

**A Brief History Supported Employment in North Carolina - PART 1**  
**By Patricia K. Keul (originally published in November, 2008)**

North Carolina's supported employment services began in 1987 through a federal grant from the Office of Special Education and Rehabilitation Services (OSERS) that provided stimulus funding to enable start up supported employment services to emerge across the state. The North Carolina Division of Vocational Rehabilitation (NCDVR) in collaboration with the North Carolina Division of Mental Health, Developmental Disabilities & Substance Abuse (MH/DD/SAS), administered the OSERS grant. The OSERS grant lasted for five years and during its tenure supported employment programs grew from 10 start-up projects to over 50 programs. Over the next two decades, supported employment services grew and spread throughout the state, largely due to continued funding from NCDVR via contracts with community rehabilitation programs who added supported employment to their mix of day programs and generic employment services. In addition, the North Carolina Council on Developmental Disabilities provided grant funding for several notable start-up supported employment programs during the same period that the OSERS grant was awarded to North Carolina in the mid-80s.

In North Carolina the vast majority of supported employment services are funded first by the Division of Vocational Rehabilitation (NCDVR) that pays for the upfront job assessment, job development activities and the initial job training that occurs on the job site. NCDVR does not hire and manage employment specialists directly; instead supported employment is outsourced to community rehabilitation programs that provide employment services. The long-term vocational support phase (ongoing follow-along after successful employment) is not funded by NCDVR but is sustained through a number of funding sources administered through MH/DD/SAS.

By July 1, 2008 there were 177 supported employment programs that have contracts with NCDVR to deliver supported employment services across the state. NC DVR is a federally regulated service matched with state dollars. Federal oversight tends to result in more uniform service delivery because the regulations and standards are driven by over-arching federal policies supported by state policies and procedures. Though not a perfect system, NCDVR services across North Carolina are executed with a more regular and consistent approach from one county to another. While funding from Vocational Rehabilitation is by no means abundant, in North Carolina funding mechanisms for long-term vocational support are far less plentiful than is funding from VR for the initial phase of supported employment.

Developmental disabilities and mental health services are regulated by a combination of federal, state and county based entities causing fragmentation and uneven delivery of services based upon the inequities in budgets and capacity from county to county. Likewise, while state standards and regulations guide service delivery, much of the oversight for human services in North Carolina rests with county led governing agencies known as Local Management Entities (LMEs). These LMEs are groups of county entities (or in some large counties, single county entities) charged with human services oversight. County governing boards exercise

considerable influence on how specific programs are funded, including utilization review, regulatory compliance and resource allocation. Across the state there are progressive LMEs whose tolerance for risk is higher, who aggressively promote program services along the path of innovation and state-of-the-art best clinical practice. There are also very conservative LMEs who strive to conserve public resources as a community value to distribute their more limited public funds judiciously. Conservative LME's take the philosophy that rather than being the first to try a new model and risk losing some of their smaller public revenue they will let other LMEs with larger revenue sources pilot new ideas first.

From a best practice standpoint, North Carolina's state Division of Mental Health/Developmental Disabilities & Substance Abuse Services (NCD MH/DD/SAS) has endorsed supported employment as the preferred outcome for adults with disabilities. However, local and state funding for the long-term vocational support phase has never kept pace with the funding that NCDVDR provides to secure the initial job placement. Most providers struggle to fund the long-term vocational support phase by shifting the cost of the service to other income generating revenue sources in their service array. Historically, the large facility based community rehabilitation programs have used some of the profit margin they derive from goods and services produced on the workshop floor to pay for their job coaches and employment specialists to provide long-term support after jobs are secured. **Ironically, this practice creates a reality where some individuals with substantial disabilities must continue to work in the facility in order to generate the revenue needed for others to leave the segregated setting to gain real employment in the community.** While there are several free standing supported employment programs that have achieved conversion or have never operated facility based programs, these programs struggle to gain and maintain sufficient funding to provide the long-term vocational support phase of supported employment.

