118TH CONGRESS  
1ST SESSION  

H. R. 1263

To assist employers providing employment under special certificates issued under section 14(c) of the Fair Labor Standards Act of 1938 in transforming their business and program models to models that support individuals with disabilities through competitive integrated employment, to phase out the use of such special certificates, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2023

Mr. SCOTT of Virginia (for himself and Mrs. RODGERS of Washington) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To assist employers providing employment under special certificates issued under section 14(c) of the Fair Labor Standards Act of 1938 in transforming their business and program models to models that support individuals with disabilities through competitive integrated employment, to phase out the use of such special certificates, and for other purposes.

1 Be it enacted by the Senate and House of Representa-

2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

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

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.
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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.
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TITLE V—GENERAL PROVISIONS

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

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) assist employers with special certificates issued under section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)) to transform their business and program operations to models that support individuals with disabilities to find and retain work in competitive integrated employment;
(2) ensure individuals with disabilities, families of such individuals, State and local governments, and other stakeholders are involved in the transformations described in paragraph (1);

(3) ensure individuals employed in programs using such special certificates transition to competitive integrated employment positions and, as needed, to integrated services that support them in their homes and in community settings;

(4) identify models and processes for shifting business and program models from such special certificates to competitive integrated employment models and integrated community participation and wraparound services, and to share that information with other such special certificate holders, State and local entities, and other service providers for individuals with disabilities; and

(5) support States and local governments as they revise and implement their Olmstead plans and local plans, respectively, in order to improve competitive integrated employment outcomes for individuals with disabilities through all State workforce development systems.
TITLE I—COMPETITIVE INTEGRATED EMPLOYMENT
TRANSFORMATION GRANT PROGRAMS

SEC. 101. PROGRAM AUTHORIZED.

From the amounts appropriated to carry out this title, the Secretary of Labor shall award grants under sections 102 and 103, on a competitive basis, to States and eligible entities to assist employers who were issued special certificates in transforming their business and program models from providing employment using such special certificates to business and program models that employ and support individuals with disabilities by—

(1) providing competitive integrated employment, including by compensating all employees of the employer at a rate that is—

(A) not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate specified in the applicable State or local minimum wage law; and

(B) not less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities, and who are similarly
situated in similar occupations by the same employer and who have similar training, experience, and skills;

(2) assisting individuals with disabilities who were employed by the employer in finding and retaining work in competitive integrated employment, which work may be with the employer after such transformation or in another competitive integrated employment setting;

(3) providing integrated community participation and wraparound services for individuals with disabilities; and

(4) ensuring all such services and other non-employment services offered under, or with assistance from, such a grant comply with the requirements for home and community-based services under the Home and Community-Based Services (HCBS) final rule published on January 16, 2014 (79 Fed. Reg. 2948), or a successor rule.

SEC. 102. STATE GRANT PROGRAM.

(a) Application.—

(1) In general.—To be eligible to receive a grant under this section, a State shall submit an application to the Secretary at such time, in such man-
ner, and including such information as the Secretary
may reasonably require.

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

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

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

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

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

(I) employer; and

(II) demographic characteristics,
including gender, race, ethnicity, and
type of disability, unless indicating
such characteristics would disclose
personally identifiable information;
(iv) the average, median, minimum, and maximum number of hours such employees work per week, disaggregated by employer, and reported for the State as a whole; and

(v) the average, median, minimum, and maximum hourly wage for such employees, disaggregated by employer, and reported for the State as a whole;

(B) a description of the activities of the State with respect to competitive integrated employment for individuals with disabilities, including, as applicable—

(i) a copy of the State plan for carrying out the Employment First initiative;

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

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

(iv) a description of the medical assistance provided by the State through a Medicaid buy-in eligibility pathway under subclause (XV) or (XVI) of section 1902(a)(10)(A)(ii) of the Social Security
Act (42 U.S.C. 1396a(a)(10)(A)(ii)), including any premiums or other cost sharing imposed on individuals who enroll in the State Medicaid program through such a pathway;

(C) a description of activities to be funded under the grant, and the goals of such activities, including—

(i) the process to be used to identify each employer in the State that will transform its business and program models from employing individuals with disabilities using special certificates to employing individuals with disabilities in competitive integrated employment settings, or a setting involving a combination of competitive integrated employment and integrated services;

