

Social Security Advisory Board Statement on the Supplemental Security Income Program

Programs Serving Youth Receiving SSI

July, 2018

Public Law (P.L.) 104-193 requires that members of the Social Security Advisory Board (the board) be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's (SSA's) annual report to the president and the Congress on the Supplemental Security Income (SSI) program. We have asked SSA to include in this year's annual report the following discussion of SSI with respect to children and how to better foster employment in adulthood.

I. Introduction

This statement follows the board's 2013 discussion of children who receive SSI payments; it is also a companion to last year's statement, which examined the work capacity of adults receiving SSI, as well as programs and proposals designed to encourage employment. The board this year knits together the two prior discussions by describing employment-related research and programs designed to serve youth receiving SSI.

The board recognizes that few youth receiving SSI will become self-supporting as adults.¹ Moreover, those who leave the rolls may well return.² Still, the benefit of work to each person's intellectual, emotional, social and economic health is clear – as is the inherent dignity for each person in seeking greater independence.³ In this statement, the board seeks to highlight what has been learned about who is likely to attempt work and how they might be assisted in doing so.

Title XVI of the Social Security Act has, from its initial passage in 1972, authorized cash payments to eligible low-income children with disabilities. The House Committee on Ways and

¹ Jody Schimmel and David C. Stapleton, "Disability Benefits Suspended or Terminated Because of Work," *Social Security Bulletin*, Vol. 71, No. 3, 2011, p. 87, <http://ssrn.com/abstract=1910097>.

² Jeffrey Hemmeter and Elaine Gilby, "The Age-18 Redetermination and Postredetermination Participation in SSI," *Social Security Bulletin*, Vol. 69, No. 4, 2009, <https://www.ssa.gov/policy/docs/ssb/v69n4/v69n4p1.html>.

³ *Examining the Future of Employment for People with the Most Significant Disabilities*, Hearing of the Senate Committee on Health, Education, Labor and Pensions, 112th Congress, September 15, 2011 (statement of Jonathan Young, Ph.D., Chair, National Council on Disability), <https://www.gpo.gov/fdsys/pkg/CHRG-112shrg87416/html/CHRG-112shrg87416.htm>.

Means included in its report language that a payment to children with disabilities would help youth to eventually become “self-supporting” as adults, but it did not elaborate on how to achieve that goal.⁴

II. Children Who Receive SSI– Key Individual, Family and Program Characteristics

Following its enactment in 1935, Social Security has provided benefits to covered workers who lost wages because of old age. In 1939, support for dependents of covered workers was added. In 1956 the statute was amended to replace wages lost in the event of disability, defined as the “inability to engage in any substantial gainful activity [SGA]⁵ by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.”⁶

When SSI was enacted in 1972, Congress used that same definition of disability for adults.⁷ Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the statute provides, “an individual under the age of [eighteen] shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than [twelve] months.”⁸

A. Children Who Receive SSI and Family Income

In December 2017, just under 1.2 million children received SSI payments.⁹ Changes in parental earned or unearned income, the number of eligible and/or ineligible children living in the home, other living arrangement details and various income exclusions can affect eligibility for SSI and the payment amount month-to-month. When calculating income and resources for the purpose of determining the eligibility for and amount of an SSI payment to a child with a disability, SSA

⁴ U.S. House of Representatives Committee on Ways and Means, 92nd Congress, 1st Session, *House Report 92-231 accompanying H.R. 1, the Social Security Amendments of 1971*, May 26, 1971, p. 148, <https://www.ssa.gov/history/pdf/Downey%20PDFs/Amendments%20to%20the%20Social%20Security%20Act%201969-1972%20Vol.%201.pdf>.

⁵ Substantial gainful activity in 2018 is monthly earned income at or above \$1,180 for non-blind recipients/beneficiaries.

⁶ *The Social Security Act* §223 (d)(1); 42 U.S.C. 423(d)(1)(A), http://www.ssa.gov/OP_Home/ssact/title02/0223.htm.

⁷ *The Social Security Amendments of 1972 (P.L. 92-603)*, §1614(a)(3)(A), October 30, 1972, p. 143, <https://www.ssa.gov/history/pdf/Downey%20PDFs/Amendments%20to%20the%20Social%20Security%20Act%201969-1972%20Vol.%206.pdf>.

⁸ Neither the 1972 child definition, nor that provided in 1996 included a work element. *The Social Security Act* § 1614(a)(3)(C); 42 U.S.C. 1382(c)(3)(C), https://www.ssa.gov/OP_Home/ssact/title16b/1614.htm.

⁹ Social Security Administration, “Table IV.B9 --SSI Recipients with Federally Administered Payments in Current-Payment Status as of December, 1975-2042,” *Annual Report of the SSI Program, 2018*.

deems any countable income and resources of the child's parent(s), provided they have not permanently left the home where the child lives.¹⁰ In 2016, eighty four percent of parents of SSI-eligible children living with at least one parent had income insufficient to be subject to the deeming rules.¹¹

As with adult recipients of SSI, eligibility for children is limited to those families with low incomes. Using a sample of SSI recipients from the 2008 Survey of Income and Program Participation (SIPP) public use data file, researchers found that SSI lifted the incomes of forty one percent of recipient families above the federal poverty line, cutting the number of 'poor' families in the SIPP sample from fifty eight to thirty four percent.¹²

B. Common Impairments Among Children Receiving SSI

The most common disability diagnoses are two categories of mental disorders: a) developmental disorders (including developmental disorders in infants and toddlers, learning disorders and speech and language impairment) and b) childhood adolescent disorders (impulse control, oppositional/defiant and attention deficit hyperactivity disorders).¹³ These categories account for thirty nine percent of all children receiving SSI. Autism, intellectual disability and diseases of the nervous system and sense organs account for another thirty two percent of all cases.¹⁴ See Figure 1.

