

# BLENDING, BRAIDING, AND SEQUENCING RESOURCES TO SUPPORT EMPLOYMENT OF PEOPLE WITH DISABILITIES

## Frequently Asked Questions for State Workforce Decision-Makers

September 4, 2025

### Frequently Asked Questions

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### Question 1: What is “blending” resources?

**Blending** occurs when dollars from multiple funding streams are combined to create a single “pot” of commingled dollars that is then used to fund an initiative or purchase one or more specific services that support an individual with a disability in pursuing, obtaining, or maintaining employment, including competitive integrated employment (CIE). To learn more about CIE and access related resources, [visit the U.S. Department of Labor’s Office of Disability Employment Policy CIE webpage](#). Typically, [combining dollars from multiple funding streams requires explicit statutory or regulatory authorization because the funds lose their individual program identity when blended](#). However, there are some specific instances when such authorization is not required or where blending is permitted in a limited way. States should review requirements and determine what are allowable activities.

### Question 2: What is “braiding” resources?

**Braiding** occurs when multiple funding streams, separately and *simultaneously*, provide specific services that support an individual with a disability in pursuing, obtaining, or maintaining employment, while retaining the ability to track and account for funds separately. Unlike blending, programs and funds retain their identity when resources are braided. Because braiding involves simultaneous service delivery by two or more systems, it may require interagency coordination and collaboration with this specific goal in mind. Specific statutory or regulatory authority is not typically required to braid resources.

### Question 3: What is “sequencing” resources?

**Sequencing** occurs when multiple funding streams separately and *sequentially* provide specific services that support an individual with a disability in pursuing, obtaining, or maintaining employment.

Question 4: Can state governments receive and *simultaneously* use resources from more than one Federal and/or State source to support the employment goals of an individual with disabilities?

Yes, state governments can receive and *simultaneously* use resources, including funding, from more than one Federal and/or State source to support the employment goals of job seekers with disabilities.

The most common strategy for leveraging resources from multiple Federal and/or State programs to support the employment goals of an eligible individual with a disability is through braiding. There are a variety of funding sources that can be leveraged through braiding, if the following criteria are met:

- Individuals have applied, are determined eligible, and have completed the appropriate enrollment processes for all systems providing resources toward a mutual employment goal.
- When braiding funds, the funds can be tracked and documented to meet any accounting and auditing requirements of each individual federally funded system involved.
- The various systems have developed and agreed to a plan in which all resources being leveraged are supplementing and not duplicating efforts. Unless blending is occurring, agencies cannot pay for the same service at the same time. In other words, with braiding, they can pay for services that supplement each other. For example, one system can pay for a job coach while another system pays for transportation to and from work. If funding is simultaneous, payer of last resort rules require detailed accounting processes documenting that, without the investment of resources from two or more programs, the individual would not be able to access and benefit from the specific service(s). (See additional information in [Question 7](#) and [Question 8](#))

## Question 5: What are some examples of programs and funds that may be blended, braided, and/or sequenced to support employment outcomes?

The following funds can be blended, braided, and/or sequenced, as applicable, with funds from different funding sources to assist eligible individuals with disabilities to achieve employment outcomes:

- Individuals with Disabilities Education Act (IDEA) Part B funds reserved for state-level activities may be used to carry out the development and implementation of transition programs, including coordination of services with agencies involved in supporting the transition of students with disabilities to postsecondary activities. 34 CFR 300.704(b)(4)(vi). IDEA Part B funds are provided to states, which subgrant the funds to local educational agencies (LEAs), to support the provision of a free appropriate public education to eligible students with disabilities in accordance with their individualized education program (IEP). The IEP for each student with a disability, developed under IDEA, must address transition services requirements beginning no later than the first IEP to be in effect when the student turns 16, or younger if determined appropriate by the IEP Team, and must be updated annually thereafter. The IEP must include:
  - (1) Appropriate measurable postsecondary goals based upon age-appropriate transition assessments related to training, education, employment, and, when appropriate, independent living skills; and
  - (2) The transition services (including courses of study) needed to assist the student with a disability in reaching those goals. 34 CFR 300.320(b). While the IDEA statute and regulations refer to courses of study, they are but one example of [appropriate transition services](#). Transition services may include job development, job analysis, job placement, and job coaching.
- The Vocational Rehabilitation (VR) program (Title IV of WIOA), which provides funding for services designed to meet employment and career goals on an individualized basis, could fund on-the-job training, assistive technology, trial work experiences, skills training, and supported, self, and customized employment services.
- Workforce Innovation and Opportunity Act (WIOA) Youth Services (Title I of WIOA) provides funding for leadership development activities, summer work experiences, skills training, financial literacy, supportive services, and case management.