(ii) the number of such employers in the State that will carry out a transformation described in clause (i);

(iii) the service delivery infrastructure that will be implemented in the State to support individuals with disabilities who have been employed under special certifi-
icates through such a transformation, in-
cluding providing enhanced integrated
services to support individuals with the
most significant disabilities;

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

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

(vi) a timeline for phasing out employ-
ment using special certificates in the State,
which shall not extend past the date on
which the legal effect of such certificates
expires under section 14(e)(7) of the Fair
214(e)(7)), as added by title II;

(vii) a timeline for the expansion of
employers that will provide competitive in-
tegrated employment, or a combination of
competitive integrated employment and integrated services, to individuals with disabilities who have been employed by such employers under special certificates;

(viii) a description of the expanded competitive integrated employment and integrated services to be provided to such individuals as a result of transformations described in clause (i); and

(ix) a description of the process to be used to engage stakeholders in such transformations;

(D) a description of how the activities under the grant will coordinate and align Federal, State, and local programs, agencies, and funding in the transformations described in subparagraph (C)(i);

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

(i) the employment status of individuals with disabilities in the State, including
the number of hours worked, average
wages, and job satisfaction, of such indi-
viduals; and

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

(F) assurances that—

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

(ii) individuals with the most signifi-
cant disabilities, including intellectual and
developmental disabilities, who will be af-
fected by such a transformation will be
given priority in receiving the necessary
competitive integrated employment sup-
ports and integrated services to succeed
during and after such a transformation;

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

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

(v) until the date that is 2 years after
the legal effect of special certificates ex-
pires under section 14(c)(7) of the Fair
214(c)(7)), as added by title II, the State
will comply with requirements of the Sec-
retary with respect to the collection of
data, and will require employers providing
employment under special certificates in
the State to comply with such require-
ments;

(vi) the State will cooperate with the
evaluation under title IV by providing all
data required and allow the evaluation of
activities under the grant;
(vii) the State will establish an advisory council described in paragraph (3) to monitor and guide the process of transforming business and program models of employers in the State as described in sub-paragraph (C)(i);

(viii) the State will cooperate with the nonprofit entity carrying out technical assistance and dissemination activities under title III;

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

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

(II) the holding of the Olmstead decision; and

(III) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and
(x) the State will disseminate informa-
tion to all individuals with disabilities em-
ployed under special certificates regarding
the availability of—

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

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

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

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

(3) MEMBERS OF THE ADVISORY COUNCIL.—A
State receiving a grant under this section shall, for
the purpose described in paragraph (2)(F)(vii), es-
establish an advisory council composed of the fol-
lowing:

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

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

(C) A family member of an individual with
an intellectual or developmental disability who
is employed in competitive integrated emplo-
ment.

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

(E) An employer providing employment
under special certificates.

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

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

(H) A representative of the State voca-
tional rehabilitation agency, as such term is
used under the Rehabilitation Act of 1973 (29
U.S.C. 701 et seq.).
(I) A representative of an agency in the State described in paragraph (6) or (7) of section 8501 of title 41, United States Code.

(J) A representative of the State independent living centers, as such term is used under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).


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

(M) A representative of the State protection and advocacy system, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002).
(N) A representative of the State Medicaid office.

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

(b) GEOPGRAPHIC DIVERSITY.—To the extent practicable, the Secretary shall distribute grant funds under this section equitably among geographic areas of the United States, and take into account rural and urban diversity.

(c) DURATION OF AWARDS.—A grant under this section shall be awarded for a period of 5 years.

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

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

(f) ADDITIONAL FUNDING FOR SUPPORTED EMPLOYMENT SERVICES.—

(1) IN GENERAL.—Title VI of the Rehabilitation Act of 1973 is amended—

(A) in section 603 (29 U.S.C. 795h)—
(i) in subsection (a), by adding at the end the following:

“(3) REFERENCES.—For purposes of this subsection, any reference to sums or amounts appropriated under this title shall not be considered to include the amounts appropriated under section 611(e).”;

(ii) in subsection (c)—

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

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

(iii) in subsection (d)—

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

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

(B) in section 604(b)(2) (29 U.S.C. 795i(b)(2)), by inserting “(including through a grant awarded under section 611)” after “this title”;
(C) in section 610 (29 U.S.C. 795o), by inserting “, except for section 611,” after “this title”; and

(D) by adding at the end the following:

“SEC. 611. ADDITIONAL FUNDING FOR CERTAIN STATES WITH COMPETITIVE INTEGRATED EMPLOYMENT.