¹⁰ Deeming is the assumption that some portion of a live-in parent's income is available to the child for meeting basic needs like food and shelter.

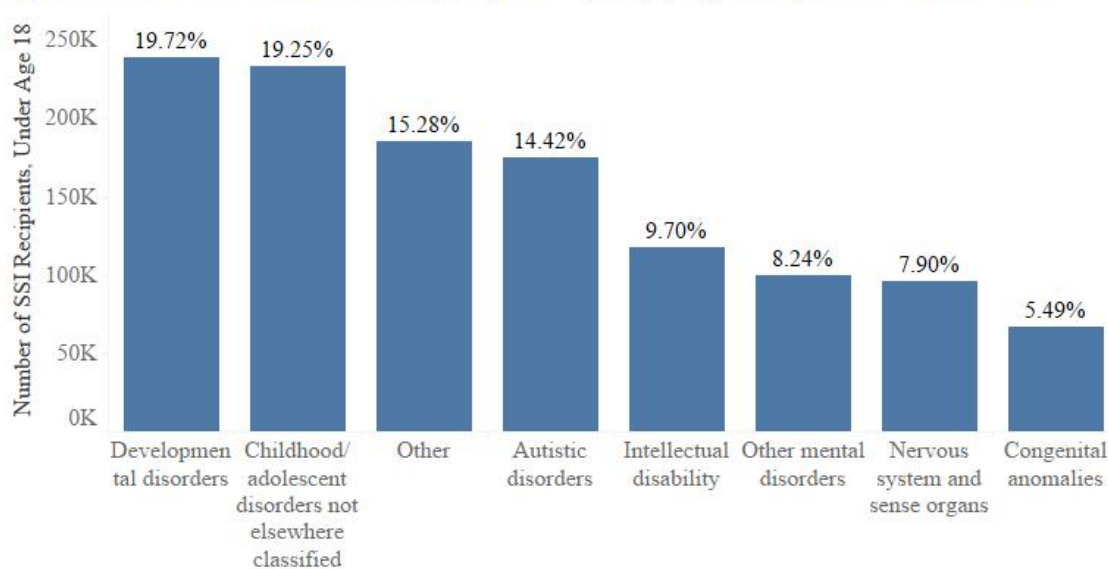
¹¹ Social Security Administration, "Table 28, Recipients subject to deeming, by factors affecting parental deemed income, December 2016," *SSI Annual Statistical Report, 2016*, https://www.ssa.gov/policy/docs/statcomps/ssi_asr/2016/sect04.html#table28.

¹² Michelle Stegman Bailey and Jeffrey Hemmeter, *Characteristics of Noninstitutionalized DI and SSI Program Participants, 2013 Update, Research and Statistics Note No. 2015-02*, September, 2015, <https://www.ssa.gov/policy/docs/rsnotes/rsn2015-02.html>

¹³ It is important to note that some of these diagnoses have an increased likelihood of denial for recipients who undergo an age eighteen eligibility redetermination as discussed in the next section. Jeffrey Hemmeter and Michelle Stegman Bailey, "Childhood Continuing Disability Reviews and Age-18 Redeterminations for Supplemental Security Income Recipients: Outcomes and Subsequent Program Participation," *Research and Statistics Note, No. 2015-03*, October, 2015, <https://www.ssa.gov/policy/docs/rsnotes/rsn2015-03.html>.

¹⁴ Social Security Administration, "Table 20, Recipients, by diagnostic group and age, December 2016," *SSI Annual Statistical Report, 2016*, https://www.ssa.gov/policy/docs/statcomps/ssi_asr/2016/sect04.html#table20.

Figure 1: Number and Percent of SSI Recipients, Under Age 18, by Type of Impairment - December 2016



Source: Social Security Administration, Office of Retirement and Disability Policy, SSI Annual Statistical Report, Table 21. Note: "Other mental disorders" includes mood disorders, organic mental disorders, schizophrenic and other psychotic disorders, and other mental disorders. "Other" include endocrine, nutritional, and metabolic diseases; infectious and parasitic diseases; injuries; neoplasms; diseases of the blood and blood-forming organs, circulatory system, digestive system, genitourinary system, musculoskeletal system and connective tissue, respiratory system, and skin and subcutaneous tissue; as well as other and unknown diagnoses.

