

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 8736
OFFERED BY MR. SCOTT OF VIRGINIA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Transformation to
3 Competitive Integrated Employment Act”.

4 SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Purposes.

TITLE I—COMPETITIVE INTEGRATED EMPLOYMENT
TRANSFORMATION GRANT PROGRAMS

Sec. 101. Program authorized.
Sec. 102. State grant program.
Sec. 103. Certificate holder grant program.

TITLE II—PHASE OUT OF SPECIAL CERTIFICATES UNDER
SECTION 14(C) OF THE FAIR LABOR STANDARDS ACT OF 1938

Sec. 201. Transition to fair wages for individuals with disabilities.
Sec. 202. Prohibition on new special certificates; sunset.

TITLE III—TECHNICAL ASSISTANCE AND DISSEMINATION

Sec. 301. Technical Assistance and dissemination.

TITLE IV—REPORTING AND EVALUATION

Sec. 401. Impact evaluation and reporting.
Sec. 402. Wage and hour reports.

TITLE V—GENERAL PROVISIONS

Sec. 501. Definitions.
Sec. 502. Authorization of appropriations.

1 **SEC. 3. PURPOSES.**

2 The purposes of this Act are to—

3 (1) assist employers with special certificates
4 issued under section 14(c) of the Fair Labor Stand-
5 ards Act of 1938 (29 U.S.C. 214(c)) to transform
6 their business and program operations to models
7 that support individuals with disabilities to find and
8 retain work in competitive integrated employment;

9 (2) ensure individuals with disabilities, families
10 of such individuals, State and local governments,
11 and other stakeholders are involved in the trans-
12 formations described in paragraph (1);

13 (3) ensure individuals employed in programs
14 using such special certificates transition to competi-
15 tive integrated employment positions and, as needed,
16 to integrated services that support them in their
17 homes and in community settings;

18 (4) identify models and processes for shifting
19 business and program models from such special cer-
20 tificates to competitive integrated employment mod-
21 els and integrated community participation and
22 wraparound services, and to share that information
23 with other such special certificate holders, State and
24 local entities, and other service providers for individ-
25 uals with disabilities; and

1 (5) support States and local governments as
2 they revise and implement their Olmstead plans and
3 local plans, respectively, in order to improve com-
4 petitive integrated employment outcomes for individ-
5 uals with disabilities through all State workforce de-
6 velopment systems.

7 **TITLE I—COMPETITIVE INTE-**
8 **GRATED EMPLOYMENT**
9 **TRANSFORMATION GRANT**
10 **PROGRAMS**

11 **SEC. 101. PROGRAM AUTHORIZED.**

12 From the amounts appropriated to carry out this
13 title, the Secretary of Labor shall award grants under sec-
14 tions 102 and 103, on a competitive basis, to States and
15 eligible entities to assist employers who were issued special
16 certificates in transforming their business and program
17 models from providing employment using such special cer-
18 tificates to business and program models that employ and
19 support individuals with disabilities by—

20 (1) providing competitive integrated employ-
21 ment, including by compensating all employees of
22 the employer at a rate that is—

23 (A) not less than the higher of the rate
24 specified in section 6(a)(1) of the Fair Labor
25 Standards Act of 1938 (29 U.S.C. 206(a)(1))

1 or the rate specified in the applicable State or
2 local minimum wage law; and

3 (B) not less than the customary rate paid
4 by the employer for the same or similar work
5 performed by other employees who are not indi-
6 viduals with disabilities, and who are similarly
7 situated in similar occupations by the same em-
8 ployer and who have similar training, experi-
9 ence, and skills;

10 (2) assisting individuals with disabilities who
11 were employed by the employer in finding and re-
12 taining work in competitive integrated employment,
13 which work may be with the employer after such
14 transformation or in another competitive integrated
15 employment setting;

16 (3) providing integrated community participa-
17 tion and wraparound services for individuals with
18 disabilities; and

19 (4) ensuring all such services and other non-
20 employment services offered under, or with assist-
21 ance from, such a grant comply with the require-
22 ments for home and community-based services under
23 the Home and Community-Based Services (HCBS)
24 final rule published on January 16, 2014 (79 Fed.
25 Reg. 2948), or a successor rule.

1 **SEC. 102. STATE GRANT PROGRAM.**

2 (a) APPLICATION.—

3 (1) IN GENERAL.—To be eligible to receive a
4 grant under this section, a State shall submit an ap-
5 plication to the Secretary at such time, in such man-
6 ner, and including such information as the Secretary
7 may reasonably require.

8 (2) CONTENTS.—Each application submitted
9 under paragraph (1) shall include—

10 (A) a description of the status of the em-
11 ployers in the State providing employment
12 using special certificates, including—

13 (i) the number of employers in the
14 State using special certificates to employ
15 and pay individuals with disabilities;

16 (ii) the number of employers described
17 in clause (i) that also employ individuals
18 with disabilities in competitive integrated
19 employment, which shall include employers
20 providing such employment in combination
21 with integrated services;

22 (iii) the number of employees em-
23 ployed under a special certificate,
24 disaggregated by—

25 (I) employer; and

1 (II) demographic characteristics,
2 including gender, race, ethnicity, and
3 type of disability, unless indicating
4 such characteristics would disclose
5 personally identifiable information;

6 (iv) the average, median, minimum,
7 and maximum number of hours such em-
8 ployees work per week, disaggregated by
9 employer, and reported for the State as a
10 whole; and

11 (v) the average, median, minimum,
12 and maximum hourly wage for such em-
13 ployees, disaggregated by employer, and
14 reported for the State as a whole;

15 (B) a description of the activities of the
16 State with respect to competitive integrated em-
17 ployment for individuals with disabilities, in-
18 cluding, as applicable—

19 (i) a copy of the State plan for car-
20 rying out the Employment First initiative;

21 (ii) a copy of the Olmstead plan of the
22 State;

23 (iii) a description of activities related
24 to the development and promotion of
25 ABLE accounts; and

