

119TH CONGRESS  
1ST SESSION

# H. R. 4771

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

JULY 25, 2025

Mr. SCOTT of Virginia (for himself and Mr. SESSIONS) introduced the following bill; which was referred to the Committee on Education and 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,*

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.

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 operations to models  
11 that support individuals with disabilities to find and  
12 retain work in competitive integrated employment;

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

5           (3) ensure individuals employed in programs  
6       using such special certificates transition to competi-  
7       tive integrated employment positions and, as needed,  
8       to integrated services that support them in their  
9       homes and in community settings;

10          (4) identify models and processes for shifting  
11       business and program models from such special cer-  
12       tificates to competitive integrated employment mod-  
13       els and integrated community participation and  
14       wraparound services, and to share that information  
15       with other such special certificate holders, State and  
16       local entities, and other service providers for individ-  
17       uals with disabilities; and

18          (5) support States and local governments as  
19       they revise and implement their Olmstead plans and  
20       local plans, respectively, in order to improve com-  
21       petitive integrated employment outcomes for individ-  
22       uals with disabilities through all State workforce de-  
23       velopment systems.

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 employers who were issued special  
10 certificates in transforming their business and program  
11 models from providing employment using such special cer-  
12 tificates to business and program models that employ and  
13 support individuals with disabilities by—

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

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

22 (B) not less than the customary rate paid  
23 by the employer for the same or similar work  
24 performed by other employees who are not indi-  
25 viduals with disabilities, and who are similarly

1           situated in similar occupations by the same em-  
2           ployer and who have similar training, experi-  
3           ence, and skills;

4           (2) assisting individuals with disabilities who  
5           were employed by the employer in finding and re-  
6           taining work in competitive integrated employment,  
7           which work may be with the employer after such  
8           transformation or in another competitive integrated  
9           employment setting;

10          (3) providing integrated community participa-  
11          tion and wraparound services for individuals with  
12          disabilities; and

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

20   **SEC. 102. STATE GRANT PROGRAM.**

21          (a) APPLICATION.—

22               (1) IN GENERAL.—To be eligible to receive a  
23               grant under this section, a State shall submit an ap-  
24               plication 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 employers 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 employed 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;

1 (iv) the average, median, minimum,  
2 and maximum number of hours such em-  
3 ployees work per week, disaggregated by  
4 employer, and reported for the State as a  
5 whole; and

6 (v) the average, median, minimum,  
7 and maximum hourly wage for such em-  
8 ployees, disaggregated by employer, and  
9 reported for the State as a whole;

10 (B) a description of the activities of the  
11 State with respect to competitive integrated em-  
12 ployment for individuals with disabilities, in-  
13 cluding, as applicable—

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

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

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

21 (iv) a description of the medical as-  
22 sistance provided by the State through a  
23 Medicaid buy-in eligibility pathway under  
24 subclause (XV) or (XVI) of section  
25 1902(a)(10)(A)(ii) of the Social Security

1 Act (42 U.S.C. 1396a(a)(10)(A)(ii)), in-  
2 cluding any premiums or other cost shar-  
3 ing imposed on individuals who enroll in  
4 the State Medicaid program through such  
5 a pathway;

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

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

19 (ii) the number of such employers in  
20 the State that will carry out a trans-  
21 formation described in clause (i);

22 (iii) the service delivery infrastructure  
23 that will be implemented in the State to  
24 support individuals with disabilities who  
25 have been employed under special certifi-



1 cates through such a transformation, in-  
2 cluding providing enhanced integrated  
3 services to support individuals with the  
4 most significant disabilities;

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

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

16 (vi) a timeline for phasing out employ-  
17 ment using special certificates in the State,  
18 which shall not extend past the date on  
19 which the legal effect of such certificates  
20 expires under section 14(c)(7) of the Fair  
21 Labor Standards Act of 1938 (29 U.S.C.  
22 214(c)(7)), as added by title II;

23 (vii) a timeline for the expansion of  
24 employers that will provide competitive in-  
25 tegrated employment, or a combination of

1 competitive integrated employment and in-  
2 tegrated services, to individuals with dis-  
3 abilities who have been employed by such  
4 employers under special certificates;

5 (viii) a description of the expanded  
6 competitive integrated employment and in-  
7 tegrated services to be provided to such in-  
8 dividuals as a result of transformations de-  
9 scribed in clause (i); and

10 (ix) a description of the process to be  
11 used to engage stakeholders in such trans-  
12 formations;

13 (D) a description of how the activities  
14 under the grant will coordinate and align Fed-  
15 eral, State, and local programs, agencies, and  
16 funding in the transformations described in  
17 subparagraph (C)(i);

