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Austin, TX 78751

Tom Luce, Commissioner
Texas Sunset Advisory Commission
Robert E. Johnson Building
1501 North Congress Ave
Sixth Floor
Austin, Texas 78701

November 7, 2014

Re: Texas Sunset Commission review of the Texas Council on Purchasing from People with Disabilities (TCPPD)

Dear Commissioner Luce;

My name is Charlie Graham. I am the Founder and President of St. Vincent DePaul Rehabilitation Service of Texas, Inc. We are commonly known as Peak Performers, our registered Trademark. We have been providing Temporary Employment Services to the state of Texas under the TCPPD/TIBH contract for nearly 20 years now. And during that time we have employed and transitioned thousands of people who have disabilities into good family wage jobs in and around central Texas.

Upon reading the staff report for the Texas Sunset Commission, I was left wondering why they had just interviewed and visited traditional sheltered workshop type CRP's who provide goods and services to the state of Texas through the authority of Chapter 122 of the Human Resources Code.

Peak Performers is indeed one of, if not the largest CRP, both in terms of sales volume and wages paid to folks who have disabilities, but is certainly not a sheltered workshop type CRP. *All* of our disabled workers are placed in state offices working in integrated settings where thousands of "regular" state workers ply their trades. I was therefore surprised and disappointed to learn that staff of the Sunset Commission would not consider the uniqueness of Peak Performers and the other temporary staffing enterprises in Texas who employ people who have disabilities as part of their research. Had someone sought me out, I would have been happy to show them the years and years of detailed performance reports Peak Performers has submitted every calendar quarter to TIBH. These reports detail all of our hours worked on state contracts as well as our overall business entity. They detail the wages we have paid, including fringe benefits for disabled *and* non-disabled workers. Further, these quarterly reports detail all of our labor force's disabling conditions, how many got "permanent" jobs, the hours they would be working on those "permanent" jobs and their wages upon leaving us. Also, to get a flavor of the ebbs and flows of our workforce, we report how many new people we have hired each quarter and how many we are carrying over from one fiscal year to the next. The reports also seek information about employees we have transitioned into "supported employment," of which Peak has had none.

Peak Performers and all other CRP's have filed performance reports every quarter for every year since we began doing business with the State of Texas, 20 years ago. And what our years of reports show is a steady progression in the number of people employed and that these employees are indeed earning a "family wage" – Currently averaging over \$18.00 per hour. (See graphs for specific performance trends and results)

Consequently, the finding of the Commission staff that there are no performance metrics with which the Texas Council can evaluate the performance of the CRP's and the Central Non-profit agency that administers the program for the Council, is contrary to the facts.

Would the information contained in those reports allow anyone to evaluate the effectiveness, the economy and the attainment of the Council's Purpose? Most certainly, even as I, as the CEO of Peak Performers, uses that same information to evaluate the effectiveness, efficiency and the purpose attainment of Peak Performers.

And on the point of PURPOSE, the Texas Council for Purchasing from People with Disabilities is a PURPOSE driven organization. As stated in Chapter 122 of the Human Resources Code, the purpose of the Council;

"...is to further the state's policy of encouraging and assisting persons with disabilities to achieve maximum personal independence by engaging in useful and productive employment activities and, in addition, to provide state agencies, departments, and institutions and political subdivisions of the state with a method for achieving conformity with requirements of nondiscrimination and affirmative action in employment matters related to persons with disabilities."

The staff of the Sunset Commission has recommended that the TCPPD be dissolved and its functions be transferred to the Comptroller of Public Accounts. So, what is the purpose of the CPA?