1 (iv) a description of the medical as-
2 sistance provided by the State through a
3 Medicaid buy-in eligibility pathway under
4 subclause (XV) or (XVI) of section
5 1902(a)(10)(A)(ii) of the Social Security
6 Act (42 U.S.C. 1396a(a)(10)(A)(ii)), in-
7 cluding any premiums or other cost shar-
8 ing imposed on individuals who enroll in
9 the State Medicaid program through such
10 a pathway;

11 (C) a description of activities to be funded
12 under the grant, and the goals of such activi-
13 ties, including—

14 (i) the process to be used to identify
15 each employer in the State that will trans-
16 form its business and program models
17 from employing individuals with disabilities
18 using special certificates to employing indi-
19 viduals with disabilities in competitive inte-
20 grated employment settings, or a setting
21 involving a combination of competitive in-
22 tegrated employment and integrated serv-
23 ices;

1 (ii) the number of such employers in
2 the State that will carry out a trans-
3 formation described in clause (i);

4 (iii) the service delivery infrastructure
5 that will be implemented in the State to
6 support individuals with disabilities who
7 have been employed under special certifi-
8 cates through such a transformation, in-
9 cluding providing enhanced integrated
10 services to support individuals with the
11 most significant disabilities;

12 (iv) a description of the process to re-
13 cruit and engage Federal, State, and local
14 governments and nonprofit and private em-
15 ployers to hire individuals with disabilities
16 into competitive integrated employment
17 who have been employed under special cer-
18 tificates;

19 (v) the competitive integrated employ-
20 ment and integrated services that will be
21 implemented in the State to support such
22 individuals;

23 (vi) a timeline for phasing out employ-
24 ment using special certificates in the State,
25 which shall not extend past the date on

1 which the legal effect of such certificates
2 expires under section 14(c)(7) of the Fair
3 Labor Standards Act of 1938 (29 U.S.C.
4 214(c)(7)), as added by title II;

5 (vii) a timeline for the expansion of
6 employers that will provide competitive in-
7 tegrated employment, or a combination of
8 competitive integrated employment and in-
9 tegrated services, to individuals with dis-
10 abilities who have been employed by such
11 employers under special certificates;

12 (viii) a description of the expanded
13 competitive integrated employment and in-
14 tegrated services to be provided to such in-
15 dividuals as a result of transformations de-
16 scribed in clause (i); and

17 (ix) a description of the process to be
18 used to engage stakeholders in such trans-
19 formations;

20 (D) a description of how the activities
21 under the grant will coordinate and align Fed-
22 eral, State, and local programs, agencies, and
23 funding in the transformations described in
24 subparagraph (C)(i);

1 (E) a description of the State’s evaluation
2 plan to determine the social and economic im-
3 pact of the grant, including the impact (as
4 measured throughout the transformation and
5 the 2-year period after the State has phased out
6 employment using special certificates) on—

7 (i) the employment status of individ-
8 uals with disabilities in the State, including
9 the number of hours worked, average
10 wages, and job satisfaction, of such indi-
11 viduals; and

12 (ii) changes in provider capacity to
13 support competitive integrated employment
14 and integrated services;

15 (F) assurances that—

16 (i) the activities carried out under the
17 grant will result in each employer in the
18 State that provides employment using spe-
19 cial certificates on the date of enactment of
20 this Act transforming as described in sub-
21 paragraph (C)(i);

22 (ii) individuals with the most signifi-
23 cant disabilities, including intellectual and
24 developmental disabilities, who will be af-
25 fected by such a transformation will be

1 given priority in receiving the necessary
2 competitive integrated employment sup-
3 ports and integrated services to succeed
4 during and after such a transformation;

5 (iii) each individual in the State who
6 is employed under a special certificate will,
7 as a result of such a transformation, be
8 employed in competitive integrated employ-
9 ment;

10 (iv) at a minimum, the State agencies
11 responsible for developmental disability
12 services, Medicaid, education, vocational
13 rehabilitation, mental health services,
14 transportation, and workforce development
15 agree to be partners in the goals of the
16 grant;

17 (v) until the date that is 2 years after
18 the legal effect of special certificates ex-
19 pires under section 14(c)(7) of the Fair
20 Labor Standards Act of 1938 (29 U.S.C.
21 214(c)(7)), as added by title II, the State
22 will comply with requirements of the Sec-
23 retary with respect to the collection of
24 data, and will require employers providing
25 employment under special certificates in

1 the State to comply with such require-
2 ments;

3 (vi) the State will cooperate with the
4 evaluation under title IV by providing all
5 data required and allow the evaluation of
6 activities under the grant;

7 (vii) the State will establish an advi-
8 sory council described in paragraph (3) to
9 monitor and guide the process of trans-
10 forming business and program models of
11 employers in the State as described in sub-
12 paragraph (C)(i);

13 (viii) the State will cooperate with the
14 nonprofit entity carrying out technical as-
15 sistance and dissemination activities under
16 title III;

17 (ix) all integrated services and non-
18 employment services offered by employers
19 in the State will comply with—

20 (I) the requirements for home
21 and community-based services under
22 the Home and Community-Based
23 Services (HCBS) final rule published
24 on January 16, 2014 (79 Fed. Reg.
25 2948), or a successor rule;

1 (II) the holding of the Olmstead
2 decision; and

3 (III) the Americans with Disabil-
4 ities Act of 1990 (42 U.S.C. 12101 et
5 seq.); and

6 (x) the State will disseminate informa-
7 tion to all individuals with disabilities em-
8 ployed under special certificates regarding
9 the availability of—

10 (I) ABLE accounts and other
11 asset developmental options for indi-
12 viduals with disabilities;

13 (II) the Ticket to Work and Self
14 Sufficiency Program established under
15 section 1148 of the Social Security
16 Act (42 U.S.C. 1320b–19); and

17 (III) other resources related to
18 benefits counseling for individuals
19 with disabilities who wish to or are
20 working in competitive integrated em-
21 ployment settings; and

22 (G) such other information and assurances
23 as the Secretary may reasonably require.