18 (E) a description of the State's evaluation  
19 plan to determine the social and economic im-  
20 pact of the grant, including the impact (as  
21 measured throughout the transformation and  
22 the 2-year period after the State has phased out  
23 employment using special certificates) on—

24 (i) the employment status of individ-  
25 uals with disabilities in the State, including

1 the number of hours worked, average  
2 wages, and job satisfaction, of such indi-  
3 viduals; and

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

7 (F) assurances that—

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

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

22 (iii) each individual in the State who  
23 is employed under a special certificate will,  
24 as a result of such a transformation, be

1 employed in competitive integrated employ-  
2 ment;

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

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

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 establish an advisory  
2 council described in paragraph (3) to  
3 monitor and guide the process of transforming  
4 business and program models of  
5 employers in the State as described in sub-  
6 paragraph (C)(i);

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

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

14 (I) the requirements for home  
15 and community-based services under  
16 the Home and Community-Based  
17 Services (HCBS) final rule published  
18 on January 16, 2014 (79 Fed. Reg.  
19 2948), or a successor rule;

20 (II) the holding of the Olmstead  
21 decision; and

22 (III) the Americans with Disabilities  
23 Act of 1990 (42 U.S.C. 12101 et  
24 seq.); and

1 (x) the State will disseminate informa-  
2 tion to all individuals with disabilities em-  
3 ployed under special certificates regarding  
4 the availability of—

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

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

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

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

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

24 (A) Individuals with disabilities, including  
25 such individuals with intellectual and develop-

1           mental disabilities, who are or were employed  
2           under a special certificate, who shall comprise  
3           not less than 25 percent of the members.

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

7           (C) A family member of an individual with  
8           an intellectual or developmental disability who  
9           is employed in competitive integrated employ-  
10          ment.

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

13          (E) An employer providing employment  
14          under special certificates.

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

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

20          (H) A representative of the State voca-  
21          tional rehabilitation agency, as such term is  
22          used under the Rehabilitation Act of 1973 (29  
23          U.S.C. 701 et seq.).

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

4 (J) A representative of the State inde-  
5 pendent living centers, as such term is used  
6 under the Rehabilitation Act of 1973 (29  
7 U.S.C. 701 et seq.).

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

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

20 (M) A representative of the State protec-  
21 tion and advocacy system, as defined in section  
22 102 of the Developmental Disabilities Assist-  
23 ance and Bill of Rights Act of 2000 (42 U.S.C.  
24 15002).



1 (N) A representative of the State Medicaid  
2 office.

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

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

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

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

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

20 (f) ADDITIONAL FUNDING FOR SUPPORTED EMPLOY-  
21 MENT SERVICES.—

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

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

1 (i) in subsection (a), by adding at the  
2 end the following:

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

8 (ii) in subsection (c)—

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

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

14 (iii) in subsection (d)—

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

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

20 (B) in section 604(b)(2) (29 U.S.C.  
21 795i(b)(2)), by inserting “(including through a  
22 grant awarded under section 611)” after “this  
23 title”;

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

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

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

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

13 “(b) ELIGIBILITY.—

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

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

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

24 “(2) SUCCESSFULLY COMPLETING A COMPETI-  
 25 TIVE INTEGRATED EMPLOYMENT GRANT.—A State

1       has successfully completed a grant under section  
2       102 of the Transformation to Competitive Inte-  
3       grated Employment Act if, at the conclusion of the  
4       5-year period of the grant, the Secretary deter-  
5       mines—

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

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

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

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

20       “(d) AWARDS.—

21              “(1) IN GENERAL.—A grant to a State under  
22       this section shall be awarded in an amount deter-  
23       mined under paragraph (2) for a fiscal year, except  
24       as provided under paragraph (3).

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

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

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

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

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

23                 (2) TABLE OF CONTENTS.—The table of con-  
 24          tents in section 1(b) of the Rehabilitation Act of

1       1973 is amended by adding after the item relating  
2       to section 610 the following:

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

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

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

9       (b) CONTENTS.—Each application submitted under  
10      subsection (a) shall include—

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

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

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

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

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

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

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

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

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

24 (C) during the preceding 5 fiscal years, the  
25 number of individuals with disabilities,

1           disaggregated by fiscal year, who have been  
2           transitioned by the eligible entity from employ-  
3           ment under such special certificates to competi-  
4           tive integrated employment; and

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

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

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

17                  (iii) the human resource structure;  
18                  and

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

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



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

9 (B) a description of—

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

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

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

22 (D) the date on which the eligible entity  
23 will discontinue using special certificates, and  
24 the funding structure the eligible entity will use  
25 to provide competitive integrated employment

