DATA NOTE PLUS

ISSUE # 93, 2025

NATIONAL SURVEY OF STATE INTELLECTUAL AND DEVELOPMENTAL DISABILITIES AGENCIES' EMPLOYMENT AND DAY SERVICES (1988–2022)

By Agnieszka Zalewska, Jean Winsor, and John Butterworth

INTRODUCTION

The data reported here are the core findings from the Institute for Community Inclusion's (ICI) National Survey of State Intellectual and Developmental Disabilities Agencies' Employment and Day Services through FY 2022. These data focus on participation in integrated employment, community-based non-work, and facility-based services (both work and non-work). We requested data from all 50 states and the District of Columbia. In recent years, the participation was as follows: In FY 2020, 49 states responded, in FY 2021, 48 states responded, and in FY 2022, 49 states responded to the survey.

METHODS

The ICI administers the National Survey of State Intellectual and Developmental Disabilities Agencies' Employment and Day Services annually. We refer to this throughout as the "IDD survey." The IDD survey is part of a longitudinal study commissioned by the Administration on Community Living to analyze employment and day services trends. Data are available for services received between FY 1988 and FY 2022 for individuals with intellectual and developmental disabilities (IDD) and closely related conditions. Between 1988 and 2004, we administered the survey on a semi-annual basis. We began collecting data annually in 2007. The most recent version of the survey is focused on state IDD agency data for FY 2022. The survey was developed with input and field-testing support from state IDD agency administrators. All questions focus on employment or day services monitored by the state IDD agency, including services funded by another state agency (such as the Medicaid agency), even if the IDD agency does not provide or directly contract for the service.

The survey is designed to provide the following information:

- Trends in the number of people served in integrated employment, facility-based employment, and facility-based and community-based non-work programs
- Trends in the number of people working in integrated jobs
- Funding sources being used to support employment and day services
- The allocation of funds across employment and day services

In 1996, we added the category of community-based non-work services to the survey. The most recent changes to the survey occurred in the FY 2016 and then FY 2022 data collection. For FY 2016, we started asking states about the number of individuals they serve who are working for pay in jobs in the community, to distinguish between employment services and employment outcomes. Additionally, we have updated the definitions of integrated employment services and community-based non-work services to emphasize the goal of an individualized community outcome. For the FY 2022 data collection (presented in this report), we revised how we collected data on non-work services. We now ask states to provide a total for all non-work services and if possible separate totals for facility-based and community-based non-work services. We made the same revisions when asking about funding for non-work services.

The survey requests data on the total number of individuals served in employment and day services during the fiscal year. If a state does not have the capacity to adjust for individuals who enter or exit the system during a fiscal year and can only provide the number served at the end of the fiscal year (or at some other specific point in time), there is a place on the survey to provide this information. States can report an individual in multiple service categories, so the total of the percentage served across services may sum to greater than 100%.

After a state has finalized its response to the survey, ICI staff review the data and follow up with states whose data shows an unexpected shift from the previous years.

Table 1. IDD National Survey of Employment and Day Services Definitions

Type of Setting/ Service	Work	Non-Work
Community	**Integrated employment:** Integrated employment services are provided in a community setting and support or lead directly to the participant's paid employment. Specifically, integrated employment includes services that support entering or maintaining competitive employment, individual supported employment, group supported employment, and self-employment. Participation in integrated employment services does not necessarily mean an individual is employed. Individuals who receive an integrated employment service include those who are receiving services with an immediate goal of entering employment, such as job development, and those receiving long-term services to support maintaining employment.	**Community-based non-work:** Community-based non-work includes all services that are focused on supporting people with disabilities to access community activities in settings where most people do not have disabilities. It does not include paid employment.
Facility	**Facility-based work:** Facility-based work includes all employment services that occur in a setting where the majority of employees have a disability. These activities occur in settings where continuous job-related supports and supervision are provided to all workers with disabilities. This service category is typically referred to as a sheltered workshop, work activity center, or extended employment program.	**Facility-based non-work:** Facility-based non-work includes all services that are located in a setting where the majority of participants have a disability. These services do not involve paid employment.

In a typical year, between 44 and 49 states complete the IDD survey. The authors estimate the national figures for the total number of people served in employment and day services and the total number of people served in integrated employment by estimating the missing data for states that did not complete the survey. The researchers use linear regression to estimate missing values. To increase stability of the estimates, we add data from the most recent literature available (State of the States in Intellectual and Developmental Disabilities). For the remaining national totals, we use the combined total of the survey and note the number of states reporting that particular year.

ADDITION OF ALL NON-WORK SURVEY VARIABLES

For FY 2022 data collection, we revised our existing non-work variables to account for a state's ability to distinguish between community-based non-work and non-work services that occur in a provider-owned facility that is not on an institutional campus.

All non-work is defined in the survey as follows: Non-work services include all day services that support an individual to participate in activities in a community or in a program setting where they do not receive pay. Some states differentiate these services into community-based non-work services and facility-based non-work services. Other states do not have the ability to separate those services within their documentation system.

These new variables were designed to improve the accuracy of reporting. Over the years of collecting data, it became clear that many states do not have a mechanism in place to distinguish between community-based non-work and facility-based non-work services. By incorporating the new variables, the IDD survey allows all states to accurately report all non-work services, and as a result, provides a clearer and more comprehensive picture of non-work services both nationally and at the state level. The states can still submit more granular data on community-based non-work services and facility-based non-work services if they track those numbers.