“(a) GRANTS.—From amounts appropriated under subsection (e), the Secretary shall award a grant under this section to each eligible State that submits an application under subsection (c) for the purposes described in section 604.

“(b) ELIGIBILITY.—

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

“(A) is eligible for an allotment under section 603(a) for the fiscal year; and

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

“(2) SUCCESSFULLY COMPLETING A COMPETITIVE INTEGRATED EMPLOYMENT GRANT.—A State
has successfully completed a grant under section 102 of the Transformation to Competitive Integrated Employment Act if, at the conclusion of the 5-year period of the grant, the Secretary determines—

“(A) the State has complied with all requirements under such section for such grant;

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

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

“(c) Application.—A State seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require, including information demonstrating the State has successfully complied with the requirements under subsection (b)(2).

“(d) Awards.—

“(1) In general.—A grant to a State under this section shall be awarded in an amount determined under paragraph (2) for a fiscal year, except as provided under paragraph (3).
“(2) AMOUNT.—Subject to available appropriations under subsection (e), the amount of a grant under this section to a State for a fiscal year shall be equal to 25 percent of the amount allotted to such State under subsection (a) of section 603 for the preceding fiscal year (excluding any additional amounts allotted to the State under subsection (b) of such section).

“(3) CONTINUED COMPLIANCE.—If a State receiving a grant under this section ceases compliance with subparagraph (B) or (C) of subsection (b)(2) for a fiscal year—

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

“(B) in a case in which such amounts have already been awarded to the State for such fiscal year, the State shall return to the Secretary such amounts.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2028 through 2032 such sums as may be necessary to carry out this section.”.

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

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

SEC. 103. CERTIFICATE HOLDER GRANT PROGRAM.

(a) In General.—To be eligible to receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, in such manner, and including such information as the Secretary may reasonably require.

(b) Contents.—Each application submitted under subsection (a) shall include—

(1) the status of the eligible entity’s use of special certificates to employ individuals with disabilities, including—

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

(ii) the aggregate demographic profile of such employees, including gender, race, and type of disability of such employees, unless indicating such demographic profile would disclose personally identifiable information; and

(iii) an historical accounting, covering each of the previous 4 fiscal years, of—
(I) the number of employees with a
disability working for a wage that is—

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

(bb) less than the customary rate
paid by the employer for the same or
similar work performed by other em-
ployees who are not individuals with
disabilities, and who are similarly sit-
tuated in similar occupations by the
same employer and who have similar
training, experience, and skills;

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

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

(C) during the preceding 5 fiscal years, the
number of individuals with disabilities,
disaggregated by fiscal year, who have been transitioned by the eligible entity from employment under such special certificates to competitive integrated employment; and

(D) a description of the business and program models (including the financial and organizational structure) of the eligible entity that is using the special certificates, including—

(i) the number and types of contracts the entity has entered into during the preceding 5 fiscal years to supply goods or services and under which individuals with or without disabilities are employed;

(ii) the budget and the funding structure, including all sources of funding, for the preceding 5 fiscal years;

(iii) the human resource structure; and

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

(2) a description of activities to be funded under the grant, and the goals of such activities, including—
(A) a description of the business and program models of competitive integrated employment or a combination of competitive integrated employment and integrated services into which the models of the eligible entity will transform, including the business plan, employment structure, and leadership organization of the eligible entity;

(B) a description of—

(i) the integrated services to be provided by the eligible entity; or

(ii) the eligible entity’s process for referring an individual requiring such services to a provider of such services to ensure that the individual receives such services;

(C) after the transformation of the eligible entity’s business and program models as described in subparagraph (A), the number of employees that will be employed under such models;

(D) the date on which the eligible entity will discontinue using special certificates, and the funding structure the eligible entity will use to provide competitive integrated employment
or a combination of such employment and integrated services; and

(E) the process to be used for the transformation of the eligible entity’s business and program models as described in subparagraph (A), including—

