



NEW YORK
**ALLIANCE FOR
INCLUSION & INNOVATION**

New York State Senate

Standing Committee on Disabilities
Standing Committee on Labor

Public Hearing on Employment and Disabilities

Wednesday, May 6, 2026
Hearing Room A
Legislative Office Building
Albany, New York

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Good morning/afternoon. My name is Michael Seereiter and I'm the President/CEO of the New York Alliance for Inclusion and Innovation (NY Alliance).

On behalf of the NY Alliance, which represents nearly 135 not-for-profit providers of services to people with intellectual, developmental and other disabilities (I/DD) throughout the state of New York, I thank Senators Fahy and Ramos for sponsoring this important public hearing and inviting us to testify.

The employment landscape for people with disabilities continues to be marked by significant gaps. According to the National Core Indicators survey 2023-24 (https://idd.nationalcoreindicators.org/wp-content/uploads/2025/06/IPS-23-24-Ch02-Employment_FINAL.pdf), the average percentage of people with I/DD who have a paid 'Community Job' or, competitive employment, is 17%. New York is a bit below that average at 14%. We can do better.

NY Alliance is pleased that the purpose of this hearing is to explore:

- how effectively New York's disability service, workforce development, and employer systems are supporting people with disabilities in obtaining and maintaining competitive, integrated employment
- the barriers within state programs, employer practices, and benefits structures,
- assess coordination across agencies, and
- identify policy solutions to improve workforce participation and economic mobility for New Yorkers with disabilities.

We are pleased to see there's interest in the State Legislature to better understand:

- limited pathways from programs to employment; and
- structural barriers such as benefits cliffs, the subminimum wage, and inconsistent employer engagement.

Our testimony will reflect many of those themes.

1. Strategy and Policy

A. Employment First

New York is an Employment First state.





Employment First is a national initiative to increase employment opportunities for people with disabilities. 31 states passed Employment First legislation. New York State did not go the legislative route. Rather, New York joined this national movement through Executive Action. Governor Kathy Hochul issued an Executive Order #40 in September 2024 declaring New York as an Employment First state which means we prioritize Competitive Integrated Employment (CIE) in our state. The State's E1stNY website [Employment First \(E1stNY\) | The State of New York](#) states that CIE is the state's first and preferred option for people served by the state's public disability support system.

Using the Most Integrated Settings Coordinating Council (MISCC) as the vehicle for public exchange, the E1stNY initiative has been focusing on strengthening the employment services system through:

- Improving systems data infrastructure;
- Leveraging assistive technology and secure AI opportunities;
- Expanding business partnerships and private sector engagement; and
- Supporting seamless transition across the lifespan.

According to the Executive Order, the “seven state agencies and the State Education Department will evaluate current practices and formulate a plan by October 1, 2025, designed to remove barriers and adopt practices, procedures, or rules to ensure that competitive integrated employment.” We look forward to the anticipated release of the E1stNY Annual Report, scheduled for this summer.

The NY Alliance believes the E1stNY initiative is a worthwhile endeavor that has implementation support from eight state offices and departments that touch – among many other, competing priorities – employment for people with disabilities. The initiative is led by the Office of the Chief Disability Officer, Kim Ridley, with assistance from Employment First Director, Andy Sink – we can have no better champions to lead this initiative than these two individuals, with whom we have worked on these issues for decades.

But Kim and Andy cannot do it alone. The employment landscape for people with disabilities is cross sector and it's significant. It's one of the factors contributing to the complexities and challenges of addressing barriers to employment for people with disabilities. Cross systems collaboration is one of the most important keys to the success of initiating programs and services that will help people with disabilities gain the employment they seek, maintain their jobs and feel satisfied with their performance. Identifying and correcting the disconnects that exist amongst the various state offices will address some of the current barriers to employment, especially for



people with intellectual and developmental disabilities (I/DD) who often get lost in this discussion.

In 2023, the Governor announced in her State of the State address, resources to support a shift in NYS toward greater support for employment and economic independence for Nyers with disabilities. Then again, in her SFY 24-25 Executive Budget Proposal, the Governor proposed several million in investments to support the Governor’s yet to be issued Executive Order to become an “Employment First” state for people with disabilities – resources that were approved by the legislature in the final budget. We have had high hopes that these resources would fund efforts to pilot new and innovative ways to encourage and support people with disabilities to go to work, like the value-based payment pilot we have recommended in the OPWDD Supported Employment program. We also have had high hopes that these resources would fund technical assistance to support culture change aligned with the effort to help more people with disabilities successfully enter the world of work. We encourage legislators to inquire with the administration and your respective fiscal committees for an accounting of what has been done with those resources.