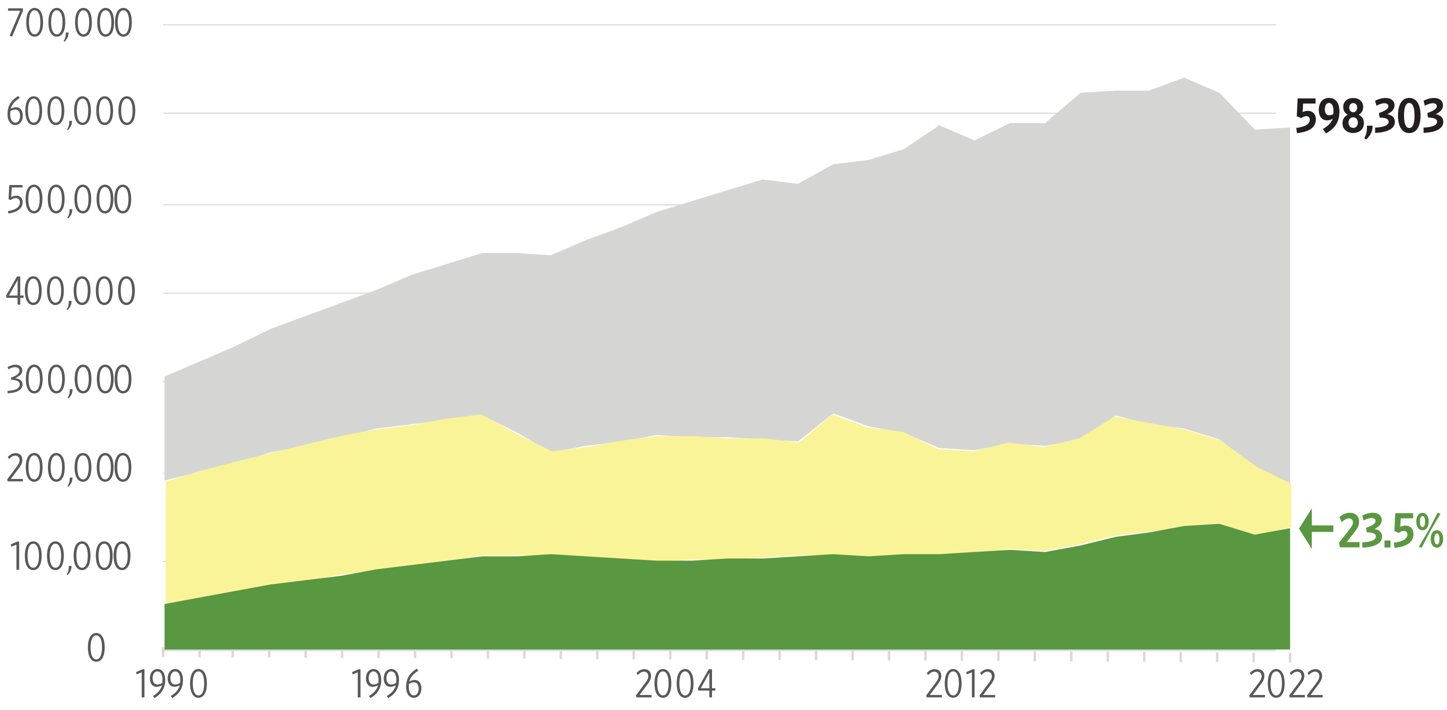
In FY 2022, the percentage of people in integrated employment services increased to an estimated 23.5%.

FINDINGS ON EMPLOYMENT AND DAY SERVICES

TOTAL NUMBER OF PEOPLE RECEIVING EMPLOYMENT OR DAY SERVICES FROM STATE IDD AGENCIES

Figure 1 demonstrates that in FY 2022, an estimated 598,303 individuals received employment and day services from state IDD agencies. It is a 0.2 % increase from the previous year's total number served (597,236 in FY 2021). In FY 2020 and FY 2021, the number decreased from the previous year's total, however in FY 2022, the number began to increase. This likely illustrates the continued recovery from the COVID-19 public health emergency (PHE). Even with these shifts, the number of individuals receiving employment or day supports is still much higher than in the past. For example, in FY 1999, 455,824 people received employment or day supports from state IDD program agencies.

FIGURE 1. NUMBER IN EMPLOYMENT AND DAY SERVICES



Notes for Table 2 on following page

Footnote 1: n/a = data not available through the state IDD agency's data system

n/a* = service not provided by state IDD agency but is available through another state agency

0% indicates that the state IDD agency reported it did not provide this service during FY 2020 and FY 2021.

Footnote 2: The researchers calculated national estimates for the total number of people served by state IDD agencies as well as the total number of people who received integrated employment services. For some states, data reported by service setting represent duplicated counts because individuals were served in multiple settings. For these states, the percentage served across settings may add up to more than 100%. Other services, including services for individuals who are elderly, are not reported.