1 or a combination of such employment and inte-  
2 grated services; and

3 (E) the process to be used for the trans-  
4 formation of the eligible entity's business and  
5 program models as described in subparagraph  
6 (A), including—

7 (i) redesign of contracts;

8 (ii) changes in funding sources;

9 (iii) staff training on competitive inte-  
10 grated employment support and practices;

11 (iv) input from key stakeholders, in-  
12 cluding individuals with disabilities, their  
13 families, and other local stakeholders; and

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

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

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

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

5           (6) assurances that—

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

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

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

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

20                (E) the eligible entity will cooperate with  
21                the nonprofit entity carrying out technical as-  
22                sistance and dissemination required under title  
23                III;

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

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

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

13          (c) 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 shall take into account rural and urban  
17          diversity.

18          (d) PROGRAM SIZE.—To the extent practicable, the  
19          Secretary shall distribute grant funds under this section  
20          equitably among eligible entities providing employment  
21          using special certificates serving different numbers of indi-  
22          viduals.

23          (e) DURATION OF AWARDS.—

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

1           (2) GRANT CYCLES.—Grants shall be awarded  
2           under this section in 2 grant cycles. Grants for the  
3           second grant cycle shall be awarded not earlier than  
4           the end of the second year of the first 3-year grant  
5           cycle.

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

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

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

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

17                (2) partners with at least 2 entities with experi-  
18                ence providing support to individuals with disabil-  
19                ities in competitive integrated employment, such  
20                as—

21                        (A) an employer providing competitive in-  
22                        tegrated employment;

23                        (B) a State developmental disability agen-  
24                        cy;

25                        (C) a State mental health services agency;

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

4 (E) a representative of the State Council  
5 on Developmental Disabilities, as defined in sec-  
6 tion 102 of the Developmental Disabilities As-  
7 sistance and Bill of Rights Act of 2000 (42  
8 U.S.C. 15002);

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

13 (G) 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 (H) 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 (I) a representative of the State protection  
25 and advocacy system, as defined in section 102

1 of the Developmental Disabilities Assistance  
 2 and Bill of Rights Act of 2000 (42 U.S.C.  
 3 15002); and

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

6 **TITLE II—PHASE OUT OF SPE-**  
 7 **CIAL CERTIFICATES UNDER**  
 8 **SECTION 14(C) OF THE FAIR**  
 9 **LABOR STANDARDS ACT OF**  
 10 **1938**

11 **SEC. 201. TRANSITION TO FAIR WAGES FOR INDIVIDUALS**  
 12 **WITH DISABILITIES.**

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

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

18 “(i)(I) 60 percent of the wage rate in ef-  
 19 fect under section 6(a)(1), beginning on the ef-  
 20 fective date described in section 201(b) of  
 21 Transformation to Competitive Integrated Em-  
 22 ployment Act;

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

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

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

7           “(V) the wage rate in effect under section  
8           6(a)(1), beginning 4 years after such effective  
9           date; or

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

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

20       **SEC. 202. PROHIBITION ON NEW SPECIAL CERTIFICATES;**  
21               **SUNSET.**

22          Section 14(c) of the Fair Labor Standards Act of  
23          1938 (29 U.S.C. 214(c)) (as amended by section 201),  
24          is further amended by adding at the end the following:



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

8       “(7) SUNSET.—Beginning on the day after the date  
 9 that is 4 years after the effective date described in section  
 10 201(b) of the Transformation to Competitive Integrated  
 11 Employment Act—

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

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

## 16 **TITLE III—TECHNICAL ASSIST-** 17 **ANCE AND DISSEMINATION**

### 18 **SEC. 301. TECHNICAL ASSISTANCE AND DISSEMINATION.**

19       (a) GRANT AUTHORIZED.—From the amounts appro-  
 20 priated for this title, the Secretary (acting through the  
 21 Office of Disability Employment Policy of the Department  
 22 of Labor in partnership with the Employment and Train-  
 23 ing Administration of the Department of Labor), in part-  
 24 nership with the Administration for Community Living of  
 25 the Department of Health and Human Services and the

1 Office of Special Education and Rehabilitative Services of  
2 the Department of Education, shall award a grant to a  
3 nonprofit entity to—

4 (1)(A) provide technical assistance to employers  
5 who are transforming from employing individuals  
6 with disabilities using special certificates to pro-  
7 viding competitive integrated employment;

8 (B) identify and disseminate private and public  
9 sector models of the transition described in subpara-  
10 graph (A); and

