

AN ACT

relating to the administration and functions of the Texas Department of Human Services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsections (d), (h), and (j), Section 21.003, Human Resources Code, are amended to read as follows:

(d) The governor shall designate a member of [~~After the biennial appointment of new members,~~] the board as the [~~shall elect a] presiding officer of the board to serve in that capacity at the pleasure of the governor [~~who shall preside over meetings of the board~~].~~

(h) A person is not eligible for appointment to the board if the person or the person's spouse:

(1) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization regulated by or receiving money from the department; [~~or~~]

(2) uses or receives a substantial amount [~~more than 25 percent~~] of tangible goods, services, or money [~~the person's or the spouse's professional income in funds~~] from the department, other than compensation or reimbursement authorized by law for board membership, attendance, or expenses;

(3) is registered, certified, or licensed by a regulatory agency in the field of nursing facility administration

1 or medical permits; or

2 (4) is employed by or participates in the management  
3 of a business entity or other organization regulated by or  
4 receiving money from the department.

5 (j) A person may not be a member of the board or act as  
6 general counsel to the board or the department if the person [who]  
7 is required to register as a lobbyist under Chapter 305, Government  
8 Code, because [by virtue] of the person's activities for  
9 compensation [in or] on behalf of a profession related to the  
10 operation of the department [board, may not serve as a member of the  
11 board or act as general counsel to the board].

12 SECTION 2. Section 21.0031, Human Resources Code, is  
13 amended to read as follows:

14 Sec. 21.0031. RESTRICTIONS ON BOARD MEMBERSHIP AND  
15 EMPLOYMENT. (a) [An officer, employee, or paid consultant of a  
16 trade association in the field of human services may not be a member  
17 or employee of the board or department.] A person [who is the  
18 spouse of any officer, employee, or paid consultant of a trade  
19 association in the field of human services] may not be a member of  
20 the board and may not be a department [an] employee employed in a  
21 "bona fide executive, administrative, or professional capacity,"  
22 as that phrase is used for purposes of establishing an exemption to  
23 the overtime provisions of the federal Fair Labor Standards Act of  
24 1938 (29 U.S.C. Section 201 et seq.), and its subsequent  
25 amendments, if:

26 (1) the person is an officer, employee, or paid  
27 consultant of a Texas trade association in the field of human

1 services; or

2 (2) the person's spouse is an officer, manager, or paid  
3 consultant of a Texas trade association in the field of human  
4 services [~~of the department, including an employee exempt from the~~  
5 ~~state's classification plan, who is compensated at or above the~~  
6 ~~amount prescribed by the General Appropriations Act for step 1,~~  
7 ~~salary group 17, of the position classification salary schedule].~~

8 (b) In [~~For the purposes of~~] this section, "Texas [~~a~~] trade  
9 association" means [~~is~~] a [~~nonprofit,~~] cooperative[~~,~~] and  
10 voluntarily joined statewide association of business or  
11 professional competitors in this state, including a nonprofit  
12 association, designed to assist its members and its industry or  
13 profession in dealing with mutual business or professional problems  
14 and in promoting their common interests.

15 SECTION 3. Section 21.0032, Human Resources Code, is  
16 amended to read as follows:

17 Sec. 21.0032. GROUNDS FOR REMOVAL. (a) It is a ground for  
18 removal from the board that [~~if~~] a member:

19 (1) does not have at the time of taking office  
20 [~~appointment~~] the qualifications required by Section 21.003 [~~of~~  
21 ~~this code for appointment to the board~~];

22 (2) does not maintain during [~~the member's~~] service on  
23 the board the qualifications required by Section 21.003 [~~of this~~  
24 ~~code for appointment to the board~~];

25 (3) is ineligible for membership under [~~violates a~~  
26 ~~prohibition established by Subsection (j) of~~] Section 21.003(h) or  
27 (j) [~~21.003~~] or under [~~by~~] Section 21.0031 [~~of this code~~];

1           (4) cannot, because of illness or disability, [~~is~~  
2 ~~unable to~~] discharge the member's duties for a substantial part of  
3 the member's term [~~for which the member was appointed because of~~  
4 ~~illness or disability~~]; or

5           (5) is absent from more than half [~~one-half~~] of the  
6 regularly scheduled board meetings that the member is eligible to  
7 attend during a [each] calendar year without an excuse approved [~~7~~  
8 ~~except when the absence is excused~~] by a majority vote of the board.

9           (b) The validity of an action of the board is not affected by  
10 the fact that it is [~~was~~] taken when a ground for removal of a board  
11 member exists [~~of the board existed~~].