TABLE 2. PARTICIPATION IN EMPLOYMENT AND DAY SERVICES BY STATE IN FY 2022

State	Total Served	Percent Integrated Employment	Percent Facility-Based Work	Percent All Non-Work	Percent Community-Based Non-Work	Percent Facility-Based Non-Work
AK	2,091	15.9%	n/a	99.1%	n/a	n/a
AL	4,685	9.3%	0.8%	89.9%	11%	78.9%
AR	5,318	0.9%	8.7%	90.4%	n/a	n/a
AZ	11,077	22.1%	5.7%	88.4%	n/a	88.4%
CA	90,018	20.1%	2.7%	85.2%	n/a	n/a
CO	9,838	27.3%	2.8%	81.6%	81.6%	48.1%
CT	10,141	32%	n/a	67.6%	16.5%	51.0%
DC	980	28.2%	4%	71.8%	34.4%	33.5%
DE	1,666	58.3%	12.6%	53.7%	8.8%	44.8%
FL	20,371	9.9%	n/a	88.7%	41%	n/a
GA	11,651	15.6%	7.8%	91.2%	n/a	n/a
HI	2,453	4.5%	0%	99.8%	92.2%	43.2%
IA	11,889	49.5%	2.8%	47.8%	n/a	n/a
ID	1,733	28.6%	n/a	n/a	n/a	n/a
IL	29,352	3.8%	n/a	71.8%	26.7%	45.1%
IN	16,807	10.3%	12%	91.6%	n/a	n/a
KS	7,451	5.4%	31.1%	70.6%	70.6%	55.5%
KY	4,730	10.3%	18.9%	77.8%	63.8%	14%
LA	2,776	33.7%	5.4%	n/a	n/a	n/a
MA	24,333	31.3%	0%	33.0%	34.7%	36.5%
MD	15,940	31.5%	n/a	58.5%	38.2%	58.8%
ME	n/a	n/a	n/a	n/a	n/a	n/a
MI	8,323	35.6%	14.3%	65.2%	6.2%	58.9%
MN	28,298	32.7%	44.5%	n/a	14.2%	n/a
MO	6,592	19.1%	n/a	90.2%	26.4%	74.2%
MS	4,641	24.5%	n/a	75.5%	75.5%	n/a
MT	1,699	24.4%	n/a	81.8%	6.7%	75.1%
NC	15,844	27%	10.6%	57.7%	57.7%	3.4%
ND	2,031	36.6%	16.2%	51.5%	n/a	n/a
NE	4,329	13.9%	3.6%	72.3%	72.3%	53.1%
NH	2,728	n/a	n/a	n/a	n/a	n/a
NJ	12,767	17.3%	n/a	n/a	94.7%	90.7%
NM	5,199	11.6%	0%	88.4%	88.4%	4.3%
NV	2,089	19.5%	45.9%	n/a	4.5%	30.2%
NY	52,196	19.8%	n/a	79.0%	24.9%	51.9%
OH	30,848	35.1%	39.7%	58.2%	29.9%	52.2%
OK	3,376	68.5%	56.3%	55.1%	41.6%	n/a
OR	6,204	57.7%	1.2%	55.3%	53.8%	16.5%
PA	35,220	16.6%	6.8%	76.6%	70.1%	26.1%
RI	4,380	39.7%	0%	79%	79%	44.4%
SC	7,499	29.4%	32.5%	10.5%	10.5%	28.2%
SD	2,067	30.3%	3.5%	n/a	n/a	n/a
TN	5,071	12.7%	n/a	98.1%	97.5%	10.1%
TX	25,002	5.5%	n/a	94.5%	n/a	n/a
UT	4,078	20.5%	0.0%	81.4%	n/a	n/a
VA	9,199	45.3%	0.6%	69.5%	22.3%	52.9%
VT	2,542	40.9%	0%	88.7%	88.7%	0%
WA	9,505	82.9%	0%	20.0%	20%	0%
WI	12,904	26.7%	25.1%	69.7%	18.9%	56%
WV	n/a	n/a	n/a	n/a	n/a	n/a
WY	1,714	12.4%	0%	75.1%	26.8%	60.8%

INTEGRATED EMPLOYMENT

NUMBER OF PEOPLE RECEIVING INTEGRATED EMPLOYMENT SERVICES

Between FY 2018 and FY 2019, there was a slight increase (5%) in the national estimates of the number of individuals reported as receiving an integrated employment service from state IDD agencies. This number grew by 1% in FY 2020, but then dropped by 8.2% in FY 2021. This decline is likely the result of the COVID-19 PHE. FY 2022 demonstrates a 6.4 % increase in the estimated number of individuals receiving integrated employment services as compared to FY 2021 (FY 2021: 132,050 individuals, FY 2022: 140,521 individuals). Similar to the increase in the total number of individuals served, the increase in the number of people in integrated employment services likely represents a recovery from the COVID-19 PHE.

PERCENTAGE IN INTEGRATED EMPLOYMENT SERVICES

Between 2010 and 2016, the percentage of individuals engaged in integrated employment services hovered around 19% and has grown slowly since, reaching 21.6% in 2019. The percentage of people in integrated employment services was slightly higher in both FY 2020 (22.5%) and FY 2021 (22.1%), although the higher percentage in part reflects the decrease in the total number of people receiving employment and/or day supports. In FY 2022, the percentage of people in integrated employment services increased to an estimated 23.5%, an increase sustained even with a growth in the total served number. The current modest growth in the percentage of people in integrated employment services likely reflects a continued commitment to state-level employment strategy and policy.

WHAT DO THE DATA TELL US ABOUT THE NUMBER OF PEOPLE WORKING?

In FY 2016, the survey began asking states about their ability to provide data on the number of individuals—out of all people receiving employment or day services—working for pay in integrated community jobs, including competitive employment, individual supported employment, group supported employment, and self-employment.

In FY 2022, most states (n = 37) that responded to the survey reported collecting data on the number of individuals working for pay in the community. Table 3 shows that many of the individuals participating in any employment and day service also work for pay in the community. The table also shows the total number of people served and the total number of people in integrated employment services for FY 2022.

The relationship between the number of people participating in integrated employment services and the number of people working (out of all people receiving employment and/or day services) varies from state to state. This is possible because some states provide job development and other direct supported employment pathway services with IDD agency funds to individuals who are not yet working, while in other states, the state VR agency provides these services.

The numbers are bolded for instances when the state reported the same number for total in integrated employment services and total receiving any employment and/or day services also working in the community.

