



**Texas Council on Purchasing
From People With
Disabilities**

**111 E. 17th Street – P.O. Box 13528
Austin, Texas 78711-3528
(512) 463-3244**

CHAIRMAN
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VICE-CHAIR
WANDA WHITE STOVALL
COUNCIL MEMBERS
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October 17, 2014

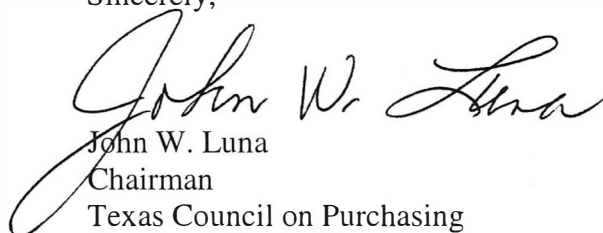
Sunset Advisory Commission
P. O Box 13066
Austin, Texas 78711-3066

Texas Sunset Advisory Commission,

Enclosed is the Texas Council on Purchasing from People with Disabilities' response to the Sunset Staff report. The response was approved in an open meeting October 15, 2014 by the Council.

We look forward to sharing our response with the commission personally on November 12, 2014.

Sincerely,


John W. Luna
Chairman
Texas Council on Purchasing
From People with Disabilities

The Texas Council on Purchasing from People with Disabilities

Response to

The 2014 Sunset Advisory Commission Staff Report

In the October 2014 Sunset Advisory Commission Staff Report (Report), which included a review of the Texas Council on Purchasing from People with Disabilities (TCPPD or Council), a recommendation was made to abolish the TCPPD and transfer oversight and administration of the State Use Program to the Office of the Comptroller of Public Accounts (CPA). TCPPD refutes the Report's assertion that the CPA has greater expertise and experience and can thereby be more effective than members of the Council.

The nine-member Council, appointed by the Governor, serves as a nonpartisan partner between government and private nonprofit entities to promote employment opportunities for Texans with disabilities. Council members were selected based on their knowledge and experience in diverse areas applicable to the success of the program as well as their dedication to achieving employment opportunities for persons with disabilities. Appointments were not based on political allegiance but ability to serve the purpose and goals of the State Use Program.

Members are selected in accordance with Chapter 122, Texas Human Resources Code through the 83rd Legislative session, 2013 and 40 Texas Administrative Code, Chapter 189 and rules of the Texas Council on Purchasing from People with Disabilities, as of December 2013. Members include:

John W. Luna – Community Representative

- Served as Vocational Director and Public Affairs Director for 39.7 years with Metrocare Services (formerly Dallas County MHMR) a nonprofit dedicated to helping people with mental illness, developmental disabilities, autism, and severe emotional problems

- Noted author of chapters of two books-Real Work for Real Pay and National Goals & Research for People with Intellectual and Developmental Disabilities-stressing the importance and methods to assisting people with disabilities become employed

Jack Bremer-Purchasing Representative

- Twenty-nine years purchasing veteran with experience as Director of General Procurement for the Health and Human Services Commission
- Regional Director of Contracting and Warehouse Operations for Texas Department of Mental Health and Mental Retardation
- State Director of the State and Federal Surplus Property Program for the Texas General Services Commission
- CPA Certified Texas Purchasing Manager

Glenn Hagler—Purchasing Representative

- Statewide Procurement Director for the Texas Department of Transportation
- Director of TXDOT's procurement division
- Certified Public Purchasing Officer
- Certified Professional Buyer
- CPA Certified Texas Procurement Manager
- CPA Certified Texas Contract Manager

Dietrich von Biedenfeld-Public Representative

- Contract Manager and Administrator for entities including the Houston Community College System, San Jacinto College District and Harris County Department of Education
- Attorney
- National Institute of Governmental Purchasers (NIGP) Certified Public Purchasing Officer

Beverly Jackson Loss-Public Representative

- Thirty years financial consultant and comptroller for companies including Citicorp, Morton Salt, Morton Chemical and Dow Chemical Company
- Licensed Master Social Worker for Hunt Regional Medical Center
- Certified Financial Social Worker (CFSW)

Wanda Stovall-Public Representative

- Certified speech pathologist
- Former director of speech pathology at John Peter Smith Hospital (Fort Worth)
- Speech, language and hearing specialist, Fort Worth ISD
- Former Chair and Board member, The Lighthouse for the Blind of Fort Worth
- Retired business owner
- Guardian of two blind mentally challenged individuals

Kevin Cloud-Community Representative

- United States Air Force veteran with 35 years of procurement and contract administration experience for the U.S. Air Force and Professional Contract Services, Inc.