(i) redesign of contracts;

(ii) changes in funding sources;

(iii) staff training on competitive integrated employment support and practices;

(iv) input from key stakeholders, including individuals with disabilities, their families, and other local stakeholders; and

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

(3) a description of the process to recruit and engage Federal, State, and local governments and nonprofit and private employers to hire individuals with disabilities who have been employed under special certificates;

(4) a timeline of activities to be implemented and goals to be reached on at least a quarterly basis during the 3-year grant period;
(5) a description of how the activities under the grant will coordinate and align Federal, State, and local programs, agencies, and funding in the transformation described in paragraph (2)(A);

(6) assurances that—

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

(B) individuals with disabilities who are employed by the eligible entity under special certificates will be employed in competitive integrated employment;

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

(D) the eligible entity will cooperate with the evaluation described in title IV by providing all data required and allow evaluation of the activities under the grant; and

(E) the eligible entity will cooperate with the nonprofit entity carrying out technical assistance and dissemination required under title III;

(7) a description of the eligible entity’s evaluation plan to determine the impact of the grant;
(8) assurances of collaboration and support from all State entities, including the State Medicaid agency, the State developmental disability agency, the State vocational rehabilitation agency, the State department of education, the State board, the local board, and other State and local governmental entities and organizations that support transformations to providing competitive integrated employment and integrated services for employees employed under a special certificate; and

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

(e) Geographic Diversity.—To the extent practicable, the Secretary shall distribute grant funds under this section equitably among geographic areas of the United States, and shall take into account rural and urban diversity.

(d) Program Size.—To the extent practicable, the Secretary shall distribute grant funds under this section equitably among eligible entities providing employment using special certificates serving different numbers of individuals.

(e) Duration of Awards.—

(1) Grant Period.—A grant awarded under this section shall be awarded for a period of 3 years.
(2) GRANT CYCLES.—Grants shall be awarded under this section in 2 grant cycles. Grants for the second grant cycle shall be awarded not earlier than the end of the second year of the first 3-year grant cycle.

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

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

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

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

(2) partners with at least 2 entities with experience providing support to individuals with disabilities in competitive integrated employment, such as—

(A) an employer providing competitive integrated employment;

(B) a State developmental disability agency;

(C) a State mental health services agency;
(D) a representative of an agency described in paragraph (6) or (7) of section 8501 of title 41, United States Code;

(E) a representative of the State Council on Developmental Disabilities, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002);

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

(G) a representative of the State independent living centers, as such term is used under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(H) a representative of one of the State University Centers for Excellence in Developmental Disabilities Education, Research, and Service, established under subtitle D of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15061 et seq.);

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

(J) a nonprofit agency or organization specializing in competitive integrated employment.

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.

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

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

“(i)(I) 60 percent of the wage rate in effect under section 6(a)(1), beginning on the effective date described in section 201(b) of Transformation to Competitive Integrated Employment Act;

“(II) 70 percent of the wage rate in effect under section 6(a)(1), beginning 1 year after such effective date;
“(III) 80 percent of the wage rate in effect under section 6(a)(1), beginning 2 years after such effective date;

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

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

“(ii) the wage rate in effect on the day before the date of enactment of the Transformation to Competitive Integrated Employment Act for the employment, under a special certificate issued under this paragraph, of the individual for whom the wage rate is determined under this paragraph;’’.

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

SEC. 202. PROHIBITION ON NEW SPECIAL CERTIFICATES; SUNSET.

Section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)) (as amended by section 201), is further amended by adding at the end the following:
“(6) Prohibition on New Special Certificates.—Notwithstanding paragraph (1), the Secretary shall not issue a special certificate under this subsection to an employer that was not issued a special certificate under this subsection before the date of enactment of the Transformation to Competitive Integrated Employment Act.

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

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

“(B) no special certificates issued under paragraph (1) shall have any legal effect.”.

TITLE III—TECHNICAL ASSISTANCE AND DISSEMINATION

SEC. 301. TECHNICAL ASSISTANCE AND DISSEMINATION.