C. SSI Eligibility at Age Eighteen

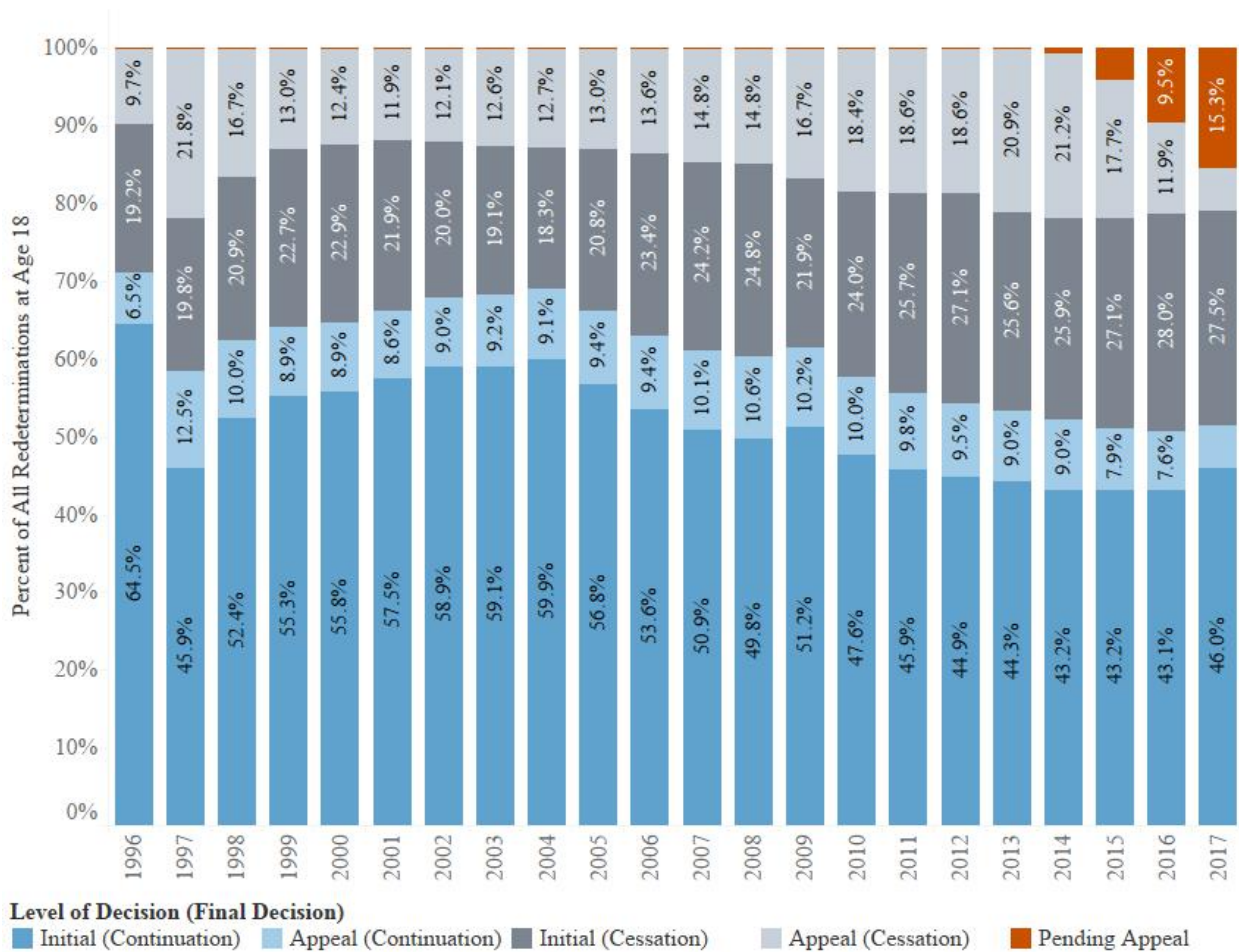
The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), also known as welfare reform, requires redetermination of SSI eligibility at age eighteen. To continue receiving benefits, the recipient must satisfy the adult definition of disability. Since children are not expected to work, eligibility determinations for children focus on the ability to complete day-to-day activities, including going to school.

When children receiving SSI turn eighteen, they receive notices informing them of the impending redetermination process and their rights. The decision-maker considers the redetermination using medical evidence from the year prior to the review. If the recipient does not provide sufficient medical evidence (or contact information of practitioners who can provide it), a “failure to cooperate” finding is made and benefits are suspended.¹⁵ Initial decisions to deny SSI eligibility during age-eighteen redeterminations are appealable.

¹⁵ The due process steps required before a failure to cooperate finding is made are considerable, including multiple attempts to contact and a search for appropriate adults to assist the child if their parent does not respond. Social Security Administration, *Program Operations Manual System, DI 25205.020 Failure Issues*, February 24, 2015, <https://secure.ssa.gov/poms.nsf/lnx/0425205020>.

In 2000, the first year that SSA’s redetermination rules were fully implemented, nearly two thirds of benefits for children receiving SSI were continued into adulthood; that fraction fell to slightly over half by 2013.¹⁶ The chart below shows the trends in age-eighteen redeterminations from 1996 to 2017. It includes the percentage of age-eighteen redeterminations that result in continuation or termination at the initial and appellate levels. See Figure 2.

Figure 3: Percent of Redeterminations at Age 18 for SSI Recipients, by Final Decision and Level of Adjudication - Fiscal Years 1996 to 2017



Source: Social Security Administration, Office of the Chief Actuary, Annual Report of the Supplemental Security Income Program, Table V.D4. Note: Appeals-level includes "reconsiderations" and "appeals beyond reconsiderations." Status of appeals reflects activity through February 2018.