24 (3) MEMBERS OF THE ADVISORY COUNCIL.—A
25 State receiving a grant under this section shall, for

1 the purpose described in paragraph (2)(F)(vii), es-
2 tablish an advisory council composed of the fol-
3 lowing:

4 (A) Individuals with disabilities, including
5 such individuals with intellectual and develop-
6 mental disabilities, who are or were employed
7 under a special certificate, who shall comprise
8 not less than 25 percent of the members.

9 (B) A family member of an individual with
10 an intellectual or developmental disability who
11 is employed under a special certificate.

12 (C) A family member of an individual with
13 an intellectual or developmental disability who
14 is employed in competitive integrated employ-
15 ment.

16 (D) An employer providing competitive in-
17 tegrated employment.

18 (E) An employer providing employment
19 under special certificates.

20 (F) A representative of a nonprofit agency
21 or organization specializing in competitive inte-
22 grated employment.

23 (G) A representative of the State develop-
24 mental disability agency.

1 (H) A representative of the State voca-
2 tional rehabilitation agency, as such term is
3 used under the Rehabilitation Act of 1973 (29
4 U.S.C. 701 et seq.).

5 (I) A representative of an agency in the
6 State described in paragraph (6) or (7) of sec-
7 tion 8501 of title 41, United States Code.

8 (J) A representative of the State inde-
9 pendent living centers, as such term is used
10 under the Rehabilitation Act of 1973 (29
11 U.S.C. 701 et seq.).

12 (K) A representative of the State Council
13 on Developmental Disabilities, as defined in sec-
14 tion 102 of the Developmental Disabilities As-
15 sistance and Bill of Rights Act of 2000 (42
16 U.S.C. 15002).

17 (L) A representative of one of the State
18 University Centers for Excellence in Develop-
19 mental Disabilities Education, Research, and
20 Service, established under subtitle D of title I
21 of the Developmental Disabilities Assistance
22 and Bill of Rights Act of 2000 (42 U.S.C.
23 15061 et seq.).

24 (M) A representative of the State protec-
25 tion and advocacy system, as defined in section

1 102 of the Developmental Disabilities Assist-
2 ance and Bill of Rights Act of 2000 (42 U.S.C.
3 15002).

4 (N) A representative of the State Medicaid
5 office.

6 (O) Representatives of other State agencies
7 and disability organizations and other disability
8 related offices and groups with expertise in
9 competitive integrated employment.

10 (b) GEOGRAPHIC DIVERSITY.—To the extent prac-
11 ticable, the Secretary shall distribute grant funds under
12 this section equitably among geographic areas of the
13 United States, and take into account rural and urban di-
14 versity.

15 (c) DURATION OF AWARDS.—A grant under this sec-
16 tion shall be awarded for a period of 5 years.

17 (d) LIMIT ON AWARD NUMBER.—A State may only
18 be awarded 1 grant under this section.

19 (e) AMOUNT OF AWARDS.—A grant awarded under
20 this section may not be made in an amount that is less
21 than \$2,000,000, or more than \$10,000,000 for the 5 year
22 grant period.

23 (f) ADDITIONAL FUNDING FOR SUPPORTED EMPLOY-
24 MENT SERVICES.—

1 (1) IN GENERAL.—Title VI of the Rehabilita-
2 tion Act of 1973 is amended—

3 (A) in section 603 (29 U.S.C. 795h)—

4 (i) in subsection (a), by adding at the
5 end the following:

6 “(3) REFERENCES.—For purposes of this sub-
7 section, any reference to sums or amounts appro-
8 priated under this title shall not be considered to in-
9 clude the amounts appropriated under section
10 611(e).”;

11 (ii) in subsection (c)—

12 (I) by inserting “or a grant
13 under section 611” after “allotment
14 under this title”; and

15 (II) by inserting “or such grant”
16 after “such allotment”; and

17 (iii) in subsection (d)—

18 (I) by inserting “or a grant
19 under section 611” after “allotment
20 under this title”; and

21 (II) by inserting “or such grant”
22 after “such allotment”;

23 (B) in section 604(b)(2) (29 U.S.C.
24 795i(b)(2)), by inserting “(including through a

1 grant awarded under section 611)” after “this
2 title”;

3 (C) in section 610 (29 U.S.C. 795o), by in-
4 serting “, except for section 611,” after “this
5 title”; and

6 (D) by adding at the end the following:

7 **“SEC. 611. ADDITIONAL FUNDING FOR CERTAIN STATES**
8 **WITH COMPETITIVE INTEGRATED EMPLOY-**
9 **MENT.**

10 “(a) GRANTS.—From amounts appropriated under
11 subsection (e), the Secretary shall award a grant under
12 this section to each eligible State that submits an applica-
13 tion under subsection (c) for the purposes described in sec-
14 tion 604.

15 “(b) ELIGIBILITY.—

16 “(1) IN GENERAL.—A State is eligible for a
17 grant under this section for a fiscal year if the
18 State—

19 “(A) is eligible for an allotment under sec-
20 tion 603(a) for the fiscal year; and

21 “(B) has successfully completed a grant
22 under section 102 of the Transformation to
23 Competitive Integrated Employment Act during
24 that fiscal year or the preceding fiscal year, as
25 determined under paragraph (2).

1 “(2) SUCCESSFULLY COMPLETING A COMPETI-
2 TIVE INTEGRATED EMPLOYMENT GRANT.—A State
3 has successfully completed a grant under section
4 102 of the Transformation to Competitive Inte-
5 grated Employment Act if, at the conclusion of the
6 5-year period of the grant, the Secretary deter-
7 mines—

8 “(A) the State has complied with all re-
9 quirements under such section for such grant;

10 “(B) the State has ceased issuing special
11 certificates under section 14(c) of the Fair
12 Labor Standards Act of 1938 (29 U.S.C.
13 214(c)); and

14 “(C) no special certificates issued under
15 such section have any force or effect.