Kevin Jackson-Community Representative

- United States Marine Corps veteran
- Approximately 25 years of experience at the General Motors Corporation
- Volunteer with the Blinded Veterans Association, Disabled American Veterans, Veterans of Foreign Wars and the Criss Cole Blind Rehabilitation Center
- Former member of the Board of Directors of South Austin Caregivers

Alfred Matson- Community Representative

- Thirty years' experience as Division Director for Vocational Services at Andrews Center, a Community Behavioral Healthcare Provider serving East Texas

With respect to the work that the Sunset Advisory Commission personnel put into this review and their recommendations, TCPPD is confident that it effectively serves the needs of more than 6,000 Texas employees with disabilities. Through its leadership, the State Use Program has become one of the most successful in the nation. TCPPD is best qualified to manage the State Use Program.

TCPPD goals and objectives for the State Use Program, as presented in its Strategic Plan, effectively measure the program's overall success in serving people with disabilities. The creation of the State Use Program affirms the State's commitment to people with disabilities in achieving maximum personal independence through productive employment. The State measures the success of the State Use Program by the number of individuals employed through the program and wages earned by these individuals.

Achieving these objectives result in immeasurable personal benefits for individuals, who might not otherwise find employment, through learning job skills and earning wages. Persons with disabilities thereby achieve greater levels of personal independence which translates into benefits for the state through reduced reliance on governmental assistance and increased local tax revenues. Annually, this information is presented to and reviewed by the Governor, Lieutenant Governor, and Speaker of the House.

TCPPD's sole goal is to promote the employment of people with disabilities through the State Use Program in the normal process of employability as experienced by any other Texan. By empowering and promoting the choices of families and individuals with disabilities, the employment benefits are earned wages, increased self-esteem, and contributing to the local economy.

TCPD is not a Vocational Rehabilitation Program. TCPD provides choices for individuals with disabilities and their families to be employed by producing products and providing services in their local communities. TCPD encourages and recognizes the importance of programs for individuals with disabilities that promote an integrated workforce and a living wage by supporting CRPs in their efforts to achieve these goals. It is the responsibility of the CRPs to adhere to the choices and goals of the individuals they serve.

TCPD requests that the following be considered regarding the status of the State Use Program and how Texans with disabilities can continue to achieve the personal benefits of learning job skills and earning wages through gainful employment:

CONTINUE PROGRAM GROWTH AND SUCCESS

The Texas State Use Program ranks among the top two of all State Use Programs in the United States.

In all areas of measurement, the Texas State Use Program ranks either #1 or # 2 alongside New York in the rankings of the nation's top State Use Programs. This includes the number of participating Community Rehabilitation Programs (CRPs) (#1), number of employees with disabilities (#2), hours worked by employees with disabilities (#2), total wages paid to employees with disabilities (#2) and total annual sales (#2).

These performance measures are indicative of the success of the program 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, 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, in accordance with Human Resources Code, Chapter 122.

The Texas State Use Program is emulated by other state programs for the manner in which it is managed and operated, in terms of pricing, marketing, and customer service, involvement by state agencies and advocacy for individuals with disabilities.

VOLUNTEERS WITH EXTENSIVE LEADERSHIP EXPERIENCE

TCPD consists of nine members appointed by the Governor with the advice and consent of the Senate who have been vetted extensively in the appointment process and who bring industry experience and a commitment to the needs of Texans with disabilities.

PROVEN PRIVATE INDUSTRY SUCCESS

TCPD's role in the State Use Program is a positive demonstration of private sector success in a not-for-profit structure, without the need for unnecessary government involvement.

