

116TH CONGRESS  
1ST SESSION

# H. R. 873

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

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2019

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

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## A BILL

To assist employers providing employment under special certificates issued under section 14(c) of the Fair Labor Standards Act of 1938 to transform their business and program models, to support individuals with disabilities to transition to 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,*

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. TABLE OF CONTENTS.**

- Sec. 1. Short title.
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5 **SEC. 3. PURPOSES.**

6 The purposes of this Act are to—

- 7 (1) assist employers with special certificates
- 8 issued under section 14(c) of the Fair Labor Stand-
- 9 ards Act of 1938 (29 U.S.C. 214(c)) to transform
- 10 their business and program models to models that
- 11 support individuals with intellectual, developmental,

1 mental health, and other disabilities to find and re-  
2 tain work in competitive integrated employment;

3 (2) ensure individuals with disabilities, families,  
4 local and State governments, and other stakeholders  
5 are involved in the transformations described in  
6 paragraph (1);

7 (3) ensure individuals employed in programs  
8 using such special certificates transition to competi-  
9 tive integrated employment positions and, as needed,  
10 to services that support them as needed in inte-  
11 grated home and community-based settings;

12 (4) identify models and processes for shifting  
13 business and program models from such special cer-  
14 tificates to competitive integrated employment mod-  
15 els and integrated community participation and  
16 wraparound models, and to share that information  
17 with other such special certificate holders, State and  
18 local entities, and other service providers for those  
19 with intellectual, developmental, mental health, and  
20 other disabilities; and

21 (5) support State and local governments as they  
22 revise and implement their Olmstead plans to im-  
23 prove integrated employment options and home and  
24 community-based services options for all people with  
25 disabilities.

1 **TITLE I—COMPETITIVE INTE-**  
2 **GRATED EMPLOYMENT**  
3 **TRANSFORMATION GRANT**  
4 **PROGRAMS**

5 **SEC. 101. PROGRAM AUTHORIZED.**

6 From the amounts appropriated to carry out this  
7 title, the Secretary of Labor shall award grants under sec-  
8 tions 102 and 103, on a competitive basis, to States and  
9 eligible entities to assist such States and entities to trans-  
10 form their business and program models from providing  
11 employment using special certificates issued under section  
12 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C.  
13 214(c)) to models that support individuals with intellec-  
14 tual, developmental, and other disabilities by—

15 (1) operating competitive integrated employ-  
16 ment businesses;

17 (2) assisting such individuals in finding and re-  
18 taining work in competitive integrated employment;  
19 and

20 (3) providing integrated employment and inte-  
21 grated community participation and wraparound  
22 services (in this Act referred to as “integrated serv-  
23 ices”) for such individuals.

24 **SEC. 102. STATE GRANT PROGRAM.**

25 (a) APPLICATION.—

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

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

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

11                           (i) the number of employers providing  
12                           employment using special certificates;

13                           (ii) the number of such employers  
14                           that provide competitive integrated employ-  
15                           ment, which shall include employers pro-  
16                           viding such employment in combination  
17                           with integrated services;

18                           (iii) the number of employees em-  
19                           ployed under a special certificate, disaggre-  
20                           gated by employer;

21                           (iv) the average number of hours such  
22                           an employee works per week (including the  
23                           range and median of hours), disaggregated  
24                           by employer, and reported for the State as  
25                           a whole; and

1 (v) the average hourly wage for such  
2 an employee (including the range and me-  
3 dian wage), disaggregated by employer,  
4 and reported for the State as a whole;

5 (B) a description of activities to be funded  
6 under the grant, and the goals of such activi-  
7 ties, including—

8 (i) the process to be used to identify  
9 each employer in the State that will trans-  
10 form its business and program models  
11 from providing employment using special  
12 certificates to providing competitive inte-  
13 grated employment or a combination of  
14 competitive integrated employment and in-  
15 tegrated services, which, by the end of the  
16 6-year grant period for the State, results  
17 in the discontinuation of employment using  
18 special certificates in the State, with the  
19 exception that any individual employed  
20 under a special certificate as of June 4,  
21 1997, may continue to be employed in the  
22 employment setting in which such indi-  
23 vidual was employed as of the day before  
24 the date of enactment of this Act, without  
25 regard to whether such setting provides in-