The total number of individuals who worked in paid integrated employment in FY 2022 was 111,936, as reported by 37 states. In these states, 21.3% of individuals who received any employment and day service were working in the community in integrated jobs. This

TABLE 3. INDIVIDUALS WORKING IN THE COMMUNITY IN FY 2022

State	Total Served	Total in Integrated Employment Services	Total Receiving Any Employment or Day Service and Working in the Community
	2022	2022	2022
CA	90,018	18,122	18,191
CO	9,838	2,681	3,634
CT	10,141	3,247	3,274
DC	980	**276**	**276**
FL	20,371	2,018	6,378
HI	2,453	110	170
IA	11,889	5,885	5,378
ID	1,733	**496**	**496**
IL	29,352	**1,122**	**1,122**
KS	7,451	**400**	**400**
KY	4,730	**489**	**489**
MA	24,333	7,620	2,338
MD	15,940	5,026	2,833
MI	8,323	2,966	1,285
MN	28,298	9,260	6,354
MO	6,592	1,256	821
MS	4,641	1,139	384
NC	15,844	4,278	4,298
ND	2,031	**743**	**743**
NE	4,329	**600**	**600**
NJ	12,767	2,211	2,142
NV	2,089	**407**	**407**
NY	52,196	10,353	7,970
OH	30,848	**10,825**	**10,825**
OK	3,376	**2,311**	**2,311**
OR	6,204	3,580	3,453
PA	35,220	5,834	4,593
RI	4,380	**1,737**	**1,737**
SC	7,499	2,207	2,075
SD	2,067	**626**	**626**
TN	5,071	642	646
TX	25,002	1,380	749
UT	4,078	837	918
VA	9,199	**4,170**	**4,170**
VT	2,542	**1,040**	**1,040**
WA	9,505	7,878	5,369
WI	12,904	**3,483**	**3,483**

percentage is similar to the overall percentage of people receiving integrated employment services (23.5% nationally).

INTEGRATED EMPLOYMENT: CONCLUSIONS

As states implement Employment First policies, revise service definitions to reflect individual integrated employment in the community, and work to ensure compliance with the Home and Community-Based Waiver Services Settings Rule (2014), there is qualitative evidence that states are using a stronger definition of integrated employment. This has led to outcomes previously counted as integrated employment being reclassified to other service types. This indicates that the impact of state and federal policy change is stronger than the trend in integrated employment suggests. Overall, though, state investment continues to emphasize facility-based and non-work services, rather than integrated employment services, suggesting that there is a continued need to strengthen the overall infrastructure for employment services.

STATE-BY-STATE VARIATION MASKS GROWTH IN INTEGRATED EMPLOYMENT

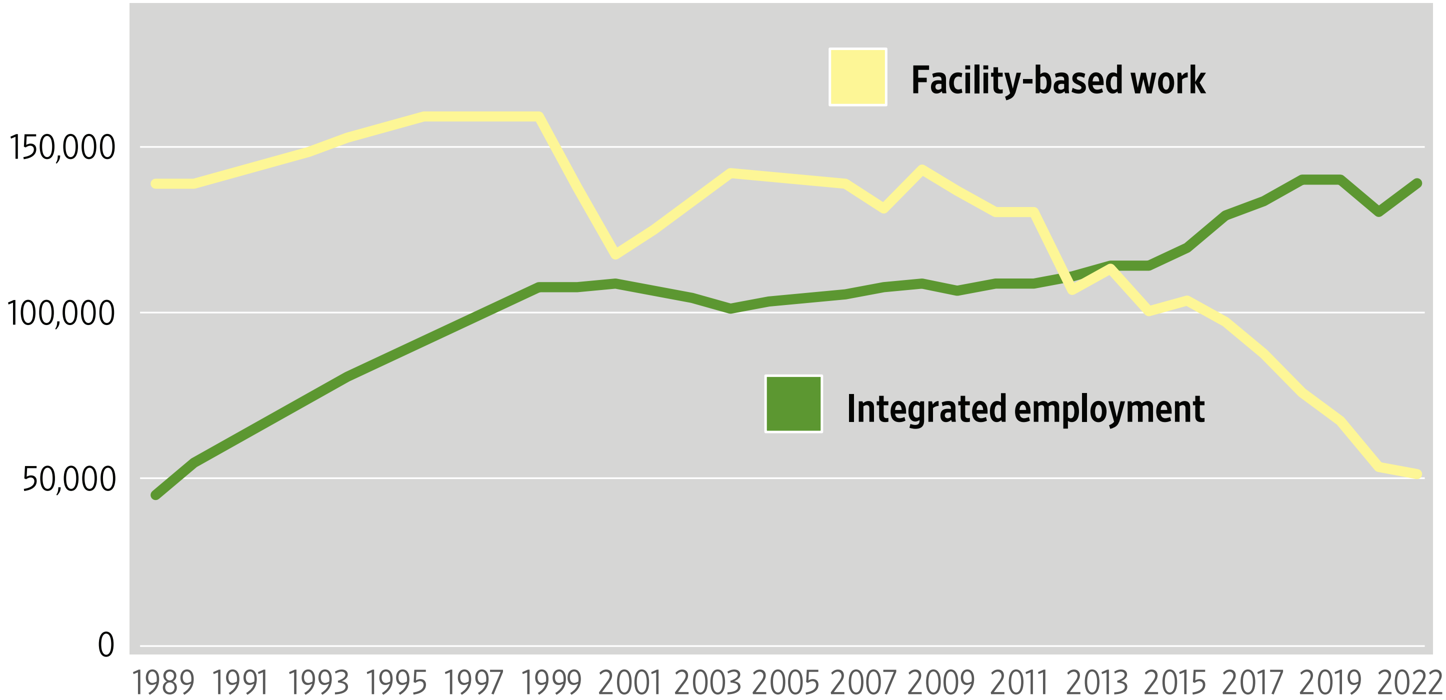
There is significant long-term variation in individual state-level change in integrated employment. To demonstrate this variation, we examined data from the survey for 37 states that provided the total number of individuals served and the number of individuals in integrated employment services between 2007 and 2022. In that timeframe, 21 states reported an increase in the number of individuals in integrated employment services, with an average increase of 1,850 individuals (range: 26–7,888). States that reported increasing the number of individuals served in integrated employment by more than 500 individuals between 2007 and 2022 were California (CA), Colorado (CO), Delaware (DE), Massachusetts (MA), Maryland (MD), Minnesota (MN), Missouri (MO), Mississippi (MS), North Carolina (NC), New York (NY), Ohio (OH), Oregon (OR), and Washington (WA). Many states have engaged in strategic efforts and systematic changes to their service delivery system to make integrated employment the preferred service outcome for adults with IDD in their state. Yet the number of individuals reported as receiving integrated employment services declined in 14 states between FY 2007 and FY 2022, with an average reduction of 812 (range: 6–2,334). However, it is important to be mindful of the residual COVID-19 PHE impact when considering these statistics.