- The Centers for Medicare & Medicaid Services (CMS) funds employment and related services through the Medicaid State plan and home and community-based services (HCBS) waivers. Medicaid State plans services and HCBS waivers can provide funding for prevocational services, supported and customized employment services, transportation, benefits counseling, financial capability development, workplace personal assistance, peer support, and support coordination.
- Milestone/Outcome payments from the Social Security Administration (SSA) for Ticket to Work can be made at the same time as CMS provides funding for supported employment services. CMS has clarified that Ticket to Work Outcome and Milestone payments funded through the SSA may occur simultaneously with payment for Supported Employment services funded through the Medicaid HCBS waiver program to create a more robust support system for individuals seeking sustained employment. Such combined support increases employment opportunities and meaningful community engagement. States have flexibility to craft their own service definitions, even though many states rely on the [core service definitions provided by CMS](#). This flexibility helps state agencies come together to support and increase opportunities for employment for Medicaid HCBS waiver participants.
- WIOA Adult Services (Title I of WIOA) provides funding for skills training, soft skills development, financial literacy, career counseling, and individual training accounts.
- The Substance Abuse and Mental Health Services Administration's (SAMHSA) Mental Health Block Grants provide funds to behavioral/mental health agencies for eligible individual person-centered plans that cover the costs of peer support, supported employment, rehabilitative services, and service coordination.
- The Consumer and Consumer Supporter National Technical Assistance Centers under the SAMHSA provide training and technical assistance to promote employment for individuals with serious mental illness, including peer support, financial literacy, planning for employment, and entrepreneurship.
- Public housing agencies that receive U.S. Department of Housing and Urban Development (HUD) funding for family self-sufficiency programs cover the expenses of financial literacy, service coordination, and career pathways.
- Centers for Independent Living (CILs), provide career exploration, job readiness training, resume building, work-based internships and activities, and work incentives benefits counseling.

- Funds available to local educational agencies and other eligible subrecipients under the Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V), may be used to pay for the costs of career and technical education (CTE) services required in an IEP developed under IDEA or the costs of CTE services necessary to meet the requirements of Section 504 of the Rehabilitation Act. Funds also may be used to reduce or eliminate out-of-pocket expenses for individuals with disabilities and other special populations participating in CTE, including those participating in dual or concurrent enrollment programs or early college high school programs, and supporting the costs associated with fees, transportation, childcare, or mobility challenges.
- Under [20 U.S.C. 1413\(a\)\(2\)\(D\)](#) and [34 CFR 300.206](#), LEAs may use IDEA Part B funds to carry out a schoolwide program under Title I of the Elementary and Secondary Education Act (ESEA) provided certain requirements are met, including that the amount of funds used in any such program is, in general, proportional to the number of children with disabilities participating in the schoolwide program. Schoolwide programs under Title I of the ESEA allow for greater flexibility in the way public schools may use funds, provided they are based on a comprehensive schoolwide plan built on the results of a comprehensive needs assessment.

### Question 6: How can interagency agreements be used to design collaborative resource leveraging processes to initiate resource blending, braiding, and/or sequencing between two or more public entities?

