



Section-by-Section

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

Transformation to Competitive Employment Act

Section 1. Short Title

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

Section 2. Table of Contents

The bill is organized by five titles.

Section 3. Purpose

The purposes of this Act are to (a) assist current 14(c) certificate holders to transition their business models to entities that support individuals with intellectual, developmental, and other significant disabilities to find and retain work in competitive integrated employment; (b) ensure current clients of 14(c) programs transition to competitive integrated employment positions or to positions that support them as needed; (c) identify models and processes for shifting business models from using 14(c) certificates to competitive integrated employment models; (d) share that information with other 14(c) certificate holders, state and local entities, and other service providers for those with intellectual, developmental, and other significant disabilities; and (e) ensure individuals with disabilities, families, local and state governments, and other stakeholders are involved in the transition of 14(c) holder from subminimum wage providers to entities supporting competitive integrated employment.

TITLE I – COMPETITIVE INTEGRATED EMPLOYMENT TRANSFORMATION GRANT PROGRAMS

Section 101. Program Authorized

The bill authorizes two competitive grant programs to support states and employers to strengthen and expand their competitive integrated employment service delivery system and the phase out of subminimum wage programs. The Secretary of Labor, through the Office of Disability Employment Policy, will award the grants described under sections 102 and 103.

Section 102. State Grant Program

A competitive grant program is authorized for states to undergo systemic change to expand and strengthen their service delivery system to support individuals with disabilities secure and retain jobs in competitive integrated positions. A major focus of the grants will be to assist 14(c) certificate employers to transition to business models that support individuals with disabilities in competitive integrated jobs. The state will be required to establish an advisory panel to assist in this transformation. The panel will include individuals with disabilities, family members, competitive integrated employers, non-profit agencies specializing in competitive, integrated employment (CIE), a representative from the State developmental disability agency, a representative from the State vocational rehabilitation agency, a representative from an AbilityOne contractor, a representative of the State independent living center network, a representative of the state developmental disability council, and a representative of the State University Center(s) for Excellence in Developmental Disabilities. This state grant will give those states ready to make systemic change the needed funds to bring individuals together, prepare the workforce, and provide appropriate training and support. States awarded

grants will assure all 14(c) subminimum wage programs in the State will transition to CIE by the end of the grant period. Grants to states will be for a six-year period with funds not less than \$2,000,000 and not more than \$10,000,000.

Section 103. Certificate Holder Grant Program

The second competitive grant program authorizes DOL to provide grants to employers who are located in a state not receiving a state grant, but who want to make the transformation to providing CIE. The funds will go directly to the employers and their partners in order to enable the 14(c) certificate holder to change their business model to provide competitive integrated employment and needed inclusive supports for individuals with disabilities. Employers applying for the grant must collaborate with entities that have expertise in supporting individuals with disabilities and transitioning individuals with disabilities to CIE. There will be two cycles of three-year grants to enable employers to transform their business models to employ people with disabilities in competitive, integrated settings. Grants will range from \$100,000 to \$500,000 for the three-year grant period. Employers can only receive a grant for one grant cycle.

TITLE II – PHASE OUT OF 14(c) OF THE FAIR LABOR STANDARDS ACT OF 1938

Section 201. Transition to Fair Wages for Individuals with Disabilities

The bill amends section 14(c) of the Fair Labor Standards Act of 1938 that enables employers to apply for certificates to pay individuals with disabilities a subminimum wage. This bill provides a 6-year phase out of subminimum wages with a gradual increase to the federal minimum wage. As subminimum wages vary across the country, to comply with the bill, employers must gradually increase wages from 50 percent of the minimum wage up to the full minimum wage by the end of the six years.

Section 202. Prohibition on New Special Certificates; Sunset

During the phase out, no new certificates may be issued to employers. A sunset is placed on all current certificates after the six-year phase out.

TITLE III – TECHNICAL ASSISTANCE AND DISSEMINATION

Section 303. Grant Authorized

To expand and strengthen State service delivery infrastructures to provide supports and services for competitive integrated employment and to effectively support the transition of programs from 14(c) certificates to competitive, integrated settings, the Secretary shall award a technical assistance and dissemination grant to a non-profit entity.

Section 302. Application

The entity applying for the grant must have knowledge and skills that support the best methods to help any employer seeking to transition to CIE to serve individuals with disabilities. The entity must also have demonstrated knowledge and experience collecting, compiling, communicating, and disseminating information about program and systems change for programs serving people with disabilities in order to carry out the dissemination of best practices and lessons learned. The awarding of this grant will be for six years.

TITLE IV – REPORTING AND EVALUATION

Section 401. Impact Evaluation and Reporting

The Secretary of Labor will enter into a contract with a nonprofit organization with experience in conducting multi-year evaluations to carry out an evaluation of the impact of the bill with respect to individuals with disabilities. The evaluation will include information related to the wages provided to individuals with disabilities, changes in employment for individuals with disabilities, and employer actions to comply with the phase out of the subminimum wage in Title II and changes undergone in Title I to fulfill the requirements of the grant and meet the assurances required to receive the grant. The non-profit entity will report to Congress with an interim report after three years and a final report after six years.

Section 402. Wage and Hour Report

During each year of the six years of the phase out of 14(c) certificates in Title II, the Secretary, acting through the Wage and Hour division of the Department of Labor will submit a report to Congress regarding the wages of individuals employed under and transitioning from the special certificates.

TITLE V – GENERAL PROVISIONS

Section 501. Definitions

The bill defines six terms –

- Competitive integrated employment
- Integrated employment
- Integrated community participation and wraparound services
- Secretary
- Special certificate
- State

Section 502. Authorization of Appropriations

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