16 “(c) APPLICATION.—A State seeking a grant under
17 this section shall submit an application to the Secretary
18 at such time, in such manner, and containing such infor-
19 mation as the Secretary may reasonably require, including
20 information demonstrating the State has successfully com-
21 plied with the requirements under subsection (b)(2).

22 “(d) AWARDS.—

23 “(1) IN GENERAL.—A grant to a State under
24 this section shall be awarded in an amount deter-

1 mined under paragraph (2) for a fiscal year, except
2 as provided under paragraph (3).

3 “(2) AMOUNT.—Subject to available appropria-
4 tions under subsection (e), the amount of a grant
5 under this section to a State for a fiscal year shall
6 be equal to 25 percent of the amount allotted to
7 such State under subsection (a) of section 603 for
8 the preceding fiscal year (excluding any additional
9 amounts allotted to the State under subsection (b)
10 of such section).

11 “(3) CONTINUED COMPLIANCE.—If a State re-
12 ceiving a grant under this section ceases compliance
13 with subparagraph (B) or (C) of subsection (b)(2)
14 for a fiscal year—

15 “(A) no amounts shall be awarded through
16 such grant for such fiscal year; or

17 “(B) in a case in which such amounts have
18 already been awarded to the State for such fis-
19 cal year, the State shall return to the Secretary
20 such amounts.

21 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated for each of fiscal years
23 2030 through 2034 such sums as may be necessary to
24 carry out this section.”.

1 (2) TABLE OF CONTENTS.—The table of con-
2 tents in section 1(b) of the Rehabilitation Act of
3 1973 is amended by adding after the item relating
4 to section 610 the following:

“Sec. 611. Additional funding for certain States with competitive integrated
employment.”.

5 **SEC. 103. CERTIFICATE HOLDER GRANT PROGRAM.**

6 (a) IN GENERAL.—To be eligible to receive a grant
7 under this section, an eligible entity shall submit an appli-
8 cation to the Secretary at such time, in such manner, and
9 including such information as the Secretary may reason-
10 ably require.

11 (b) CONTENTS.—Each application submitted under
12 subsection (a) shall include—

13 (1) the status of the eligible entity’s use of spe-
14 cial certificates to employ individuals with disabil-
15 ities, including—

16 (A)(i) the number of employees the eligible
17 entity employs using such special certificates at
18 the time of submission of the application;

19 (ii) the aggregate demographic profile of
20 such employees, including gender, race, and
21 type of disability of such employees, unless indi-
22 cating such demographic profile would disclose
23 personally identifiable information; and

1 (iii) an historical accounting, covering each
2 of the previous 4 fiscal years, of—

3 (I) the number of employees with a
4 disability working for a wage that is—

5 (aa) less than the higher of the
6 rate specified in section 6(a)(1) of the
7 Fair Labor Standards Act of 1938
8 (29 U.S.C. 206(a)(1)) or the rate
9 specified in the applicable State or
10 local minimum wage law; or

11 (bb) less than the customary rate
12 paid by the employer for the same or
13 similar work performed by other em-
14 ployees who are not individuals with
15 disabilities, and who are similarly sit-
16 uated in similar occupations by the
17 same employer and who have similar
18 training, experience, and skills;

19 (II) an aggregate demographic profile
20 of such employees including gender, race,
21 ethnicity, age, and type of disability;

22 (B) the average, minimum, maximum, and
23 range of hourly wages paid to employees em-
24 ployed using such special certificates during the
25 previous year;

1 (C) during the preceding 5 fiscal years, the
2 number of individuals with disabilities,
3 disaggregated by fiscal year, who have been
4 transitioned by the eligible entity from employ-
5 ment under such special certificates to competi-
6 tive integrated employment; and

7 (D) a description of the business and pro-
8 gram models (including the financial and orga-
9 nizational structure) of the eligible entity that
10 is using the special certificates, including—

11 (i) the number and types of contracts
12 the entity has entered into during the pre-
13 ceding 5 fiscal years to supply goods or
14 services and under which individuals with
15 or without disabilities are employed;

16 (ii) the budget and the funding struc-
17 ture, including all sources of funding, for
18 the preceding 5 fiscal years;

19 (iii) the human resource structure;
20 and

21 (iv) the entities partnering with the
22 eligible entity as described in subsection
23 (h)(2);

1 (2) a description of activities to be funded
2 under the grant, and the goals of such activities, in-
3 cluding—

4 (A) a description of the business and pro-
5 gram models of competitive integrated employ-
6 ment or a combination of competitive integrated
7 employment and integrated services into which
8 the models of the eligible entity will transform,
9 including the business plan, employment struc-
10 ture, and leadership organization of the eligible
11 entity;

12 (B) a description of—

13 (i) the integrated services to be pro-
14 vided by the eligible entity; or

15 (ii) the eligible entity's process for re-
16 ferring an individual requiring such serv-
17 ices to a provider of such services to en-
18 sure that the individual receives such serv-
19 ices;

20 (C) after the transformation of the eligible
21 entity's business and program models as de-
22 scribed in subparagraph (A), the number of em-
23 ployees that will be employed under such mod-
24 els;

1 (D) the date on which the eligible entity
2 will discontinue using special certificates, and
3 the funding structure the eligible entity will use
4 to provide competitive integrated employment
5 or a combination of such employment and inte-
6 grated services; and

7 (E) the process to be used for the trans-
8 formation of the eligible entity's business and
9 program models as described in subparagraph
10 (A), including—

11 (i) redesign of contracts;

12 (ii) changes in funding sources;

13 (iii) staff training on competitive inte-
14 grated employment support and practices;

15 (iv) input from key stakeholders, in-
16 cluding individuals with disabilities, their
17 families, and other local stakeholders; and

18 (v) a description of the individuals
19 who will be responsible for the development
20 and implementation of such process;