The Workforce Innovation and Opportunity Act (WIOA) encourages, and in some instances mandates, interagency agreements between two or more public entities at both the State and local level for youth and working age adults with disabilities.<sup>1</sup> Public entities benefit from these interagency agreements at State and local levels because they clarify roles and responsibilities. In addition, these interagency agreements offer common definitions for specific supports and services to reduce confusion for provider agencies and individuals with disabilities. They provide guidance on collaboration in the development of individual education, employment, and support plans, specify financial responsibilities, and establish the scope and duration of services and supports. These agreements can also describe the approach to data sharing and measuring performance.

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<sup>1</sup> WIOA section 121(c) and (h) requires that Local Workforce Development Boards sign an MOU with one-stop partners/ programs on service delivery and cost-sharing within AJCs, as described in the WIOA Joint Rule at 20 CFR 678.500 for the core programs administered by the U.S. Department of Labor and in 34 CFR 361.500 and 463.500 for the Vocational Rehabilitation and Adult Education and Family Literacy Act (AEFLA) programs.



They can help avoid confusion among personnel from participating agencies and possible delays in the provision of employment-related services through clearly defined roles and responsibilities. Additionally, interagency agreements can be used to outline how the collaboration between two or more agencies will result in continued compliance with all relevant Federal and State rules and regulations. As a result of such agreements, more support is available to better ensure that individuals with disabilities achieve and retain employment. (For more information, refer to the Workforce GPS

[Sample MOU and Infrastructure Costs Toolkit.](#))

The following are examples of interagency agreements between State and local government entities to leverage resources across systems and ensure that services are appropriately provided to individuals with disabilities:

- American Job Centers (AJCs) and State/Local Workforce Development Boards (WDBs) are State or local government partners that enter into interagency agreements when the “other entities...are components of the statewide workforce development system of the State,” [under 29 U.S.C. § 721\(a\)\(11\)\(A\) as amended](#). Under [34 CFR 361.24\(g\)](#), the vocational rehabilitation services portion of the WIOA State Plan must describe how the VR agency will collaborate with the State agency responsible for administering the State Medicaid Program, the State agency responsible for providing services for individuals with intellectual and developmental disabilities (I/DD), and the State agency responsible for providing mental health services, to develop opportunities for community-based employment in integrated settings, to the greatest extent practicable.
- State workforce entities, local CILs, and other for-profit or non-profit local entities providing employment support services to Social Security Disability beneficiaries may choose to enter into an agreement (Ticket to Work Program Agreement) with SSA to become a Ticket to Work Employment Network (EN). As a Ticket to Work EN, the organization is eligible for outcome payments based on beneficiary work and earnings outcomes. [These funds may be used at the discretion of the organization](#). In addition to workforce entities, Ticket to Work outcome and milestone payments can be received and used concurrently with payments for Medicaid services because these payments are made for an outcome, rather than for a Medicaid service rendered, as described in the [CMCS Informational Bulletin](#) and [Technical Guide](#).
- Most State agencies have interagency agreements between the workforce system, Medicaid, VR, I/DD, Mental Health, Substance Use, and Education.

- The U.S. Departments of Labor, Education, and Health and Human Services have collaborated for more than a decade on career pathway approaches for individuals with and without disabilities, which also encourages resource braiding through interagency agreements among multiple public entities, as highlighted in the [\*Career Pathways Toolkit: A Guide for Systems Development\*](#).
- The Maryland Department of Labor (MD Labor); State Department of Education, Division of Rehabilitation Services (DORS); Department of Human Services (DHS); Governor's Workforce Development Board (GWDB); and Department of Housing and Community Development (DHCD) created [comprehensive cross-agency policy guidance](#) on creating and implementing WIOA Memoranda of Understanding (MOUs) and Resource Sharing Agreements (RSAs) to promote interagency collaboration and the leveraging of resources between programs. Through the [Disability Innovation Fund program](#), authorized by the Further Consolidated Appropriations Act, 2020 ([Pub. L. 116-94](#)), the Rehabilitation Services Administration encourages the development of interagency agreements to support innovative activities aimed at improving the outcomes of individuals with disabilities including the education and post-school outcomes of children receiving Supplemental Security Income (SSI) and their families, which may result in long-term improvement in the SSI child recipient's economic status and self-sufficiency.
- [Under the Rehabilitation Act of 1973, as amended by WIOA](#), and its implementing regulations, VR agencies must enter into formal interagency agreements with State educational agencies (SEAs) to collaboratively plan and coordinate services focused on transition from school to work, post-secondary education and/or training for students with disabilities. [The formal interagency agreement, which may also include LEAs](#), must describe how the parties will conduct joint transition planning and provide pre-employment transition services for in-school youth with disabilities.