(a) Grant Authorized.—From the amounts appropriated for this title, the Secretary (acting through the Office of Disability Employment Policy of the Department of Labor in partnership with the Employment and Training Administration of the Department of Labor), in partnership with the Administration for Community Living of the Department of Health and Human Services and the
Office of Special Education and Rehabilitative Services of the Department of Education, shall award a grant to a nonprofit entity to—

(1)(A) provide technical assistance to employers who are transforming from employing individuals with disabilities using special certificates to providing competitive integrated employment;

(B) identify and disseminate private and public sector models of the transition described in subparagraph (A); and

(C) build a set of replicable strategies for employers using special certificates to increase their use of evidence-based practices in providing competitive integrated employment and increase their options for providing competitive integrated employment;

(2) collect and disseminate—

(A) evidence-based practices with respect to the transformations described in paragraph (1)(A), including practices that increase awareness of and access to training materials from and opportunities offered through the Office of Disability Employment Policy of the Department of Labor; and

(B) evidence-based strategies for implementing the aims of activities, intended to im-
prove the quality of integrated services to result in competitive integrated employment for individuals with disabilities, carried out—

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

(ii) through settlement agreements made pursuant to the employment requirements under the Olmstead decision; or

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

(3) leverage and increase awareness of and access to training materials and opportunities made available through training and technical assistance investments of—

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

(B) the Employment and Training Administration of the Department of Labor;

(C) the Administration for Community Living of the Department of Health and Human Services; and
(D) the Office of Special Education and Rehabilitative Services of the Department of Education; and

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

(B) coordinate dissemination efforts related to ABLE accounts and other financial asset development resources through the ABLE National Resource Center and the Department of the Treasury.

(b) APPLICATION.—

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

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

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

(i) knowledge of transforming business and program models providing employment using special certificates to models providing competitive integrated employment and integrated services;
(ii) knowledge of methods for supporting employers, including employers not receiving a grant under title I, to transform as described in clause (i);

(iii) experience working with non-profit, for-profit, Federal, State, and local agencies focusing on employment of youth and adults who are individuals with disabilities; and

(iv) experience working with individuals with disabilities and their families;

(B) a description of the nonprofit entity’s expertise in providing, collecting, compiling, communicating, and disseminating information about program and systems change for programs serving individuals with disabilities that shall include—

(i) expertise documenting program change;

(ii) experience compiling recommended practices related to program transformations;

(iii) expertise regarding competitive integrated employment for youth and adults who are individuals with disabilities;
(iv) expertise working with individuals with disabilities and their families through systems change procedures;

(v) expertise creating accessible products to disseminate learned information, including through web-based means;

(vi) experience creating accessible websites to disseminate information;

(vii) experience working with non-profit, for-profit, Federal, State, and local agencies focusing on employment of youth and adults who are individuals with disabilities;

(viii) experience with assisting youth who are individuals with disabilities in transitioning from receiving services under the Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.) to inclusive postsecondary education and competitive integrated employment; and

(ix) experience leveraging resources, available through the Office of Disability Employment Policy and the Employment and Training Administration, that are designed to provide effective and efficient
services to job seekers who are individuals with disabilities in competitive integrated employment settings; and

(C) a description of the individuals at the nonprofit entity who will be responsible for carrying out the activities under this title.

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

(4) NONPROFIT ENTITY DEFINED.—In this section, the term “nonprofit entity” means a nonprofit entity with expertise in collecting, compiling, communicating, and disseminating information about program and systems change for programs serving individuals with disabilities.

TITLE IV—REPORTING AND EVALUATION

SEC. 401. IMPACT EVALUATION AND REPORTING.

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

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

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

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

(1) changes in wages and employment for individuals described in subsection (a)(1); and

(2) actions taken by employers and States to comply with the amendments made by title II and, in the case of an employer or State receiving funds under title I, to comply with the transformation requirements under such title.

(c) REPORTS.—The Secretary shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives, the following reports on the evaluation conducted under subsection (a)(1):
(1) An interim report on the evaluation, not later than 3 years after the evaluation commences under subsection (a)(1).

(2) A final report on such evaluation, not later than 18 months after the date on which the legal effect of special certificates expire pursuant to paragraph (7) of section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)), as added by title II.

SEC. 402. WAGE AND HOUR REPORTS.