21 (3) a description of the process to recruit and
22 engage Federal, State, and local governments and
23 nonprofit and private employers to hire individuals
24 with disabilities who have been employed under spe-
25 cial certificates;

1 (4) a timeline of activities to be implemented
2 and goals to be reached on at least a quarterly basis
3 during the 3-year grant period;

4 (5) a description of how the activities under the
5 grant will coordinate and align Federal, State, and
6 local programs, agencies, and funding in the trans-
7 formation described in paragraph (2)(A);

8 (6) assurances that—

9 (A) the activities carried out under the
10 grant will result in the transformation described
11 in paragraph (2)(A);

12 (B) individuals with disabilities who are
13 employed by the eligible entity under special
14 certificates will be employed in competitive inte-
15 grated employment;

16 (C) the eligible entity will comply with the
17 requirements of the Secretary with respect to
18 the collection of data;

19 (D) the eligible entity will cooperate with
20 the evaluation described in title IV by providing
21 all data required and allow evaluation of the ac-
22 tivities under the grant; and

23 (E) the eligible entity will cooperate with
24 the nonprofit entity carrying out technical as-

1 sistance and dissemination required under title
2 III;

3 (7) a description of the eligible entity's evalua-
4 tion plan to determine the impact of the grant;

5 (8) assurances of collaboration and support
6 from all State entities, including the State Medicaid
7 agency, the State developmental disability agency,
8 the State vocational rehabilitation agency, the State
9 department of education, the State board, the local
10 board, and other State and local governmental enti-
11 ties and organizations that support transformations
12 to providing competitive integrated employment and
13 integrated services for employees employed under a
14 special certificate; and

15 (9) such other information and assurances as
16 the Secretary may reasonably require.

17 (c) GEOGRAPHIC DIVERSITY.—To the extent prac-
18 ticable, the Secretary shall distribute grant funds under
19 this section equitably among geographic areas of the
20 United States, and shall take into account rural and urban
21 diversity.

22 (d) PROGRAM SIZE.—To the extent practicable, the
23 Secretary shall distribute grant funds under this section
24 equitably among eligible entities providing employment

1 using special certificates serving different numbers of indi-
2 viduals.

3 (e) DURATION OF AWARDS.—

4 (1) GRANT PERIOD.—A grant awarded under
5 this section shall be awarded for a period of 3 years.

6 (2) GRANT CYCLES.—Grants shall be awarded
7 under this section in 2 grant cycles. Grants for the
8 second grant cycle shall be awarded not earlier than
9 the end of the second year of the first 3-year grant
10 cycle.

11 (f) LIMIT ON AWARD NUMBER.—An eligible entity
12 may only be awarded 1 grant total under this section.

13 (g) AMOUNT OF AWARDS.—A grant awarded under
14 this section may not be made in an amount that is less
15 than \$100,000, or more than \$500,000, for the 3-year
16 grant period.

17 (h) ELIGIBLE ENTITY DEFINED.—In this title, the
18 term “eligible entity” means an entity that—

19 (1) employs individuals with disabilities under
20 special certificates and is located in a State that did
21 not receive a grant under section 102; and

22 (2) partners with at least 2 entities with experi-
23 ence providing support to individuals with disabil-
24 ities in competitive integrated employment, such
25 as—

1 (A) an employer providing competitive in-
2 tegrated employment;

3 (B) a State developmental disability agen-
4 cy;

5 (C) a State mental health services agency;

6 (D) a representative of an agency de-
7 scribed in paragraph (6) or (7) of section 8501
8 of title 41, United States Code;

9 (E) a representative of the State Council
10 on Developmental Disabilities, as defined in sec-
11 tion 102 of the Developmental Disabilities As-
12 sistance and Bill of Rights Act of 2000 (42
13 U.S.C. 15002);

14 (F) a representative of the State vocational
15 rehabilitation agency, as such term is used
16 under the Rehabilitation Act of 1973 (29
17 U.S.C. 701 et seq.);

18 (G) a representative of the State inde-
19 pendent living centers, as such term is used
20 under the Rehabilitation Act of 1973 (29
21 U.S.C. 701 et seq.);

22 (H) a representative of one of the State
23 University Centers for Excellence in Develop-
24 mental Disabilities Education, Research, and
25 Service, established under subtitle D of title I

1 of the Developmental Disabilities Assistance
2 and Bill of Rights Act of 2000 (42 U.S.C.
3 15061 et seq.);

4 (I) a representative of the State protection
5 and advocacy system, as defined in section 102
6 of the Developmental Disabilities Assistance
7 and Bill of Rights Act of 2000 (42 U.S.C.
8 15002); and

9 (J) a nonprofit agency or organization spe-
10 cializing in competitive integrated employment.

11 **TITLE II—PHASE OUT OF SPE-**
12 **CIAL CERTIFICATES UNDER**
13 **SECTION 14(C) OF THE FAIR**
14 **LABOR STANDARDS ACT OF**
15 **1938**

16 **SEC. 201. TRANSITION TO FAIR WAGES FOR INDIVIDUALS**
17 **WITH DISABILITIES.**

18 (a) IN GENERAL.—Subparagraph (A) of section
19 14(c)(1) of the Fair Labor Standards Act of 1938 (29
20 U.S.C. 214(c)(1)) is amended to read as follows:

21 “(A) at a rate that equals, or exceeds, the
22 greater of—

23 “(i)(I) 60 percent of the wage rate in ef-
24 fect under section 6(a)(1), beginning on the ef-
25 fective date described in section 201(b) of

1 Transformation to Competitive Integrated Em-
2 ployment Act;

3 “(II) 70 percent of the wage rate in effect
4 under section 6(a)(1), beginning 1 year after
5 such effective date;

6 “(III) 80 percent of the wage rate in effect
7 under section 6(a)(1), beginning 2 years after
8 such effective date;

9 “(IV) 90 percent of the wage rate in effect
10 under section 6(a)(1), beginning 3 years after
11 such effective date; and

12 “(V) the wage rate in effect under section
13 6(a)(1), beginning 4 years after such effective
14 date; or

15 “(ii) the wage rate in effect on the day be-
16 fore the date of enactment of the Trans-
17 formation to Competitive Integrated Employ-
18 ment Act for the employment, under a special
19 certificate issued under this paragraph, of the
20 individual for whom the wage rate is deter-
21 mined under this paragraph;”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall take effect on the date that is 3
24 months after the date of enactment of this Act.