Like many states, North Carolina struggles with mental health reform and the historic insufficiency of funding for all human services. The state human service system also struggles with competing political demands for roads, schools, the criminal justice system, the university system and all the other public needs that the state legislature must address each year. Supported employment and long-term support is just one of many competing demands for stretched public resources in a state that has struggled for years with many budget short falls. As a result, providers have exploited a hodgepodge of funding mechanisms that since they were not originally designed to fund long-term vocational support, are not functionally efficient or plentiful enough to sustain the cost of the service over the long-term. Because the funding mechanisms are fragmented and diverse the funds that have been used to support long-term vocational services have not been adequately tracked so the state also lacks the empirical data to define long-term supports in terms of the quality and quantity of services needed to affect positive outcomes for individuals served as a function of utilization review. As a result, across the state utilization and authorization of long-term support is based on arbitrary limits imposed on the limited long-term vocational support dollars in the system and not on best practice or empirical evidence of accurate utilization review.

Currently the main sources for long-term vocational support fall into services provided under the state's Medicaid Waiver that includes two service definitions for supported employment services. The supported employment services available through North Carolina's Medicaid Waivers are vastly underutilized for supported employment and are believed to represent less than 10 % of the total Medicaid funded services delivered in the state (at time of publication of this article, the exact expenditures were not known).

The other source of long-term vocational support funding is appropriated solely by the North Carolina legislature, and unlike Medicaid Waiver funds, does not net federal funding that is matched with a portion of state dollars. The state appropriated dollars are called Integrated Payment Reporting System (IPRSS) funds and they fall into two main categories. The first category is the funding the state traditionally used to purchase sheltered work or day program services known as Adult Developmental Vocational Program (ADVP) funds. ADVP has been used by organizations to fund supported employment long-term vocational support instead of day program and sheltered work services, however these dollars have always been very limited.

In 2005 the state included in their budget a recurring \$1.5 million for the service category known as Long-term Vocational Support (LTVS). The LTVS funding was intended to provide more funding for supported employment long-term vocational support. Since 2005 the LTVS funding appropriation has grown at a slow pace but is beginning to emerge as a practical source to fund the second phase of supported employment services. Since this allocation, funding streams for some of the state's LMEs have been reformed from a model of separate streams of categorical funding to a single pool of dollars available to the LME to use to address specific human service needs identified locally. The LMEs that were permitted to move from categorical funding to a single pool of funds had to meet specific state requirements for utilization monitoring and standards of practice as outlined in the LMEs business plan with the North Carolina Division of MH/DD/SAS. Single stream funding permits the LME to involve stakeholders more directly as partners in determining public expenditures for priority needs in the county. It also permits the LME to move funds from one service category to another within the local community as needs diminish in one service area and increase in another service category.

As the state moves forward with mental health reform it will be interesting to see how many LMEs gain the ability to use a single funding stream approach and what effect that has on supported employment. Single stream funding has the potential to help or hurt the growth of supported employment. On one hand, greater local control over state funding will encourage progressive LMEs to promote more supported employment and reduce or eliminate funding for congregate day programs and sheltered workshops. Mecklenburg County is an example of one of the more progressive counties that has initiated a policy to fund only employment and community engagement programs and cease funding for traditional day programs and sheltered employment services. However, less progressive LMEs whose tax base is far less abundant than that of larger LMEs will have to take a very conservative approach to resource allocation and may even curtail spending on supported employment in favor of maintaining the 'status quo' and funding only existing providers in traditional service arrays. Regardless of how reform plays out across the state two things are clear:

**1. Supported employment continues to need strong advocacy to secure the funding needed to extend the service to all individuals with severe disabilities that want to work in the community.** Without a strong voice to educate the legislature and the general public, supported employment can get lost among the competing voices in need of public support in state and local government. Much confusion still exists about what supported employment is (and is not). Because supported employment is community based and not focused in a building or facility, the general public does not see its effects as readily. When executed well, employees with disabilities “fade” into the fabric of their communities and do not stand out as unusual or special. The irony is that in supported employment we strive for community inclusion and for the people we serve to become part of the generic community. Yet the lack of “visibility” means that the general public is unaware that supported employment is the vehicle that was needed to foster their full citizenship and community inclusion! Until the benefits and outcomes of supported employment are well understood by the community at large, it will need a strong voice to ensure that the services continue to grow to support everyone that needs it.