B. MISCC

The MISCC is a statutorily designated entity authorized through Chapter 551 of the Laws of 2002. It was established shortly three years after the Olmstead Decision had been rendered by the Supreme Court as a means to oversee and promote integration for New Yorkers with physical, intellectual, developmental, and mental health related disabilities. Of its eight committees, the MISCC’s Employment Options Committee is charged with developing new avenues that support competitive, integrated employment for people with disabilities.

The MISCC is a cross-systems partnership of ten state offices and departments. Four other state offices and departments are ex-officio members of the MISCC. The MISCC is charged with the development of the Olmstead Plan. The Hope Action Plan was released in 2024 [HOPE Action Plan Final](#) and is “one step along the way to issuing a full NYS Olmstead Plan.” The State’s updated Olmstead Plan has not yet been released.

Similar to the E1stNY initiative, the NY Alliance believes the MISCC is worthwhile in that – among many other, competing priorities – it touches employment for people with disabilities. NY Alliance has long valued the efforts of the MISCC. We realize that bringing over a dozen state governmental entities and various stakeholders is never an easy task and fully and wholly addressing every issue and barrier to housing, employment, transportation and community





engagement is a monumental task. But it is critical that the State do better and it's vital that the State adhere to current statutory requirements

<https://www.nysenate.gov/legislation/laws/EXC/703> requiring an annual comprehensive statewide plan for providing services to people with disabilities, of all ages, in the most integrated setting possible. Employment is part of this plan.

The NY Alliance firmly believes that if more attention is granted to ensuring these statutory requirements are taken seriously and adhered to, some of the issues people with disabilities face, including barriers to employment, will receive not the only attention that's deserved but with actionable plans that will be carried out.

C. NYS Office for People With Developmental Disabilities (OPWDD) & Employment

The NY Alliance and our partner associations enjoy a healthy working relationship with OPWDD, especially regarding the topic of employment, where we have had robust discussion on how to make system improvements for many years. We applaud the office for its time and attention to the planning process outlined in Section 5.07 of the NY Mental Hygiene Law. We are pleased that employment and employment data has been included in the OPWDD plan. The data speaks to the ongoing disparities of unemployment by people with disabilities, even with the caveat of the impact of the pandemic.

As a result of the disparities and the employment-related outcomes of the pandemic, OPWDD has dedicated small amounts of funding to fund initiatives to empower people to achieve employment goals. This comes along with business model changes to support a shift towards allowing people to explore job development skills and discovery.

This is an important piece in the employment conversation as it's not just about the careers and jobs that are available to people with I/DD, it's about career planning, skills building and ongoing job coaching to ensure success.

2. Culture Eats Strategy (and Policy) For Breakfast

Despite these and many other valiant efforts to change policy and align funding with policies that advance employment opportunities for people with disabilities, we have not successfully moved the needle on the employment rate for people with disabilities in my 25 year career. And we





believe that's because the issues we are wrestling with have much more to do with culture change than policy changes.

Employment must be considered as the first option. And it must be an organizational value – from the top down and permeating all aspects of an organization, rather than being an afterthought. This rings true for not-for-profit providers of services as well as state agencies.

A. NY Alliance Experience Supporting Culture Change

NY Alliance and our predecessor organizations have a long history in promoting and supporting culture change in the field.

- NY Alliance has long promoted fidelity to person-centeredness as a foundation for everything when it comes to supporting people with disabilities, including employment supports. For the past several years, under a grant from the NYS Department of Health, and in collaboration with our grant partner Public Consulting Group, we have offered technical assistance and training to build person-centered planning and thinking skills in the OPWDD field and other Medicaid Home and Community-Based Service sectors. More information is available at <https://www.cvent.com/c/calendar/a80427e7-4d30-4cfe-864b-a4080b07e48e>
- Utilizing the basis that person-centered planning provides, we have long championed Customized Employment as the best practice when supporting people with disabilities to become employed and stay employed. Previously, we ran a Customized Employment Learning Institute, wherein mentoring for providers was made available to support them in changing their own culture toward a further embrace of customized employment. More information is available at https://nyalliance.starchapter.com/images/NY_Alliance_CELI_Final_Report_Nov_2020.pdf.
- In partnership with NYS Industries for the Disabled, we have commissioned studies from SUNY's Rockefeller Institute on Government of the disability sector, wherein recommendations have been made to NYS to help improve the opportunities for employment for people with disabilities.
- In 2023-24, Rockefeller Institute issued two reports on the “benefits cliff” that people with disabilities face when trying to go to work, identifying that they called “informal barriers” and offering 5 principles to guide existing and new policies addressing employment for people with disabilities. More information is available at <https://rockinst.org/wp-content/uploads/2023/11/Navigating-the-Benefits-Cliff.pdf> and