1 **SEC. 202. PROHIBITION ON NEW SPECIAL CERTIFICATES;**
2 **SUNSET.**

3 Section 14(c) of the Fair Labor Standards Act of
4 1938 (29 U.S.C. 214(c)) (as amended by section 201),
5 is further amended by adding at the end the following:

6 “(6) PROHIBITION ON NEW SPECIAL CERTIFI-
7 CATES.—Notwithstanding paragraph (1), the Secretary
8 shall not issue a special certificate under this subsection
9 to an employer that was not issued a special certificate
10 under this subsection before the date of enactment of the
11 Transformation to Competitive Integrated Employment
12 Act.

13 “(7) SUNSET.—Beginning on the day after the date
14 that is 4 years after the effective date described in section
15 201(b) of the Transformation to Competitive Integrated
16 Employment Act—

17 “(A) the authority to issue special certificates
18 under paragraph (1) shall expire; and

19 “(B) no special certificates issued under para-
20 graph (1) shall have any legal effect.”.

21 **TITLE III—TECHNICAL ASSIST-**
22 **ANCE AND DISSEMINATION**

23 **SEC. 301. TECHNICAL ASSISTANCE AND DISSEMINATION.**

24 (a) GRANT AUTHORIZED.—From the amounts appro-
25 priated for this title, the Secretary (acting through the
26 Office of Disability Employment Policy of the Department

1 of Labor in partnership with the Employment and Train-
2 ing Administration of the Department of Labor), in part-
3 nership with the Administration for Community Living of
4 the Department of Health and Human Services and the
5 Office of Special Education and Rehabilitative Services of
6 the Department of Education, shall award a grant to a
7 nonprofit entity to—

8 (1)(A) provide technical assistance to employers
9 who are transforming from employing individuals
10 with disabilities using special certificates to pro-
11 viding competitive integrated employment;

12 (B) identify and disseminate private and public
13 sector models of the transition described in subpara-
14 graph (A); and

15 (C) build a set of replicable strategies for em-
16 ployers using special certificates to increase their use
17 of evidence-based practices in providing competitive
18 integrated employment and increase their options for
19 providing competitive integrated employment;

20 (2) collect and disseminate—

21 (A) evidence-based practices with respect
22 to the transformations described in paragraph
23 (1)(A), including practices that increase aware-
24 ness of and access to training materials from
25 and opportunities offered through the Office of

1 Disability Employment Policy of the Depart-
2 ment of Labor; and

3 (B) evidence-based strategies for imple-
4 menting the aims of activities, intended to im-
5 prove the quality of integrated services to result
6 in competitive integrated employment for indi-
7 viduals with disabilities, carried out—

8 (i) under the Workforce Innovation
9 and Opportunity Act (29 U.S.C. 3101 et
10 seq.);

11 (ii) through settlement agreements
12 made pursuant to the employment require-
13 ments under the Olmstead decision; or

14 (iii) through home and community-
15 based services described in the Home and
16 Community-Based Services (HCBS) final
17 rule published on January 16, 2014 (79
18 Fed. Reg. 2948), or a successor rule;

19 (3) leverage and increase awareness of and ac-
20 cess to training materials and opportunities made
21 available through training and technical assistance
22 investments of—

23 (A) the Office of Disability Employment
24 Policy of the Department of Labor;

1 (B) the Employment and Training Admin-
2 istration of the Department of Labor;

3 (C) the Administration for Community
4 Living of the Department of Health and
5 Human Services; and

6 (D) the Office of Special Education and
7 Rehabilitative Services of the Department of
8 Education; and

9 (4)(A) raise awareness of efforts in States to
10 carry out the Employment First initiative; and

11 (B) coordinate dissemination efforts related to
12 ABLE accounts and other financial asset develop-
13 ment resources through the ABLE National Re-
14 source Center and the Department of the Treasury.

15 (b) APPLICATION.—

16 (1) IN GENERAL.—To be eligible to receive a
17 grant under this section, a nonprofit entity shall
18 submit an application to the Secretary at such time,
19 in such manner, and including such information that
20 the Secretary may reasonably require.

21 (2) CONTENTS.—Each application submitted
22 under paragraph (1) shall include—

23 (A) a description of the nonprofit entity's
24 expertise in providing technical assistance that
25 shall include evidence of—

1 (i) knowledge of transforming busi-
2 ness and program models providing em-
3 ployment using special certificates to mod-
4 els providing competitive integrated em-
5 ployment and integrated services;

6 (ii) knowledge of methods for sup-
7 porting employers, including employers not
8 receiving a grant under title I, to trans-
9 form as described in clause (i);

10 (iii) experience working with non-
11 profit, for-profit, Federal, State, and local
12 agencies focusing on employment of youth
13 and adults who are individuals with dis-
14 abilities; and

15 (iv) experience working with individ-
16 uals with disabilities and their families;

17 (B) a description of the nonprofit entity's
18 expertise in providing, collecting, compiling,
19 communicating, and disseminating information
20 about program and systems change for pro-
21 grams serving individuals with disabilities that
22 shall include—

23 (i) expertise documenting program
24 change;