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

16 (2) collect and disseminate—

17 (A) evidence-based practices with respect  
18 to the transformations described in paragraph  
19 (1)(A), including practices that increase aware-  
20 ness of and access to training materials from  
21 and opportunities offered through the Office of  
22 Disability Employment Policy of the Depart-  
23 ment of Labor; and

24 (B) evidence-based strategies for imple-  
25 menting the aims of activities, intended to im-

1           prove the quality of integrated services to result  
2           in competitive integrated employment for indi-  
3           viduals with disabilities, carried out—

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

7                   (ii) through settlement agreements  
8                   made pursuant to the employment require-  
9                   ments under the Olmstead decision; or

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

15           (3) leverage and increase awareness of and ac-  
16           cess to training materials and opportunities made  
17           available through training and technical assistance  
18           investments of—

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

21                   (B) the Employment and Training Admin-  
22                   istration of the Department of Labor;

23                   (C) the Administration for Community  
24                   Living of the Department of Health and  
25                   Human Services; and

1 (D) the Office of Special Education and  
2 Rehabilitative Services of the Department of  
3 Education; and

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

6 (B) coordinate dissemination efforts related to  
7 ABLE accounts and other financial asset develop-  
8 ment resources through the ABLE National Re-  
9 source Center and the Department of the Treasury.

10 (b) APPLICATION.—

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

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

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

21 (i) knowledge of transforming busi-  
22 ness and program models providing em-  
23 ployment using special certificates to mod-  
24 els providing competitive integrated em-  
25 ployment and integrated services;

1           (ii) knowledge of methods for sup-  
2           porting employers, including employers not  
3           receiving a grant under title I, to trans-  
4           form as described in clause (i);

5           (iii) experience working with non-  
6           profit, for-profit, Federal, State, and local  
7           agencies focusing on employment of youth  
8           and adults who are individuals with dis-  
9           abilities; and

10          (iv) experience working with individ-  
11          uals with disabilities and their families;

12          (B) a description of the nonprofit entity's  
13          expertise in providing, collecting, compiling,  
14          communicating, and disseminating information  
15          about program and systems change for pro-  
16          grams serving individuals with disabilities that  
17          shall include—

18               (i) expertise documenting program  
19               change;

20               (ii) experience compiling recommended  
21               practices related to program trans-  
22               formations;

23               (iii) expertise regarding competitive  
24               integrated employment for youth and  
25               adults who are individuals with disabilities;

1 (iv) expertise working with individuals  
2 with disabilities and their families through  
3 systems change procedures;

4 (v) expertise creating accessible prod-  
5 ucts to disseminate learned information,  
6 including through web-based means;

7 (vi) experience creating accessible  
8 websites to disseminate information;

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

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

21 (ix) experience leveraging resources,  
22 available through the Office of Disability  
23 Employment Policy and the Employment  
24 and Training Administration, that are de-  
25 signed to provide effective and efficient

1 services to job seekers who are individuals  
 2 with disabilities in competitive integrated  
 3 employment settings; and

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

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

10 (4) NONPROFIT ENTITY DEFINED.—In this sec-  
 11 tion, the term “nonprofit entity” means a nonprofit  
 12 entity with expertise in collecting, compiling, com-  
 13 municating, and disseminating information about  
 14 program and systems change for programs serving  
 15 individuals with disabilities.

## 16 **TITLE IV—REPORTING AND** 17 **EVALUATION**

### 18 **SEC. 401. IMPACT EVALUATION AND REPORTING.**

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

24 (1) conduct a multi-year evaluation on the im-  
 25 pact of this Act, including the amendments made by

1       this Act, with respect to individuals with disabilities  
2       (including such individuals receiving a wage rate  
3       under section 14(c) of the Fair Labor Standards Act  
4       of 1938 (29 U.S.C. 214(c)), as amended by title II);  
5       and

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

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

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

13             (2) actions taken by employers and States to  
14      comply with the amendments made by title II and,  
15      in the case of an employer or State receiving funds  
16      under title I, to comply with the transformation re-  
17      quirements under such title.

18       (c) REPORTS.—The Secretary shall submit to the  
19      Committee on Health, Education, Labor, and Pensions of  
20      the Senate and the Committee on Education and Work-  
21      force of the House of Representatives, the following re-  
22      ports on the evaluation conducted under subsection (a)(1):

23             (1) An interim report on the evaluation, not  
24      later than 3 years after the evaluation commences  
25      under subsection (a)(1).