FACILITY-BASED WORK

STATES ARE MAKING SIGNIFICANT EFFORTS TO REDUCE FACILITY-BASED WORK

As Table 2 indicates, in FY 2022, 21 of the reporting state IDD agencies did not report individuals in facility-based work services (this number does not include the states that did not submit any data in these years). However, this does not mean that those 22 states have eliminated all funding for facility-based work. A state's ability to report on facility-based work is impacted by service structure and state reporting capacity. Many states have facility-based work services embedded within their facility-based non-work services or rely on other state agencies to fund these services. Several states, including Missouri and New Jersey, support facility-based work with state funds that are managed by other state agencies. To distinguish states that have eliminated facility-based work services, the table contains 0% for those states whose IDD agency did not provide the service in 2022 and "n/a" for states that indicated not being able to report on this specific service. Participation in facility-based work services has declined steadily since 1999 and reached a benchmark in 2013 when it dropped below participation in integrated employment. Overall, the number of individuals state IDD agencies reported as participating in facility-based work settings dropped by approximately 112,232 individuals between 1999 and 2022 (Figure 2).

FIGURE 2. CHANGE IN FACILITY-BASED WORK AND INTEGRATED EMPLOYMENT OVER TIME



POLICY CONTEXT AND FACILITY-BASED WORK

Consistent with Table 2, there is also considerable variation across states in the number of individuals who are employed at less than minimum wage. Section 14(c) of the Fair Labor Standards Act authorizes employers to pay certain employees with disabilities less than the minimum wage. Participation in subminimum wage jobs has declined from an estimated 210,689 workers in 2013 to only 59,537 workers in 2022, as this regulation and its use have come under increasing pressure from advocates and policymakers (Butterworth & Edelstein, 2023). As of July 2022, 10 states reported that they did not have any 14(c) workers, but nine other states reported that they each had over 2,000 14(c) workers. A total of 13 states have established legislation or regulation that eliminates subminimum wage, and additional states are developing legislation or policy that prohibits subminimum wage employment for individuals receiving state-funded support (Association of People Supporting Employment First, 2023).

In addition to policy on subminimum wage, state IDD agencies are making other policy decisions to reduce the number of individuals in facility-based work services. For example, states are placing limitations on the time that an individual may receive facility-based work services, mandating regular reporting on progress toward competitive integrated employment, and requiring that an individual's service plan describe the specific skills that the person will gain in the sheltered workshop and how those skills will improve the likelihood that the individual will be employed in the community (SELN, 2023).

Participation in subminimum wage jobs has declined from an estimated 210,689 workers in 2013 to only 59,537 workers in 2022, as this regulation and its use have come under increasing pressure from advocates and policymakers (Butterworth & Edelstein, 2023).

NON-WORK SERVICES

IF PEOPLE AREN'T WORKING, WHERE ARE THEY SPENDING THEIR TIME?

As illustrated in Figures 1 and 2, participation in facility-based work has steadily declined and growth has primarily been in non-work services. Non-work services include **both facility or center-based non-work activities and community-based non-work activities.**

As mentioned earlier, for FY 2022 data collection, we revised the way the survey collects data on non-work services: "all non-work (facility-based and community-based), number served" and "all non-work (facility-based and community-based), funding". These revised variables allow a national comparison with the inclusion of states that do not have mechanisms in place to distinguish between *community-based and facility-based* non-work.

For FY 2022, 44 states reported combined non-work services numbers and funding. In this cohort of states, 76.2% of all people served received some kind of non-work service—community-based and/ or facility-based. Since implementing the option for states to report a combined non-work total in FY2022, we saw an increase in the number of states choosing this option compared to states that reported separate community and facility-based non-work counts. Researchers suspect that more states are reporting the combined number as a result of greater awareness at the programmatic and implementation levels of the requirements for community-based settings within the Centers for Medicare and Medicaid Services (CMS) Home and Community-Based Services (HCBS) Community Settings Rule.