SSA researchers are using the agency’s administrative data to predict whether or not a child

¹⁶ Social Security Administration, “Table V.D4 SSI Disabled Child Reviews: Disposition of Medical Continuing Disability Reviews by Year of Initial Decision and Level of Decision, Fiscal Years 2001-2017,” *Annual Report of the SSI Program, 2018*.

recipient of SSI will be found eligible at age eighteen under the adult standard. According to a 2015 analysis of age-eighteen redeterminations between 1998 and 2008 by Hemmeter and Stegman Bailey, approximately sixty six percent of all redeterminations resulted in cessation. Key factors indicating a continuation of SSI eligibility included:

- Length of time on the program; 81.8 percent of children who had received SSI for two or fewer years before their age-eighteen redetermination were allowed as adults; and
- Diagnosis; those with diseases of the nervous system or sensory organs accounted for 9.3 percent of age-eighteen redeterminations during the period but only 3.4 percent of cessations. Those with intellectual disabilities and other mental disorders combined accounted for 73.4 percent of redeterminations and 80.0 percent of all cessations for the ten-year period.

The same analysis examined the circumstances under which individuals who were terminated at age eighteen were found eligible again within ten years.¹⁷ Findings indicate that children most likely to return to SSI were those whose impairments were not expected to improve, those who were on the program for a shorter period of time before cessation and those with schizophrenia and other psychotic disorders, along with “diseases of the endocrine, nutritional, and metabolic system; and genitourinary system diseases.”¹⁸

III. Programs and Supports for Younger Recipients

From the start, Congress intended that those receiving disability benefits under the Social Security Disability Insurance (SSDI) or SSI programs who can enter or re-enter the workforce should do so.¹⁹ SSA must contract or otherwise partner with other entities to provide vocational rehabilitation or employment supports to SSI recipients.

A. Employment Support Providers

The state vocational rehabilitation (VR) program, administered by the Department of Education (ED), is the primary source of employment supports for adult SSI recipients.²⁰ It is a state/federal program that serves those with the most severe impairments. Those eligible for SSDI benefits or

¹⁷ People who were approved for SSDI within ten years were included in the analysis.

¹⁸ Hemmeter and Stegman Bailey, 2015, <https://www.ssa.gov/policy/docs/rsnotes/rsn2015-03.html>.

¹⁹ With the establishment of SSDI and SSI, Congress required that SSA refer all adult beneficiaries and recipients to VR as a means to support work attempts whenever possible. *The Social Security Amendments of 1956 (P.L. 84-880)*, §222(a), August 1, 1956, p. 11, <https://www.ssa.gov/history/pdf/Downey%20PDFs/Social%20Security%20Amendments%20of%201956%20Vol%201.pdf>.

²⁰ Social Security Administration, “Ticket Tracker” homepage, accessed May 18, 2018, <https://www.ssa.gov/work/tickettracker.html>.

SSI based on disability are presumed eligible for VR services. The program typically measures success by the presence of at least minimum wage earnings (with no full-time requirement) for work conducted alongside nondisabled peers. VR exists to assist people with significant disabilities to become employed using employment as a pathway into society, interacting with people without disabilities, being able to afford access to social events and other markers of full participation.²¹ Few SSI recipients ever earn enough to render them ineligible for payments.²² Still, SSA engages with VR and other service providers to provide support for those SSI recipients who are able to gain financial independence.

i. Vocational Rehabilitation Cost Reimbursement

A federal VR program has existed for a century. Over time it has evolved to a state/federal program²³ that serves those with the most severe impairments. Those eligible for SSDI benefits or SSI based on disability are presumed eligible for VR services.

The state/federal VR programs are funded through grants administered by ED. In addition to their allotted funds, state VR agencies are eligible for reimbursement by SSA for certain costs the VR agencies incur while serving adult SSDI beneficiaries or SSI recipients who become employed. Reimbursement occurs when the adult beneficiary/recipient returns to work and achieves SGA-level earnings for at least nine months. State VR agencies submit claims to SSA which reimburses them for allowable costs once SSA confirms SGA earnings.

A recent audit found that SSA's VR cost reimbursement program saves money on services to SSDI beneficiaries but loses money on services to SSI recipients.²⁴ Differences in educational

²¹ §2(b)(1) and (2) of the Rehabilitation Act of 1973, as amended, P.L. 114-95, p. 4, <https://ed.gov/policy/speced/leg/rehab/rehabilitation-act-of-1973-amended-by-wioa.pdf>.

²² Yonatan Ben-Shalom and David C. Stapleton, "Perspectives: Long-Term Work Activity and Use of Employment Supports Among New Supplemental Security Income Recipients," *Social Security Bulletin*, vol. 75 No. 1, 2015, <https://www.ssa.gov/policy/docs/ssb/v75n1/v75n1p73.html>

²³ Eighty percent of state VR agency funding is provided by the federal government and twenty percent is matched by each state. Any state that fails to appropriate the twenty percent match must return unmatched federal dollars to ED. SSA reimbursement to a state VR agency does not count toward its allotted budget. §101(a)(3) of the Rehabilitation Act of 1973, as amended, P.L. 114-95, p. 35, <https://ed.gov/policy/speced/leg/rehab/rehabilitation-act-of-1973-amended-by-wioa.pdf>.