12           (c) If the commissioner has knowledge that a potential  
13 ground for removal exists, the commissioner shall notify the  
14 presiding officer [~~chairman~~] of the board of the potential ground.  
15 The presiding officer [~~chairman of the board~~] shall then notify the  
16 governor and the attorney general that a potential ground for  
17 removal exists. If the potential ground for removal involves the  
18 presiding officer, the commissioner shall notify the next highest  
19 ranking officer of the board, who shall then notify the governor and  
20 the attorney general that a potential ground for removal exists.

21           SECTION 4. Section 21.0051, Human Resources Code, is  
22 amended by amending Subsections (a) and (c) and adding Subsection  
23 (f) to read as follows:

24           (a) The board shall develop and implement [~~adopt~~] policies  
25 that clearly separate the policy-making [~~define the respective~~]  
26 responsibilities of the board and the management responsibilities  
27 of the commissioner and the staff of the department.

1 (c) The commissioner or the commissioner's designee shall  
2 prepare and maintain a written policy statement that implements ~~to~~  
3 ~~assure implementation of~~ a program of equal employment opportunity  
4 to ensure that ~~[by which]~~ all personnel decisions ~~[transactions]~~  
5 are made without regard to race, color, disability ~~[handicap]~~, sex,  
6 religion, age, or national origin. The policy statement must  
7 include:

8 (1) personnel policies, including policies relating  
9 to recruitment, evaluation, selection, ~~[appointment,]~~ training,  
10 and promotion of personnel, that show the intent of the department  
11 to avoid the unlawful employment practices described by Chapter 21,  
12 Labor Code; and

13 (2) an ~~[a comprehensive]~~ analysis of the extent to  
14 which the composition of the department's personnel is in  
15 accordance with ~~[work force that meets]~~ federal and state law and a  
16 description of reasonable methods to achieve compliance with  
17 federal and state law ~~[guidelines;~~

18 ~~[(3) procedures by which a determination can be made~~  
19 ~~of significant underutilization in the department work force of all~~  
20 ~~persons of whom federal or state guidelines encourage a more~~  
21 ~~equitable balance; and~~

22 ~~[(4) reasonable methods to appropriately address~~  
23 ~~areas of significant underutilization in the department work force~~  
24 ~~of all persons of whom federal or state guidelines encourage a more~~  
25 ~~equitable balance].~~

26 (f) The policy statement under Subsection (c) must:

27 (1) be updated annually;

1           (2) be reviewed by the state Commission on Human  
2 Rights for compliance with Subsection (c)(1); and

3           (3) be filed with the governor's office.

4           SECTION 5. Chapter 21, Human Resources Code, is amended by  
5 adding Section 21.0053 to read as follows:

6           Sec. 21.0053. STATE EMPLOYEE INCENTIVE PROGRAM. The  
7 commissioner or the commissioner's designee shall provide to  
8 department employees information and training on the benefits and  
9 methods of participation in the state employee incentive program.

10          SECTION 6. Chapter 21, Human Resources Code, is amended by  
11 adding Section 21.00605 to read as follows:

12          Sec. 21.00605. REGIONAL BUSINESS PLANNING. (a) The  
13 department shall develop a business plan for each service region  
14 that:

15           (1) addresses the department's statewide goals and  
16 states the region's specific objectives and strategies to meet the  
17 goals;

18           (2) includes region-specific targets for  
19 client-centered outcome measures; and

20           (3) requires regional administrators to report at  
21 least annually to the state office on the region's progress in  
22 achieving the goals and objectives contained in the region's  
23 business plan.

24          (b) The department shall develop standard client-centered  
25 outcome measures and use the standard measures in all regional  
26 business plans.

27          (c) The department must seek public input in the development

1 of regional business plans and regional strategies.

2 SECTION 7. Subsection (a), Section 21.011, Human Resources  
3 Code, is amended to read as follows:

4 (a) On or before December 31 of each year the commissioner  
5 shall prepare and submit to the board a full report on the operation  
6 and administration of the department together with the  
7 commissioner's ~~[his]~~ recommendations for changes. The report must  
8 include information relating to the status of the client-centered  
9 outcome measures developed by the department under Section  
10 21.00605(b) and the department's progress in improving those  
11 outcome measures. The board shall submit the report to the governor  
12 and the legislature.