Historically, **facility-based non-work** has been the most common activity individuals engage in, and 2021–2022 data from the National Core Indicators suggest this is still true, with 32% of individuals reporting participation in facility-based non-work activities and 17% in community-based non-work (National Core Indicators Project, 2023). Findings from the IDD survey reveal that in FY 2022, 30 states reported on their provision of facility-based non-work services. Two states reported not providing facility-based services at all, while for others it was missing data due to not having mechanisms in place to track this type of service. Some states reported facility-based and community-based non-work as a combined, nonduplicated number.

Within the group of states who reported on facility-based non-work services, 44.4% of individuals served received this service.

Community-based non-work is defined in the ICI survey as "services that are explicitly focused on supporting people with IDD to participate in individually chosen and scheduled activities and at locations in the community that members of the general community typically participate in and access." Added to the survey as a service option in FY 1996, the number of states that report providing community-based non-work services has grown from 18 in FY 1996 to 35 in FY 2021. Nationally, reported participation in community-based non-work has grown steadily for states that report it as a service, from 18.7% in FY 1999 to more than 40% in FY 2022 of all employment and day services.

Nationally, reported participation in community–based non–work has grown steadily for states that report it as a service, from 18.7% in FY 1999 to more than 40% in FY 2022 of all employment and day services.

NON-WORK SERVICES: CONCLUSIONS

There is a limited amount of data on the structure, activities, and outcomes of community-based non-work services, and states have not established clear service expectations or quality assurance strategies (Sulewski et al., 2019; Sulewski et al., 2023). The rapid growth states report in community-based non-work services reflects a desire to improve the community presence of people with IDD, but the quality of the services being reported and the contribution of this service on a national level to authentic community engagement at the individual level remain unclear.

While some states report service requirements for how much time community-based non-work participants spend in the community, it is possible that some states have reclassified services from facility-based to community-based as the emphasis on community participation grows, even though substantial time is still spent in facility-based, provider-owned settings. The trend toward community-based non-work services also raises concerns about the clarity of the service system's goals for community employment and we should ask why growth of this service type continues to outpace integrated employment.

Research by ICI staff on community rehabilitation providers (CRPs) has found that some CRPs are developing innovative ways to support individuals to be engaged members of their community to improve integrated employment outcomes. Sulewski et al. (2017) found four guideposts in high-quality Community Life Engagement (CLE) supports. These include 1) individualizing supports for each person, 2) promoting community membership and contribution, 3) developing relationships and building skills to decrease reliance on paid supports, and 4) ensuring that supports are outcome-oriented and regularly monitored.

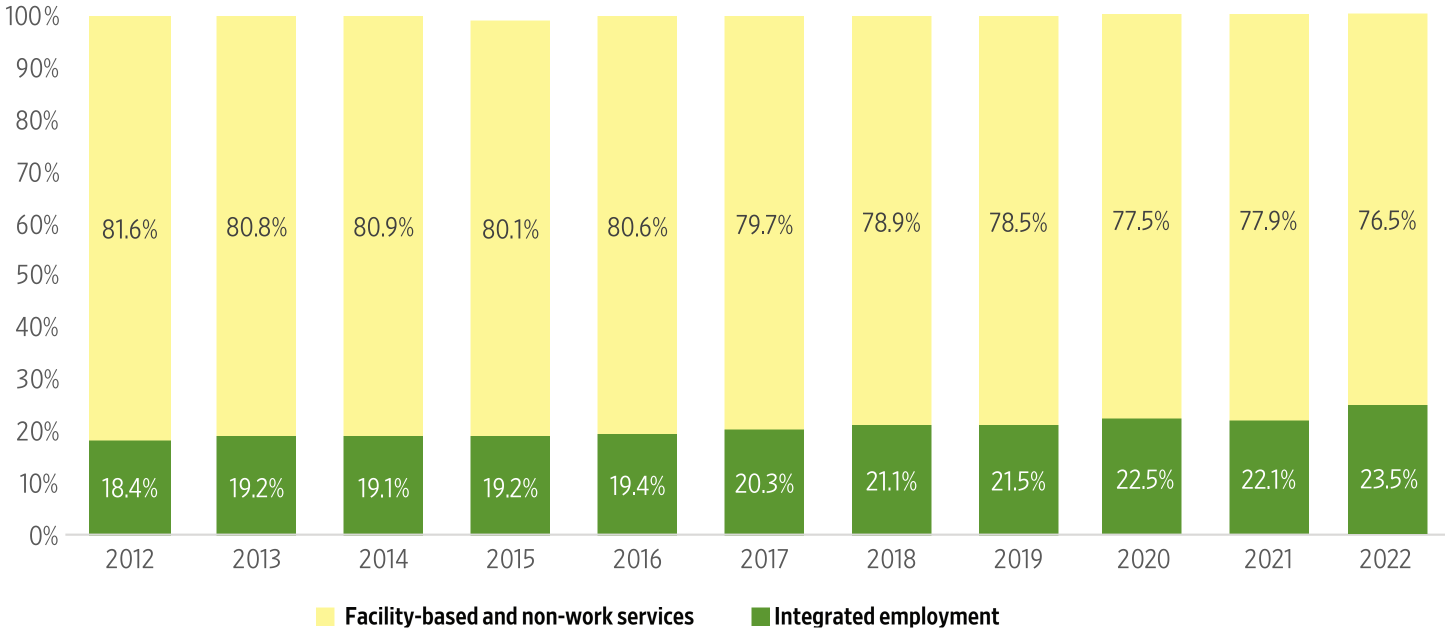
Based on findings from case studies of providers delivering quality CLE practices, individuals are being supported in volunteer work; postsecondary, adult, or continuing education; accessing community facilities, such as a local library, gym, or recreation center; participating in retirement or senior activities; and doing anything else people with and without disabilities do in their off-work time. Researchers also found that such activities support career exploration for those not yet working or those between jobs, supplement employment hours for those who are working part-time, or serve as a retirement option for older adults with IDD (Timmons & Sulewski, 2016). These findings serve as guidance for states and service providers seeking to increase and improve CLE. Guidance issued in 2022 by a federal interagency working group also emphasizes recognizing and expanding the role of community engagement in providing a pathway to employment (US Department of Education).

