

CHAPTER 806. PURCHASES OF PRODUCTS AND SERVICES FROM PEOPLE WITH DISABILITIES

PROPOSED RULES TO BE PUBLISHED IN THE *TEXAS REGISTER*. THIS DOCUMENT WILL HAVE NO SUBSTANTIVE CHANGES BUT IS SUBJECT TO FORMATTING CHANGES AS REQUIRED BY THE OFFICE OF THE SECRETARY OF STATE.

ON **MARCH 24, 2026**, THE TEXAS WORKFORCE COMMISSION PROPOSED THE RULES BELOW WITH PREAMBLE TO BE SUBMITTED TO THE TEXAS REGISTER.

Estimated Publication Date of the Proposal in the *Texas Register*: April 10, 2026
Estimated End of Comment Period: May 11, 2026

The Texas Workforce Commission (TWC) proposes the repeal of the following sections of Chapter 806, relating to Purchases of Products and Services from People with Disabilities, as follows:

Subchapter J. Transition and Retention Plans, §§806.100 - 806.104

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the Chapter 806 rulemaking is to repeal Subchapter J, Transition and Retention Plans, because the statute on which the rules in Subchapter J are based expired September 1, 2023.

The Purchasing from People with Disabilities (PPD) program encourages Texas state agencies and political subdivisions to give preference to purchasing products and services offered by community rehabilitation programs (CRPs) that employ people with disabilities, helping them achieve and maintain their independence through gainful employment.

Texas Human Resources Code, §122.0076, requires any CRP participating in the PPD program to pay each worker with a disability who is employed by the CRP at least the federal minimum wage.

Expired Texas Human Resources Code, §122.0075, as set forth by Senate Bill 753, 86th Texas Legislature, Regular Session, 2019, required CRPs that were paying their workers with disabilities less than the federal minimum wage to develop a plan to increase those wages to at least the federal minimum wage in order to continue participating in the PPD program. This statute expired on September 1, 2023, and, consequently, so did the rules under Chapter 806, Subchapter J, which the Commission adopted for the purpose of implementing the CRP minimum wage transition planning requirement.

TWC ensures CRP compliance with the minimum wage requirement under Texas Human Resources Code, §122.0076, through compliance monitoring, which, among other requirements in Chapter 806, requires each participating CRP to file a quarterly employee wage and hour report and for the CRP to recertify for continued PPD program participation every three years.

TWC informed CRPs currently participating in the PPD program of the proposed action to repeal Chapter 806, Subchapter J in its entirety.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

SUBCHAPTER J. TRANSITION AND RETENTION PLANS

TWC proposes the repeal of Subchapter J, in its entirety, as follows:

§806.100. Scope and Purpose

§806.101. Requirements for Transition and Retention Plans

§806.102. Extensions for Transition and Retention Plans

§806.103. Withdrawal from the Program

§806.104. New CRPs during the TRP Period

PART III. IMPACT STATEMENTS

Chris Nelson, Chief Financial Officer, has determined that for each year of the first five years the repeal will be in effect, the following statements will apply:

There are no additional estimated costs to the state and to local governments expected as a result of repealing the rules.

There are no estimated cost reductions to the state and to local governments as a result of repealing the rules.

There are no estimated losses or increases in revenue to the state or to local governments as a result of repealing the rules.

There are no foreseeable implications relating to costs or revenue of the state or local governments as a result of repealing the rules.

There are no anticipated economic costs to individuals resulting from the repeal of the rules.

There is no anticipated adverse economic impact on small businesses, microbusinesses, or rural communities resulting from the repeal of the rules.

Based on the analyses required by Texas Government Code, §2001.024, TWC has determined that the requirement to repeal or amend a rule, as required by Texas Government Code, §2001.0045, does apply to this rulemaking.

