**DEPARTMENT OF REHABILITATION**

**Notice Published December 8, 2023**

**NOTICE OF PROPOSED RULEMAKING**

**Basic Competitive Grant Award Process**

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.

# PUBLIC HEARING

The Department will hold a virtual public hearing on January 25, 2024, at

10:00 a.m. Attendees may participate via Zoom online meeting platform or telephone conferencing as follows.

[Join Zoom Meeting](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fdor-ca-gov.zoom.us%2Fj%2F84829379462%3Fpwd%3DZkx3NlJTVWpoeEU1Si9HcW00amVTUT09&data=05%7C01%7CLisa.Niegel%40dor.ca.gov%7Cb778274469e54e15fb9f08dbe6ff7282%7C19ed70549d9743c792b16781b6b95b68%7C0%7C0%7C638357757037979429%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=8x%2BLJEmGiH%2FdMTDS%2F9h7MYjmJJSsRTcOyyoIz3eaANU%3D&reserved=0)

Meeting URL: <https://dor-ca-gov.zoom.us/j/84829379462?pwd=Zkx3NlJTVWpoeEU1Si9HcW00amVTUT09>

Meeting ID: 848 2937 9462

Passcode: 10Te^g%p

Join by Telephone

For higher quality, dial a number based on your current location.

Dial: +1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington DC)

Meeting ID: 848 2937 9462

Passcode: 72606219

Closed captioning will be available within the Zoom meeting application. The Department is providing American Sign Language interpreters for this event. The interpreters will be available within the Zoom meeting application.

As a reasonable accommodation, limited in person seating may be available at the hearing in the Department’s conference room, 721 Capitol Mall, Sacramento, California 95814. Please email Michele Welz or dial (916) 558-5825 by January 18, 2024, if an accommodation is necessary.

Participants will be given instructions on how to provide oral comment once they have accessed the hearing. The hearing will continue on the date noted above until all testimony is submitted, or until 11:00 a.m., whichever is later. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. The Department requests, but does not require, that persons who make oral comments at the hearing also submit a written copy of their testimony via email to the DOR Legal mailbox.

# 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, Regulations Analyst

721 Capitol Mall. Sacramento, California 95814

Facsimile: (916) 558-5806

Email: Legal@dor.ca.gov

The written comment period closes at 5:00 p.m. on January 25, 2024. The Department will consider only comments received at the Department by that time.

# AUTHORITY AND REFERENCE

Welfare and Institutions Code sections 19006 and 19016 authorize the Department to adopt these proposed regulations. The proposed regulations implement, interpret, and make specific 34 Code of Federal Regulations part 76.770.

# INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

The Department, as the designated state unit in California for vocational rehabilitation and independent living, awards grant funds where permitted by statute through a competitive solicitation process based on an evaluation of applications. (Welf. & Inst. Code, § 4357.1; 29 U.S.C. §§ 713, 721 et seq., and 3003). Federal regulations require the Department to establish procedures for reviewing and approving applications for grants funded with federal dollars. (34 C.F.R. § 76.770.) While there are existing regulations applicable to the Department’s competitive grant awards in the California Code of Regulations, title 9, section 7334, the current regulations do not provide a description of the process. The proposed regulations will describe the Department’s competitive grant award process for the administrative review of applications, evaluation of applications, notice of intent to award, and appeals.

Anticipated Benefits of the Proposed Regulation

The broad objective of the proposed regulations is to establish a competitive grant award process that will increase consistency and promote transparency in the Department’s award of grants through a competitive process.

Evaluation of Inconsistencies and Incompatibility with Existing State Regulations

The Department has determined that the proposed regulations are not inconsistent or incompatible with existing regulations. After conducting a review for any regulation that would relate to or affect this area, the Department has concluded that these are the only regulations that concern the Department’s competitive grant award process.

# DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following initial determinations:

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: The proposed regulations clarify and standardize the Department’s competitive grant award process across its programs. The fiscal impact is difficult to quantify, given the variety of staff and the various needs of stakeholders involved in the Department’s different grant programs. There is potential for a minimal increase in staff time spent drafting, sending, and posting communications to stakeholders and grant applicants at specified points in the grant process, including the appeals processes and ensuring that application review and scoring procedures were followed before announcement of the grant award.