"...to safeguard tax dollars and ensure that they are handled wisely. To chart the course of the Texas economy, produce annual financial reports and estimate future state revenues, to pay State Agency bills and issue paychecks to employees and to maximize best value in purchasing through a continuous process of analysis and optimization that promises additional efficiencies and cost savings." (As gleaned from <http://www.window.state.tx.us>)

The CPA is also a PURPOSE driven organization. Now, a PURPOSE is not the same as a goal, or even a mission. A Purpose articulates WHY we do something, or some set of somethings. The PURPOSE of the Texas Council is very different from the PURPOSE of the Comptroller's office. In fact, if you read them carefully, you will see that they actually clash.



If your *purpose* is to find economies, safeguard the coffers of the state, and to find efficiencies and cost savings, then you will NOT hire people who have real and in many cases, significant barriers to employment. Period. You will not, because they are not the most productive people you can get. They have ISSUES and an efficient, low cost operation cannot tolerate *issues*. In fact, such people will be actively shut out from employment opportunities *because* of their disabilities. In short, they will be discriminated against by the very system created to help them achieve maximum personal independence. All in the name of cost efficiencies.

And that's against the law.

On the point of transferring responsibility to the Comptroller's office, there have been a number of organizations throughout the US and the world who have installed accountants in high leadership positions over well-established product and service enterprises. Perhaps most notable was General Motors, who installed Roger Smith (CPA) as their CEO in 1981. He "led" GM on a powerslide from a market share of 46% to 35% in just 9 years, resulting in GM teetering on the brink of bankruptcy. "Smith's legacy was a fleet of low-quality, lookalike autos, an [unqualified successor](#), and a mountain of debt that pushed the company close to bankruptcy in 1992." (Citation - Robert A.G. Monks, Nell Minow, *Corporate Governance, 4th Edition* (John Wiley & Sons, 2007) "[GM Corporate Governance Case Study](#)")

What was the PURPOSE of General Motors as originally envisioned? "A car for every purse and purpose." (Alfred Sloan, 1924) Somewhere among the decades that purpose was lost among the ledger sheets that threaten to overwhelm every large enterprise. And the list of victim companies goes on. Chrysler Corporation. Delphi Corporation. GMAC. Delta Airlines. AIG. All victims of accountants in charge.

Now this is not to suggest that accountants are somehow incompetent leaders. Not true. But accountants, like all specialized professionals, must first, foremost and always consider the purpose of the organizations they are asked to lead and to find a way within their psyche to own that purpose. To make it their own. Many do and succeed wildly, BECAUSE they can bring their accounting skills to forward the purpose. Others, develop such things as credit default swaps and destroy an entire industry, almost even an entire nation, because they lose sight of the PURPOSE of such things as a home mortgage.

The Sunset Commission staff report also makes reference to the Texas Council's absence of innovation in developing new and unique products and services that can employ people who have disabilities outside of sheltered circumstances. Again, the facts don't bear out the assertion. Although temporary employment services for people with disabilities is nearly 20 years old in Texas, Texas continues to this day to set the standard for new and unique employment services for people with disabilities. No other state employs as many people with disabilities in temporary employment with the state as Texas does and no other state has temporary employees who have disabilities working in such a broad range of occupations as Texas - nearly 900 occupations. As an important example of the Council's continuing innovation, the Sunset Commission staff overlooked a most recent innovative program introduced by the Texas Council as recently as 2013- Staff Augmentation



Information Technology Services for the state of Texas employing people who have disabilities. Although still small (21 people today) and not a set-aside, this new program has the potential to employ hundreds of Texans with Disabilities as state agencies and IT purchasers develop confidence that these employees can do the work. (Yes, that is how prejudice works in the our world)

And with those specific comments on the findings and recommendations of the staff of the Sunset Commission, I do have some positive recommendations that I believe the Commission should consider as alternatives to many of the staff recommendations.

1. The TCPPD should re-authorized.
2. The TCPPD should hire an independent Public Accounting firm to assist it in setting specific performance measures to which it and the Central Non-profit Agency (CNA) will be held accountable. Such performance measures should be set from the data contained in the performance reports already on file.
3. Chapter 122 of the Human Resources Code should be amended to include performance measures for the TCPPD, and then re-authorized.
4. If the TCPPD is unable or unwilling to perform #2 above in a reasonable time frame, then its staff or membership should be re-evaluated and re-constituted with people who have the requisite skills and determination.
5. Set a specific time frame for the re-examination of TCPPD by the Sunset Commission and the specific expected performance reports.

