

1-1 By: Nelson S.B. No. 464  
1-2 (In the Senate - Filed February 12, 2003; February 17, 2003,  
1-3 read first time and referred to Committee on Health and Human  
1-4 Services; March 3, 2003, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;  
1-6 March 3, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 464 By: Zaffirini

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the appointment of a management team to manage and  
1-11 operate a community center for mental health or mental retardation  
1-12 services.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subsections (a) and (d), Section 534.038, Health  
1-15 and Safety Code, are amended to read as follows:

1-16 (a) The commissioner may appoint a manager or management  
1-17 team to manage and operate a community center if the commissioner  
1-18 finds that[+]

1-19 ~~[(1)]~~ the center or an officer or employee of the  
1-20 center:

1-21 (1) ~~[(A)]~~ intentionally, recklessly, or negligently  
1-22 failed to discharge the center's duties under a contract with the  
1-23 department;

1-24 (2) ~~[(B)]~~ misused state or federal money;  
1-25 ~~[(3)]~~ ~~[(C)]~~ engaged in a fraudulent act, transaction,  
1-26 practice, or course of business;

1-27 (4) ~~[(D)]~~ endangers or may endanger the life, health,  
1-28 or safety of a person served by the center;

1-29 (5) ~~[(E)]~~ failed to keep fiscal records or maintain  
1-30 proper control over center assets as prescribed by Chapter 783,  
1-31 Government Code;

1-32 (6) ~~[(F)]~~ failed to respond to a deficiency in a  
1-33 review or audit;

1-34 (7) ~~[(G)]~~ substantially failed to operate within the  
1-35 functions and purposes defined in the center's plan; or

1-36 (8) ~~[(H)]~~ otherwise substantially failed to comply  
1-37 with this subchapter or department rules[+and

1-38 ~~[(2) contract sanctions and intervention with the~~  
1-39 ~~local board of trustees failed to bring the center into compliance~~  
1-40 ~~with the center's plan or contract].~~

1-41 (d) The center may appeal the commissioner's decision to  
1-42 appoint a manager or management team as prescribed by board rule.  
1-43 The filing of a notice of appeal stays the appointment unless the  
1-44 commissioner based the appointment on a finding under Subsection  
1-45 (a)(2) or (4) ~~[(a)(1)(D)]~~.

1-46 SECTION 2. Subsections (b) and (c), Section 534.040, Health  
1-47 and Safety Code, are amended to read as follows:

1-48 (b) The authority of the manager or management team  
1-49 continues until[+]

1-50 ~~[(1)]~~ the commissioner determines that the relevant  
1-51 factors listed under Section 534.038(a) ~~[534.038(a)(1)]~~ no longer  
1-52 apply ~~[exist, or~~

1-53 ~~[(2) the department cancels its contract with the~~  
1-54 ~~center].~~

1-55 (c) Following a determination under Subsection (b)  
1-56 ~~[(b)(1)]~~, the commissioner shall terminate the authority of the  
1-57 manager or management team and restore authority to manage and  
1-58 operate the center to the center's authorized officers and  
1-59 employees.

1-60 SECTION 3. This Act takes effect immediately if it receives  
1-61 a vote of two-thirds of all the members elected to each house, as  
1-62 provided by Section 39, Article III, Texas Constitution. If this  
1-63 Act does not receive the vote necessary for immediate effect, this

2-1 Act takes effect September 1, 2003.

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