- 1 (ii) experience compiling recommended
2 practices related to program trans-
3 formations;
- 4 (iii) expertise regarding competitive
5 integrated employment for youth and
6 adults who are individuals with disabilities;
- 7 (iv) expertise working with individuals
8 with disabilities and their families through
9 systems change procedures;
- 10 (v) expertise creating accessible prod-
11 ucts to disseminate learned information,
12 including through web-based means;
- 13 (vi) experience creating accessible
14 websites to disseminate information;
- 15 (vii) experience working with non-
16 profit, for-profit, Federal, State, and local
17 agencies focusing on employment of youth
18 and adults who are individuals with dis-
19 abilities;
- 20 (viii) experience with assisting youth
21 who are individuals with disabilities in
22 transitioning from receiving services under
23 the Individuals with Disabilities Education
24 Act (20 U.S.C. 1401 et seq.) to inclusive

1 postsecondary education and competitive
2 integrated employment; and

3 (ix) experience leveraging resources,
4 available through the Office of Disability
5 Employment Policy and the Employment
6 and Training Administration, that are de-
7 signed to provide effective and efficient
8 services to job seekers who are individuals
9 with disabilities in competitive integrated
10 employment settings; and

11 (C) a description of the individuals at the
12 nonprofit entity who will be responsible for car-
13 rying out the activities under this title.

14 (3) DURATION OF AWARD.—A grant under this
15 section shall be awarded for a period of 6 years, and
16 shall be non-renewable.

17 (4) NONPROFIT ENTITY DEFINED.—In this sec-
18 tion, the term “nonprofit entity” means a nonprofit
19 entity with expertise in collecting, compiling, com-
20 municating, and disseminating information about
21 program and systems change for programs serving
22 individuals with disabilities.

1 **TITLE IV—REPORTING AND**
2 **EVALUATION**

3 **SEC. 401. IMPACT EVALUATION AND REPORTING.**

4 (a) IN GENERAL.—Not later than 6 months after the
5 date of enactment of this Act, the Secretary shall enter
6 into a contract with a nonprofit entity with experience in
7 conducting evaluations of program and systems change ef-
8 ferts to—

9 (1) conduct a multi-year evaluation on the im-
10 pact of this Act, including the amendments made by
11 this Act, with respect to individuals with disabilities
12 (including such individuals receiving a wage rate
13 under section 14(c) of the Fair Labor Standards Act
14 of 1938 (29 U.S.C. 214(c)), as amended by title II);
15 and

16 (2) prepare the reports described in subsection
17 (c).

18 (b) EVALUATION.—In carrying out subsection (a)(1),
19 the nonprofit entity awarded a contract under this section
20 shall evaluate—

21 (1) changes in wages and employment for indi-
22 viduals described in subsection (a)(1); and

23 (2) actions taken by employers and States to
24 comply with the amendments made by title II and,
25 in the case of an employer or State receiving funds

1 under title I, to comply with the transformation re-
2 quirements under such title.

3 (c) REPORTS.—The Secretary shall submit to the
4 Committee on Health, Education, Labor, and Pensions of
5 the Senate and the Committee on Education and Work-
6 force of the House of Representatives, the following re-
7 ports on the evaluation conducted under subsection (a)(1):

8 (1) An interim report on the evaluation, not
9 later than 3 years after the evaluation commences
10 under subsection (a)(1).

11 (2) A final report on such evaluation, not later
12 than 18 months after the date on which the legal ef-
13 fect of special certificates expire pursuant to para-
14 graph (7) of section 14(c) of the Fair Labor Stand-
15 ards Act of 1938 (29 U.S.C. 214(c)), as added by
16 title II.

17 **SEC. 402. WAGE AND HOUR REPORTS.**

18 (a) IN GENERAL.—For each year of the 5-year period
19 described in section 14(c)(1)(A) of the Fair Labor Stand-
20 ards Act of 1938 (29 U.S.C. 214(c)(1)(A)), as amended
21 by title II, the Secretary (acting through the Adminis-
22 trator of the Wage and Hour Division), in coordination
23 with the Civil Rights Division of the Department of Jus-
24 tice, shall submit to the Committee on Health, Education,
25 Labor, and Pensions of the Senate and the Committee on

1 Education and Workforce of the House of Representa-
2 tives, an annual report summarizing practices of employ-
3 ers providing employment using special certificates, which,
4 with respect to the preceding year, shall include—

5 (1) the number of employees (of such employ-
6 ers) who are individuals with disabilities and who
7 are compensated at a rate that is less than—

8 (A) the higher of the rate specified in sec-
9 tion 6(a)(1) of the Fair Labor Standards Act of
10 1938 (29 U.S.C. 206(a)(1)) or the rate speci-
11 fied in the applicable State or local minimum
12 wage law; or

13 (B) the customary rate paid by the em-
14 ployer for the same or similar work performed
15 by other employees who are not individuals with
16 disabilities, and who are similarly situated in
17 similar occupations by the same employer and
18 who have similar training, experience, and
19 skills;

20 (2) the type of employment setting (such as
21 segregated employment or competitive integrated
22 employment) and the integrated services provided by
23 such employers;

24 (3) the average hourly wage, minimum and
25 maximum hourly wage, and average hours worked

1 per week of employees described in paragraph (1),
2 disaggregated by employer and by State;

3 (4) the aggregate demographic characteristics
4 of employees described in paragraph (1), including
5 the gender, ethnicity, race, and type of disability of
6 such employees; and

7 (5) the number of employees who have
8 transitioned from employment provided under a spe-
9 cial certificate to competitive integrated employment,
10 disaggregated by employer and by State.