**2. NCAPSE is the organization best positioned to be the voice to advocate for supported employment in North Carolina.** In 1989 the national Association for Persons in Supported Employment (APSE) was funded as a trade association designed to advocate for the growth of supported employment services. APSE: The Network on Employment is the national umbrella organization and its state chapter organizations provide local support to states and communities across the country. APSE advocates for legislation and policies that are favorable to supported employment on the national, state and local levels. APSE also provides national and internationally known speakers, presentations, conferences and workshops aimed at increasing the knowledge and skills of providers of supported employment as well as to empower individuals served in supported employment and their families. The North Carolina Association for Supported Employment (known now as NCAPSE: The Network on Employment) was funded in 1994 and is currently among the top five largest chapters in membership numbers of APSE’s 35 state chapters. NCAPSE is the only organization dedicated solely to supported employment and customized employment in the state. The dedicated and committed members of NCAPSE have played a large role in shaping the policies and initiatives referenced in this white paper. Going forward, NCAPSE must continue to be the voice of supported employment to assure that supported employment gains the funding and the public recognition to support everyone who needs the service.

**Postscript:** The history of supported and customized employment in North Carolina took a giant leap forward in 2012. In August 23, 2012 the State of North Carolina signed a Settlement Agreement with the United States concerning community integration of individuals with severe mental illness (SMI) in or at risk of entry into adult care homes. As outlined in the Department of Justice (DOJ) Agreement the State has agreed to develop and implement effective measures to prevent inappropriate institutionalization and to provide adequate and appropriate public services and supports identified through person-centered planning in the most integrated setting appropriate to meet the needs of individuals with SMI.

Supported, customized employment supports is one of the community based integrated services cited in the DOJ Agreement. Under the DOJ Agreement, Supported Employment Services will be provided with fidelity to an evidence-based supported employment model and will be assessed by an established fidelity scale such as the scale included in the Substance Abuse and Mental Health Services Administration (SAMHSA) supported employment toolkit.

This Agreement could not come at a more critical time. Employment providers are facing increasing general operating, transportation and health care costs at a time when Managed Care Organizations (MCOs) have cut employment service budgets. The State unemployment rates are still at record levels and most providers can only afford to offer the minimum level of state-required staff training, much of it not directed at employment service training or evidence-based practices in employment supports.

The DOJ Agreement will enable the State to set up infrastructures to fund and implement a variety of integrated approaches to employment for people with SMI as well as develop training, processes for ongoing SE program fidelity evaluation, performance outcome data, best practice workforce development and employment support professional credentialing, dissemination and application of evidence-based and promising practices, and quality improvement consultation.

**Postscript:**

*Part Two of this white paper is being drafted in the next few months as NCAPSE becomes a partner, working with Mecklenburg's Promise, Inc. (a non-profit training and advocacy expert in community Mental Health (MH) employment supports and the State DMH/DD/SAS to launch the North Carolina |Employment First| Technical Assistance Center.*

**Additional Resources:**

1. NC Division of Mental Health/Developmental Disabilities/Substance Abuse

[www.dhhs.state.nc.us/mhddsas/](http://www.dhhs.state.nc.us/mhddsas/)

2.State Employment Leadership Network Resources:

[http://www.seln.org/images/stories/site\\_documents/emp\\_first\\_resources\\_2012.pdf](http://www.seln.org/images/stories/site_documents/emp_first_resources_2012.pdf)

3. NC Association for People Supporting Employment First: <http://www.ncapse.org>  
Association of People Supporting Employment First:

<http://www.apse.org/employmentfirst/>

4. Department of Labor Office of Disability Employment Policy:

<http://www.dol.gov/odep/topics/EmploymentFirst.htm>

5. NC Division of Vocational Rehabilitation

<http://dvr.dhhs.state.nc.us/>

6. North Carolina Council on Developmental Disabilities

<http://www.nc-ddc.org/>

7. NC Division of Medical Assistance

[www.dhhs.state.nc.us/dma](http://www.dhhs.state.nc.us/dma)