<https://rockinst.org/wp-content/uploads/2024/08/benefits-cliff-employment-support-nys.pdf>.

- More recently, we commissioned Rockefeller Institute to study the economic impact of the I/DD services sector and the NYS Preferred Source Program, in which they made concrete recommendations for NYS to consider related to advance employment opportunities through the Preferred Source Program, given it's noteworthy accomplishments. More information is available at <https://rockinst.org/wp-content/uploads/2026/03/NYSID-Alliance-Econ-Impact-2026-web.pdf>
- Through a technical assistance grant opportunity made available through the US Department of Labor's National Expansion of Employment Opportunities program, NY Alliance has been able to bring subject matter expertise to our members and beyond on several topics, including: apprenticeships, customized employment, partnering with employers, rural communities, self-employment, technology in employment supports, and transition from school. More information is available at <https://projects.nyalliance.org/project/closing-the-employment-gaps/>.
- In 2024, NY Alliance collaborated with the Sachs Policy Group to issue a series of briefs for policy makers, among which was a brief focused on enhancing OPWDD Supported Employment through a proposed value-based payment model, in which providers would be paid for their performance in helping people with disabilities get and retain jobs. More information is available at <https://files.constantcontact.com/5b48ae9f601/ea126cfd-867d-4196-85a7-02dde1807bdc.pdf>.
- In the 20-teens, NY Alliance's predecessor organization, NYS Rehabilitation Association, provided technical support to nearly 20 service providers operating sheltered workshops to help them convert to integrated businesses by 2020. In that work, we developed an Employment Supports Transformation Assessment that focuses on culture change within provider organizations, which remains remarkably relevant today amid the conversations about 14(c). More information is available at <https://www.esta-ny.com/>.

When we look at our system today and the success that some state agencies have achieved in advancing culture change on numerous fronts through targeted technical assistance and fostering innovation, this is perhaps one of the most important opportunities for the legislature to seek to provide funding through the state budget process and prompt the kind of change we all want to



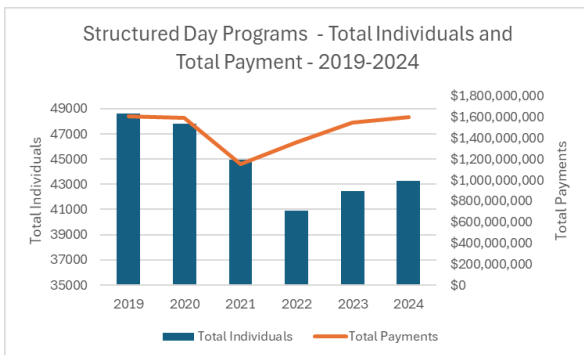


see. That would provide one of the most effective ways in which to address the concerning data we see below.

B. Using Data To Inform Our Efforts

When we look at the trends in spending through OPWDD on day and employment supports, we see evidence of how culture continues to play an outsized role in how people with disabilities are supported, despite policy declarations and efforts. Afterall, budgets are perhaps the most tangible expressions of our priorities, as a state. Following below are slides that we recently developed to help illustrate this point, utilizing the most recently published Medicaid spending by OPWDD.

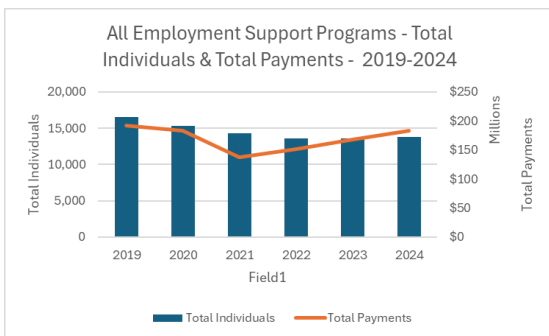
Day Hab



- 2024**
- 32.1% of all individuals served by OPWDD
 - 15.6% of all OPWDD spending (including kids)

In 2024, 32.1% of all individuals served by OPWDD received supports through a structured day program, constituting 15.6% of the overall OPWDD spend (including for children).