1           tegrated employment or a combination of  
2           integrated employment and integrated  
3           services;

4           (ii) the number of such employers in  
5           the State that will carry out a trans-  
6           formation described in clause (i);

7           (iii) the service delivery infrastructure  
8           that will be implemented in the State to  
9           support individuals who have been em-  
10          ployed under special certificates through  
11          such a transformation;

12          (iv) the integrated employment and  
13          integrated services that will be imple-  
14          mented in the State to support such indi-  
15          viduals;

16          (v) the timeline for phasing out em-  
17          ployment using special certificates in the  
18          State;

19          (vi) a timeline for the expansion of  
20          employers that will provide competitive in-  
21          tegrated employment or a combination of  
22          competitive integrated employment and in-  
23          tegrated services for individuals who have  
24          been employed under special certificates;

1 (vii) a description of the expanded in-  
2 tegrated employment and integrated serv-  
3 ices to be provided to such individuals as  
4 a result of a transformations described in  
5 clause (i); and

6 (viii) a description of the process to be  
7 used to engage stakeholders in such trans-  
8 formations;

9 (C) a description of how the activities  
10 under the grant will coordinate and align Fed-  
11 eral, State, and local programs, agencies, and  
12 funding in the transformations described in  
13 subparagraph (B)(i);

14 (D) a description of the State's evaluation  
15 plan to determine the impact of the grant;

16 (E) assurances that—

17 (i) the activities carried out under the  
18 grant will result in each employer in the  
19 State that provides employment using spe-  
20 cial certificates to transform as described  
21 in subparagraph (B)(i);

22 (ii) individuals with the most signifi-  
23 cant intellectual and developmental disabil-  
24 ities who will be impacted by such a trans-  
25 formation will be given priority in receiving



1 the necessary supports and services to suc-  
2 ceed during and after such a trans-  
3 formation;

4 (iii) each individual in the State who  
5 is employed under a special certificate will,  
6 as a result of such a transformation, be  
7 employed in competitive integrated employ-  
8 ment or be so employed and receive the in-  
9 tegrated services desired by the individual;

10 (iv) the State agencies responsible for  
11 developmental disability services, Medicaid,  
12 education, vocational rehabilitation, mental  
13 health services, and other supports agree  
14 to be partners in the goals of the grant;

15 (v) the State will comply with require-  
16 ments of the Secretary with respect to the  
17 collection of data and will require employ-  
18 ers providing employment under special  
19 certificates in the State to comply with  
20 such requirements;

21 (vi) the State will cooperate with the  
22 evaluation under title IV by providing all  
23 data required and allow the evaluation of  
24 activities under the grant;

1 (vii) the State will create an advisory  
2 council described in paragraph (3) to mon-  
3 itor and guide the process of transforming  
4 business and program models of employers  
5 in the State; and

6 (viii) the State will cooperate with the  
7 nonprofit entity carrying out technical as-  
8 sistance and dissemination activities under  
9 title III; and

10 (F) such other information and assurances  
11 as the Secretary may reasonably require.

12 (3) MEMBERS OF THE ADVISORY COUNCIL.—A  
13 State receiving a grant under this section shall cre-  
14 ate an advisory council composed of the following:

15 (A) At least 25 percent of the members are  
16 individuals with disabilities.

17 (B) Two family members of individuals  
18 with intellectual or developmental disabilities  
19 who are employed under a special certificate.

20 (C) Two employers providing competitive  
21 integrated employment.

22 (D) Two employers providing employment  
23 under special certificates.

1 (E) A representative of a nonprofit agency  
2 specializing in competitive integrated employ-  
3 ment.

4 (F) A representative of the State develop-  
5 mental disability agency.

6 (G) A representative of the State voca-  
7 tional rehabilitation agency, as such term is  
8 used under the Rehabilitation Act of 1973 (29  
9 U.S.C. 701 et seq.).

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

13 (I) A representative of the State inde-  
14 pendent living centers, as such term is used  
15 under the Rehabilitation Act of 1973 (29  
16 U.S.C. 701 et seq.).

17 (J) A representative of the State Council  
18 on Developmental Disabilities, as defined in sec-  
19 tion 102 of the Developmental Disabilities As-  
20 sistance and Bill of Rights Act of 2000 (42  
21 U.S.C. 15002).

