious Mental Health Conditions

BAZELON CENTER FOR MENTAL HEALTH LAW