Employment Supports



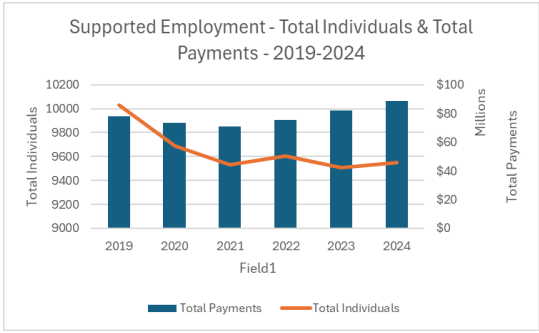
- 2024**
- 10.2% of all individuals supported by OPWDD
 - 1.78% of all OPWDD spending (including kids)

In 2024, 10.2% of all individuals supported by OPWDD received some type of employment support, constituting 1.78% of the overall OPWDD spend (including children).





Supported Employment



2024

- 7% of all individuals supported by OPWDD
- .86% of all OPWDD spending (including kids)

In 2024, 7% of all individuals supported by OPWDD received Supported Employment supports, constituting .86% of the overall OPWDD spend (including children).

This is one area where the State Legislature can be particularly helpful in advancing the culture change we need to see if advances in the employment rate for people with disabilities are to be realized – focusing on where the state spends money.

C. Competitive Integrated Employment

We need to focus on efforts to increase Competitive Integrated Employment (CIE). CIE is defined under the federal Workforce Innovation Opportunity Act, or WIOA, as employment where people with disabilities work alongside people without disabilities, earn at least minimum wage, and have access to advancement opportunities the same as other employees in similar roles. CIE provides higher wages, greater independence, improved wellbeing, which enhances a person’s quality of life and improves employment outcomes for people with disabilities. Employers benefit from having a skilled and diverse workforce. Communities benefit from inclusive economic participation and stronger social integration. And one of the most effective means by which we can achieve greater degrees of CIE is through Customized Employment.

Another way to try to improve employment outcomes for people with IDD is through the creation of a new funding model. As NY Alliance proposed in our policy paper on value-based payments (VBP), this model could serve as a pilot for testing the approach. Should it prove workable, it could then be turned into a prototype to scale it across regions and ultimately, for statewide implementation, if proven successful. Legislation can be introduced to either authorize this new funding model or to pilot such a model to prove its efficacy for replication statewide.





D. Subminimum Wage

Discussion continues about whether NYS should repeal a section of NY Labor Law that allows employers to pay people whose earning capacity may be impacted by youth, age, disability or injury less than the statutory minimum wage. The NY Alliance appreciates the Civil Rights justification behind this legislation, A.1006-B and S.28-C, as well as the complexity of this issue.

Section 14(c) of the federal FLSA allows employers to pay wages below the federal minimum to employees who have a disability that will directly impact their job productivity. It has allowed people with disabilities to work, develop their skills, and experience the satisfaction and pride that comes with earning a paycheck. This satisfaction should not be undervalued – there is much to be said for the comparative value of social inclusion that accompanies these jobs for individuals who may not, and often do not, find it elsewhere. It also requires an annual evaluation of a person’s career goals towards the competitive job market.