Under the leadership of TCPD, the State Use Program has achieved 97 percent growth in sales revenue through fiscal year 2001 to fiscal year 2013.

The total annual wages paid to people with disabilities employed through the program increased by 72 percent over the last 12 years.

Over 1,000 service contracts are currently being serviced in 2014 through the State Use Program with many of the state's agencies, counties, schools, cities, and political subdivisions.

TCPD contends that the State Use Program is better served by the existing independent volunteer council with a proven track record of interest in the needs of Texans with Disabilities.

RESPONSE TO RECOMMENDATIONS

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.

The Council does not agree with this recommendation.

The Council currently oversees the key duties as listed but suggests the inclusion of the following: Maintaining and updating rules for a certification procedure for approval of community rehabilitation programs.

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.

The Council does not agree with this recommendation as stated.

The Council strongly disagrees that the proposed structure for an advisory committee meeting once a year could have the significant input and impact on the program that the Commission states in their recommendation. With most of the decision making process being conducted by the CPA, the advisory committee would have limited access to information and contact with the diverse elements which constitute the program and would lack the personal involvement that characterizes the present Council. The proposed

structure would result in committee members participating in a meaningless exercise that is true of many advisory committees when they are isolated from participation in the decision making process.

The previous Sunset Commission recommended the Council have an advisory committee similar to the one outlined in this recommendation. It was the determination of the Council members to forego a formal group and attain input through frequent direct contact with CRP staff, board members, employees with disabilities, citizens, and state customers. At least twice each year, Council meetings are held in deferent venues throughout the state to make contact more accessible. Times and places for all meetings of the Council and its committees are posted according to state law and any interested party can attend and participate. Contact information for Council members is displayed on the TCPPD website. Council members and TIBH staff have been conscientious and diligent in seeking and responding to input.

The Council is aware that the program could benefit from additional informed citizen involvement. **The Council would welcome an advisory committee and would value their input and help in providing more opportunities for people with disabilities.** The Council would recommend advisory committee meetings coincide with Council meetings so members could observe and be involved in proceedings and have information to make intelligent and relevant recommendations.

1.3

MANAGEMENT ACTION

Direct the comptroller's office to reevaluate the process for conducting community rehabilitation program compliance monitoring.

The Council does not agree with this recommendation.

Compliance reports from CRPs are made quarterly and presented to the Council. These reports include the measures recommended by the report. Any deviations from required standards are considered and CRPs must respond by written statement or appearance before the Council. In such instances, the Council, because of their expertise, and involvement with the CRPs, has the opportunity to weigh the information, make recommendations, and work with the CRPs to maintain their eligibility and the employment of workers with disabilities. The Council and TIBH provide on-going support to CRPs to become compliant when they are struggling due to circumstances they cannot control. Additional compliance monitoring occurs to ascertain all requirements are met whenever a CRP is awarded a new State Use Program contract. Random compliance determinations are conducted by TIBH staff at the request of the Council or state agencies.

All new CRPs must demonstrate compliance with statutory requirements. This information is reviewed by TIBH staff and the Council. All CRPs must apply for recertification every three years and file updated information on staff, facilities, programs and disabled workers.

Documents to validate disabilities are on file for every worker on State Use Program contracts and are reviewed by TIBH staff. Reports of these reviews are presented the Council.

The Report recommendation for contracting out compliance monitoring is a standard method of internal control and the Council agrees it has merit. This procedure would be expensive and add to the cost of the program and, at no time since the last Sunset review when new compliance requirements and reports were initiated, has there been any indication that CRPs were not consistently maintaining compliance standards and submitting accurate reports.

Although aware there exists the possibility for discrepancies to occur, the Council has been reluctant to add additional costs to the program when there has been no apparent need for such expenditure and monitoring procedures have proven effective.

1.4

Direct the comptroller's office to study the cost to the State of continuing to administer the State Use Program.

The Council agrees with this recommendation

The Council agrees with the recommendation that the costs of the State Use Program be determined by CPA. The Council recommends a report be authorized to determine the costs of the program under the present structure as administered by the Council.