²⁴ After reviewing four years of reimbursement and another four-year earnings time horizon, OIG found that, overall, the VR cost reimbursement program achieved approximately \$395 million in savings to the trust and general funds when reimbursement is subtracted from the benefits/payments not made to working beneficiaries and recipients. SSI recipient participation actually cost the program; while sixty five percent of disability insurance beneficiaries generated savings to the trust fund, only twenty-nine percent of SSI recipients generated savings and seventy one percent generated costs. Office of the Inspector General, Social Security Administration, *Audit Report: The Cost Effectiveness of VR Cost Reimbursement*, A-02-17-14048, October 2017, p. 11, https://oig.ssa.gov/sites/default/files/audit/full/pdf/A-02-17-14048_0.pdf.

attainment and work histories between SSDI beneficiaries and SSI recipients may explain these results.²⁵

The VR model focuses on a period of intensive services and supports that lead to steady employment, after which VR services end. The model generally works well for those with static disabilities. However, the single service period can fail those whose health condition fluctuates over time. Recipients with episodic changes may require longer-term support in order to ensure continued attachment to the workforce.²⁶ Congress created the Ticket to Work (TTW) program to expand choice for recipients who try to work and to provide greater flexibility in the way services were provided.²⁷

ii. Ticket to Work

Until passage of the Ticket to Work and Work Incentives Improvement Act in 1999 (P.L. **106-170**), SSA was required by law to refer all working-age beneficiaries/recipients to state VR agencies for services.²⁸ With passage of TTW, Congress repealed automatic referral to VR in order to give non-VR providers access to beneficiaries/recipients who may be able to work. The TTW also addresses a key weakness of VR cost reimbursement by encouraging providers to continue services up to five years beyond the typical VR service period.

The TTW program offers beneficiaries/recipients a voucher that enables them to seek services from a list of participating providers called employment networks (ENs). ENs must register with SSA and provide such basic services as resume development and job placement assistance. Secondary schools and institutions of higher education may participate as ENs.²⁹ SSA has found that school-based employment support works particularly well for youth.³⁰

²⁵ Stegman Bailey and Hemmeter, 2015, <https://www.ssa.gov/policy/docs/rsnotes/rsn2015-02.html>.

²⁶ Ellen Fabian et al, *Sourcebook of Rehabilitation and Mental Health Practice*, 2006, Springer Science & Business Media, p. 120, https://books.google.com/books?id=rGIKBwAAQBAJ&pg=PA120&lpg=PA120&dq=episodic+disabilities+90+day+case+closure+VR&source=bl&ots=ezenlkosYP&sig=R9IP6itTPbBjYIGCJQ84xtfUgzc&hl=en&sa=X&ved=2ahUKEwjHqL_MzuzbAhXEzVkKHOzeA5sQ6AEwCHoECAEQWA#v=onepage&q=episodic%20disabilities%2090%20day%20case%20closure%20VR&f=false

²⁷ William R. Morton, *Ticket to Work and Self-Sufficiency Program: Overview and Current Issues*, 2014, Congressional Research Service, p. 4, https://greenbook-waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/R41934_gb_1.pdf.

²⁸ “Services covered under the Vocational Rehabilitation Act,” §1615(a) of the *Social Security Amendments of 1972*, p. 146, <https://www.ssa.gov/history/pdf/Downey%20PDFs/Amendments%20to%20the%20Social%20Security%20Act%201969-1972%20Vol.%206.pdf>.

²⁹ The TTW, like VR cost reimbursement is only available to working age recipients.

³⁰ Thomas Fraker et al, *Final Report on the Youth Transition Demonstration Evaluation*, November 11, 2014, p. xvi, https://www.mdr.org/sites/default/files/Final_Report_on_the_Youth_Transition_Demonstration_Evaluation.pdf.

iii. Work Incentives Planning and Assistance Projects

The TTW statute also authorized and funded Work Incentives Planning and Assistance (WIPA) projects. These projects help beneficiaries/recipients in navigating SSA's complex rules related to work and in planning and preparing for the move to financial independence. Today, WIPA projects give transition-age youth fourteen to twenty four years of age priority access to their services and conduct outreach in schools and other settings. WIPAs are local programs staffed by people trained by SSA to understand and explain complex benefit interactions, even those funded at the state/local level.

B. Work Provisions Most Applicable to Youth Receiving SSI

In its 2017 report, the board wrote extensively on the SSI work provisions that SSA administers to support employment among recipients. We focus here on provisions that have particular relevance to transition-age youth.

i. Student Earned Income Exclusion

Recipients under age 22 who are attending school may exclude \$1,820 per month (up to \$7,350 annually) of earned income in 2018 before the \$1-for-\$2 payment reduction required under the statute.³¹ Few data are collected regarding its use. A two-year SSA analysis found that about three percent of eligible recipients took advantage of the exclusion.³²

ii. Section 1619(a) and (b)

Section 1619, subsection a, within Title XVI of the Social Security Act allows SSI recipients to continue receiving cash payments even after earnings exceed the SGA limit. Recipients remain eligible for some payment until the \$1-for-\$2 reduction reduces the SSI payment to \$0. A second provision, 1619(b), preserves Medicaid eligibility for those whose cash payments end because of earned income but who do not have access to employer-sponsored health insurance coverage. Under 1619(b), Medicaid coverage continues until annualized earned income exceeds a threshold amount which represents the sum of the amount that would bring an SSI payment to \$0 (including the amount of a state supplement, when applicable) and the state annual per capita Medicaid expenditure; the 1619(b) threshold is designed to account for the cost of both insurance and attendant care services that would otherwise be paid for through Medicaid.