Takings Impact Assessment

Under Texas Government Code, §2007.002(5), "taking" means a governmental action that affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amendments to the US Constitution or the Texas Constitution, §17 or §19, Article I, or restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action, and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, determined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect. TWC completed a Takings Impact Assessment for the proposed rulemaking action under Texas Government Code, §2007.043. The primary purpose of this proposed rulemaking action, as discussed elsewhere in this preamble, is to repeal Chapter 806, Subchapter J in its entirety, because its rules expired on September 1, 2023, and are no longer applicable to the PPD program, as all workers in the PPD program are required to earn at the federal minimum wage, or higher.

The proposed repeal will not create any additional burden on private real property or affect private real property in a manner that would require compensation to private real property owners under the US Constitution or the Texas Constitution. The proposal also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the proposed rulemaking will not cause a taking under Texas Government Code, Chapter 2007.

Government Growth Impact Statement

TWC has determined that during the first five years the proposed repeal will be in effect, the repeal of the rules:

- will not create or eliminate a government program;
- will not require the creation or elimination of employee positions;
- will not require an increase or decrease in future legislative appropriations to TWC;
- will not require an increase or decrease in fees paid to TWC;
- will not create a new regulation;
- will not expand, limit, or eliminate an existing regulation;
- will not change the number of individuals subject to the rules; and
- will not positively or adversely affect the state's economy.

Economic Impact Statement and Regulatory Flexibility Analysis

TWC has determined that the proposed repeal will not have an adverse economic impact on small businesses or rural communities, as the proposal place no requirements on small businesses or rural communities.

Mariana Vega, Director, Labor Market Information, has determined that there is not a significant negative impact upon employment conditions in the state as a result of the proposed repeal.

Tammy Martin, Director, Vocational Rehabilitation Division, has determined that for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repeal will be that individuals with disabilities working in the PPD program will continue earning the federal minimum wage or higher.

TWC hereby certifies that the proposal has been reviewed by legal counsel and found to be within TWC's legal authority to adopt.

PART IV. REQUEST FOR IMPACT INFORMATION

TWC requests, from any interested person, information related to the cost, benefit, or effect of the proposed repeal, including any applicable data, research, or analysis. Please submit the requested information to TWCPolicyComments@twc.texas.gov no later than May 11, 2026.

PART V. PUBLIC COMMENTS

Comments on the proposed repeal may be submitted to TWCPolicyComments@twc.texas.gov and must be received no later than May 11, 2026.

PART VI. STATUTORY AUTHORITY

The repeal is proposed under the authority of:

- Texas Human Resources Code, §122.0075(h), which set a September 1, 2023, expiration date for §122.0075;
- Texas Human Resources Code, §122.013, which grants the Commission authority to adopt rules for the administration of Texas Human Resources Code, Chapter 122; and
- Texas Labor Code, §301.0015(6) and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The proposed repeal relates to Title 8, Texas Human Resources Code, Chapter 122.

CHAPTER 806. PURCHASES OF PRODUCTS AND SERVICES FROM PEOPLE WITH DISABILITIES

~~SUBCHAPTER J. TRANSITION AND RETENTION PLANS~~

~~§806.100. Scope and Purpose.~~

- ~~(a) — The purpose of this subchapter is to set forth the rules relating to a CRP's Transition and Retention Plan (TRP), as required by Texas Human Resources Code, §122.0075, to meet the minimum wage requirements of Texas Human Resources Code, §122.0076.~~
- ~~(b) — This subchapter applies to a CRP that is participating in the state use program and pays workers with disabilities employed by the CRP wages that are less than the federal minimum wage under Section 6, Fair Labor Standards Act of 1938.~~
- ~~(c) — This subchapter expires September 1, 2023.~~

