

## **BILL ANALYSIS**

C.S.H.B. 885

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International Relations & Economic Development  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding the practice of paying workers with disabilities wages that are less than the federal minimum wage through a taxpayer-funded program. C.S.H.B. 885 seeks to address these concerns by providing for the transition to a requirement for community rehabilitation programs participating in the purchasing from people with disabilities program to pay their workers the federal minimum wage.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 885 amends the Human Resources Code to establish provisions relating to a plan to increase to minimum the wage of certain workers with disabilities employed by a community rehabilitation program. The bill requires the Texas Workforce Commission (TWC) to assist a community rehabilitation program that is participating in the purchasing from people with disabilities program and that pays workers with disabilities employed by the rehabilitation program wages that are less than the federal minimum wage in the following ways:

- by assisting the rehabilitation program in developing a plan to increase those wages to the federal minimum wage not later than September 1, 2022, for work relating to any products or services purchased from the rehabilitation program through the purchasing from people with disabilities program;
- by providing information about certified benefits counselors to ensure that rehabilitation program workers are informed about work incentives and the potential impact the increase in wages may have on a worker's eligibility for any federal or state program and providing a referral to such a counselor to any worker with a disability who requests one.

C.S.H.B. 885 requires each community rehabilitation program to ensure, to the maximum extent possible, that each worker with a disability remains employed by the rehabilitation program after that program increases the wages paid to those employees in accordance with the plan. The bill requires a rehabilitation program that is unable to employ all workers with a disability after implementing the wage increase required by the bill to work with the TWC and any other governmental entity to seek and obtain any job training and employment services that may be suitable for those former employees to find other employment that pays at least the federal minimum wage. The bill authorizes the TWC, in addition to this assistance and at the worker's

request, to assist a worker with a disability who is not retained by the rehabilitation program to secure employment in a position that pays at least the federal minimum wage.

C.S.H.B. 885 authorizes the TWC, on request of a community rehabilitation program, to extend the period for compliance with the bill's wage increase requirements for not more than 12 months if the rehabilitation program meets certain criteria. The bill requires the TWC to make a decision on a request for an extension not later than May 1, 2022, and limits the number of extensions per rehabilitation program to one. The bill's provisions relating to a plan to increase the minimum for workers with disabilities employed by the rehabilitation program expire September 1, 2023.

C.S.H.B. 885 sets out provisions relating to the required minimum wage. The bill prohibits a community rehabilitation program from participating in the purchasing from people with disabilities program unless each worker with a disability employed by the rehabilitation program is paid at least the federal minimum wage for any work relating to any products or services purchased through the purchasing from people with disabilities program. The bill authorizes the TWC to exempt the rehabilitation program from this wage requirement with respect to a worker with a disability if the TWC makes the following determinations, based on the worker's circumstances:

- that requiring the rehabilitation program to pay the worker at the federal minimum wage would result in the program not being able to retain the worker;
- that the worker would not have success obtaining work with a different employer; and
- that the worker would not be able to obtain employment at a higher wage than the rehabilitation program would be able to pay the worker notwithstanding the requirements of this provision.

The bill establishes that to the extent of a conflict between these provisions and the Texas Minimum Wage Act, these provisions control. These provisions do not apply to a community rehabilitation program's eligibility to participate in the purchasing from people with disabilities program before the later of September 1, 2022, or the expiration date of an extension granted under the bill's provisions. The bill sets that applicability provision to expire September 1, 2023.

#### **EFFECTIVE DATE**

September 1, 2019.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 885 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the deadline by which a community rehabilitation program must implement the required wage increase from September 1, 2021, to September 1, 2022, and includes provisions authorizing TWC to grant an extension of up to 12 months, subject to certain conditions.

The substitute specifies that the wage increase requirement applies to work relating to products or services purchased through the purchasing from people with disabilities program.

The substitute includes the following provisions with regard to workers affected by the bill's requirements:

- a requirement for the TWC to provide information about and referrals to certified benefits counselors for workers whose benefits may be affected; and
- an authorization for the TWC to provide additional placement assistance on request to a

worker who is not retained by a rehabilitation program.

The substitute includes an authorization for the TWC to exempt a rehabilitation program from increasing the wages of a particular worker under certain conditions.

The substitute does not include a separate effective date for the required minimum wage provisions.

The substitute changes the expiration date for provisions relating to the minimum wage plan from September 1, 2021, to September 1, 2023.

The substitute includes a provision that expires September 1, 2023, setting the date by which wage requirements apply to a community rehabilitation program's eligibility to participate in the purchasing from people with disabilities program.