³¹ Social Security Administration, "Student Earned Income Exclusion for SSI" page, accessed May 19, 2018, <https://www.ssa.gov/oact/cola/studentEIE.html>.

³² Mary Kemp, "Recipients of Supplemental Security Income and the Student Earned Income Exclusion," *Social Security Bulletin*, vol. 70, no. 2, 2010, pp. 37-38, <https://www.ssa.gov/policy/docs/ssb/v70n2/v70n2p31.pdf>

iii. 301 Protection

The Social Security Disability Amendments of 1980 (P.L. 96-265) included a provision that allows those given an unfavorable age-eighteen redetermination decision, to remain eligible for SSI if they are in school or participate in a qualifying vocational program (like those provided by VR or by an EN) at the time of the age-eighteen redetermination (the provision is referred to as “301 protection”). A recent GAO report found that about 1,200 eighteen- and nineteen-year-old SSI recipients used 301 protection in 2015.³³

iv. Plans for Achieving Self-Support and Achieving Better Life Experiences Accounts

Two programs enable SSI recipients to accumulate more assets than the program’s standard asset limit (\$2,000 for individuals, \$3,000 for couples):

“Plans for Achieving Self Support” (PASS) enumerate the steps that a recipient may take to achieve employment and the costs associated with those steps. For example, if a recipient needs transportation to get to a job, a car purchase can be listed on the PASS. Once SSA’s PASS application is completed, the agency examines it (along with supporting documentation) to ensure that the applicant is still SSI-eligible based on disability, that the employment goal listed on the PASS is feasible and that the steps and costs included are consistent with the employment goal. After approval, a recipient executing a PASS can save income, including payments from another benefit program, to use later for education costs, equipment (e.g., a computer), technology (e.g., screen reading software) and tools (e.g. plumbing or electrical tool sets) to assist in getting a job in the recipient’s chosen field.

PASS utilization is negligible.³⁴ Just 635 of the six million recipients under age sixty five had a PASS; of those, 272 were working in 2016, 363 were not; amounting to just one-hundredth of one percent at the end of 2017.³⁵

The second program, established in 2014, is administered by states. “Achieving Better Life Experiences” (ABLE) accounts resemble 529 college tuition savings plans. Up to \$15,000

³³ Government Accountability Office, *SSA Could Strengthen Its Efforts to Encourage Employment for Transition-Age Youth*, GAO-17-485, May, 2017, p. 17, <https://www.gao.gov/assets/690/684636.pdf>.

³⁴James R. Sheldon, Jr. and Edwin J. Lopez-Soto, *Plan for Achieving Self-Support: An SSI Work Incentive and Approach to Self-Directing Vocational Rehabilitation to Support a Range of Work Goals*, pp. 7-8, <https://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=1267&context=edicollect>.

³⁵ Social Security Administration, “Table V.E3.—SSI Federally Administered Blind or Disabled Individuals with SSI Recipient Status Participating in Other Work Incentives as of December, 1990-2017,” *Annual Report of the SSI Program, 2018*.

annually may be deposited into an SSI recipient's account.³⁶ States set the upper bounds of how much can be saved in total and there are no time limits on the use of the saved funds. An account total over \$100,000 will result in suspension of SSI payments, but not program termination and loss of Medicaid. Recipients who acquire their disability before age twenty six are eligible to set up ABLE accounts with their own funds or funds of family and friends. The funds can be used to cover the cost of education, training, housing and transportation and other disability-related expenses. In the event of a recipient's death, the state of residence may file a claim to be repaid from unspent funds for the Medicaid payments made on behalf of the recipient³⁷

IV. The Effect of Services and Supports on Youth Receiving SSI and Young Adult Employment

Several demonstration and research projects have been undertaken in recent years to assess the effect of services and supports on the employment of youth and young adults on SSI. In particular, data analyses using SSA and ED data and two demonstration projects are in development or have already provided data for conducting program evaluations. While no results are definitive at this point, it is a positive step that SSA, ED and the Departments of Labor (DOL) and Health and Human Services are, together and within their own research efforts, building on the existing evidence base with regard to youth employment.

A. Disability Research Consortium

The focus placed on youth by VR, SSA and other disability programs is relatively new.³⁸ Evidence on the impact of these interventions on full time employment for those recipients who are still in school will not emerge for several years. The 2014 Disability Research Consortium (DRC)³⁹ study, "Youth with Disabilities at the Crossroads,"⁴⁰ reviewed matched data sets between SSA's administrative data and ED's main data set for VR case management (the RSA-

³⁶ The Tax Cuts and Jobs Act of 2017 (PL 115-97) made changes to ABLE accounts that allow for account holder earnings deposits up to the federal poverty level and other changes that have the effect of raising the annual limit on contributions.

³⁷ ABLE National Resource Center, "What Are ABLE Accounts?" homepage, accessed April 19, 2018, <http://www.ablenrc.org/about/what-are-able-accounts>.

