

West Texas Lighthouse for the Blind

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October 17, 2014

Sunset Advisory Commission
PO Box 13066
Austin, TX 78711

Subject: Sunset Advisory Commission Staff Report, dated October 2014

Dear Sir or Madam,

I am writing on behalf of the Board leadership and the employees of the West Texas Lighthouse for the Blind to express our strong opposition to abolishing the Texas Council on Purchasing from People with Disabilities (TCCPD). This move would be a devastating blow to the Texas state use program and would eventually result in the loss of employment for thousands of disabled Texans. It is estimated that 70% of blind people that are of working age are unemployed; dismantling this program would further hurt their chances to work.

Since its creation in 1975, the Texas state use program has been the model that other states have tried to copy and because of its current organization it is the envy of every other state use program in the country. TCCPD provides an objective organization that is able to look after both the interests of the state and Texans with disabilities. Anyone would agree that any organization could be improved and TCCPD is no exception, additional staffing to help monitor and evaluate the program would be helpful. But to abolish an organization that operates at no cost to the citizens or Texas, while serving such an underserved segment of our population would be tragic and wrong.

The report recommends placing the state use program under the comptroller's office citing the programs in New Jersey, Pennsylvania, Oregon and Oklahoma being organized in this manner. This implies that these states have good state use programs and we should model Texas after these states. Being familiar with the programs in these states we know that their programs are very inferior to the Texas program and not effective in employing people with disabilities. We do business with agencies in three of these four states, they have told us the difficulty and sometimes how it is impossible to add new products to increase employment.

We take exception to many areas in the report, what was practically outrageous, is the allegation TCCPD lacks the expertise and resources to effectively oversee the state use program. This infers that the state use program has been performing all of these years due to luck. The report also mentions that is unclear if the costs of the program outweigh the "supposed" benefits. Since the state use program has

performed without appropriated funds and at no cost to the state of Texas, the 6,000 jobs and the \$36 million in salaries being paid to people with disabilities surely outweighs this suspected cost.

Another outrage is the allegation that TCCPD does not have the expertise to set pricing; several members of the council are in fact senior purchasers with the state of Texas and are very familiar with pricing and purchasing. We would submit they have as much experience as anyone in the comptroller's office, in addition all pricing is already vetted through the comptroller's office.

The report also dismisses our jobs stating they are not meaningful employment due to them being repetitive, how is this different from jobs in the general workforce? The implication is that jobs in the general workforce are somehow more interesting and better. It appears as if the authors of this report would rather have people with disabilities sitting at home or rolling silverware at a restaurant. Our jobs provide good pay and benefits in a safe environment, but based on the report any job is preferable to ours.

After almost 40 years it would seem clear that TCCPD has the expertise to administer this program, they have done it and done it well.

ISSUE 1 *The Texas Council on Purchasing from People with Disabilities Does Not Ensure That the State Use Program Most Effectively Serves People with Disabilities.*

The report states that "TCCPD has not set meaningful goals or objectives for the State Use Program..."

The goal of creating and retaining jobs is a goal and a measure of success. Most of the 6,000 people with disabilities would not have a job if not for the State Use Program and the work of TCCPD.

In the next section under "Lack of performance information", the report questions whether or not the benefits of the program outweigh the costs of the program to state agencies. I would submit there is no cost to the state agencies; they are buying goods and services at a fair market price, each product we submit to TIBH is compared to price offered on comparable items. TIBH is very prudent and rejects items that are too costly, this process occurs before the item is submitted to the TCCPD pricing sub-committee. The pricing sub-committee has an experienced state purchaser and a private citizen that oversees contracting at a college; each and every item is vetted by these experts.

Beyond the benefit of people with disabilities having jobs and the self-esteem that comes from the state use program, the program also benefits the economies of the State of Texas and the local communities providing about \$36 million in wages being put back into the economy. The economic impact can be easily estimated by any economist and the authors of this report could have gotten an independent estimate of the impact without much effort. This does not even include the capital investment made by the CRP's, the additional salaries that are paid to management and support staff and other purchases made in the local and state economies in support of the products and services provided. What other state program that has no costs provide this type of impact to the economy?