As emphasis on community-based non-work services grows and states implement their HCBS transition plans, additional research is needed on how state IDD agencies are translating best practices at the provider level into state policy and quality service monitoring.

FACILITY-BASED AND NON-WORK SETTINGS

The percentage of individuals served in facility-based and non-work settings has stayed fairly stable since 2008, varying between 77.5% and 82%. The variability in the number of states that report data in these three individual service categories (facility-based work, facility-based non-work, and community-based non-work) limits our ability to pinpoint the specific setting in which growth is occurring. However, analysis using data from states that report data in each of the three service categories suggests that participation in facility-based work has steadily declined, and the percentage of individuals served in non-work settings is increasing.

FIGURE 3. ESTIMATED IDD AGENCY SERVICE DISTRIBUTION BY YEAR



FUNDING FOR INTEGRATED EMPLOYMENT SERVICES CONTINUES TO LAG

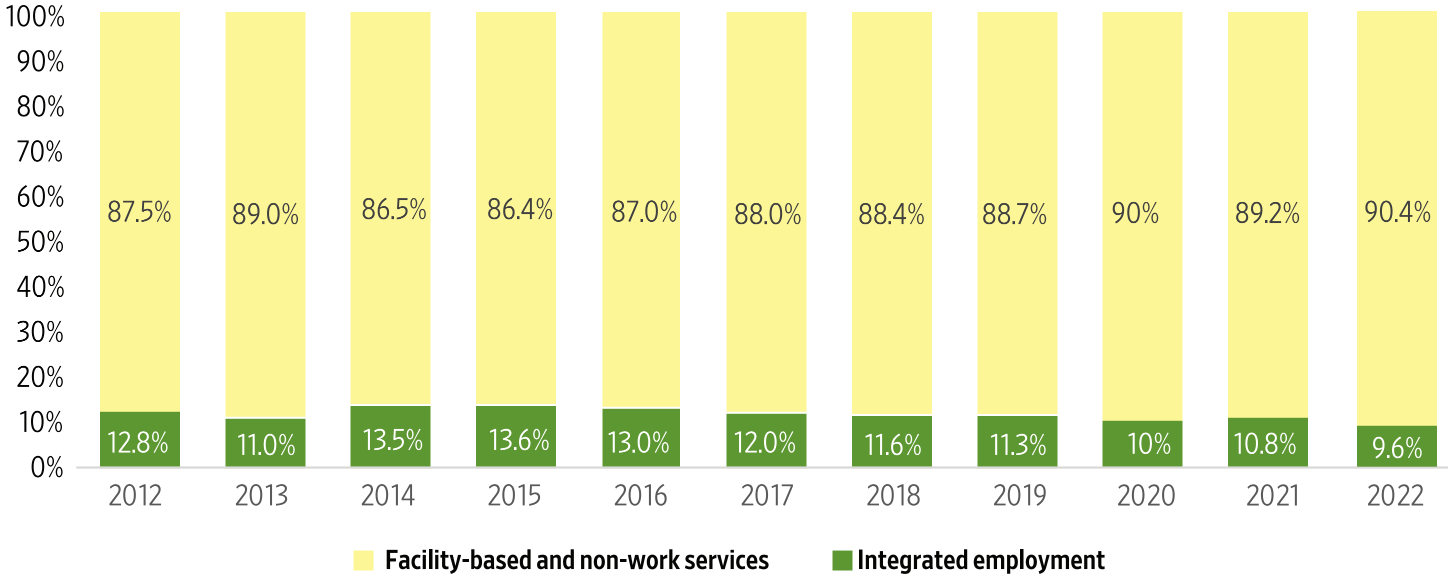
States vary in their ability to report on funding for employment and day services by service setting. Figure 4 shows trends in funding allocation by service setting for states that reported these monetary figures. Facility-based and non-work settings continue to comprise the largest percentage of expenditures for employment and day services. Collectively, states allocated 90.6% of employment and day services funding in FY 2022 to services that are not integrated employment, including community-based non-work, facility-based work, facility-based non-work, and other services (n = 47). Overall, there has been little fluctuation over time in the percentage of funding allocated toward integrated employment, which peaked in 2001 at 16.6%, but otherwise has ranged between 9.6% and 13.6% in all other years since 1999.

Facility-based and non-work settings continue to comprise the largest percentage of expenditures for employment and day services

In FY 2022, states that reported funding for integrated employment (n = 47) allocated only 9.4% of the funding for all employment and day services to integrated employment services in FY 2022. While this reflects a small drop, the same variable for the five years prior to the COVID-19 PHE ranged between 11.3 % and 13%. Further, the drop occurred during the same period that there was an increase in the number and percentage of people receiving an integrated employment service, which suggests that nationally, funding for employment and day services models do not prioritize integrated employment.

Nationally, funding for employment and day services models do not prioritize integrated employment.