22 (K) 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 (L) Representatives of other State agency  
5 and disability organizations (such as the State  
6 Medicaid agencies, State Protection and Advo-  
7 cacy systems (as defined in section 102 of the  
8 Developmental Disabilities Assistance and Bill  
9 of Rights Act of 2000 (42 U.S.C. 15002)), and  
10 other disability related offices and groups with  
11 expertise in competitive integrated employ-  
12 ment).

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

18 (c) DURATION OF AWARDS.—A grant under this sec-  
19 tion shall be awarded for a period of 6 years.

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

22 (e) AMOUNT OF AWARDS.—A grant awarded under  
23 this section may not be made in an amount that is less  
24 than \$2,000,000, or more than \$10,000,000, for the 6-  
25 year grant period.

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

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

7 (b) CONTENTS.—Each application submitted under  
8 subsection (a) shall include—

9 (1) the status of the eligible entity’s use of spe-  
10 cial certificates to employ individuals, including—

11 (A) the number of employees the eligible  
12 entity employs using such special certificates;

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

17 (C) during the preceding 5-year period, the  
18 number of individuals who have been  
19 transitioned by the eligible entity from employ-  
20 ment under such special certificates to competi-  
21 tive integrated employment; and

22 (D) a description of the business and pro-  
23 gram models (including the financial and orga-  
24 nizational structure) of the eligible entity that  
25 is using the special certificates, including—

1 (i) the number of employees paid at a  
2 wage below the Federal minimum wage  
3 under section 6(a) of the Fair Labor  
4 Standards Act of 1938 (29 U.S.C. 206(a))  
5 at the time of the application;

6 (ii) the number and type of contracts  
7 the entity has entered into during the pre-  
8 ceding 3 fiscal years;

9 (iii) the budget and the funding struc-  
10 ture for the preceding 3 fiscal years;

11 (iv) the human resource structure;  
12 and

13 (v) the community partners described  
14 in subsection (h)(2) that have partnered  
15 with the eligible entity;

16 (2) a description of activities to be funded  
17 under the grant, and the goals of the grant activi-  
18 ties, including—

19 (A) a description of the business and pro-  
20 gram models of competitive integrated employ-  
21 ment or a combination of competitive integrated  
22 employment and integrated services into which  
23 the models of the eligible entity will transform,  
24 including the business plan, employment struc-  
25 ture, and leadership organization;

1 (B) a description of the evidence-based, in-  
2 tegrated services—

3 (i) to be provided by the eligible enti-  
4 ty; or

5 (ii) the eligible entity's process for re-  
6 ferring an individual requiring such serv-  
7 ices to a provider of such services to en-  
8 sure that the individual receives such serv-  
9 ices;

10 (C) after the transformation of the eligible  
11 entity's business and program models as de-  
12 scribed in subparagraph (A), the number of em-  
13 ployees that will be employed under such mod-  
14 els;

15 (D) the date on which the eligible entity  
16 will discontinue using special certificates, and  
17 the funding structure the eligible entity will use  
18 to provide competitive integrated employment  
19 or a combination of such employment and inte-  
20 grated services; and

21 (E) the process to be used for the trans-  
22 formation of the eligible entity's business and  
23 program models as described in subparagraph  
24 (A), including—

25 (i) redesign of contracts;

- 1 (ii) any changes in funding sources;
- 2 (iii) staff training on inclusive employ-  
3 ment practices;
- 4 (iv) input from key stakeholders, in-  
5 cluding individuals with disabilities, their  
6 families, and other local stakeholders; and
- 7 (v) a description of the individuals  
8 who will be responsible for the development  
9 and implementation of such process;
- 10 (3) a timeline of activities to be implemented  
11 and goals to be reached on at least a quarterly basis  
12 during the 3-year grant period;
- 13 (4) a description of how the activities under the  
14 grant will coordinate and align Federal, State, and  
15 local programs, agencies, and funding in the trans-  
16 formation described in paragraph (2)(A);
- 17 (5) assurances that—
- 18 (A) the activities carried out under the  
19 grant will result in the transformation described  
20 in paragraph (2)(A);
- 21 (B) individuals who are employed by the  
22 eligible entity under special certificates will be  
23 employed in competitive integrated employment  
24 or be so employed and receive the integrated  
25 services desired by the individual;