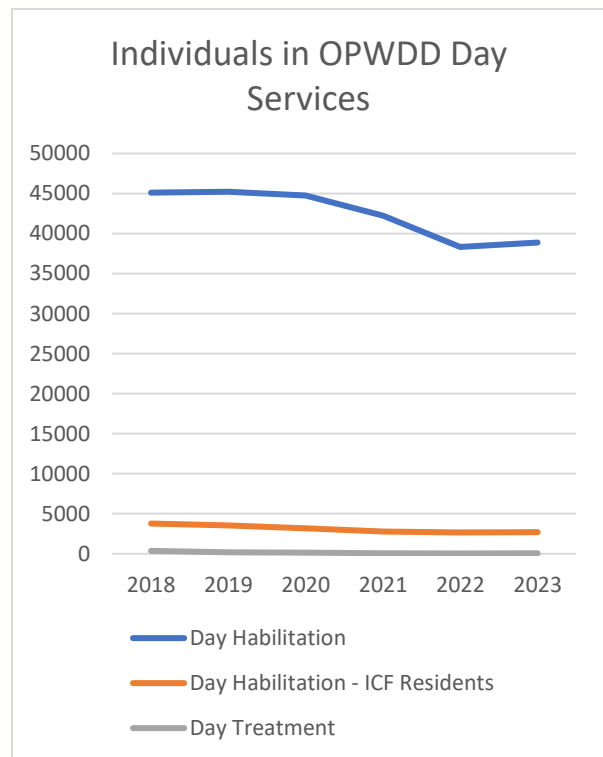
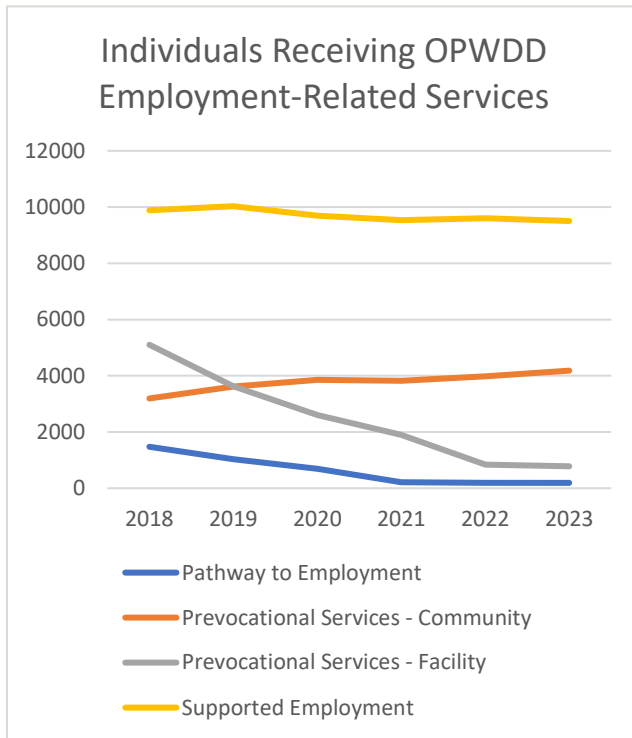
NY Labor Law currently allows this federal authority to allow employers to hire people and pay them at a wage commensurate with a person’s ability to perform the job. Without this tool, employers have long been much less likely to pay full wages to an individual whose productivity is far below that of an individual whose productivity is not hindered by a disability.

In NY, as of April 1, 2026 there were 20 active 14(c) certificates covering 1,217 working people with disabilities. Elimination of the subminimum wage, without a glide path or other means to mitigate the impact, will most likely put these individuals out of work completely – the opposite of the intended impact of the legislation.

The federal Government Accountability Office (GAO) performed a study <https://www.gao.gov/assets/gao-25-106471-highlights.pdf> in 2025 of states that eliminated the use of 14(c). “As of 2023 (the most recent data available), fewer than half of the approximately 1,000 people these states were able to track had moved from 14(c) to some other type of employment. This included competitive integrated employment (CIE), which entails earning a competitive wage at or above the federal minimum alongside people without disabilities. The remaining 54 to 61 percent of people the states were able to track were not working but were receiving non-employment services funded by Medicaid, such as day services to build socialization and daily living skills. Both states were not able to easily track outcomes for people who no longer received Medicaid services. Those individuals may or may not be working; may have chosen to retire; may have lost eligibility; or may no longer be living, according to state officials.”



This tracks with our experience at NY Alliance supporting providers to transition from sheltered workshops to integrated businesses in the mid-20-teens. A handful of the several thousand individuals receiving facility-based pre-vocational supports in sheltered workshops transitioned to community-based pre-vocational services. However, beyond that, enrollment in OPWDD supported employment, pathway to employment and day habilitation all declined. Following are charts of Medicaid claims data published on the OPWDD website, suggesting that an awful lot of people fell out of employment completely.



It's the people who will lose their jobs, as a result of the repeal of the subminimum wage, that the NY Alliance is concerned about. Here's another area where the State Legislature can not only be helpful, but part of the solution to ensure that people have a choice in terms of the future of their employment. We believe the Legislature can achieve the rights and employment objectives behind the legislation mentioned earlier without disadvantaging these people.