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

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

8           (a) IN GENERAL.—For each year of the 5-year period  
9           described in section 14(c)(1)(A) of the Fair Labor Stand-  
10          ards Act of 1938 (29 U.S.C. 214(c)(1)(A)), as amended  
11          by title II, the Secretary (acting through the Adminis-  
12          trator of the Wage and Hour Division), in coordination  
13          with the Civil Rights Division of the Department of Jus-  
14          tice, shall submit to the Committee on Health, Education,  
15          Labor, and Pensions of the Senate and the Committee on  
16          Education and Workforce of the House of Representa-  
17          tives, an annual report summarizing practices of employ-  
18          ers providing employment using special certificates, which,  
19          with respect to the preceding year, shall include—

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

23                    (A) the higher of the rate specified in sec-  
24                    tion 6(a)(1) of the Fair Labor Standards Act of  
25                    1938 (29 U.S.C. 206(a)(1)) or the rate speci-

1           fied in the applicable State or local minimum  
2           wage law; or

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

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

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

18          (4) the aggregate demographic characteristics  
19          of employees described in paragraph (1), including  
20          the gender, ethnicity, race, and type of disability of  
21          such employees; and

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

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

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

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

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

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

18 (i) the higher of the rate specified in  
19 section 6(a)(1) of the Fair Labor Stand-  
20 ards Act of 1938 (29 U.S.C. 206(a)(1)) or  
21 the rate specified in the applicable State or  
22 local minimum wage law; or

23 (ii) the customary rate paid by the  
24 employer for the same or similar work per-  
25 formed by other employees who are not in-

1           dividuals with disabilities, and who are  
2           similarly situated in similar occupations by  
3           the same employer and who have similar  
4           training, experience, and skills; and

5           (2) submit a report on the results of such sur-  
6           vey to the Committee on Health, Education, Labor,  
7           and Pensions of the Senate, the Special Committee  
8           on Aging of the Senate, and the Committee on Edu-  
9           cation and Workforce of the House of Representa-  
10          tives.

## 11   **TITLE V—GENERAL PROVISIONS**

### 12   **SEC. 501. DEFINITIONS.**

13       In this Act:

14           (1) **ABLE ACCOUNT.**—The term “ABLE ac-  
15           count” has the meaning given such term in section  
16           529A(e)(6) of the Internal Revenue Code of 1986.

17           (2) **COMPETITIVE INTEGRATED EMPLOY-**  
18           **MENT.**—The term “competitive integrated employ-  
19           ment” has the meaning given the term in section  
20           7(5) of the Rehabilitation Act of 1973 (29 U.S.C.  
21           705(5)).

22           (3) **DISABILITY.**—The term “disability” in-  
23           cludes any intellectual, developmental, mental health,  
24           or other disability.

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

4           (A) IN GENERAL.—Except as provided in  
5           subparagraph (B), the terms “integrated com-  
6           munity participation and wraparound services”  
7           or “integrated services” mean services for indi-  
8           viduals with disabilities that are—

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

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

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

17                           (I) maintaining competitive inte-  
18                           grated employment;

19                           (II) achieving independent living;

20                           or

21                           (III) maximizing socioeconomic  
22                           self-sufficiency, optimal independence,  
23                           and full participation in the commu-  
24                           nity;

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

4 (v) provided in a location that—

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

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

17 (vi) provided in multiple locations to  
18 allow the individual receiving the services  
19 to have options, thereby—

20 (I) optimizing individual initia-  
21 tive, autonomy, and independence;  
22 and

23 (II) facilitating choice regarding  
24 services and supports, and choice re-

1                   garding the provider of such services;  
2                   and

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

7                   (B) EXCLUSIONS.—The terms “integrated  
8                   community participation and wraparound serv-  
9                   ices” or “integrated services” shall not include  
10                  a service provided in any of the following set-  
11                  tings:

12                   (i) A nursing facility.

13                   (ii) An institution for individuals with  
14                   mental diseases.

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

17                   (iv) A congregate setting in which an  
18                   individual does not have the ability, at the  
19                   time preferred by the individual and in ac-  
20                   cordance with other preferences of the in-  
21                   dividual, to access services supporting the  
22                   full inclusion and engagement of the indi-  
23                   vidual in the greater community.

24                   (5) LOCAL BOARD; LOCAL PLAN.—The terms  
25                   “local board” and “local plan” have the meanings

1 given such terms in section 3 of the Workforce Inno-  
2 vation and Opportunity Act (29 U.S.C. 3102).

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

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

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

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

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

21 (11) STATE.—The term “State” means each of  
22 the 50 States, the District of Columbia, the Com-  
23 monwealth of Puerto Rico, and the territory of  
24 Guam.



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

4           (13) WORKFORCE DEVELOPMENT SYSTEM.—  
5       The term “workforce development system” has the  
6       meaning given such term in section 3 of the Work-  
7       force Innovation and Opportunity Act.

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

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

○