Under no circumstances, should the Council be abolished until this study is completed and the Legislature is provided with the report. Sunset's Report asserts that the Council is ineffective and inefficient. The Council maintains that the study will validate that the State Use Program has been administered in a highly successful manner, recognized nationally, in a cost-effective manner that reflects the compassionate, caring concern of this state for its most vulnerable citizens with disabilities.

FISCAL IMPLICATION

The Council does not agree with the Fiscal Implication statements.

The Council's response and recommendations for fiscal implication apply to Recommendations 1.1 and 1.2. The Texas Council on Purchasing from People with Disabilities should continue the oversight of the State Use program, establish an advisory committee, and provide additional reporting information. This would not have an additional fiscal impact to the State.

The central nonprofit agency would continue to reimburse the state for the costs to fully administer the State Use Program. TCPD would continue to determine the program's management fee with the central nonprofit agency to incorporate and cover any additional costs of the administration and oversight of the program as well as any costs with the advisory

committee. Recommendation 1.3 would not have a fiscal impact to the State.

TCPD Accounts

Fiscal year	Loss to GR fund	Change in FTEs beginning 2015
2016	\$ 0	+ 2
2017	\$ 0	+ 2
2018	\$ 0	+ 2
2020	\$ 0	+ 2

The response was approved in an open meeting October 15, 2014 by the Council.

SUNSET ADVISORY COMMISSION HEARING

Hearing Presentation by John Luna

INTRODUCTION

Hello, I'm John Luna, chair of the Texas Council on Purchasing from People with Disabilities.

As you know, the Texas Council on Purchasing from People with Disabilities is dedicated to furthering the state's policy of encouraging and assisting people with disabilities to achieve maximum personal independence by engaging in useful, productive employment activities.

In its recent report, the Sunset Advisory Commission Staff questioned the Council's ability to effectively oversee the State Use Program—and it made a number of recommendations to “improve” the program.

While we agree with some of the Sunset Advisory Commission Staff's recommendations, including the establishment of an advisory committee, we have some real concerns about some of the other recommendations.

In short, transferring oversight of the State Use Program—a program that has become one of the most successful in the nation under the Council's leadership—from the Council to the Comptroller of Public Accounts, or CPA, is detrimental not only to the State of Texas, but also to the more than 6,000 Texans with disabilities that the program serves.

It seems to us that we are looking to fix a problem that, frankly, does not exist.

SUPPORTIVE MESSAGE I

In stating the case to transfer oversight of the State Use Program, the Sunset Advisory Commission Staff asserted that the Office of the Comptroller has greater experience and expertise, thus making them more effective than members of the Council

To be clear, our nine-member Council, appointed by the Governor, serves as a nonpartisan partner between government and private nonprofit entities to promote employment opportunities for Texans with disabilities. Appointments were not based on political allegiance but ability to serve the purpose and goals of the State Use Program. Each of us offers knowledge and experience in diverse areas applicable to the success of the program as well as their dedication to achieving employment opportunities for persons with disabilities.

I served as Vocational Director and Public Affairs Director for 39.7 years with Metrocare Services (formerly Dallas County MHMR) a nonprofit dedicated to

helping people with mental illness, developmental disabilities, autism, and severe emotional problems. In addition, I have authored chapters of two books – *Real Work for Real Pay* and *National Goals & Research for People with Intellectual and Developmental Disabilities* – stressing the importance and methods to assisting people with disabilities become employed.

I am honored and privileged to serve with such an esteemed group of passionate leaders and advocates for the needs of Texans with disabilities, and there is no question in my mind that we are best qualified to manage the State Use Program.

SUPPORTIVE MESSAGE II

The Sunset Advisory Commission Staff also asserted that there may be a lack of performance information available to assess whether the benefits of the program outweigh the costs of the program to state agencies and the state overall.