11 (b) REPORT ON SURVEY OF EXISTING SPECIAL CER-
12 TIFICATE HOLDERS.—Not later than 1 year after the date
13 of enactment of this Act, the Secretary (acting through
14 the Administrator of the Wage and Hour Division) shall—

15 (1) survey not less than 10 percent of employ-
16 ers providing employment to employees using special
17 certificates, as of the date of enactment of this Act,
18 which shall include an evaluation of—

19 (A) the training and support provided to
20 such employees to promote their transition to
21 competitive integrated employment;

22 (B) the actions taken by employers to
23 identify competitive integrated employment for
24 such employees; and

1 (C) the wages of such employees, including
2 whether such wages are at a rate that is less
3 than—

4 (i) the higher of the rate specified in
5 section 6(a)(1) of the Fair Labor Stand-
6 ards Act of 1938 (29 U.S.C. 206(a)(1)) or
7 the rate specified in the applicable State or
8 local minimum wage law; or

9 (ii) the customary rate paid by the
10 employer for the same or similar work per-
11 formed by other employees who are not in-
12 dividuals with disabilities, and who are
13 similarly situated in similar occupations by
14 the same employer and who have similar
15 training, experience, and skills; and

16 (2) submit a report on the results of such sur-
17 vey to the Committee on Health, Education, Labor,
18 and Pensions of the Senate, the Special Committee
19 on Aging of the Senate, and the Committee on Edu-
20 cation and Workforce of the House of Representa-
21 tives.

22 **TITLE V—GENERAL PROVISIONS**

23 **SEC. 501. DEFINITIONS.**

24 In this Act:

1 (1) ABLE ACCOUNT.—The term “ABLE ac-
2 count” has the meaning given such term in section
3 529A(e)(6) of the Internal Revenue Code of 1986.

4 (2) COMPETITIVE INTEGRATED EMPLOY-
5 MENT.—The term “competitive integrated employ-
6 ment” has the meaning given the term in section
7 7(5) of the Rehabilitation Act of 1973 (29 U.S.C.
8 705(5)).

9 (3) DISABILITY.—The term “disability” in-
10 cludes any intellectual, developmental, mental health,
11 or other disability.

12 (4) INTEGRATED COMMUNITY PARTICIPATION
13 AND WRAPAROUND SERVICES; INTEGRATED SERV-
14 ICES.—

15 (A) IN GENERAL.—Except as provided in
16 subparagraph (B), the terms “integrated com-
17 munity participation and wraparound services”
18 or “integrated services” mean services for indi-
19 viduals with disabilities that are—

20 (i) designed to assist such individuals
21 in developing skills and abilities to reside
22 successfully in home and community-based
23 settings;

24 (ii) provided in accordance with a per-
25 son-centered written plan of care;

- 1 (iii) created using evidence-based
2 practices that lead to such individuals—
3 (I) maintaining competitive inte-
4 grated employment;
5 (II) achieving independent living;
6 or
7 (III) maximizing socioeconomic
8 self-sufficiency, optimal independence,
9 and full participation in the commu-
10 nity;
11 (iv) provided in a community location
12 that is not specifically intended for individ-
13 uals with disabilities;
14 (v) provided in a location that—
15 (I) allows the individuals receiv-
16 ing the services to interact with indi-
17 viduals without disabilities to the full-
18 est extent possible; and
19 (II) makes it possible for the in-
20 dividuals receiving the services to ac-
21 cess community resources that are not
22 specifically intended for individuals
23 with disabilities and to have the same
24 opportunities to participate in the

1 community as individuals who do not
2 have a disability;

3 (vi) provided in multiple locations to
4 allow the individual receiving the services
5 to have options, thereby—

6 (I) optimizing individual initia-
7 tive, autonomy, and independence;
8 and

9 (II) facilitating choice regarding
10 services and supports, and choice re-
11 garding the provider of such services;
12 and

13 (vii) in compliance with the Home and
14 Community-Based Services (HCBS) final
15 rule published on January 16, 2014 (79
16 Fed. Reg. 2948), or a successor rule.

17 (B) EXCLUSIONS.—The terms “integrated
18 community participation and wraparound serv-
19 ices” or “integrated services” shall not include
20 a service provided in any of the following set-
21 tings:

22 (i) A nursing facility.

23 (ii) An institution for individuals with
24 mental diseases.

1 (iii) An intermediate care facility for
2 individuals with intellectual disabilities.

3 (iv) A congregate setting in which an
4 individual does not have the ability, at the
5 time preferred by the individual and in ac-
6 cordance with other preferences of the in-
7 dividual, to access services supporting the
8 full inclusion and engagement of the indi-
9 vidual in the greater community.

10 (5) LOCAL BOARD; LOCAL PLAN.—The terms
11 “local board” and “local plan” have the meanings
12 given such terms in section 3 of the Workforce Inno-
13 vation and Opportunity Act (29 U.S.C. 3102).

14 (6) OLMSTEAD DECISION.—The term
15 “Olmstead decision” means the decision of the Su-
16 preme Court of the United States in *Olmstead v.*
17 *L.C.*, 527 U.S. 581 (1999).

18 (7) OLMSTEAD PLAN.—The term “Olmstead
19 plan”, with respect to a State, means the plan of the
20 State for complying with the holding in the
21 *Olmstead* decision.

22 (8) INDIVIDUALS WITH DISABILITIES.—The
23 term “individuals with disabilities” includes individ-
24 uals described in section 14(c)(1) of the Fair Labor
25 Standards Act of 1938 (29 U.S.C. 214(c)(1)).

1 (9) SECRETARY.—The term “Secretary” means
2 the Secretary of Labor.

3 (10) SPECIAL CERTIFICATE.—The term “spe-
4 cial certificate” means a special certificate issued
5 under section 14(c) of the Fair Labor Standards Act
6 of 1938 (29 U.S.C. 214(c)).

7 (11) STATE.—The term “State” means each of
8 the 50 States, the District of Columbia, the Com-
9 monwealth of Puerto Rico, and the territory of
10 Guam.

11 (12) STATE BOARD.—The term “State board”
12 has the meaning given such term in section 3 of the
13 Workforce Innovation and Opportunity Act.

14 (13) WORKFORCE DEVELOPMENT SYSTEM.—
15 The term “workforce development system” has the
16 meaning given such term in section 3 of the Work-
17 force Innovation and Opportunity Act.

18 **SEC. 502. AUTHORIZATION OF APPROPRIATIONS.**

19 There are authorized to be appropriated to carry out
20 this Act (other than section 102(f)), \$50,000,000 for each
21 of fiscal years 2026 through 2031.