13 SECTION 8. Section 21.015, Human Resources Code, is amended  
14 by amending Subsections (c) and (d) and adding Subsection (f) to  
15 read as follows:

16 (c) The ~~[If a written complaint is filed with the department~~  
17 ~~that relates to an individual or entity regulated by the department~~  
18 ~~or to a service provided by the department, the]~~ department, at  
19 least ~~[as frequently as]~~ quarterly ~~[and]~~ until final disposition of  
20 the complaint, shall notify the person filing the complaint and  
21 each person who is a subject of the complaint ~~[complainant, the~~  
22 ~~service provider, and the individual or entity regulated by the~~  
23 ~~department]~~ of the status of the investigation ~~[complaint]~~ unless  
24 the notice would jeopardize an undercover investigation ~~[or~~  
25 ~~potential criminal prosecution]~~.

26 (d) The department shall maintain a ~~[keep an information]~~  
27 file on ~~[about]~~ each written complaint filed with the department

1 ~~[that relates to an individual or entity regulated by the~~  
2 ~~department or to a service provided by the department]~~. The file  
3 must include:

4 (1) the name of the person who filed the complaint;

5 (2) the date the complaint is received by the  
6 department;

7 (3) the subject matter of the complaint;

8 (4) the name of each person contacted in relation to  
9 the complaint;

10 (5) a summary of the results of the review or  
11 investigation of the complaint; and

12 (6) an explanation of the reason the file was closed,  
13 if the agency closed the file without taking action other than to  
14 investigate the complaint.

15 (f) The department shall provide to the person filing the  
16 complaint and to each person who is a subject of the complaint a  
17 copy of the department's policies and procedures relating to  
18 complaint investigation and resolution. The department may delay  
19 providing the information to a person who is a subject of the  
20 complaint if providing the information would jeopardize an  
21 investigation.

22 SECTION 9. Section 21.016, Human Resources Code, is amended  
23 to read as follows:

24 Sec. 21.016. PUBLIC TESTIMONY. The board shall develop and  
25 implement ~~[adopt]~~ policies that provide the public with a  
26 reasonable opportunity to appear before the board and to speak on  
27 any issue under the jurisdiction of the department ~~[board]~~.

1 SECTION 10. Chapter 21, Human Resources Code, is amended by  
2 adding Sections 21.018 and 21.019 to read as follows:

3 Sec. 21.018. POLICY ON TECHNOLOGICAL SOLUTIONS. The board  
4 shall develop and implement a policy that requires the commissioner  
5 and the staff of the department to research and propose appropriate  
6 technological solutions to improve the ability of the department to  
7 perform its mission. The technological solutions must include  
8 measures to ensure that the public is able to easily find  
9 information about the department through the Internet and that  
10 persons who have a reason to use the department's services are able  
11 to use the Internet to interact with the department and to access  
12 any services that can be provided effectively through the Internet.  
13 The policy shall also ensure that proposed technological solutions  
14 are cost-effective and developed through the department's planning  
15 processes.

16 Sec. 21.019. ALTERNATIVE RULEMAKING AND DISPUTE RESOLUTION  
17 PROCEDURES. (a) The board shall develop and implement a policy to  
18 encourage the use of:

19 (1) negotiated rulemaking procedures under Chapter  
20 2008, Government Code, for the adoption of department rules; and

21 (2) appropriate alternative dispute resolution  
22 procedures under Chapter 2009, Government Code, to assist in the  
23 resolution of internal and external disputes under the department's  
24 jurisdiction.

25 (b) The department's procedures relating to alternative  
26 dispute resolution must conform, to the extent possible, to any  
27 model guidelines issued by the State Office of Administrative

1 Hearings for the use of alternative dispute resolution by state  
2 agencies.

3 (c) The board shall designate a trained person to:

4 (1) coordinate the implementation of the policy  
5 adopted under Subsection (a);

6 (2) serve as a resource for any training needed to  
7 implement the procedures for negotiated rulemaking or alternative  
8 dispute resolution; and

9 (3) collect data concerning the effectiveness of those  
10 procedures, as implemented by the department.

11 SECTION 11. Chapter 22, Human Resources Code, is amended by  
12 adding Section 22.040 to read as follows:

13 Sec. 22.040. DETERMINATION OF ELIGIBILITY FOR COMMUNITY  
14 CARE SERVICES FOR ELDERLY PERSONS OR PERSONS WITH DISABILITIES.