(a) IN GENERAL.—For each year of the 5-year period described in section 14(c)(1)(A) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)(1)(A)), as amended by title II, the Secretary (acting through the Administrator of the Wage and Hour Division), in coordination with the Civil Rights Division of the Department of Justice, shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives, an annual report summarizing practices of employers providing employment using special certificates, which, with respect to the preceding year, shall include—

(1) the number of employees (of such employers) who are individuals with disabilities and who are compensated at a rate that is less than—
(A) the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate specified in the applicable State or local minimum wage law; or

(B) the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities, and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills;

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

(3) the average hourly wage, minimum and maximum hourly wage, and average hours worked per week of employees described in paragraph (1), disaggregated by employer and by State;

(4) the aggregate demographic characteristics of employees described in paragraph (1), including the gender, ethnicity, race, and type of disability of such employees; and
(5) the number of employees who have transitioned from employment provided under a special certificate to competitive integrated employment, disaggregated by employer and by State.

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

(1) survey not less than 10 percent of employers providing employment to employees using special certificates, as of the date of enactment of this Act, which shall include an evaluation of—

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

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

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

(i) the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or
the rate specified in the applicable State or local minimum wage law; or

(ii) the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities, and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills; and

(2) submit a report on the results of such survey to the Committee on Health, Education, Labor, and Pensions of the Senate, the Special Committee on Aging of the Senate, and the Committee on Education and the Workforce of the House of Representatives.

TITLE V—GENERAL PROVISIONS

SEC. 501. DEFINITIONS.

In this Act:

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

(2) COMPETITIVE INTEGRATED EMPLOYMENT.—The term “competitive integrated employment” has the meaning given the term in section
7(5) of the Rehabilitation Act of 1973 (29 U.S.C. 705(5)).

(3) DISABILITY.—The term “disability” includes any intellectual, developmental, mental health, or other disability.

(4) INTEGRATED COMMUNITY PARTICIPATION AND WRAPAROUND SERVICES; INTEGRATED SERVICES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the terms “integrated community participation and wraparound services” or “integrated services” mean services for individuals with disabilities that are—

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

(ii) provided in accordance with a person-centered written plan of care;

(iii) created using evidence-based practices that lead to such individuals—

(I) maintaining competitive integrated employment;

(II) achieving independent living;

or
(III) maximizing socioeconomic
self-sufficiency, optimal independence,
and full participation in the commu-
nity;

(iv) provided in a community location
that is not specifically intended for individ-
uals with disabilities;

(v) provided in a location that—

(I) allows the individuals receiv-
ing the services to interact with indi-
viduals without disabilities to the full-
est extent possible; and

(II) makes it possible for the in-
dividuals receiving the services to ac-
cess community resources that are not
specifically intended for individuals
with disabilities and to have the same
opportunities to participate in the
community as individuals who do not
have a disability;

(vi) provided in multiple locations to
allow the individual receiving the services
to have options, thereby—
(I) optimizing individual initiative, autonomy, and independence; and

(II) facilitating choice regarding services and supports, and choice regarding the provider of such services; and

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

(B) Exclusions.—The terms “integrated community participation and wraparound services” or “integrated services” shall not include a service provided in any of the following settings:

(i) A nursing facility.

(ii) An institution for individuals with mental diseases.

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

(iv) A congregate setting in which an individual does not have the ability, at the time preferred by the individual and in accordance with other preferences of the in-
individual, to access services supporting the
full inclusion and engagement of the indi-
vidual in the greater community.

(5) Local board; local plan.—The terms
“local board” and “local plan” have the meanings
given such terms in section 3 of the Workforce Inno-

(6) Olmstead decision.—The term
“Olmstead decision” means the decision of the Su-
preme Court of the United States in Olmstead v.

(7) Olmstead plan.—The term “Olmstead
plan”, with respect to a State, means the plan of the
State for complying with the holding in the
Olmstead decision.

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

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

(10) Special certificate.—The term “spe-
cial certificate” means a special certificate issued
under section 14(c) of the Fair Labor Standards Act
of 1938 (29 U.S.C. 214(c)).
(11) **State.**—The term “State” means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the territory of Guam.

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

(13) **Workforce development system.**—The term “workforce development system” has the meaning given such term in section 3 of the Workforce Innovation and Opportunity Act.

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

There are authorized to be appropriated to carry out this Act (other than section 102(f)), $50,000,000 for each of fiscal years 2024 through 2029.