FIGURE 4. PERCENTAGE OF ALL DAY AND EMPLOYMENT FUNDING BY YEAR



MEDICAID TITLE XIX WAIVER DOLLARS HAVE NOT TRANSITIONED TO INTEGRATED EMPLOYMENT SERVICES

Medicaid Title XIX Waiver funds are the largest sources of funds for employment and day services, representing 76.6% of total reported funds in FY 2022 (n = 45). This is a decline from previous years allocations, historically representing the source for over 80% of state employment and day services funds. The remaining funds are defined as "state, county, or local IDD funds" and "other (self-pay, JTPA, grants, DD Council, etc.)." Anecdotal evidence from states suggests that the increase in non-Medicaid Title XIX Waiver funds reflects states' use of American Rescue Plan Act (ARPA) funds for pilot projects and infrastructure investments for services for people with IDD.

Medicaid waivers as a funding source to support individualized integrated employment have received significant attention in recent years. Based on recommendations from State Employment Leadership Network (SELN) member states, Centers for Medicare and Medicaid Services (CMS) released an information bulletin in September 2011, "1915(c) Waiver Technical Guidance Revisions." The bulletin emphasized the importance of integrated employment and person-centered planning and distinguished between pre-vocational and supported employment services.

The bulletin also discussed best practices in employment services. It split supported employment into two core service definitions—individual and small group (2–8 people)—and added a new core service definition for career planning (Kennedy-Lizotte & Freeze, 2012). As states address the role of employment in their Medicaid HCBS Waiver under the Community Settings Rule, the guidance will continue to play a significant role in employment systems change.

In September 2015, CMS offered clarification to state Medicaid authorities on the development of reimbursement strategies to create incentives for integrated employment and specifically individual supported employment (Center for Medicare and Medicaid Services, 2015). Specifically, CMS clarified that benefits planning is an allowable service under Medicaid 1915(i) and 1915(c) waiver authorities, and that states can develop pay-for-performance methodologies, including the use of outcome-based payment, tiered outcome payments based on level of disability, milestone payments in addition to fee-for-service, and payment for hours the individual works.

Additionally, many states are making use of technical assistance available through SELN, Administration on Community Living grants, and the Office of Disability Employment Policy to support the redesign of their Medicaid Title XIX Waivers to increase individualized integrated employment outcomes.

States vary in their ability to report Medicaid Title XIX Waiver funds on specific IDD agency services. As the number of states able to report these figures increases, it will be important to examine both the cross-sectional and trend data for this type of funding. For states that have been able to report these figures (n = 45), the allocation of these funds has varied based on year and service category: integrated employment, community-based non-work, facility-based work, and facility-based non-work.

EMPLOYMENT AND DAY SERVICES: CONCLUSIONS

- The COVID-19 PHE continued recovery is reflected in FY 2022 data and confirmed anecdotally by the state IDD agencies' representatives.
- There continues to be evidence that individual states are taking steps to reduce facility-based work, and the number and percentage of individuals in facility-based work is declining. The national percentage for facility-based work was 16% in 2016 and 11.9% in 2021, which suggests a 4% decrease across five recent years.*
- Many states lack the mechanism for differentiating between community-based and facility-based non-work services but can provide a combined, unduplicated number for all non-work services.
- As community-based non-work services continue to grow, more data is needed about the quality of outcomes and implementation of service delivery practices and state service definitions.
- Funding for integrated employment services continues to lag behind funding for other activities. State IDD agencies need ongoing guidance and support to redistribute funds toward integrated employment services.

* States' ability to report facility-based work participation varies based on service definitions and other data sources available at the time of data submission. National percentages are based on the data submitted by states in a given year. Thirty-one states provided data for facility-based work in 2016, and 37 states provided data for facility-based work in 2021. These years are not directly comparable, but the overall percentage suggests possible trends over the years.

REFERENCES

Association of People Supporting Employment First. (2023, May 1). 2023 State legislative watch. https://apse.org/state-legislation/

Butterworth, J., & Edelstein, J. (2023) Trends in subminimum wage employment from 2013 to 2022, part 2: Number of 14(c) workers. [Data Note Series, Data Note 80.] University of Massachusetts Boston, Institute for Community Inclusion.

National Core Indicators Project. (2023). National Core Indicators 2021–2022 In-Person Survey. [Unpublished data]. Human Services Research Institute and National Association of State Directors of Developmental Disabilities Services.

State Employment Leadership Network. (2023). SELN working document: Prevocational services overview of SELN member states [Unpublished raw data].

Sulewski, J. S., Timmons, J. C., Lyons, O., & Hall, A. C. (2019). Guideposts for high-quality community life engagement supports: Results of expert interviews. Inclusion, 7(4), 254–268.

Sulewski, J. S., Lyons, O., & Kwan, N. (2023). Development of a community life engagement fidelity scale to assess and improve day services and supports. Journal of Vocational Rehabilitation, 58, 263–270.

US Department of Education. (2022). A framework for community engagement: A pathway to competitive integrated employment. US Department of Education, Office of Special Education and Rehabilitative Services.

ICI ThinkWork! State Data
INSTITUTE FOR COMMUNITY INCLUSION, UMASS BOSTON

Funding

This Data Note Plus is a product of ThinkWork! at the Institute for Community Inclusion, University of Massachusetts Boston, supported in part by the Administration on Disabilities, Administration for Community Living, US Department of Health and Human Services, under cooperative agreement #90DNPA0007. The opinions contained in this report are those of the grantee and do not necessarily reflect those of the funders.

DATA SOURCE

Institute for Community Inclusion's (ICI) National Survey of State Intellectual and Developmental Disabilities Agencies' Employment and Day Services through FY 2022.

Suggested Citation

Zalewska, A., Winsor, J., and Butterworth, J. (2025). *National Survey of State Intellectual and Developmental Disabilities Agencies' Employment and Day Services (1988–2022).* Data Note Plus 93. University of Massachusetts Boston, Institute for Community Inclusion.