

# TEXAS COUNCIL ON PURCHASING FROM PEOPLE WITH DISABILITIES

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## Council at a Glance

The Texas Council on Purchasing from People with Disabilities (TCPPD) oversees the State Use Program, a statutory mandate that requires state agencies to purchase, on a noncompetitive basis, products and services provided by people with disabilities. Products available through the State Use Program range from office supplies to food items, to more specialized items like drug test and vaccination kits. Examples of services offered include temporary employment, landscaping and park maintenance, janitorial, and document imaging services. The purpose of the State Use Program is to enable people with disabilities to achieve maximum independence through useful and productive employment. In fiscal year 2013, the program employed 6,424 people with disabilities.

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*The State has no yardstick by which to determine the success of the State Use Program.*

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TCPPD's mission is to provide leadership and direction for the State Use Program. To achieve its mission, TCPPD performs the following key activities.

- Designing, executing, and overseeing a contract with a central nonprofit agency, currently TIBH Industries, to administer the State Use Program.
- Establishing criteria for and certify all community rehabilitation programs (CRPs) that participate in the State Use Program.
- Approving products and services to be set aside for noncompetitive purchase through the State Use Program.
- Determining the fair market price and value-added of all products and services provided through the State Use Program.

TCPPD employs one staff member to provide administrative support to the nine-member council and receives legal and other support from the comptroller. TCPPD does not receive a state appropriation. Instead, TCPPD is funded annually from a portion of the management fee collected on the sales of goods and services through the State Use Program. In fiscal year 2013, 128 state agencies and 78 political subdivisions paid \$7.5 million in management fees when purchasing \$40.8 million in products and \$93.6 million in services from the program. TCPPD received \$96,042 for its operations, with the remainder of the management fee revenue going to the CRPs and TIBH Industries.

## Summary

The Legislature established the State Use Program in 1975 as a partnership between state government and private nonprofit entities to promote employment opportunities for Texans with disabilities. The Sunset Commission determined that despite the evolution of federal and state standards for employment services for people with disabilities, TCPPD and the State Use Program have not kept pace with these changes. TCPPD has not set meaningful goals or performance measures for the program and does not measure how people with disabilities actually benefit from the program. Without this information, it is unclear whether the supposed benefits the State Use Program provides outweigh the additional costs of the program to the State. The following material summarizes the Sunset Commission's recommendations on TCPPD.

## Issues and Recommendations

### *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 goal of the State Use Program is to assist people with disabilities in achieving maximum independence through useful and productive employment activities, while providing state agencies a method for complying with the statutory purchasing preference the Legislature granted to goods and services provided by people with disabilities. TCPPD, which oversees the program, does not adequately gather, analyze, and use meaningful outcome data to assess how well the program serves people with disabilities. TCPPD has not implemented changes to the State Use Program that would modernize the program and advance the State's standards on employment services for people with disabilities. TCPPD has failed to fully define the intended benefits of the program. Finally, TCPPD, a part-time, voluntary council, duplicates many of the product pricing and contract oversight functions housed at the comptroller's office.

## Recommendations

### ***Change in Statute***

#### **1.1 Place oversight and administration of the State Use Program at the comptroller's office and abolish the Texas Council on Purchasing from People with Disabilities.**

This recommendation would make the Procurement and Support Services Division of the Comptroller of Public Accounts responsible for the administration and oversight of the State Use Program. Transferring TCPPD's functions to the comptroller would ensure active oversight of the State Use Program and that the program benefits people with disabilities. The comptroller has greater expertise to ensure compliance with standards that provide direction and measurable outcomes for the program. Additionally, the comptroller's pricing expertise would provide better oversight of the products and services set-aside from the competitive state purchasing marketplace.

## **1.2 Require the comptroller's office to establish an advisory committee to set goals for the State Use Program and standards for participating community rehabilitation program certification.**

This advisory committee would provide input on the rules the comptroller establishes to guide the State Use Program in accordance with the policies established by the Employment-First Task Force. This committee would also ensure people with disabilities and their advocates serve a role in the development of the program's direction and objectives. Balancing the comptroller's experience in contract oversight and fair market pricing with the advisory committee's perspective on employment for people with disabilities would provide much needed direction and oversight to improve the program.

The committee would consist of nine members, including two representatives from participating CRPs, three representatives from advocacy groups for people with disabilities, one representative from the agency that provides vocational rehabilitation services to people with disabilities, and at least three people with disabilities, one of whom is employed by a CRP that participates in the State Use Program.

Performance goals and measures should relate to the persons with disabilities employed by the program, including their average hourly wage and annual salary, number of hours worked, and training received. Other measures should track the number of people paid less than minimum wage, type of work performed, and any other measures deemed necessary by the advisory committee and the comptroller.

### ***Management Action – Nonstatutory***

## **1.3 Direct the comptroller's office to re-evaluate the process for conducting community rehabilitation program compliance monitoring.**

## **1.4 Direct the comptroller's office to work with the central nonprofit agency to study the cost to the State of continuing to administer the State Use Program.**

This study will enable the Legislature to effectively weigh the costs and benefits of the State Use Program to make an informed decision about whether the program merits continued investment or whether other programs for employment of people with disabilities could provide greater impact and value.

## **Fiscal Implication Summary**

These recommendations would not have a fiscal impact to the State. The comptroller's office estimates three full-time staff would be needed to oversee the program and the one existing employee dedicated to the council would no longer be needed, resulting in an increase of two full-time equivalent employees at the comptroller's office. However, the central nonprofit agency would continue to reimburse the State for the costs to fully administer the State Use Program including any additional costs of running and overseeing the program and costs associated with the advisory committee.