Although sales have increased dramatically while employment has not kept pace is due to the fact that more products are being added to the state use program and less services. The main expense for

services is labor while in the area of products the cost of the materials is normally the highest cost. In addition due to pricing pressures we have had to find ways to be more efficient and use less labor in preparing our products for sale. The total number of employees does not necessarily reflect full time versus part time and as sales increase we many times give the current employees more hours. It should be noted that the percentage of wages paid as a % of sales decreased only slightly, which indicates higher wages, and better efficiencies. This number also does not count our indirect labor; due to technology many of our disabled workers are now able to perform clerical, customer service and even management functions.

Another area cited was outplacement; I am not sure why TCCPPD was criticized for this, since it is not identified as a goal of the state use program. In an ideal world all people with disabilities would be working outside of the state use program and this program would not be necessary. But as you stated in your report, the Texas state use program was modeled after the Federal program, this would indicate employment for people with disabilities is a national issue. Many of the community rehabilitation programs (CRPs) are considered outcomes by state agencies and since they are outcomes outplacement is not necessary. We provide good jobs with competitive wages and benefits, our employees love their jobs and want to remain with our agency and are not looking for other jobs.

The report states that TCCPPD does not require CRPs to demonstrate success in serving people with disabilities through the program. TCCPPD certifies each CRP; ensuring that 75% of our labor is performed by people with disabilities, that the workplace is safe and that we pay commensurate wages or minimum wage. We train our employees for the work they perform or for openings within the organization, which is normal business practice.

The report refers to the cost of the program several times, but in the report you admit you have no idea if the program is costly or if in fact costs the state of Texas anything. The Council has one administrator that is funded by TIBH. It is true that items in the state use program do not have to be competitively bid, but it is not true that TCCPPD can set the market price without verification. Every time a product is sent to the council or a price increase is requested, the council looks at the cost of like items and determines if it is a fair market price. This is vetted by the Council, TIBH and the comptroller's office. The report stated that TCCPPD did not always follow the comptroller's pricing recommendations, this is difficult to believe, and without specific examples this is probably a perception by someone in the comptroller office.

The report criticizes the CRP's for not placing people with disabilities in competitive employment, we are competitive employment and we are the employee's employment of choice. It is not by accident that we have employees that have been with us for decades and have had employees relocate from other states to work here in Texas. Our blind and visually impaired are paid at least minimum wage and many are paid a lot more, it is competitive; people are paid based on performance. We survey our folks and if they desire to work outside the lighthouse we refer them to Workforce Solutions who are experts in this area, we have not had anyone desire to leave in several years. Our blind employees have the same benefits as the sighted people, they work side by side, they take breaks together and eat lunch together.

Although we pay minimum wage or above, we understand why some CRPs must pay less. This is a fair system that pays employees for what they produce; many of the people that work on piece rate have serious disabilities that make them far less productive. If the CRP's paid these people minimum wage would the commission then advocate for the State paying a lot more for the product or service they are providing? If not then many of 684 people mentioned in the report, that work for less than minimum wage, would probably lose their jobs and the state would have to pay for some type of adult activity to occupy their day.

The report states that "Beyond the singular goal of securing paid employment, TCPPD has not set specific goals or performance measures in its rules, strategic plan, or contract with TIBH that allow for an evaluation of how well the program actually serves people with disabilities." Performance measures are important but the most important thing is jobs, 6,000 people get up in the morning and have a purpose in life and contribute to society and they spend their wages in Texas.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Wells".

David Wells
Executive Director

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November 18, 2014

Mr. Tom Luce
Texas Sunset Advisory Commission
PO Box 13066
Austin, TX 78711

Subject: Sunset Commission Public Testimony

Dear Mr. Luce,

Thank you for allowing me to speak to the Sunset Commission on Thursday, November 13th. As a fellow Texan, I appreciate the mission of the Sunset Commission and your efforts to do what is best for the citizens and taxpayers of this great state.

The Texas Council on Purchasing from People with Disabilities (TCPPD) is a dedicated group of private citizens and state employees that advocate for people with disabilities and look out for the interests of the State of Texas.

Abolishing TCPPD would be set back for the Texas state use program and would hamper our ability to sustain and grow employment for people with disabilities. As Ms. Debbie Ignatz, who is an unbiased expert from SourceAmerica, testified the Texas state use program is the model she uses when she assists other states in setting up programs.

Please do not vote to abolish the Texas Council, this action would be disastrous to the Texas state use program and would make "the model" into another mediocre program that will not be able to effectively serve the people that need your help.

Sincerely,



David Wells
Executive Director