Please consider that under the guidance of the Council, the Texas State Use Program has become one of the most successful of its type in the nation. Our state's program has maintained a ranking of first or second among all State Use Programs in the U.S. (along with New York) in every metric since its inception 35 years ago. Consider these rankings:

- #1 in number of participating Community Rehabilitation Programs
- #2 in number of employees with disabilities participating in the program
- #2 in hours worked by employees with disabilities
- #2 in total wages paid to employees with disabilities
- #2 in total annual sales

These performance measures are indicative of the success of the program 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, 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.

Additionally, as part of its oversight of the State Use Program, the Council requires Community Rehabilitation Programs to provide statistics on the number of employees who are outplaced into positions of employment in the community. These individuals use the training and workplace tools received through the State Use Program to gain new employment opportunities within the community, which we consider to be a very favorable outcome. It is also worth mentioning that as the State Use Program continues to grow its temporary employment services, these employment options serve as a very positive stepping stone opportunity for

individuals with disabilities, allowing them to work in state agencies and other governmental entities.

The Texas State Use Program is emulated by other state programs for the manner in which it is managed and operated, in terms of pricing, marketing, and customer service, involvement by state agencies and advocacy for individuals with disabilities.

We are extremely proud of the long track record of success demonstrated by the State Use Program under the guidance of the Council, and we are confident that we can continue to grow the program and reach new milestones in achieving employment opportunities for Texans with disabilities.

SUPPORTIVE MESSAGE III

The Sunset Advisory Commission Staff's recommendation to transfer oversight of the State Use Program from the Council to the Office of the Comptroller would in effect replace a proven example of private sector success in a not-for-profit structure and replace it with added government oversight that will result in additional expenses to our state.

Under this plan, an independent volunteer council that was hand selected by the Governor – and that has led the State Use Program to the top of every national measure – would be replaced by yet-to-be-identified new full-time government employees.

When considering the need to transition oversight of the program, consider the following:

- The State Use Program has achieved 97 percent growth in sales revenue through fiscal year 2001 to fiscal year 2013.
- The total annual wages paid to people with disabilities employed through the program increased by 72 percent over the last 12 years.
- Over 1,000 service contracts are currently being serviced in 2014 through the State Use Program with many of the state's agencies, counties, schools, cities, and political subdivisions.
- No state funds are appropriated to the State Use Program yet it still provides the community with a valuable service – promoting employment opportunities for Texans with disabilities.

In its response to the Staff Report, the Office of the Comptroller indicated that it does not have the expertise to adequately address the needs of the disabled workforce or the training and resources needed to prepare workers with disabilities for the competitive workforce. Fortunately, this is a proven strength of the Council and the central nonprofit agency overseeing the day-to-day management of the State Use Program. We are confident that with our extensive

experience and expertise, we can continue to lead the State Use Program to new levels of success.

CLOSING

On behalf of each member of the Council, I would like to thank you for allowing me the opportunity to address the Sunset Advisory Commission. We are extremely proud of our respective careers and experience in diverse industries, and even more so, the continued volunteer service we provide to the State of Texas in helping fulfill the mission of the State Use Program in promoting employment opportunities for individuals with disabilities.

We do find value in some of the recommendations offered by the Sunset Advisory Commission, such as the suggestion to have the Council maintain and update rules for certification procedure for approval of Community Rehabilitation Programs. The Council also agrees with the creation of an advisory committee to offer additional input and assistance that may benefit the mission of the State Use Program. This falls right in line with our objective of utilizing every resource possible to create more employment opportunities for Texans with disabilities. We currently hold 12 open meetings throughout the year, including at least two outside of Austin, with dates and times of the meetings posted in advance, per state law. We encourage anyone who shares our passion and interest in advocating for employment opportunities for Texans with disabilities to attend these meetings.

However, we unequivocally disagree with the assertion that the Office of the Comptroller has greater experience and expertise and can thereby be more effective than members of the Council in overseeing the State Use Program. I hope that the points emphasized during this presentation will speak to the success of the Council in its current role, and that the Sunset Advisory Commission will allow the State Use Program to thrive without unnecessary government involvement.

Thank you again for your time and consideration. I would be happy to answer any questions you may have or provide additional insight into the role of the Council and our oversight of the State Use Program.