³⁸ The Youth Transition Demonstration was initiated in 2005, while Congress required the direction of VR grant funds to pre-employment services for youth in 2014, through the Workforce Investment and Opportunity Act, see §113 of the Rehabilitation Act of 1973, as amended, P.L. 114-95, p. 89, <https://ed.gov/policy/speced/leg/rehab/rehabilitation-act-of-1973-amended-by-wioa.pdf>.

³⁹ The Disability Research Consortium is made up of two SSA-funded centers that recruit and disseminate research regarding SSI/SSDI; how the programs work, the effect they have on the lives of those in receipt and how they interact with other programs that serve people with disabilities.

⁴⁰ Todd Honeycutt et al, "Youth with Disabilities at the Crossroads: The Intersection of Vocational Rehabilitation and Disability Benefits for Youth With Disabilities," DRC Working Paper No. 2014-06, July, 2014, <https://www.mathematica-mpr.com/our-publications-and-findings/publications/youth-with-disabilities-at-the-crossroads-the-intersection-of-vocational-rehabilitation>.

911) between 2004 and 2011 (before VR agencies were required to serve youth as young as fourteen years of age.) Researchers examined yearly cohorts of youth in receipt of SSI, SSDI or both who applied for VR between 2004 and 2006.⁴¹

Findings indicate that forty four percent of youth recipients/beneficiaries studied were working at case closure, compared to fifty nine percent of non-recipients/beneficiaries.⁴² Successful employment outcomes in the VR program do not require SGA-level earnings. Still, the DRC analysis examined SSA administrative data to determine which agencies had the highest and lowest percentages of youth recipients/beneficiaries who had benefits or payments suspended for at least one month within forty eight months after VR closure.⁴³ The national average for this measure was just over fourteen percent.

SSI recipients who receive VR services earn little. In 2017, researchers updated these findings to include earnings and payment suspense averages for youth VR applicants six years beyond their initial VR application.⁴⁴ Among recipients/beneficiaries, 31.5 percent of SSI recipients, 31.9 percent of SSDI beneficiaries, and 66.0 percent of others served by VR earned more than \$1,200.⁴⁵ Continued updates and expansion of these analyses, especially now that VR is required to serve youth as young as fourteen years of age, would enhance current knowledge.⁴⁶

B. Youth Transition Demonstration (YTD)

The Ticket to Work and Work Incentives Improvement Act of 1999 also authorized SSA to launch employment-related demonstration projects; YTD was one such effort. The demonstration was conducted as a random assignment study in six sites nationwide. Individual YTD sites designed and executed programs of intensive benefit counseling and other employment-related services to the treatment group, approximately 2,700 youth and young adults aged fourteen to twenty five.⁴⁷

⁴¹ While the analysis aggregates all types of SSA disability benefit receipt, it can be assumed based on program rules that a large majority of youth represented in the data received SSI, either alone or concurrently with Social Security benefits.

⁴² Honeycutt, 2014, p. 15, <https://www.mathematica-mpr.com/our-publications-and-findings/publications/youth-with-disabilities-at-the-crossroads-the-intersection-of-vocational-rehabilitation>.

⁴³ Honeycutt, 2014, p. 15-16, <https://www.mathematica-mpr.com/our-publications-and-findings/publications/youth-with-disabilities-at-the-crossroads-the-intersection-of-vocational-rehabilitation>.

⁴⁴ Researchers matched the original SSA and ED data sources, then added more longitudinal earnings data from other SSA sources.

⁴⁵ Todd Honeycutt et al, *Presentation at Mathematica Policy Research: What Works for Youth? Tracking Vocational Rehabilitation Outcomes*, April 27, 2017, Slide 10, <https://www.mathematica-mpr.com/-/media/.../20170427/csdp-4-27-vr-forum.pdf>.

⁴⁶ State VR programs served youth before the requirement was enacted through the Workforce Innovation and Opportunity Act of 2014, P.L. 113-128. See Honeycutt, 2014.

⁴⁷ Fraker et al, *YTD*, p. 18, https://www.mdrc.org/sites/default/files/Final_Report_on_the_Youth_Transition_Demonstration_Evaluation.pdf.

The results of YTD, in 2014, were as follows: two sites saw upticks in treatment group employment, two sites saw increased earnings for treatment group participants and two sites saw positive outcomes in education and training participation.⁴⁸ It is important to note that at the time services were delivered, many participants were years away from typical entry into the labor force. As of this writing, SSA is planning its next longitudinal analysis of project participant administrative data to measure how YTD affected employment and earnings over the long term. YTD lessons were applied to ED's design of the Promoting the Readiness of Minors in SSI (PROMISE) demonstration which is currently underway and for which SSA is overseeing the evaluation.

C. Promoting the Readiness of Minors in Supplemental Security Income

PROMISE is a much larger demonstration than YTD. It provides employment-related services and supports to approximately 6,000 youth SSI recipients entering at age fourteen to sixteen. Unlike YTD, all of the sites are administered by state/local social service agencies, which enlist a wide range of service systems and providers to perform key functions for youth and their families. In some cases, this coordination would not occur without PROMISE interventions.