The Department expects that any increased staff time, as described above, will be offset by the reviews provided in proposed sections 7333.4, 7333.9, and 7333.15. By conducting these reviews, the Department will determine whether procedures were followed and resolve procedural errors prior to notice of award, thereby reducing time and resources otherwise spent on appeals and re-evaluation of grant applications. The proposed regulations will not affect any other state agency or program.

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

Other nondiscretionary cost 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.

Statewide adverse economic impact directly affecting businesses and individuals: None.

Significant effect on housing costs: None.

Results of the Economic Impact Analysis or Assessment

The Department concludes that it is: (1) unlikely that the proposed regulations will eliminate any jobs, (2) unlikely that the proposed regulations will create jobs, (3) unlikely that the proposed regulations will create any new business, (4) unlikely that the proposed regulations will eliminate any existing businesses, and (5) unlikely that the proposed regulations will result in the expansion of businesses currently doing business with the state.

Benefits of the Proposed Action: The proposed regulations will better inform applicants and the public of the Department’s processes for review and evaluation of grant applications, notices of intent to award, and appeals, increase consistency and transparency, and support timely award of grants that benefit the health and welfare of California residents, specifically Californians with disabilities. The state’s environment and workers safety will remain unchanged by this proposed action.

Small Business Determination: The Department has determined that these proposed regulations will not affect small businesses, as the entities that may be interested in the Department’s competitive grants do not meet the definition of small business provided in Government Code section 11342.610. Grant opportunities are open to entities, typically nonprofits, with demonstrated experience with the provision of vocational rehabilitation, independent living, or similar services to persons with disabilities. For its assistive technology lending program grant, the Department has permitted for-profit entities with assistive technology device expertise to apply.

# CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(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, would be as effective and less burdensome to 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 the law.

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 administrative action may be directed to:

Department of Rehabilitation

Office of Legal Affairs and Regulations

Attention: Michele Welz, Regulations Analyst

721 Capitol Mall, Sacramento, California 95814

Telephone: (916) 558-5825

Facsimile: (916) 558-5806

Email: Legal@dor.ca.gov

Please email Lisa Niegel, Chief Counsel, who is the backup contact person for these inquiries or dial (916) 558-5825.

Please email Michele Welz or direct requests to the address above for copies of the Proposed Text of the Regulations, Proposed Text of the Regulations with Word Cues, Initial Statement of Reasons, Modified Proposed Text of Regulations, or other information upon which the rulemaking is based upon. These documents are also available on the Department’s [website](https://www.dor.ca.gov/Home/ProposedRulemakingandRegs). The Department will also provide copies of the regulation proposal in large print, braille, compact disk, or transmit copies of the regulation proposal electronically, as a reasonable accommodation upon request.

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 the description of proposed changes may require extending the period of public comment on the proposed action for the requesting party.

# AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address by appointment and on its [website](https://www.dor.ca.gov/Home/ProposedRulemakingandRegs). 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. The Proposed Text of Regulations with Word Cues, indicating strikeout and underline, is also available in the rulemaking file and on the Department’s [website](https://www.dor.ca.gov/Home/ProposedRulemakingandRegs). To request copies or make an appointment to inspect the rulemaking file at the Department’s office, please email Michele Welz or direct requests to the address or phone number listed above.

# AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the public hearing and 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 email Michele Welz or direct requests to the address above for copies of any modified regulations. The Department will accept written comments on the modified regulations for 15 calendar days after the date on which they were made available.

# AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by emailing Michele Welz or directing requests to the address above. The Final Statement of Reasons will also be available on the Department’s [website](https://www.dor.ca.gov/Home/ProposedRulemakingandRegs) for 30 calendars days after approval the effective date of approval of the regulations by the Office of Administrative Law, unless the rulemaking package is withdraw pursuant to Government Code section 11349.3(c) by the Department.

# AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Rulemaking, Proposed Text of the Regulations with underline and strikeout, Proposed Text of Regulations with Word Cues indicating strikeout and underline, and Initial Statement of Reasons are available on the Department’s [website](https://www.dor.ca.gov/Home/ProposedRulemakingandRegs).