

“SEC. 511. LIMITATIONS ON USE OF SUBMINIMUM WAGE.

“(a) IN GENERAL.—No entity, including a contractor or subcontractor of the entity, which holds a special wage certificate as described in section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)) may compensate an individual with a disability who is age 24 or younger at a wage (referred to in this section as a ‘subminimum wage’) that is less than the Federal minimum wage unless 1 of the following conditions is met:

“(1) The individual is currently employed, as of the effective date of this section, by an entity that holds a valid certificate pursuant to section 14(c) of the Fair Labor Standards Act of 1938.

“(2) The individual, before beginning work that is compensated at a subminimum wage, has completed, and produces documentation indicating completion of, each of the following actions:

“(A) The individual has received pre-employment transition services that are available to the individual under section 113, or transition services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) such as transition services available to the individual under section 614(d) of that Act (20 U.S.C. 1414(d)).

“(B) The individual has applied for vocational rehabilitation services under title I, with the result that—

“(i)(I) the individual has been found ineligible for such services pursuant to that title and has documentation consistent with section 102(a)(5)(C) regarding the determination of ineligibility; or

“(II)(aa) the individual has been determined to be eligible for vocational rehabilitation services;

“(bb) the individual has an individualized plan for employment under section 102;

“(cc) the individual has been working toward an employment outcome specified in such individualize H. R. 803—253 plan for employment, with appropriate supports and services, including supported employment services, for a reasonable period of time without success; and

“(dd) the individual’s vocational rehabilitation case is closed; and

“(ii)(I) the individual has been provided career counseling, and information and referrals to Federal and State programs and other resources in the individual’s geographic area that offer employment-related services and supports designed to enable the individual to explore, discover, experience, and attain competitive integrated employment; and

“(II) such counseling and information and referrals are not for employment compensated at a subminimum wage provided by an entity described in this subsection, and such employment-related services are not compensated at a subminimum wage and do not directly result in employment compensated at a subminimum wage provided by an entity described in this subsection.

“(b) CONSTRUCTION.—

“(1) RULE.—Nothing in this section shall be construed to—

“(A) change the purpose of this Act described in section 2(b)(2), to empower individuals with disabilities to maximize opportunities for competitive integrated employment; or

“(B) preference employment compensated at a subminimum wage as an acceptable vocational rehabilitation strategy or successful employment outcome, as defined in section 7(11).

“(2) CONTRACTS.—A local educational agency (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) or a State educational agency (as defined in such section) may not enter into a contract or other arrangement with an entity described in subsection (a) for the purpose of operating a program for an individual who is age 24 or younger under which work is compensated at a subminimum wage.

“(3) VOIDABILITY.—The provisions in this section shall be construed in a manner consistent with the provisions of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), as amended before or after the effective date of this Act.

“(c) DURING EMPLOYMENT.—

“(1) IN GENERAL.—The entity described in subsection (a) may not continue to employ an individual, regardless of age, at a subminimum wage unless, after the individual begins work at that wage, at the intervals described in paragraph (2), the individual (with, in an appropriate case, the individual’s parent or guardian)—

“(A) is provided by the designated State unit career counseling, and information and referrals described in subsection (a)(2)(B)(ii), delivered in a manner that facilitates independent decision making and informed choice, as the individual makes decisions regarding employment and career advancement; and

“(B) is informed by the employer of self-advocacy, self-determination, and peer mentoring training opportunities available in the individual’s geographic area, provided by H. R. 803—254 an entity that does not have any financial interest in the individual’s employment outcome, under applicable Federal and State programs or other sources.

“(2) TIMING.—The actions required under subparagraphs (A) and (B) of paragraph (1) shall be carried out once every 6 months for the first year of the individual’s employment at a subminimum wage, and annually thereafter for the duration of such employment.

“(3) SMALL BUSINESS EXCEPTION.—In the event that the entity described in subsection (a) is a business with fewer than 15 employees, such entity can satisfy the requirements of subparagraphs (A) and (B) of paragraph (1) by referring the individual, at the intervals described in paragraph (2), to the designated State unit for the counseling, information, and referrals described in paragraph (1)(A) and the information described in paragraph (1)(B).

“(d) DOCUMENTATION.—

“(1) IN GENERAL.—The designated State unit, in consultation with the State educational agency, shall develop a new process or utilize an existing process, consistent with guidelines developed by the Secretary, to document the completion of the actions described in subparagraphs (A) and (B) of subsection (a)(2) by a youth with a disability who is an individual with a disability.

“(2) DOCUMENTATION PROCESS.—Such process shall require that—

“(A) in the case of a student with a disability, for documentation of actions described in subsection (a)(2)(A)—

“(i) if such a student with a disability receives and completes each category of required activities in section 113(b), such completion of services shall be documented by the designated State unit in a manner consistent with this section;

“(ii) if such a student with a disability receives and completes any transition services available for students with disabilities under the Individuals with Disabilities Education Act, including those provided under section 614(d)(1)(A)(i)(VIII) (20 U.S.C. 1414(d)(1)(A)(i)(VIII)), such completion of services shall be documented by the appropriate school official responsible for the provision of such transition services, in a manner consistent with this section; and

“(iii) the designated State unit shall provide the final documentation, in a form and manner consistent with this section, of the completion of pre-employment transition services as described in clause (i), or transition services under the Individuals with Disabilities Education Act as described in clause (ii), to the student with a disability within a reasonable period of time following the completion; and “(B) when an individual has completed the actions described in

subsection (a)(2)(B), the designated State unit shall provide the individual a document indicating such completion, in a manner consistent with this section, within a reasonable time period following the completion of the actions described in this subparagraph.

“(e) VERIFICATION.— H. R. 803—255

“(1) BEFORE EMPLOYMENT.—Before an individual covered by subsection (a)(2) begins work for an entity described in subsection (a) at a subminimum wage, the entity shall review such documentation received by the individual under subsection (d), and provided by the individual to the entity, that indicates that the individual has completed the actions described in subparagraphs (A) and (B) of subsection (a)(2) and the entity shall maintain copies of such documentation.

“(2) DURING EMPLOYMENT.—

“(A) IN GENERAL.—In order to continue to employ an individual at a subminimum wage, the entity described in subsection (a) shall verify completion of the requirements of subsection (c), including reviewing any relevant documents provided by the individual, and shall maintain copies of the documentation described in subsection (d).

“(B) REVIEW OF DOCUMENTATION.—The entity described in subsection (a) shall be subject to review of individual documentation described in subsection (d) by a representative working directly for the designated State unit or the Department of Labor at such a time and in such a manner as may be necessary to fulfill the intent of this section, consistent with regulations established by the designated State unit or the Secretary of Labor.

“(f) FEDERAL MINIMUM WAGE.—In this section, the term ‘Federal minimum wage’ means the rate applicable under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).”

(b) EFFECTIVE DATE.—This section takes effect 2 years after the date of enactment of the Workforce Innovation and Opportunity Act