~~§806.101. Requirements for Transition and Retention Plans.~~

- ~~(a) — A CRP subject to this subchapter shall submit a TRP no later than sixty days from the effective date of these rules.~~
- ~~(b) — The TRP shall include the full transition goal, including full retention of workers, placement of workers in job training, and fully assisting workers in need of placement goal, to meet the wage requirements no later than January 1, 2022.~~
- ~~(c) — The TRP shall contain the following elements:
 - ~~(1) — Worker Assessment (Employee Receiving Subminimum Wages) including the following:
 - ~~(A) — Wage difference/Minimum Wage pay gap;~~
 - ~~(B) — Line of business employed;~~
 - ~~(C) — Current skills;~~
 - ~~(D) — Person-Centered Planning and Career Counseling;~~
 - ~~(E) — Disability Benefits Impact Analysis based on wage increase;~~
 - ~~(F) — Opportunities to transfer skills to other state use contracts with CRP; and~~~~~~

~~(G) Participation in the assessment by the employee's Vocational Rehabilitation counselor, if the employee is a participant in the Vocational Rehabilitation program at the time of the assessment.~~

~~(2) Goals, including the following:~~

~~(A) Raise wages for workers paid subminimum wage to the federal minimum wage, or more, by September 1, 2022.~~

~~(B) Retain CRP workers as the CRP moves through the transition plan.~~

~~(3) Milestones: Achieved by reporting progress in reaching specific actions in the TRP through benchmarks and strategies:~~

~~(A) Benchmarks, including the following:~~

~~(i) Number and percentage of workers provided wage increases by a designated point in time;~~

~~(ii) Number and percentage of workers provided assessment and counseling by a certain date; and~~

~~(iii) Number and percentage of workers entering and completing training.~~

~~(B) Strategies necessary to achieve goals, including:~~

~~(i) CRP evaluation of existing line of business for price and added value adjustment consider increasing the price to pay for increase in wages;~~

~~(ii) Requesting assistance from WorkQuest in developing new lines of business to provide employment opportunities to workers receiving subminimum wage; and~~

~~(iii) CRP pursuing partnerships to expand lines of business and increase wages of workers who are paid subminimum wages.~~

~~(C) Reports: Monthly or quarterly:~~

~~(i) Retention status;~~

~~(ii) Progress on benchmarks and strategies;~~

~~(iii) Wages;~~

~~(iv) Hours worked.~~

- ~~(d) The Agency shall assist the CRP in developing the TRP by providing information about certified benefits counselors and by providing a referral to a certified benefits counselor for any CRP employee who requests a referral.~~
- ~~(e) The Agency shall review the progress of each TRP based on intervals established by the Agency, and provide technical assistance as necessary and upon request from the CRP.~~

~~§806.102. Extensions for Transition and Retention Plans.~~

- ~~(a) No later than March 1, 2022, a CRP may request an extension of the TRP.~~
- ~~(b) The Agency shall approve or deny all extension requests no later than April 1, 2022.~~
- ~~(c) To be granted an extension, the CRP shall:
 - ~~(1) demonstrate that an extension would be in the best interest of the CRP's employees with disabilities;~~
 - ~~(2) have requested assistance and worked with the Agency prior to requesting an extension;~~
 - ~~(3) have made meaningful progress toward meeting the minimum wage requirements; and~~
 - ~~(4) have submitted a revised TRP to the Agency detailing how the extension will allow the CRP to meet the minimum wage requirements.~~~~
- ~~(d) No later than April 10, 2022, a CRP may request that the Agency reconsider an extension denial.~~
- ~~(e) The Agency executive director shall review and make a determination on reconsideration requests.~~
- ~~(f) The Agency shall make the final decision on all reconsideration requests no later than May 1, 2022.~~

~~§806.103. Withdrawal from the Program.~~

- ~~(a) A CRP shall notify the Agency no later than March 1, 2022, if the CRP intends to voluntarily withdraw from the program.~~

~~(b) Any requirements on September 1, 2022, or by the granted extension date, will be involuntarily removed by revocation of the CRP's certification to participate in the program.~~

~~**§806.104. New CRPs during the TRP Period.**~~

~~A CRP not meeting the minimum wage requirement that requests certification after the date to request an extension pursuant to §806.102(a) of this subchapter shall be required to meet the minimum wage requirements no later than September 1, 2022.~~