Using YTD interventions as a starting point, PROMISE is designed to evaluate which services and supports lead to better educational and employment outcomes. Its short and long-term goals include improvements in parent financial literacy and overall employment as well as educational attainment and employment for youth participants.⁴⁹ According to the project's evaluation design report, each funded project has the following core components:

- Formal state/local agency partnerships between state VR, special education, Medicaid, Temporary Assistance to Needy Families, the workforce development system and developmental/intellectual disability state agencies,
- Case management and service coordination,
- Benefits counseling and financial literacy training,
- Career and work-based learning and
- Parent training.⁵⁰

⁴⁸ Fraker et al, *YTD*, p. 143,

https://www.mdrc.org/sites/default/files/Final_Report_on_the_Youth_Transition_Demonstration_Evaluation.pdf.

⁴⁹ Thomas Fraker et al, Promoting Readiness of Minors in SSI (PROMISE) Evaluation Design Report, June 24, 2014, p. 5,

https://www.ssa.gov/disabilityresearch/documents/PROMISE_Eval%20%20Design%20Report_Final.pdf.

⁵⁰ Fraker et al, *PROMISE*, p. 6; 9,

https://www.ssa.gov/disabilityresearch/documents/PROMISE_Eval%20%20Design%20Report_Final.pdf.

Projects were funded in 2013 in five states and one multi-state consortium. The \$211 million demonstration (not including evaluation costs) was designed to enroll 2,000 youth in each of the six sites via random assignment. Enrollment targets were largely met and individual PROMISE sites are reporting positive effects on youth employment and family member earnings.⁵¹ Services and interventions will cease in September, 2018. Sites have begun to prepare participants for the end of intensive services by encouraging them to discuss referrals and other needed supports with site staff. The PROMISE evaluator, Mathematica Policy Research, is expected to release preliminary findings in late 2018.

PROMISE is intended to determine what factors promote understanding and uptake of available services and supports, improve financial literacy and improve educational and employment outcomes.⁵² No formal evaluation has yet been released. An early finding suggests that intensive benefit counseling (averaging five hours in length), designed to educate youth receiving SSI about the impact their potential earnings would have on eligibility for all the programs and services they receive, may lead to improved understanding of rules and interactions between programs.⁵³

D. SSI Youth Recipient and Employment Transition Formative Research

The Office of Disability Employment Policy within DOL is forming a community of practice around SSI youth and employment. It has already begun to report findings pertaining to outstanding research questions to be answered for this population, as well as intervention models and strategies that could be tested in future research. Running concurrent to the PROMISE initiative, this project's three deliverables are anticipated before the end of Fiscal Year 2018.⁵⁴

V. Conclusions and Considerations Moving Forward

Employment, especially low-wage employment, can be risky for those who need access to health care through Medicaid and other supports in order to survive.⁵⁵ More could be done to educate

⁵¹ Wisconsin, Maryland and the Aspire consortium respectively, "PROMISE project" homepages, accessed on April 13, 2018, <https://promisewi.com/>, <https://mdtransitions.org/>, <http://aspirewest.org/>.

⁵² Fraker et al, *PROMISE*, p. 9,

https://www.ssa.gov/disabilityresearch/documents/PROMISE_Eval%20%20Design%20Report_Final.pdf.

⁵³ Ellie Hartman, *Presentation at Mathematica Policy Research: Supplemental Security Income Youth Formative Research Project, Topical Webinar #1: Benefits Counseling as a Tool to Improve Employment Outcomes for Youth who Receive SSI*, January 17, 2018, Slide 42, <https://www.mathematica-mpr.com/our-publications-and-findings/projects/initiatives-to-improve-adult-outcomes-and-employment-opportunities-for-young-recipients-of-ssi>.

⁵⁴ Department of Labor Office of Disability Employment Policy, "Research" homepage "SSI Youth Recipient and Employment Transition Formative Research", accessed June 20, 2018, <https://www.dol.gov/odep/topics/Research.htm>.

⁵⁵ Manasi Deshpande, *Does Welfare Inhibit Success? The Long-Term Effects of Removing Low-Income Youth from Disability Insurance*, December, 2014, p.2, <http://economics.mit.edu/files/10156>.

families about the benefits and possibilities of employment for their children with disabilities as well as the statutory protections that exist to mitigate the risk of earnings on SSI and Medicaid eligibility. Education efforts should take into account the concerns raised at the prospect of losing life-sustaining access to SSI and Medicaid.

It is clear from the research conducted thus far that many youth receiving SSI are not adequately prepared to engage in sustained employment as they transition from school and enter adulthood. SSA's and other agencies' research indicates that school-based interventions, work-based learning experiences, school or community-based service integration, as well as interventions that involve family/parent engagement may support better outcomes.

The board anticipates that the PROMISE demonstration results will be the next step in identifying the factors that promote understanding and uptake of available services and improve educational and employment outcomes. In fact, the advocacy community has already pointed out to SSA that it should wait until PROMISE results are available before fielding another youth demonstration.⁵⁶ SSA's review of PROMISE findings, along with other youth transition research, will then guide whether further research (supported by a request to Congress to further extend its demonstration authority) is needed and the focus of that research.

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⁵⁶ Consortium for Citizens with Disabilities, *Letter to Nancy Berryhill re: Strategies to Improve Adult Outcomes for Youth on SSI*, February 2, 2018. p. 2, <http://www.c-c-d.org/fichiers/CCD-Comments-SSA-SSI-Youth-RFI-Docket-No-SSA20170049-final.pdf>.