Two approaches are evident to us on how the legislature might proceed:





- 1) Introduce legislation that directs a study of the use of 14(c) in NY to understand the number of people who will be affected by the repeal of the subminimum wage, employment opportunities that will be available to them should 14(c) be eliminated, and various skill building options as people transition into new jobs. This would include: 1) a cost analysis of the funding that will need to be available to various state offices for other service options, for instance, OPWDD day services, when people become unemployed; and, 2) the impact, economic, social isolation, and otherwise, on parents and family members of a person who loses their job.
- 2) NYS could choose to subsidize wages for individuals working under a 14(c) certificate for the difference between their wage and the minimum wage or prevailing wage. As an example:

If the average productivity of the 1,217 individuals currently working under a 14(c) certificate is 50% (on average), NYS could subsidize their wages to bring them to \$15/hour for \$15,600/individual/year or \$18.9M/year, total. As a point of reference, OPWDD Day Habilitation in 2023 averaged \$35,927/year/individual. If those 1,217 individuals all went to Day Habilitation, it would cost the state an estimated \$43.7M/year.

Regardless of whether the state chooses to explore either of these options, in the spirit of person-centeredness, individualized employment transition plans for each person impacted by any elimination of 14(c) authority should be required. Transition plans should include, but not be limited to, their desire to find employment elsewhere, assistance with a job search, skills building and development for a new job, other options outside of employment that include volunteer work or retirement.

Additionally, amendments to current legislation proposing the subminimum wage repeal should include a multi-year glide path so that people negatively impacted by the law have time to find new jobs and/or the opportunity for other options outside of employment.

E. The Benefits Cliff

In 2023, 26 percent of people with disabilities lived in poverty according to the US Census's official poverty measure, and 30 percent lived in poverty using their more holistic supplemental poverty measure. (This compares to only 9 percent and 13 percent of nondisabled working-age





adults, respectively, across the two measures. As such, people with disabilities are significantly more likely to rely on social safety net programs.)

People with disabilities are nearly three times as likely to rely on the Supplemental Nutrition Assistance Program (SNAP) benefits compared to their peers (38 percent compared to 14 percent). (They also receive significantly more of their total income from other welfare programs (\$347 per year compared to \$72 per year on average) and Supplemental Security Income (SSI; \$1,512 on average compared to \$90) than their peers.) (*The Economic and Social Impact of Disability Service Providers in New York and NYSID: New Developments.*)

According to the report released by the Rockefeller Institute cited above, “people with disabilities in New York are more likely to live in poverty and rely on the social safety net than their peers without disabilities.”

We recommend the legislature consider seriously the three barriers to employment Rockefeller Institute identified:

1. The prevalence of missing information and misinformation caused by inadequate information and the lack of coaches or support staff trained on how to navigate systems such as SSI, SSDI, other public assistance benefits and employment programs.
2. Administrative burden such as the costs for applying for and maintaining access to government services and the stress and fear of losing existing benefits.
3. Risk aversion: The combination of misinformation, partial information, and administrative burden contributes to an unwillingness to take risks even when the expected outcome of the risk is significantly better than the expected outcome without the risk—among people with disabilities who rely on public benefits. Risk aversion is most associated with the fear of losing health insurance.

Additionally, we recommend the legislature consider seriously the five principles to guide existing and new policies to assure that all New Yorkers with disabilities who want to work have the opportunity to work, outlined in their reports.

F. Transition from School to Employment Supports





You may have heard of the term “transition age youth” and it refers to those young adults with disabilities who are moving from school to employment. This population of young adults face high unemployment rates. In NY, Pre-Employment Transition Services are designed to address the career needs of young adults with disabilities, yet barriers to employment remain.

Those barriers include limited career awareness, lack of work-based learning, insufficient self-determination skills, and the need for more cross-systems collaboration including, but not limited to state offices and departments, vocational entities and the not-for-profit organizations. If our state is going to get serious about addressing the employment gap for people with disabilities in the long-term, it will necessitate a concerted effort to address the culture young people with disabilities encounter in the education system long before they would transition to supports in employment as an adult. If nothing else, this should include encouragement of young people with disabilities to dream about the jobs they would like to have when they grow up – and setting a culture where that is the norm.

Closing

On behalf of the NY Alliance, we appreciate the attention being granted to employment for people with intellectual, developmental and other disabilities. Once again, we thank Senator Fahy and Senator Ramos for hosting this hearing.

The NY Alliance remains available to you, your colleagues and staff. I can be reached at mseereiter@nyalliance.org