Finally, it has been my honor to serve the state of Texas for the past 20 years for their staffing needs. And it has been with great humility that I reflect on the thousands of people with disabilities we have jointly helped enter or return to the workforce. Together we have not only saved the state millions in public assistance dollars, but we have created new taxpayers who, without a job, would have continued consuming those tax dollars. It's a dual economic benefit for the state. Lower costs AND higher revenues.

Perhaps we need an accountant to tell us the lifetime value of a new taxpayer.

Respectfully submitted,



Charlie Graham, CEO
St. Vincent DePaul Rehabilitation Service of Texas, Inc.,
d/b/a Peak Performers

PS; Some of the Performance measures for Peak Performers for the past five years are detailed on the following pages: (as derived from our quarterly TCPPD reports)

Enclosures:

Graphs



Texas Sunset Advisory Commission Testimony of- **Charlie Graham**

Mr. Chairman and Ladies and Gentlemen of the Commission,

My name is Charlie Graham. I am the Founder and President of Peak Performers, which is a d/b/a of St. Vincent DePaul Rehabilitation Service of Texas, Inc. We have been operating as a vendor to the state of Texas under the authority of Chapter 122 of the Human Resources Code since 1995.

Having sent a letter to each of you last week as Commissioners and elected representatives of Districts in Texas from which Peak Performers recruits job candidates, I will try my best to present fresh testimony today.

In that earlier letter, I highlighted the importance of having purpose driven leaders at the helm of Purpose driven organizations (such as the TCPPD). Today, to further illustrate my point, I would like to introduce into the record, an article published by the National Society of Accountants in June 2009. The Title is – "Accountant Mentality Killed GM" and was written by Allan Boress, Certified Public Accountant. Link: <http://www.accountingweb.com/blogs/aboress/accountant-mentality-killed-gm>

One of the important characteristics of an ADA disabling condition is that it can be acquired in a nano-second, often without warning. Either through illness, or injury. To illustrate my point, I would like to read an

email I received just this past Saturday from a friend who owns a large skilled nursing program in Texas:

"This week I took my executive team offsite for annual planning. We went to a fabulous Texas resort called Inn at Dos Brisas. Unfortunately, it ended early... One of my most key staff members and long time friend...was in a freak accident. She fell out of a golf cart and landed on her head, fractured her skull and has a serious concussion. She is home now, but it was a tense 48 hours. EMS took her to trauma hospital where she had the CT scan and bad news. ... Her mom and sister came and got her late yesterday and took her home and she will have a long slow recovery while her brain heals. My request from you guys is to pray for the healing of her brain and the patience to allow her the time she needs to make sure it happens."

Any person in this room is as close to a disabling condition as she was, in the blink of an eye. And consequently, any person in this room could be looking at this program of jobs for Disabled Texans from the inside out, just months into their future.

One of my chief worries with the Commissions' staff report is that the TCPPD could be interpreted as lazy, defiant or incompetent. I can tell you without a doubt that they are other-competent. I know this because I have been dealing with this same conundrum for 30 years. You see, I am one of THOSE OTHER GUYS. I'm an accountant. And for 30 years I've been running social service organizations, trying to get the MSW's and the Rehab Counselors, and the Psychologists to understand the

importance of numbers and performance measures. And those who really have the passion, get it – but only with training and education.

My recommendation to the Commission is to ensure that those people who have the passion of PURPOSE to put Texans with disabilities to work, get the knowledge and the tools they need to accomplish such a worthy task. Despite any perceived shortcomings of the TCPPD, let's not throw the baby out with the bathwater.

Thank you.