**STATE OF CALIFORNIA**

**DEPARTMENT OF REHABILITATION**

**721 Capitol Mall**

**Sacramento, California 95814**

**Title 9. Rehabilitative and Developmental Services**

**Division 3. Department of Rehabilitation**

# **NOTICE OF PROPOSED RULEMAKING**

**October 3, 2025**

The Department of Rehabilitation (hereinafter “Department”) proposes to adopt the proposed regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

**WRITTEN COMMENT PERIOD**

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action to:

Department of Rehabilitation

Office of Legal Affairs and Regulations

Attention: Michele Welz

721 Capitol Mall

Sacramento, California 95814

Comments may also be submitted electronically by email to Legal@dor.ca.gov. The written comment period closes at 5:00 p.m. on November 19, 2025. The Department will consider only comments received at the Department by that time. When commenting, please indicate the proposed rulemaking section number to which your comment refers, for example, “section 7214.2.”

**PUBLIC HEARING**

The Department has not scheduled a public hearing on this proposed action. However, the Department will hold a hearing if it receives a written request for one from any interested person, or that person’s representative, no later than 15 days prior to the close of the written comment period. The request for a hearing can be addressed to the individuals listed under Contact Persons on pages 5 and 6 of this Notice.

**AUTHORITY**

34 CFR Sections 395.3 and 395.4; and Sections 19006 and 19016, Welfare and Institutions Code.

**REFERENCE**

20 USC Section 107a; 34 CFR Sections 395.7; Welfare and Institutions Code Sections 19632, and 19639.

**INFORMATIVE DIGEST**

Summary of Existing Laws and Effect of the Proposed Action

The Department of Rehabilitation (hereafter “Department”) is the State Licensing Agency designated by the United States Department of Education responsible for administering the Business Enterprises Program for the Blind (hereafter “BEP”) in accordance with the Randolph-Sheppard Act (20 U.S.C. § 107 et seq.), Welfare and Institutions Code sections 19625 et seq., and implementing federal and state regulations (34 C.F.R. 395 et seq., Cal. Code of Regs., tit. 9, § 7210 et seq.). The purpose of the BEP is to provide people who are legally blind with remunerative employment, enlarging their economic opportunities, and stimulating their efforts in striving to be self-supporting. Eligible individuals are trained and licensed as vendors by the Department to operate vending facilities, including, but not limited to, vending machines, snack bars, cafeteria, sundry stands, and coffee carts, on state, federal, and other property. Currently, there are 51 vendors operating vending facilities in the program.

One of the federal food vending contracts that the Department enters into is with the United States Department of Defense (“DOD”). These federal vending facilities are different from those that are state or local-government owned in that they are awarded in response to a solicitation instead of being granted permits to operate them. The solicitation functions as a legally binding contract setting forth the operational obligations and responsibilities associated with the military food facility. The current regulation states that as part of the general selection interview process, a qualified applicant shall submit a business plan for each vending facility he or she is applying to operate (Cal. Code of Regs., tit. 9, § 7214.2, 7214.3, and 7214.4). However, in the case of DOD food service opportunities, the contract itself serves as the business plan and so an applicant’s business plan submitted pursuant to the regulation would functionally be irrelevant and will not be considered.

Accordingly, the Department proposes to amend the relevant sections of the California Code of Regulations to include language explicitly excluding the submission of business plans in the selection processes of DOD facilities. The Department consulted with the California Vendors Policy Committee (CVPC), which is the biennially elected committee of licensed vendors who are fully representative of all state licensed vendors in the BEP, and through the collaborative efforts, the proposed amendments to sections 7214.2, 7214.3, and 7214.4 were developed.

### Objective and Anticipated Benefits of the Proposed Regulation

The broad objective of this regulation is to make the state regulations consistent with the practical requirements of a DOD vending selection. More specifically, the proposed regulations will establish processes that inform vendors specifically about what is and is not required for applying for DOD vending contracts. The benefits will increase clarity and will lessen the burden on vendors in applying for DOD facilities, by eliminating the requirement.

### Evaluation of Inconsistency or Incompatibility with Existing State Regulations

After conducting a review for any related regulations, the Department has found that these are the only regulations concerning the submission of business plans for the vending facility selection process. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

## **DISCLOSURES REGARDING THE PROPOSED ACTION**

### The Department has made the following initial determinations:

Mandate to local agencies or school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary costs or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or business: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states: None.

Significant effect on housing costs: None.

Small Business Determination: The proposed regulations will not affect small businesses because the proposed regulations are identical to the federal regulations already in effect.

### Results of the Economic Impact Analysis and Assessment

The Department concludes that it is unlikely that the proposal will (1) eliminate any jobs, (2) create any jobs, (3) create any new businesses, (4) eliminate any existing businesses, and (5) result in the expansion of businesses currently doing business within the state. The Department bases the assessment on the fact that the rulemaking is merely eliminating one required element of a vendor’s selection process in a very specific contract and so has no detrimental or markedly beneficial economic impact.

Benefits of the Proposed Action: The proposed regulations will benefit the health and welfare of California residents who are involved in the BEP program and may apply for a DOD contract in the future.

The proposed regulations are not expected to affect worker safety or the state’s environment.

## **CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to any affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Department has determined there was no alternative as effective as the one proposed herein. However, the Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

**CONTACT PERSONS**

Inquiries concerning the proposed rulemaking action may be directed to:

Department of Rehabilitation

Office of Legal Affairs and Regulations

Attention: Michele Welz

721 Capitol Mall

Sacramento, California 95814

Telephone: (916) 558-5825

Email: Legal@dor.ca.gov

The backup contact person for these inquiries is:

Le Wee Yun, Attorney I

Department of Rehabilitation

Office of Legal Affairs and Regulations

721 Capitol Mall

Sacramento, California 95814

Phone: (916) 558-5825

Email: Legal@dor.ca.gov.

**AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE**

As of the date this notice is published in the Notice Register, the rulemaking file consists of this Notice of Proposed Rulemaking, Proposed Text of the Regulations, and Initial Statement of Reasons. Please direct requests for copies to the contact person(s) listed above. Please contact Legal@dor.ca.gov or (916) 558-5825 if you wish to make an appointment to review the rulemaking file in person. The documents identified above in the rulemaking file are also on the Department’s website at [www.dor.ca.gov/Home/ProposedRulemakingandRegs](http://www.dor.ca.gov/Home/ProposedRulemakingandRegs). The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address.

**AVAILABILITY OF CHANGED OR MODIFIED TEXT**

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this Notice. If the Department makes modifications sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 calendar days before the Department adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Michele Welz at the address or email indicated above. The Department will accept written comments on the modified regulations for 15 days after the date on which they were made available.

**AVAILABILITY OF THE FINAL STATEMENT OF REASONS**

Upon completion, copies of the Final Statement of Reasons may be obtained by contacting Michele Welz at the address or email address above.

## **REASONABLE ACCOMMODATION STATEMENT**

The Department shall provide, upon request, a narrative description of the proposed changes included in the proposed action, in the manner provided by Government Code section 11346.6, to accommodate a person with a visual or other disability for which effective communication is required under state or federal law. Providing a description of proposed changes may require extending the period of public comment for the proposed action for the requesting party.

**AVAILABILITY OF DOCUMENTS ON THE INTERNET**

Copies of the Notice of Proposed Rulemaking, Proposed Text of the Regulations, and the Initial Statement of Reasons are available on the Department’s website at [www.dor.ca.gov/Home/ProposedRulemakingandRegs](http://www.dor.ca.gov/Home/ProposedRulemakingandRegs).