- Funding for transition services for youth with disabilities served under the IDEA, focused on transition from school to work, post-secondary education and/or training, may be braided with Medicaid HCBS waiver funds through the development of interagency agreements that specify the responsibility of each partner in accordance with the youth's IEP, provided the services for those youth are not required under the IDEA. The provider agency must provide documentation showing that the services are required and that they are not already required under the IDEA ([34 CFR 300.154\(a\) and \(b\)](#)). The collaboration and braiding of funds allow for additional services to advance employment outcomes and community participation for youth with disabilities who are eligible individuals under both IDEA and State Medicaid HCBS waivers. CMS notes that supported employment cannot be funded through Medicaid if those services include “special education and related services (as such terms are defined in Section 602 of the IDEA), which otherwise are available to the individual through a local education agency.”

Question 7: What does “payer of last resort” mean and does this prevent State or local agencies from braiding resources to support the employment goals of individuals with disabilities?

“[Payer of last resort](#)” means the entity that pays after all other programs have been pursued for enrollment and payment. Under the “payer of last resort” (also referred to in Medicaid as “third party liability” (Section 1902(a)(25)) of the Social Security Act) requirement, State Medicaid programs must take “all reasonable measures to ascertain the legal liability of third parties” (Social Security Act codified at 42 U.S.C. §1396a(a)(25)). Even though many, but not all, publicly funded services are defined as the payer of last resort, there are options that permit braiding resources with other public funders to meet the needs of individuals with disabilities. Further, if the payer of last resort has paid a bill that should have been paid by another entity, then the State or local agency that is the payer of last resort may seek reimbursement 42 U.S.C. §1396a(a)(25)).

The payer of last resort requirement does not prevent State and local agencies from braiding resources. Braiding resources to meet the needs and employment goals of individuals with significant disabilities is a strategy that is supported across the Federal government. In 2011, CMS issued an [Informational Bulletin](#) clarifying that Medicaid HCBS waiver funds may be used for supported and customized employment, peer support services, and prevocational services. The [Medicaid 1915\(c\) HCBS Waiver program](#) complements as well as supplements services that are already available under the Medicaid State plan and other Federal, State and local public programs, as well as the supports that families and communities provide.

## Question 8: How can State and local partners use interagency agreements to promote employment that meet payer of last resort (also known as third party liability) requirements?

State agency funders (e.g., vocational rehabilitation, behavioral health, developmental disabilities, education) should develop interagency agreements that outline the specific resources (i.e., funds, staff, and services) for which each funder is taking responsibility to jointly support job seekers with a disability. Interagency agreements detail how the separate agencies will come together to make decisions and engage common customers in making informed choices about services. By clarifying responsibilities between the agencies upfront, the funders will be able to work collaboratively to ensure a smoother payer of last resort process when providing services to a shared job seeker. State agencies also can specify a procedure for resolving disputes regarding payment or reimbursement for specific services in the agreement.

To comply with payer of last resort requirements, an interagency agreement must include descriptions of the specific services to be provided. Public entities should also specify in the interagency agreement who will provide specific services, under what conditions, for how long, how they are going to help the individual, and how they are going to fund the services. If services for an individual are likely to overlap due to the timing and sequencing of the services, the interagency agreement should specify which entity funds what services.