15 The department by rule shall develop and implement a plan to assist  
16 elderly persons or persons with disabilities requesting community  
17 care services in receiving those services as quickly as possible  
18 when those services become available. The plan must require the  
19 department to:

20 (1) forecast participant openings that will become  
21 available in a community care program serving the elderly person or  
22 person with a disability during the next fiscal quarter because of  
23 program expansion or case closures;

24 (2) contact an individual on an interest list and  
25 begin the program eligibility determination process at least 30  
26 days before an opening is forecasted to become available in the  
27 program; and

1           (3) ensure that an individual determined to be  
2 eligible for services does not begin receiving services until after  
3 the opening actually becomes available.

4           SECTION 12. Section 31.0128, Human Resources Code, is  
5 amended by adding Subsection (e) to read as follows:

6           (e) On the department's formulation of recommendations and  
7 strategies under Section 31.0129(b), the department and the Texas  
8 Workforce Commission shall, as necessary, revise and update a  
9 memorandum of understanding and coordinated interagency case  
10 management plan under this section to include the recommendations  
11 and strategies.

12           SECTION 13. Subchapter A, Chapter 31, Human Resources Code,  
13 is amended by adding Section 31.0129 to read as follows:

14           Sec. 31.0129. COORDINATED PLAN TO IMPROVE INTERAGENCY  
15 TRANSITIONS. (a) The department, the Texas Workforce Commission,  
16 and representatives of local workforce development boards shall  
17 conduct a survey of best practices used to transition clients  
18 between local department offices and workforce centers.

19           (b) The department shall:

20                   (1) analyze information collected by a survey under  
21 Subsection (a); and

22                   (2) formulate recommendations and strategies to  
23 improve practices used to transition clients between local  
24 department offices and workforce centers.

25           (c) Using existing resources, the department and local  
26 workforce development boards shall adopt policies to implement the  
27 recommendations and strategies contained in the revised and updated

1 memorandum of understanding under Section 31.0128.

2 SECTION 14. Subchapter A, Chapter 31, Human Resources Code,  
3 is amended by adding Section 31.015 to read as follows:

4 Sec. 31.015. SERVICE REFERRALS FOR CERTAIN RECIPIENTS. To  
5 the extent practicable using existing revenue, the department, by  
6 rule, shall develop and implement a plan to:

7 (1) identify recipients of financial assistance that  
8 are at risk of exhausting their benefits under Section 31.0065; and

9 (2) provide referrals for the recipient and the  
10 recipient's family to appropriate preventive and support services,  
11 including faith-based services.

12 SECTION 15. Section 242.610, Health and Safety Code, is  
13 amended by amending Subsections (b), (d), and (g) and adding  
14 Subsections (h) through (m) to read as follows:

15 (b) The department shall prepare and conduct, at the site of  
16 the training program, an examination for the issuance of a permit.  
17 The results of the examination shall be reported in accordance with  
18 Section 242.6101.

19 (d) Subject to Subsections (h)-(m), the [The] department  
20 shall issue a permit or renew a permit to an applicant who:

21 (1) meets the minimum requirements adopted under  
22 Section 242.608;

23 (2) successfully completes the examination or the  
24 continuing education requirements; and

25 (3) pays a nonrefundable application fee determined by  
26 the board.

27 (g) The board by rule may adopt a system under which permits

1 expire on various dates during the year. For the year in which the  
2 permit expiration date is changed, the department shall prorate  
3 permit fees on a monthly basis so that each permit holder pays only  
4 that portion of the permit fee that is allocable to the number of  
5 months during which the permit is valid. On renewal of the permit  
6 on the new expiration date, the total permit renewal fee is payable  
7 ~~[The department may shorten the term of a permit to provide for the~~  
8 ~~staggered renewal of permits. If a permit is issued for a term that~~  
9 ~~is less than one year, the fee assessed under Section 242.611 must~~  
10 ~~be prorated appropriately].~~

11 (h) A person who is otherwise eligible to renew a permit may  
12 renew an unexpired permit by paying the required renewal fee to the  
13 department before the expiration date of the permit. A person whose  
14 permit has expired may not engage in activities that require a  
15 permit until the permit has been renewed.

16 (i) A person whose permit has been expired for 90 days or  
17 less may renew the permit by paying to the department a renewal fee  
18 that is equal to 1-1/2 times the normally required renewal fee.

19 (j) A person whose permit has been expired for more than 90  
20 days but less than one year may renew the permit by paying to the  
21 department a renewal fee that is equal to two times the normally  
22 required renewal fee.

23 (k) A person whose permit has been expired for one year or  
24 more may not renew the permit. The person may obtain a new permit by  
25 complying with the requirements and procedures, including the  
26 examination requirements, for obtaining an original permit.