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

4 (D) the eligible entity will cooperate with  
5 the evaluation described in title IV by providing  
6 all data required and allow evaluation of the ac-  
7 tivities under the grant; and

8 (E) the eligible entity will cooperate with  
9 the nonprofit entity carrying out technical as-  
10 sistance and dissemination required under title  
11 III;

12 (6) a description of the eligible entity's evalua-  
13 tion plan to determine the impact of the grant;

14 (7) assurances of collaboration and support  
15 from all State entities (including the State Medicaid  
16 agency, the State developmental disability agency,  
17 and the State vocational rehabilitation agency) for  
18 whom the eligible entity is an approved provider of  
19 services; and

20 (8) such other information and assurances as  
21 the Secretary may reasonably require.

22 (c) GEOGRAPHIC DIVERSITY.—To the extent prac-  
23 ticable, the Secretary shall distribute grant funds under  
24 this section equitably among geographic areas of the

1 United States, and shall take into account rural and urban  
2 diversity.

3 (d) PROGRAM SIZE.—To the extent practicable, the  
4 Secretary shall distribute grant funds under this section  
5 equitably among eligible entities providing employment  
6 using special certificates serving different numbers of indi-  
7 viduals.

8 (e) DURATION OF AWARDS.—

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

11 (2) GRANT CYCLES.—Grants shall be awarded  
12 under this section in 2 grant cycles. Grants for the  
13 second grant cycle shall be awarded upon the expira-  
14 tion of the first 3-year grant period under this sec-  
15 tion.

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

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

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

1           (1) employs individuals under special certifi-  
2           cates and is located in a State that did not receive  
3           a grant under section 102; and

4           (2) partners with at least 2 entities with experi-  
5           ence providing support to individuals with disabil-  
6           ities in competitive integrated employment, such  
7           as—

8                   (A) an employer providing competitive in-  
9                   tegrated employment;

10                   (B) a State developmental disability agen-  
11                   cy;

12                   (C) a State mental health services agency;

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

16                   (E) a representative of the State Council  
17                   on Developmental Disabilities, as defined in sec-  
18                   tion 102 of the Developmental Disabilities As-  
19                   sistance and Bill of Rights Act of 2000 (42  
20                   U.S.C. 15002);

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

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

5 (H) a representative of one of the State  
6 University Centers for Excellence in Develop-  
7 mental Disabilities Education, Research, and  
8 Service, established under subtitle D of title I  
9 of the Developmental Disabilities Assistance  
10 and Bill of Rights Act of 2000 (42 U.S.C.  
11 15061 et seq.); and

12 (I) a nonprofit agency specializing in com-  
13 petitive integrated employment.

14 **TITLE II—PHASE OUT OF SPE-**  
15 **CIAL CERTIFICATES UNDER**  
16 **SECTION 14(c) OF THE FAIR**  
17 **LABOR STANDARDS ACT OF**  
18 **1938**

19 **SEC. 201. TRANSITION TO FAIR WAGES FOR INDIVIDUALS**  
20 **WITH DISABILITIES.**

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

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

1           “(i)(I) 50 percent of the wage rate in  
2 effect under section 6(a)(1), beginning 6  
3 months after the date of enactment of the  
4 Transformation to Competitive Employ-  
5 ment Act;

6           “(II) 60 percent of the wage rate in  
7 effect under section 6(a)(1), beginning 2  
8 years after such date;

9           “(III) 70 percent of the wage rate in  
10 effect under section 6(a)(1), beginning 3  
11 years after such date;

12           “(IV) 80 percent of the wage rate in  
13 effect under section 6(a)(1), beginning 4  
14 years after such date;

15           “(V) 90 percent of the wage rate in  
16 effect under section 6(a)(1), beginning 5  
17 years after such date; and

18           “(VI) the wage rate in effect under  
19 section 6(a)(1), on the date that is 6 years  
20 after the date of enactment of the Trans-  
21 formation to Competitive Employment Act;  
22 or

23           “(ii) the wage rate in effect on the  
24 day before the date of enactment of the  
25 Transformation to Competitive Employ-

1                   ment Act for the employment, under a spe-  
2                   cial certificate issued under this para-  
3                   graph, of the individual for whom the wage  
4                   rate is determined under this paragraph.”.

5 **SEC. 202. PROHIBITION ON NEW SPECIAL CERTIFICATES;**  
6                   **SUNSET.**

7           Section 14(c) of the Fair Labor Standards Act of  
8 1938 (29 U.S.C. 214(c)) (as amended by section 201),  
9 is further amended by adding at the end the following:

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

16           “(7) SUNSET.—Beginning on the day after the date  
17 on which the wage rate described in paragraph  
18 (1)(A)(i)(VI) takes effect, the authority to issue special  
19 certificates under paragraph (1) shall expire, and no spe-  
20 cial certificates issued under paragraph (1) shall have any  
21 legal effect.”.

1 **TITLE III—TECHNICAL ASSIST-**  
2 **ANCE AND DISSEMINATION**

3 **SEC. 301. GRANT AUTHORIZED.**

4 From the amounts appropriated for this title, the  
5 Secretary (acting through the Office of Disability Employ-  
6 ment Policy) shall award a grant to a nonprofit entity to—

7 (1) provide technical assistance to employers  
8 transforming their business and program models  
9 from providing employment for individuals with dis-  
10 abilities under special certificates to providing com-  
11 petitive integrated employment to such individuals;  
12 and

13 (2) collect and disseminate learned practices on  
14 such transformations.

15 **SEC. 302. APPLICATION.**

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

21 (b) CONTENTS.—Each application submitted under  
22 subsection (a) shall include—

23 (1) a description of the nonprofit entity's exper-  
24 tise in providing technical assistance that shall in-  
25 clude evidence of—

1           (A) knowledge of transforming business  
2           and program models providing employment  
3           using special certificates to models providing  
4           competitive integrated employment;

5           (B) knowledge of methods for supporting  
6           employers, including employers not receiving a  
7           grant under title I, to transform as described in  
8           subparagraph (A);

9           (C) experience working with nonprofit, for-  
10          profit, local, State, and Federal agencies focus-  
11          ing on employment of youth and adults with  
12          disabilities; and

13          (D) experience working with individuals  
14          with disabilities and their families; and

15          (2) a description of the nonprofit entity's exper-  
16          tise in providing, collecting, compiling, commu-  
17          nicating, and disseminating information about pro-  
18          gram and systems change for programs serving indi-  
19          viduals with disabilities that shall include—

20                (A) expertise documenting program  
21                change;

22                (B) experience compiling recommended  
23                practices related to program transformations;



1 (C) expertise regarding competitive inte-  
2 grated employment for youth and adults with  
3 disabilities;

4 (D) expertise working with individuals with  
5 disabilities and their families through systems  
6 change procedures;

7 (E) expertise creating products to dissemi-  
8 nate learned information, including through  
9 web-based means;

10 (F) experience creating websites to dis-  
11 seminate information; and

12 (G) experience working with nonprofit, for-  
13 profit, local, State, and Federal agencies focus-  
14 ing on employment of youth and adults with  
15 disabilities.

16 (c) KEY PERSONNEL.—A description of the individ-  
17 uals at the nonprofit entity who will be responsible for car-  
18 rying out the activities of this title.

19 (d) DURATION OF AWARD.—A grant under this sec-  
20 tion shall be awarded for a period of 6 years, and shall  
21 be non-renewable.

22 (e) NONPROFIT ENTITY DEFINED.—In this title, the  
23 term “nonprofit entity” means a nonprofit entity with ex-  
24 pertise in collecting, compiling, communicating, and dis-

1 seminating information about program and systems  
2 change for programs serving individuals with disabilities.

3       **TITLE IV—REPORTING AND**  
4       **EVALUATION**

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

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

11           (1) conduct a multi-year evaluation on the im-  
12 pact of this Act, including the amendments made by  
13 this Act, with respect to individuals with disabilities  
14 (including individuals receiving a wage rate under  
15 section 14(c) of the Fair Labor Standards Act of  
16 1938 (29 U.S.C. 214(c)), as amended by title II of  
17 this Act); and

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

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

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

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

6           (c) REPORTS.—The Secretary shall submit to the  
7           Committee on Health, Education, Labor, and Pensions of  
8           the Senate and the Committee on Education and Labor  
9           of the House of Representatives, the following reports on  
10          the evaluation conducted under subsection (a)(1):

11           (1) An interim report on the evaluation, not  
12           later than 3 years after the evaluation commences  
13           under subsection (a)(1).

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

20   **SEC. 402. WAGE AND HOUR REPORT.**

21           For each year of the 6-year period described in sec-  
22           tion 14(c)(1)(A) of the Fair Labor Standards Act of 1938  
23           (29 U.S.C. 214(c)(1)(A)), as amended by title II of this  
24           Act, the Secretary (acting through the Administrator of  
25           the Wage and Hour Division of Department of Labor)

1 shall submit to the Committee on Health, Education,  
2 Labor, and Pensions of the Senate and the Committee on  
3 Education and Labor of the House of Representatives, an  
4 annual report summarizing practices of employers pro-  
5 viding employment using special certificates which, with  
6 respect to the preceding year, shall include—

7           (1) the number of employees paid a wage that  
8           is below the minimum wage specified under section  
9           6(a) of the Fair Labor Standards Act of 1938 (29  
10          U.S.C. 206(a));

11          (2) the type of employment setting (such as  
12          segregated employment, competitive integrated em-  
13          ployment, non-employment, or seeking employment)  
14          and the integrated services provided by such employ-  
15          ers;

16          (3) the average hourly wage, minimum and  
17          maximum hourly wage, and average hours worked  
18          per week, disaggregated by employer and by State;  
19          and

20          (4) the number of employees who have  
21          transitioned from employment provided under a spe-  
22          cial certificate to competitive integrated employment,  
23          disaggregated by employer and by State.

# 1 **TITLE V—GENERAL PROVISIONS**

## 2 **SEC. 501. DEFINITIONS.**

3 In this Act:

4 (1) **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 (2) **INTEGRATED COMMUNITY PARTICIPATION**  
10 **AND WRAPAROUND SERVICES; INTEGRATED SERV-**  
11 **ICES.**—

12 (A) **IN GENERAL.**—The terms “integrated  
13 community participation and wraparound serv-  
14 ices” and “integrated services” mean services—

15 (i) designed to assist individuals with  
16 disabilities in acquiring, retaining, and im-  
17 proving skills necessary to reside success-  
18 fully in home and community-based set-  
19 tings;

20 (ii) provided consistent with written  
21 plans of care; and

22 (iii) that meet the following require-  
23 ments with respect to the setting in which  
24 the services are provided:

1 (I) The services are provided to  
2 an individual in a setting that is in  
3 the community, which allows the indi-  
4 vidual to engage in community life,  
5 receive the services in the community,  
6 and have the same access to the com-  
7 munity as an individual not receiving  
8 the services.

9 (II) Multiple service settings are  
10 provided as options to the individual  
11 receiving the services.

12 (III) The service setting opti-  
13 mizes individual initiative, autonomy,  
14 and independence.

15 (IV) The service setting facili-  
16 tates choice regarding services and  
17 supports, and choice regarding who  
18 provides the services.

19 (B) EXCLUSIONS.—The following settings  
20 do not meet the requirements described in sub-  
21 paragraph (A)(iii):

22 (i) A nursing facility.

23 (ii) An institution for mental diseases.

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

1           (3) INTEGRATED EMPLOYMENT.—The term  
2 “integrated employment” has the meaning given the  
3 term “competitive integrated employment” in sub-  
4 paragraphs (B) and (C) of section 7(5) of the Reha-  
5 bilitation Act of 1973 (29 U.S.C. 705(5)).

6           (4) SECRETARY.—The term “Secretary” means  
7 the Secretary of Labor.

8           (5) SPECIAL CERTIFICATE.—The term “special  
9 certificate” means a special certificate issued under  
10 section 14(c) of the Fair Labor Standards Act of  
11 1938 (29 U.S.C. 214(c)).

12           (6) STATE.—The term “State” means each of  
13 the 50 States, the District of Columbia, the Com-  
14 monwealth of Puerto Rico, and the territory of  
15 Guam.

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

17           There are authorized to be appropriated to carry out  
18 this Act, \$300,000,000 for fiscal years 2020 through  
19 2025.

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