27 (l) A person who was issued a permit in this state, moved to

1 another state, currently holds a valid permit or license issued by  
2 the other state, and has been in practice in that state for the two  
3 years preceding the date of application may obtain a new permit  
4 without reexamination. The person must pay to the department a fee  
5 that is equal to two times the normally required renewal fee for the  
6 permit.

7 (m) Not later than the 30th day before the date a person's  
8 permit is scheduled to expire, the department shall send written  
9 notice of the impending expiration to the person at the person's  
10 last known address according to the records of the department.

11 SECTION 16. Subchapter N, Chapter 242, Health and Safety  
12 Code, is amended by adding Section 242.6101 to read as follows:

13 Sec. 242.6101. RESULTS OF EXAMINATION FOR ISSUANCE OF  
14 PERMIT. (a) Not later than the 30th day after the date a person  
15 takes an examination for the issuance of a permit under this  
16 subchapter, the department shall notify the person of the results  
17 of the examination.

18 (b) If the examination is graded or reviewed by a testing  
19 service:

20 (1) the department shall notify the person of the  
21 results of the examination not later than the 14th day after the  
22 date the department receives the results from the testing service;  
23 and

24 (2) if notice of the examination results will be  
25 delayed for longer than 90 days after the examination date, the  
26 department shall notify the person of the reason for the delay  
27 before the 90th day.

1        (c) The department may require a testing service to notify a  
2 person of the results of the person's examination.

3        (d) If requested in writing by a person who fails an  
4 examination for the issuance of a permit administered under this  
5 subchapter, the department shall furnish the person with an  
6 analysis of the person's performance on the examination.

7        SECTION 17. Section 242.611, Health and Safety Code, is  
8 amended to read as follows:

9        Sec. 242.611. FEES FOR ISSUANCE AND RENEWAL OF PERMIT TO  
10 ADMINISTER MEDICATION. The board shall set the fees in amounts  
11 reasonable and necessary to recover the amount projected by the  
12 department as required to administer its functions. Except as  
13 otherwise provided by Section 242.610, the [The] fees may not  
14 exceed:

15            (1) \$25 for a combined permit application and  
16 examination fee; and

17            (2) \$15 for a renewal permit application fee.

18        SECTION 18. Section 242.612, Health and Safety Code, is  
19 amended by amending Subsection (a) and adding Subsection (c) to  
20 read as follows:

21        (a) The board shall revoke, [For the violation of this  
22 subchapter or a rule adopted under this subchapter, the department  
23 may:

24            [~~(1)~~] suspend, [~~revoke,~~] or refuse to renew a permit  
25 or shall reprimand a permit holder for a violation of this  
26 subchapter or a rule of the board adopted under this subchapter. In  
27 addition, the board may[+]

1           ~~[(2)]~~ suspend a permit in an emergency~~[7]~~ or

2           ~~[(3)]~~ rescind training program approval.

3           (c) The board may place on probation a person whose permit  
4 is suspended. If a permit suspension is probated, the board may  
5 require the person:

6           (1) to report regularly to the department on matters  
7 that are the basis of the probation;

8           (2) to limit practice to the areas prescribed by the  
9 board; or

10           (3) to continue or review professional education until  
11 the person attains a degree of skill satisfactory to the board in  
12 those areas that are the basis of the probation.

13           SECTION 19. The changes made by this Act to Subsection (a),  
14 Section 21.011, Human Resources Code, apply only to a report on the  
15 operations and administration of the Texas Department of Human  
16 Services that is required to be submitted to the governor and the  
17 legislature under that section after December 31, 2003.

18           SECTION 20. The Texas Department of Human Services shall  
19 develop a business plan for each service region, in accordance with  
20 Section 21.00605, Human Resources Code, as added by this Act, not  
21 later than September 1, 2004.

22           SECTION 21. The Texas Department of Human Services shall  
23 formulate recommendations and strategies in accordance with  
24 Subsection (b), Section 31.0129, Human Resources Code, as added by  
25 this Act, not later than September 1, 2004.

26           SECTION 22. Not later than December 1, 2004, the Texas  
27 Department of Human Services and the Texas Workforce Commission

1 shall, as necessary, update the memorandum of understanding and  
2 coordinated interagency case management plan required under  
3 Section 31.0128, Human Resources Code, as amended by this Act.

4 SECTION 23. This Act takes effect September 1, 2003.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 285 passed the Senate on April 25, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 21, 2003, by a viva-voce vote.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 285 passed the House, with amendment, on May 20, 2003, by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor