

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Price, Faircloth

H.B. No. 2578

A BILL TO BE ENTITLED

AN ACT

relating to the efficiency and consolidation of powers and duties within the health and human services system.

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

SECTION 1. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.00551 to read as follows:

Sec. 531.00551. CONSOLIDATED INTERNAL AUDIT PROGRAM. (a) Notwithstanding Section 2102.005, the commission shall operate the internal audit program required under Chapter 2102 for the commission and each health and human services agency as a consolidated internal audit program.

(b) For purposes of this section, a reference in Chapter 2102 to the administrator of a state agency with respect to a health and human services agency means the executive commissioner.

SECTION 2. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02731 to read as follows:

Sec. 531.02731. REPORT OF INFORMATION RESOURCES MANAGER TO COMMISSION. Notwithstanding Section 2054.075(b), the information resources manager of a health and human services agency shall report directly to the executive commissioner or a deputy executive commissioner designated by the executive commissioner.

SECTION 3. This Act takes effect September 1, 2015.

ADOPTED

MAY 23 2015

*Atty. Gen.*  
Secretary of the Senate

By: Jane Nelson

H.B. No. 2578

Substitute the following for H.B. No. 2578:

By: B. W. Keller

C.S.H.B. No. 2578

A BILL TO BE ENTITLED

AN ACT

relating to the efficiency of and consolidation of powers and duties within the health and human services system.

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

ARTICLE 1. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM

SECTION 1.01. (a) Chapter 531, Government Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM

Sec. 531.02001. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM GENERALLY. In accordance with this subchapter, the functions of the health and human services system described under Sections 531.0201, 531.02011, and 531.02012 are consolidated through a phased transfer of those functions under which:

(1) the initial transfers required under Section 531.0201 occur:

(A) on or after the date on which the executive commissioner submits the transition plan to the required persons under Section 531.0204(e); and

(B) not later than September 1, 2016;

(2) the final transfers required under Section 531.02011 occur:

(A) on or after September 1, 2016; and

(B) not later than September 1, 2017; and

(3) transfers of administrative support services

functions occur in accordance with Section 531.02012.

Sec. 531.02002. MEANING OF FUNCTION IN RELATION TO TRANSFERS. For purposes of the transfers mandated by this subchapter, "function" includes a power, duty, program, or activity of a state agency or entity.

Sec. 531.0201. PHASE ONE: INITIAL TRANSFERS. (a) On the dates specified in the transition plan required under Section 531.0204, the following functions are transferred to the commission as provided by this subchapter:

(1) all functions, including any remaining administrative support services functions, of each state agency and entity subject to abolition under Section 531.0202(a); and

(2) except as provided by Section 531.02013, all client services of the health and human services system, including client services functions performed by the following:

(A) the state agency and entity subject to abolition under Section 531.0202(b);

(B) the Department of Family and Protective Services; and

(C) the Department of State Health Services.

(b) On the dates specified in the transition plan required under Section 531.0204, all functions in the health and human services system related to prevention and early intervention services, including the Nurse-Family Partnership Competitive Grant Program under Subchapter C, Chapter 265, Family Code, are transferred to the Department of Family and Protective Services.

Sec. 531.02011. PHASE TWO: FINAL TRANSFERS TO COMMISSION.

1 On the dates specified in the transition plan required under  
2 Section 531.0204, the following functions are transferred to the  
3 commission as provided by this subchapter:

4           (1) all functions of each state agency and entity  
5 subject to abolition under Section 531.0202(b) that remained with  
6 the agency or entity after the initial transfer of functions under  
7 Section 531.0201 or a transfer of administrative support services  
8 functions under Section 531.02012;

9           (2) regulatory functions and functions related to  
10 state-operated institutions of the Department of State Health  
11 Services; and

12           (3) regulatory functions of the Department of Family  
13 and Protective Services.

14           Sec. 531.02012. TRANSFER AND CONSOLIDATION OF  
15 ADMINISTRATIVE SUPPORT SERVICES FUNCTIONS. (a) In this section,  
16 "administrative support services" has the meaning assigned under  
17 Section 531.00553.

18           (b) As soon as practicable after the first day of the period  
19 prescribed by Section 531.02001(1) and not later than the last day  
20 of the period prescribed by Section 531.02001(2), in accordance  
21 with and on the dates specified in the transition plan required  
22 under Section 531.0204, the executive commissioner shall, after  
23 consulting with affected state agencies and divisions, transfer and  
24 consolidate within the commission administrative support services  
25 functions of the health and human services system to the extent  
26 consolidation of those support services functions is feasible and  
27 contributes to the effective performance of the system.



Consolidation of an administrative support services function under this section must be conducted in accordance with the principles and requirements for organization of administrative support services under Section 531.00553(c).

(c) Consultation with affected state agencies and divisions under Subsection (b) must be conducted in a manner that ensures client services are, at most, only minimally affected, and must result in a memorandum of understanding or other agreement between the commission and each affected agency or division that:

(1) details measurable performance goals that the commission is expected to meet;

(2) identifies a means by which the agency or division may seek permission from the executive commissioner to find an alternative way to address the needs of the agency or division, as appropriate;

(3) identifies steps to ensure that programs under the health and human services system, whether large or small, receive administrative support services that are adequate to meet the program's needs; and

(4) if appropriate, specifies that staff responsible for providing administrative support services consolidated within the commission are located in the area where persons requiring those services are located to ensure the staff understands related program needs and can respond to those needs in a timely manner.

Sec. 531.02013. FUNCTIONS REMAINING WITH CERTAIN AGENCIES. The following functions are not subject to transfer under Sections 531.0201 and 531.02011:

1           (1) the functions of the Department of Family and  
2 Protective Services, including the statewide intake of reports and  
3 other information, related to the following:

4                   (A) child protective services, including  
5 services that are required by federal law to be provided by this  
6 state's child welfare agency;

7                   (B) adult protective services, other than  
8 investigations of the alleged abuse, neglect, or exploitation of an  
9 elderly person or person with a disability:

10                           (i) in a facility operated, or in a facility  
11 or by a person licensed, certified, or registered, by a state  
12 agency; or

13                           (ii) by a provider that has contracted to  
14 provide home and community-based services; and

15                   (C) prevention and early intervention services;  
16 and

17           (2) the public health functions of the Department of  
18 State Health Services, including health care data collection and  
19 maintenance of the Texas Health Care Information Collection  
20 program.

21           Sec. 531.02014. RELATED TRANSFERS; EFFECT OF  
22 CONSOLIDATION. (a) All of the following that relate to a function  
23 that is transferred under Section 531.0201, 531.02011, or 531.02012  
24 are transferred to the commission or the Department of Family and  
25 Protective Services, as applicable, on the date the related  
26 function is transferred as specified in the transition plan  
27 required under Section 531.0204:

1           (1) all obligations and contracts, including  
2 obligations and contracts related to a grant program;

3           (2) all property and records in the custody of the  
4 state agency or entity from which the function is transferred;

5           (3) all funds appropriated by the legislature and  
6 other money; and

7           (4) all complaints, investigations, or contested  
8 cases that are pending before the state agency or entity from which  
9 the function is transferred or a governing person or entity of the  
10 state agency or entity, without change in status.

11        (b) A rule, policy, or form adopted by or on behalf of a  
12 state agency or entity from which functions are transferred under  
13 Section 531.0201, 531.02011, or 531.02012 that relates to a  
14 function that is transferred under one of those sections becomes a  
15 rule, policy, or form of the receiving state agency upon transfer of  
16 the related function and remains in effect:

17           (1) until altered by the commission or other receiving  
18 state agency, as applicable; or

19           (2) unless it conflicts with a rule, policy, or form of  
20 the receiving state agency.

21        (c) A license, permit, or certification in effect that was  
22 issued by a state agency or entity from which functions are  
23 transferred under Section 531.0201 or 531.02011 that relates to a  
24 function that is transferred under either of those sections is  
25 continued in effect as a license, permit, or certification of the  
26 commission upon transfer of the related function until the license,  
27 permit, or certification expires, is suspended or revoked, or

1 otherwise becomes invalid.

2 Sec. 531.0202. ABOLITION OF STATE AGENCIES AND ENTITIES;  
3 EFFECT OF TRANSFERS. (a) Each of the following state agencies and  
4 entities is abolished on a date that is within the period prescribed  
5 by Section 531.02001(1), that is specified in the transition plan  
6 required under Section 531.0204 for the abolition of the agency or  
7 entity, and that occurs after all of the agency's or entity's  
8 functions have been transferred in accordance with Section  
9 531.0201:

10 (1) the Department of Assistive and Rehabilitative  
11 Services;

12 (2) the Health and Human Services Council;

13 (3) the Aging and Disability Services Council;

14 (4) the Assistive and Rehabilitative Services  
15 Council;

16 (5) the Family and Protective Services Council;

17 (6) the State Health Services Council; and

18 (7) the Texas Council on Autism and Pervasive  
19 Developmental Disorders.

20 (b) The following state agency and entity are abolished on a  
21 date that is within the period prescribed by Section 531.02001(2),  
22 that is specified in the transition plan required under Section  
23 531.0204 for the abolition of the state agency or entity, and that  
24 occurs after all of the state agency's or entity's functions have  
25 been transferred to the commission in accordance with Sections  
26 531.0201 and 531.02011:

27 (1) the Department of Aging and Disability Services;

1 and

2 (2) the Office for the Prevention of Developmental  
3 Disabilities.

4 (c) The abolition of a state agency or entity listed in  
5 Subsection (a) or (b) and the transfer of its functions and related  
6 obligations, rights, contracts, records, property, and funds as  
7 provided by this subchapter and the transfer of functions and  
8 related obligations, rights, contracts, records, property, and  
9 funds to or from the Department of Family and Protective Services  
10 and from the Department of State Health Services as provided by this  
11 subchapter do not affect or impair an act done, any obligation,  
12 right, order, permit, certificate, rule, criterion, standard, or  
13 requirement existing, or any penalty accrued under former law, and  
14 that law remains in effect for any action concerning those matters.

15 Sec. 531.0203. HEALTH AND HUMAN SERVICES TRANSITION  
16 LEGISLATIVE OVERSIGHT COMMITTEE. (a) In this section,  
17 "committee" means the Health and Human Services Transition  
18 Legislative Oversight Committee established under this section.

19 (b) The Health and Human Services Transition Legislative  
20 Oversight Committee is created to facilitate the transfer of  
21 functions under Sections 531.0201, 531.02011, and 531.02012 with  
22 minimal negative effect on the delivery of services to which those  
23 functions relate.

24 (c) The committee is composed of 11 voting members, as  
25 follows:

26 (1) four members of the senate, appointed by the  
27 lieutenant governor;

1           (2) four members of the house of representatives,  
2 appointed by the speaker of the house of representatives; and

3           (3) three members of the public, appointed by the  
4 governor.

5           (d) The executive commissioner serves as an ex officio,  
6 nonvoting member of the committee.

7           (e) A member of the committee serves at the pleasure of the  
8 appointing official.

9           (f) The lieutenant governor and the speaker of the house of  
10 representatives shall each designate a presiding co-chair from  
11 among their respective appointments.

12           (g) A member of the committee may not receive compensation  
13 for serving on the committee but is entitled to reimbursement for  
14 travel expenses incurred by the member while conducting the  
15 business of the committee as provided by the General Appropriations  
16 Act.

17           (h) The committee shall:

18               (1) facilitate the transfer of functions under  
19 Sections 531.0201, 531.02011, and 531.02012 with minimal negative  
20 effect on the delivery of services to which those functions relate;

21               (2) with assistance from the commission and the state  
22 agencies and entities from which functions are transferred under  
23 Sections 531.0201, 531.02011, and 531.02012, advise the executive  
24 commissioner concerning:

25                   (A) the functions to be transferred under this  
26 subchapter and the funds and obligations that are related to the  
27 functions;

1                   (B) the transfer of the functions and related  
2 records, property, funds, and obligations by the state agencies and  
3 entities as provided by this subchapter; and

4                   (C) the reorganization of the commission's  
5 administrative structure in accordance with this subchapter,  
6 Sections 531.0055, 531.00553, 531.00561, 531.00562, and 531.008,  
7 and other provisions enacted by the 84th Legislature that become  
8 law; and

9                   (3) meet:

10                   (A) during the period between the establishment  
11 of the committee and September 1, 2017, at least quarterly at the  
12 call of either chair, in addition to meeting at other times as  
13 determined appropriate by either chair;

14                   (B) during the period between September 2, 2017,  
15 and December 31, 2019, at least semiannually at the call of either  
16 chair, in addition to meeting at other times as determined  
17 appropriate by either chair; and

18                   (C) during the period between January 1, 2020,  
19 and August 31, 2023, at least annually at the call of either chair,  
20 in addition to meeting at other times as determined appropriate by  
21 either chair.

22                   (i) Chapter 551 applies to the committee.

23                   (j) The committee shall submit a report to the governor,  
24 lieutenant governor, speaker of the house of representatives, and  
25 legislature not later than December 1 of each even-numbered year.  
26 The report must include an update on the progress of and issues  
27 related to:

1           (1) the transfer of functions under Sections 531.0201,  
2 531.02011, and 531.02012 to the commission and the Department of  
3 Family and Protective Services, including the need for any  
4 additional statutory changes required to complete the transfer of  
5 prevention and early intervention services functions to the  
6 department in accordance with this subchapter; and

7           (2) the reorganization of the commission's  
8 administrative structure in accordance with this subchapter,  
9 Sections 531.0055, 531.00553, 531.00561, 531.00562, and 531.008,  
10 and other provisions enacted by the 84th Legislature that become  
11 law.

12           (k) The committee is abolished September 1, 2023.  
13           Sec. 531.02031. STUDY ON CONTINUING NEED FOR CERTAIN STATE  
14 AGENCIES. (a) Not later than September 1, 2018, the executive  
15 commissioner shall conduct a study and submit a report and  
16 recommendation to the Health and Human Services Transition  
17 Legislative Oversight Committee regarding the need to continue the  
18 Department of Family and Protective Services and the Department of  
19 State Health Services as state agencies separate from the  
20 commission.

21           (b) Not later than December 1, 2018, the Health and Human  
22 Services Transition Legislative Oversight Committee shall review  
23 the report and recommendation submitted under Subsection (a) and  
24 submit a report and recommendation to the legislature regarding the  
25 need to continue the Department of Family and Protective Services  
26 and the Department of State Health Services as state agencies  
27 separate from the commission.



1       (c) The Health and Human Services Transition Legislative  
2 Oversight Committee shall include the following in the report  
3 submitted to the legislature under Subsection (b):

4               (1) an evaluation of the transfer of prevention and  
5 early intervention services functions to the Department of Family  
6 and Protective Services as provided by this subchapter, including  
7 an evaluation of:

8                       (A) any increased coordination and efficiency in  
9 the operation of the programs achieved as a result of the transfer;

10                      (B) the department's coordination with other  
11 state agency programs providing similar prevention and early  
12 intervention services; and

13                      (C) the department's interaction with  
14 stakeholders and other interested parties in performing the  
15 department's functions; and

16               (2) any recommendations concerning the transfer of  
17 prevention and early intervention services functions of the  
18 department to another state agency.

19       Sec. 531.0204. TRANSITION PLAN FOR IMPLEMENTATION OF  
20 CONSOLIDATION. (a) The transfers of functions under Sections  
21 531.0201, 531.02011, and 531.02012 must be accomplished in  
22 accordance with a transition plan developed by the executive  
23 commissioner that ensures that the transfers and provision of  
24 health and human services in this state are accomplished in a  
25 careful and deliberative manner. The transition plan must:

26                      (1) include an outline of the commission's reorganized  
27 structure, including its divisions, in accordance with this

1 subchapter, Sections 531.00561, 531.00562, and 531.008, and other  
2 provisions enacted by the 84th Legislature that become law;

3 (2) include details regarding movement of functions  
4 and a timeline that, subject to the periods prescribed by Section  
5 531.02001, specifies the dates on which:

6 (A) the transfers under Sections 531.0201,  
7 531.02011, and 531.02012 are to be made;

8 (B) each state agency or entity subject to  
9 abolition under Section 531.0202 is abolished; and

10 (C) each division of the commission is created  
11 and the division's director is appointed;

12 (3) for purposes of Sections 531.0201, 531.02011, and  
13 531.02013, define:

14 (A) client services functions;

15 (B) regulatory functions;

16 (C) public health functions; and

17 (D) functions related to:

18 (i) state-operated institutions;

19 (ii) child protective services;

20 (iii) adult protective services; and

21 (iv) prevention and early intervention  
22 services; and

23 (4) include an evaluation and determination of the  
24 feasibility and potential effectiveness of consolidating  
25 administrative support services into the commission in accordance  
26 with Section 531.02012, including a report of:

27 (A) the specific support services that will be

consolidated within the commission;

(B) a timeline that details when specific support services will be consolidated, including a description of the support services that will transfer by the last day of each period prescribed by Section 531.02001; and

(C) measures the commission will take to ensure information resources and contracting support services continue to operate properly across the health and human services system under any consolidation of administrative support services.

(b) In defining the transferred functions under Subsection (a)(3), the executive commissioner shall ensure that:

(1) not later than the last day of the period prescribed by Section 531.02001(1), all functions of a state agency or entity subject to abolition under Section 531.0202(a) are transferred to the commission or the Department of Family and Protective Services, as applicable;

(2) the transferred prevention and early intervention services functions to the Department of Family and Protective Services include:

(A) prevention and early intervention services as defined under Section 265.001, Family Code; and

(B) programs that:

(i) provide parent education;

(ii) promote healthier parent-child relationships; or

(iii) prevent family violence; and

(3) not later than the last day of the period

1 prescribed by Section 531.02001(2), all functions of the state  
2 agency and entity subject to abolition under Section 531.0202(b)  
3 are transferred to the commission.

4 (c) In developing the transition plan, the executive  
5 commissioner shall, before submitting the plan to the Health and  
6 Human Services Transition Legislative Oversight Committee, the  
7 governor, and the Legislative Budget Board as required by  
8 Subsection (e):

9 (1) hold public hearings in various geographic areas  
10 in this state regarding the plan; and

11 (2) solicit and consider input from appropriate  
12 stakeholders.

13 (d) Within the periods prescribed by Section 531.02001:

14 (1) the commission shall begin administering the  
15 respective functions assigned to the commission under Sections  
16 531.0201 and 531.02011, as applicable; and

17 (2) the Department of Family and Protective Services  
18 shall begin administering the functions assigned to the department  
19 under Section 531.0201.

20 (d-1) The assumption of the administration of the functions  
21 transferred to the commission and the Department of Family and  
22 Protective Services under Sections 531.0201 and 531.02011, as  
23 applicable, must be accomplished in accordance with the transition  
24 plan.

25 (e) The executive commissioner shall submit the transition  
26 plan to the Health and Human Services Transition Legislative  
27 Oversight Committee, the governor, and the Legislative Budget Board

1 not later than March 1, 2016. The Health and Human Services  
2 Transition Legislative Oversight Committee shall comment on and  
3 make recommendations to the executive commissioner regarding any  
4 concerns or adjustments to the transition plan the committee  
5 determines appropriate. The executive commissioner may not  
6 finalize the transition plan until the executive commissioner has  
7 reviewed and considered the comments and recommendations of the  
8 committee regarding the transition plan.

9 (f) The executive commissioner shall publish in the Texas  
10 Register:

11 (1) the transition plan developed under this section;  
12 (2) any adjustments to the transition plan recommended  
13 by the Health and Human Services Transition Legislative Oversight  
14 Committee;

15 (3) a statement regarding whether the executive  
16 commissioner adopted or otherwise incorporated the recommended  
17 adjustments; and

18 (4) if the executive commissioner did not adopt a  
19 recommended adjustment, the justification for not adopting the  
20 adjustment.

21 Sec. 531.02041. REQUIRED REPORTS AFTER TRANSITION PLAN  
22 SUBMISSION. If, at any time after the executive commissioner  
23 submits the transition plan in accordance with Section 531.0204(e),  
24 the executive commissioner proposes to make a substantial  
25 organizational change to the health and human services system that  
26 was not included in the transition plan, the executive commissioner  
27 shall, before implementing the proposed change, submit a report

1 detailing the proposed change to the Health and Human Services  
2 Transition Legislative Oversight Committee.

3 Sec. 531.0205. APPLICABILITY OF FORMER LAW. An action  
4 brought or proceeding commenced before the date of a transfer  
5 prescribed by this subchapter in accordance with the transition  
6 plan required under Section 531.0204, including a contested case or  
7 a remand of an action or proceeding by a reviewing court, is  
8 governed by the laws and rules applicable to the action or  
9 proceeding before the transfer.

10 Sec. 531.0206. LIMITED-SCOPE SUNSET REVIEW. (a) The  
11 Sunset Advisory Commission shall conduct a limited-scope review of  
12 the commission during the state fiscal biennium ending August 31,  
13 2023, in the manner provided by Chapter 325 (Texas Sunset Act). The  
14 review must provide:

15 (1) an update on the commission's progress with  
16 respect to the consolidation of the health and human services  
17 system mandated by this subchapter, including the commission's  
18 compliance with the transition plan required under Section  
19 531.0204;

20 (2) an evaluation and recommendations regarding the  
21 need to continue the Department of Family and Protective Services  
22 and the Department of State Health Services as state agencies  
23 separate from the commission; and

24 (3) any additional information the Sunset Advisory  
25 Commission determines appropriate, including information regarding  
26 any additional organizational changes the Sunset Advisory  
27 Commission recommends.

1        (b) The commission is not abolished solely because the  
2 commission is not explicitly continued following the review  
3 required by this section.

4        Sec. 531.0207. EXPIRATION OF SUBCHAPTER. This subchapter  
5 expires September 1, 2023.

6        (b) Not later than October 1, 2015:

7                (1) the lieutenant governor, the speaker of the house  
8 of representatives, and the governor shall make the appointments to  
9 the Health and Human Services Transition Legislative Oversight  
10 Committee as required by Section 531.0203(c), Government Code, as  
11 added by this article; and

12                (2) the lieutenant governor and the speaker of the  
13 house of representatives shall each designate a presiding co-chair  
14 of the Health and Human Services Transition Legislative Oversight  
15 Committee in accordance with Section 531.0203(f), Government Code,  
16 as added by this article.

17        (c) As soon as appropriate under the consolidation under  
18 Subchapter A-1, Chapter 531, Government Code, as added by this  
19 article, and in a manner that minimizes disruption of services, the  
20 Health and Human Services Commission shall take appropriate action  
21 to be designated as the state agency responsible under federal law  
22 for any state or federal program that is transferred to the  
23 commission in accordance with that subchapter and for which federal  
24 law requires the designation of a responsible state agency.

25        (d) Notwithstanding Section 531.0201, 531.02011, or  
26 531.02012, Government Code, as added by this article, a power,  
27 duty, program, function, or activity of the Department of Assistive

1 and Rehabilitative Services may not be transferred to the Health  
2 and Human Services Commission under that section if:

3 (1) H.B. No. 3294 or S.B. No. 208, 84th Legislature,  
4 Regular Session, 2015, or similar legislation of the 84th  
5 Legislature, Regular Session, 2015, is enacted, becomes law, and  
6 provides for the transfer of the power, duty, program, function, or  
7 activity to the Texas Workforce Commission subject to receipt of  
8 any necessary federal approval or other authorization for the  
9 transfer to occur; and

10 (2) the Department of Assistive and Rehabilitative  
11 Services or the Texas Workforce Commission receives the necessary  
12 federal approval or other authorization to enable the transfer to  
13 occur not later than September 1, 2016.

14 (e) If neither the Department of Assistive and  
15 Rehabilitative Services nor the Texas Workforce Commission  
16 receives the federal approval or other authorization described by  
17 Subsection (d) of this section to enable the transfer of the power,  
18 duty, program, function, or activity to the Texas Workforce  
19 Commission to occur not later than September 1, 2016, as provided by  
20 the legislation described by Subsection (d) of this section, the  
21 power, duty, program, function, or activity of the Department of  
22 Assistive and Rehabilitative Services transfers to the Health and  
23 Human Services Commission in accordance with Section 531.0201,  
24 Government Code, as added by this article, and the transition plan  
25 required under Section 531.0204, Government Code, as added by this  
26 article.

27 SECTION 1.02. Subchapter A, Chapter 531, Government Code,



1 is amended by adding Sections 531.0011 and 531.0012 to read as  
2 follows:

3       Sec. 531.0011. REFERENCES IN LAW MEANING COMMISSION OR  
4 APPROPRIATE DIVISION. (a) In this code or in any other law, a  
5 reference to any of the following state agencies or entities in  
6 relation to a function transferred to the commission under Section  
7 531.0201, 531.02011, or 531.02012, as applicable, means the  
8 commission or the division of the commission performing the  
9 function previously performed by the state agency or entity before  
10 the transfer, as appropriate:

11               (1) health and human services agency;

12               (2) the Department of State Health Services;

13               (3) the Department of Aging and Disability Services;

14               (4) the Department of Family and Protective Services;

15 or

16               (5) the Department of Assistive and Rehabilitative  
17 Services.

18       (b) In this code or in any other law and notwithstanding any  
19 other law, a reference to any of the following state agencies or  
20 entities in relation to a function transferred to the commission  
21 under Section 531.0201, 531.02011, or 531.02012, as applicable,  
22 from the state agency that assumed the relevant function in  
23 accordance with Chapter 198 (H.B. 2292), Acts of the 78th  
24 Legislature, Regular Session, 2003, means the commission or the  
25 division of the commission performing the function previously  
26 performed by the agency that assumed the function before the  
27 transfer, as appropriate:

1           (1) the Texas Department on Aging;  
2           (2) the Texas Commission on Alcohol and Drug Abuse;  
3           (3) the Texas Commission for the Blind;  
4           (4) the Texas Commission for the Deaf and Hard of  
5 Hearing;  
6           (5) the Texas Department of Health;  
7           (6) the Texas Department of Human Services;  
8           (7) the Texas Department of Mental Health and Mental  
9 Retardation;  
10           (8) the Texas Rehabilitation Commission;  
11           (9) the Texas Health Care Information Council; or  
12           (10) the Interagency Council on Early Childhood  
13 Intervention.

14           (c) In this code or in any other law and notwithstanding any  
15 other law, a reference to the Department of Protective and  
16 Regulatory Services in relation to a function transferred under  
17 Section 531.0201, 531.02011, or 531.02012, as applicable, from the  
18 Department of Family and Protective Services means the commission  
19 or the division of the commission performing the function  
20 previously performed by the Department of Family and Protective  
21 Services before the transfer.

22           (d) This section applies notwithstanding Section  
23 531.001(4).

24           Sec. 531.0012. REFERENCES IN LAW MEANING EXECUTIVE  
25 COMMISSIONER OR DESIGNEE. (a) In this code or in any other law, a  
26 reference to any of the following persons in relation to a function  
27 transferred to the commission under Section 531.0201, 531.02011, or

1 531.02012, as applicable, means the executive commissioner, the  
2 executive commissioner's designee, or the director of the division  
3 of the commission performing the function previously performed by  
4 the state agency from which it was transferred and that the person  
5 represented, as appropriate:

6 (1) the commissioner of aging and disability services;

7 (2) the commissioner of assistive and rehabilitative  
8 services;

9 (3) the commissioner of state health services; or

10 (4) the commissioner of the Department of Family and  
11 Protective Services.

12 (b) In this code or in any other law and notwithstanding any  
13 other law, a reference to any of the following persons or entities  
14 in relation to a function transferred to the commission under  
15 Section 531.0201, 531.02011, or 531.02012, as applicable, from the  
16 state agency that assumed or continued to perform the function in  
17 accordance with Chapter 198 (H.B. 2292), Acts of the 78th  
18 Legislature, Regular Session, 2003, means the executive  
19 commissioner or the director of the division of the commission  
20 performing the function performed before the enactment of Chapter  
21 198 (H.B. 2292) by the state agency that was abolished or renamed by  
22 Chapter 198 (H.B. 2292) and that the person or entity represented:

23 (1) an executive director or other chief  
24 administrative officer of a state agency listed in Section  
25 531.0011(b) or of the Department of Protective and Regulatory  
26 Services; or

27 (2) the governing body of a state agency listed in

1 Section 531.0011(b) or of the Department of Protective and  
2 Regulatory Services.

3 (c) A reference to any of the following councils means the  
4 executive commissioner or the executive commissioner's designee,  
5 as appropriate, and a function of any of the following councils is a  
6 function of that appropriate person:

7 (1) the Health and Human Services Council;

8 (2) the Aging and Disability Services Council;

9 (3) the Assistive and Rehabilitative Services  
10 Council;

11 (4) the Family and Protective Services Council; or

12 (5) the State Health Services Council.

13 SECTION 1.03. (a) Subchapter A, Chapter 531, Government  
14 Code, is amended by adding Section 531.0051 to read as follows:

15 Sec. 531.0051. HEALTH AND HUMAN SERVICES COMMISSION  
16 EXECUTIVE COUNCIL. (a) The Health and Human Services Commission  
17 Executive Council is established to receive public input and advise  
18 the executive commissioner regarding the operation of the  
19 commission. The council shall seek and receive public comment on:

20 (1) proposed rules;

21 (2) recommendations of advisory committees;

22 (3) legislative appropriations requests or other  
23 documents related to the appropriations process;

24 (4) the operation of health and human services  
25 programs; and

26 (5) other items the executive commissioner determines  
27 appropriate.

1       (b) The council does not have authority to make  
2 administrative or policy decisions.

3       (c) The council is composed of:

4           (1) the executive commissioner;

5           (2) the director of each division established by the  
6 executive commissioner under Section 531.008(c);

7           (3) the commissioner of a health and human services  
8 agency; and

9           (4) other individuals appointed by the executive  
10 commissioner as the executive commissioner determines necessary.

11       (c-1) To the extent the executive commissioner appoints  
12 members to the council under Subsection (c)(4), the executive  
13 commissioner shall make every effort to ensure that those  
14 appointments result in a council membership that includes:

15           (1) a balanced representation of a broad range of  
16 health and human services industry and consumer interests; and

17           (2) representation from broad geographic regions of  
18 this state.

19       (d) The executive commissioner serves as the chair of the  
20 council and shall adopt rules for the operation of the council.

21       (e) Members of the council appointed under Subsection  
22 (c)(4):

23           (1) are subject to any restrictions applicable to  
24 service on the council provided by law; and

25           (2) serve at the pleasure of the executive  
26 commissioner.

27       (f) The council shall meet at the call of the executive

1 commissioner at least quarterly. The executive commissioner may  
2 call additional meetings as the executive commissioner determines  
3 necessary.

4 (g) The council shall give public notice of the date, time,  
5 and place of each meeting held by the council. A live video  
6 transmission of each meeting must be publicly available through the  
7 Internet.

8 (h) A majority of the members of the council constitute a  
9 quorum for the transaction of business.

10 (i) A council member appointed under Subsection (c)(4) may  
11 not receive compensation for service as a member of the council but  
12 is entitled to reimbursement for travel expenses incurred by the  
13 member while conducting the business of the council as provided by  
14 the General Appropriations Act.

15 (j) The executive commissioner shall develop and implement  
16 policies that provide the public with a reasonable opportunity to  
17 appear before the council and to speak on any issue under the  
18 jurisdiction of the commission.

19 (k) A meeting of individual members of the council that  
20 occurs in the ordinary course of commission operation is not a  
21 meeting of the council, and the requirements of Subsection (g) do  
22 not apply.

23 (l) This section does not limit the authority of the  
24 executive commissioner to establish additional advisory committees  
25 or councils.

26 (m) Chapters 551 and 2110 do not apply to the council.

27 (b) As soon as possible after the executive commissioner of

1 the Health and Human Services Commission appoints division  
2 directors in accordance with Section 531.00561, Government Code, as  
3 added by this article, the Health and Human Services Commission  
4 Executive Council established under Section 531.0051, Government  
5 Code, as added by this article, shall begin operation.

6 SECTION 1.04. The heading to Section 531.0055, Government  
7 Code, is amended to read as follows:

8 Sec. 531.0055. EXECUTIVE COMMISSIONER: GENERAL  
9 RESPONSIBILITY FOR HEALTH AND HUMAN SERVICES SYSTEM [~~AGENCIES~~].

10 SECTION 1.05. Section 531.0055, Government Code, is amended  
11 by amending Subsection (b), as amended by S.B. No. 219, Acts of the  
12 84th Legislature, Regular Session, 2015, and amending Subsections  
13 (d), (e), (f), (g), (h), (k), and (l) to read as follows:

14 (b) The commission shall:

15 (1) supervise the administration and operation of  
16 Medicaid, including the administration and operation of the  
17 Medicaid managed care system in accordance with Section 531.021;

18 (2) perform information systems planning and  
19 management for the health and human services system [~~agencies~~]  
20 under Section 531.0273, with:

21 (A) the provision of information technology  
22 services for the [~~at~~] health and human services system [~~agencies~~]  
23 considered to be a centralized administrative support service  
24 either performed by commission personnel or performed under a  
25 contract with the commission; and

26 (B) an emphasis on research and implementation on  
27 a demonstration or pilot basis of appropriate and efficient uses of

1 new and existing technology to improve the operation of the health  
2 and human services system [~~agencies~~] and delivery of health and  
3 human services;

4 (3) monitor and ensure the effective use of all  
5 federal funds received for the [~~by a~~] health and human services  
6 system [~~agency~~] in accordance with Section 531.028 and the General  
7 Appropriations Act;

8 (4) implement Texas Integrated Enrollment Services as  
9 required by Subchapter F, except that notwithstanding Subchapter F,  
10 determining eligibility for benefits under the following programs  
11 is the responsibility of and must be centralized by the commission:

12 (A) the child health plan program;

13 (B) the financial assistance program under  
14 Chapter 31, Human Resources Code;

15 (C) Medicaid;

16 (D) the supplemental nutrition assistance  
17 program under Chapter 33, Human Resources Code;

18 (E) long-term care services, as defined by  
19 Section 22.0011, Human Resources Code;

20 (F) community-based support services identified  
21 or provided in accordance with Section 531.02481; and

22 (G) other health and human services programs, as  
23 appropriate; and

24 (5) implement programs intended to prevent family  
25 violence and provide services to victims of family violence.

26 (d) After implementation of the commission's duties under  
27 Subsections (b) and (c), the commission shall implement the powers



1 and duties given to the commission under Section 531.0248. Nothing  
2 in the priorities established by this section is intended to limit  
3 the authority of the commission to work simultaneously to achieve  
4 the multiple tasks assigned to the commission in this section, when  
5 such an approach is beneficial in the judgment of the commission.  
6 The commission shall plan and implement an efficient and effective  
7 centralized system of administrative support services for the  
8 health and human services system in accordance with Section  
9 531.00553 [~~agencies~~]. [~~The performance of administrative support~~  
10 ~~services for health and human services agencies is the~~  
11 ~~responsibility of the commission. The term "administrative support~~  
12 ~~services" includes, but is not limited to, strategic planning and~~  
13 ~~evaluation, audit, legal, human resources, information resources,~~  
14 ~~purchasing, contract management, financial management, and~~  
15 ~~accounting services.~~]

16 (e) Notwithstanding any other law, the executive  
17 commissioner shall adopt rules and policies for the operation of  
18 and provision of health and human services by the health and human  
19 services system [~~agencies~~]. In addition, the executive  
20 commissioner, as necessary to perform the functions described by  
21 Subsections (b), (c), and (d) and Section 531.00553 in  
22 implementation of applicable policies established for a health and  
23 human services system [~~an~~] agency or division, as applicable, by  
24 the executive commissioner, shall:

25 (1) manage and direct the operations of each [~~health~~  
26 ~~and human services~~] agency or division, as applicable;

27 (2) supervise and direct the activities of each agency

1 or division director, as applicable; and

2 (3) be responsible for the administrative supervision  
3 of the internal audit program for the ~~[all]~~ health and human  
4 services system agencies, including:

5 (A) selecting the director of internal audit;

6 (B) ensuring that the director of internal audit  
7 reports directly to the executive commissioner; and

8 (C) ensuring the independence of the internal  
9 audit function.

10 (f) The operational authority and responsibility of the  
11 executive commissioner for purposes of Subsection (e) for ~~[at]~~ each  
12 health and human services system agency or division, as applicable,  
13 includes authority over and responsibility for the:

14 (1) management of the daily operations of the agency  
15 or division, including the organization and management of the  
16 agency or division and its ~~[agency]~~ operating procedures;

17 (2) allocation of resources within the agency or  
18 division, including use of federal funds received by the agency or  
19 division;

20 (3) personnel and employment policies;

21 (4) contracting, purchasing, and related policies,  
22 subject to this chapter and other laws relating to contracting and  
23 purchasing by a state agency;

24 (5) information resources systems used by the agency  
25 or division;

26 (6) location of ~~[agency]~~ facilities; and

27 (7) coordination of agency or division activities with

1 activities of other components of the health and human services  
2 system and state agencies~~[, including other health and human~~  
3 ~~services agencies]~~.

4 (g) Notwithstanding any other law, the operational  
5 authority and responsibility of the executive commissioner for  
6 purposes of Subsection (e) for ~~[at]~~ each health and human services  
7 system agency or division, as applicable, includes the authority  
8 and responsibility to adopt or approve, subject to applicable  
9 limitations, any rate of payment or similar provision required by  
10 law to be adopted or approved by a health and human services system  
11 ~~[the]~~ agency.

12 (h) For each health and human services system agency and  
13 division, as applicable, the executive commissioner shall  
14 implement a program to evaluate and supervise ~~[the]~~ daily  
15 operations ~~[of the agency]~~. The program must include measurable  
16 performance objectives for each agency or division director and  
17 adequate reporting requirements to permit the executive  
18 commissioner to perform the duties assigned to the executive  
19 commissioner under this section.

20 (k) The executive commissioner and each agency director  
21 shall enter into a memorandum of understanding in the manner  
22 prescribed by Section 531.0163 that:

23 (1) clearly defines the responsibilities of the agency  
24 director and the executive commissioner, including:

25 (A) the responsibility of the agency director to  
26 report to the governor and to report to and implement policies of  
27 the executive commissioner; and

1 (B) the extent to which the agency director acts  
2 as a liaison between the agency and the commission;

3 (2) establishes the program of evaluation and  
4 supervision of daily operations required by Subsection (h); ~~[and]~~

5 (3) describes each delegation of a power or duty made  
6 to an agency director; and

7 (4) ensures that the commission and each health and  
8 human services agency has access to databases or other information  
9 maintained or kept by each other agency that is necessary for the  
10 operation of a function performed by the commission or the health  
11 and human services agency, to the extent not prohibited by other law  
12 [under Subsection (i) or other law].

13 (1) Notwithstanding any other law, the executive  
14 commissioner has the authority to adopt policies and rules  
15 governing the delivery of services to persons who are served by the  
16 ~~[each]~~ health and human services system ~~[agency]~~ and the rights and  
17 duties of persons who are served or regulated by the system ~~[each~~  
18 ~~agency]~~.

19 SECTION 1.06. Subchapter A, Chapter 531, Government Code,  
20 is amended by adding Section 531.00553 to read as follows:

21 Sec. 531.00553. ADMINISTRATIVE SUPPORT SERVICES. (a) In  
22 this section, the term "administrative support services" includes  
23 strategic planning and evaluation, audit, legal, human resources,  
24 information resources, purchasing, contracting, financial  
25 management, and accounting services.

26 (b) Subject to Subsection (c), the executive commissioner  
27 shall plan and implement an efficient and effective centralized

1 system of administrative support services for the health and human  
2 services system. The performance of administrative support  
3 services for the health and human services system is the  
4 responsibility of the commission.

5 (c) The executive commissioner shall plan and implement the  
6 centralized system of administrative support services in  
7 accordance with the following principles and requirements:

8 (1) the executive commissioner shall consult with the  
9 commissioner of each agency and with the director of each division  
10 within the health and human services system to ensure the  
11 commission is responsive to and addresses agency or division needs;

12 (2) consolidation of staff providing the support  
13 services must be done in a manner that ensures each agency or  
14 division within the health and human services system that loses  
15 staff as a result of the centralization of support services has  
16 adequate resources to carry out functions of the agency or  
17 division, as appropriate; and

18 (3) the commission and each agency or division within  
19 the health and human services system shall, as appropriate, enter  
20 into a memorandum of understanding or other written agreement for  
21 the purpose of ensuring accountability for the provision of  
22 administrative services by clearly detailing:

23 (A) the responsibilities of each agency or  
24 division and the commission;

25 (B) the points of contact for each agency or  
26 division and the commission;

27 (C) the transfer of personnel among each agency

1 or division and the commission;

2 (D) the budgetary effect the agreement has on  
3 each agency or division and the commission; and

4 (E) any other item determined by the executive  
5 commissioner to be critical for maintaining accountability.

6 (d) The memorandum of understanding or other agreement  
7 required under Subsection (c), if appropriate, may be combined with  
8 the memorandum of understanding required under Section  
9 531.0055(k).

10 SECTION 1.07. Section 531.0056, Government Code, is amended  
11 by adding Subsection (g) to read as follows:

12 (g) The requirements of this section apply with respect to a  
13 state agency listed in Section 531.001(4) only until the agency is  
14 abolished under Section 531.0202.

15 SECTION 1.08. (a) Subchapter A, Chapter 531, Government  
16 Code, is amended by adding Sections 531.00561 and 531.00562 to read  
17 as follows:

18 Sec. 531.00561. APPOINTMENT AND QUALIFICATIONS OF DIVISION  
19 DIRECTORS. (a) The executive commissioner shall appoint a  
20 director for each division established within the commission under  
21 Section 531.008, except that the director of the office of  
22 inspector general is appointed in accordance with Section  
23 531.102(a-1).

24 (b) The executive commissioner shall:

25 (1) develop clear qualifications for the director of  
26 each division appointed under this section that ensure that an  
27 individual appointed director has:

1                   (A) demonstrated experience in fields relevant  
2 to the director position; and

3                   (B) executive-level administrative and  
4 leadership experience; and

5                   (2) ensure the qualifications developed under  
6 Subdivision (1) are publicly available.

7           Sec. 531.00562. DIVISION DIRECTOR DUTIES. (a) The  
8 executive commissioner shall clearly define the duties and  
9 responsibilities of a division director and develop clear policies  
10 for the delegation of specific decision-making authority,  
11 including budget authority, to division directors.

12           (b) The delegation of decision-making authority should be  
13 significant enough to ensure the efficient administration of the  
14 commission's programs and services.

15           (b) The executive commissioner of the Health and Human  
16 Services Commission shall implement Sections 531.00561 and  
17 531.00562, Government Code, as added by this article, on the date  
18 specified in the transition plan required under Section 531.0204,  
19 Government Code, as added by this article.

20           SECTION 1.09. (a) Section 531.008, Government Code, as  
21 amended by S.B. No. 219, Acts of the 84th Legislature, Regular  
22 Session, 2015, is amended to read as follows:

23           Sec. 531.008. DIVISIONS OF COMMISSION. (a) The ~~[Subject~~  
24 ~~to Subsection (c), the]~~ executive commissioner shall ~~[may]~~  
25 establish divisions within the commission along functional lines as  
26 necessary for effective administration and for the discharge of the  
27 commission's functions.

1           (b) The ~~[Subject to Subsection (c), the]~~ executive  
2 commissioner may allocate and reallocate functions among the  
3 commission's divisions.

4           (c) Notwithstanding Subsections (a) and (b), the ~~[The]~~  
5 executive commissioner shall establish the following divisions and  
6 offices within the commission:

7                   (1) a medical and social services division ~~[the~~  
8 ~~eligibility services division to make eligibility determinations~~  
9 ~~for services provided through the commission or a health and human~~  
10 ~~services agency related to.~~

11                               ~~[(A) the child health plan program,~~

12                               ~~[(B) the financial assistance program under~~  
13 ~~Chapter 31, Human Resources Code,~~

14                               ~~[(C) Medicaid,~~

15                               ~~[(D) the supplemental nutrition assistance~~  
16 ~~program under Chapter 33, Human Resources Code,~~

17                               ~~[(E) long-term care services, as defined by~~  
18 ~~Section 22.0011, Human Resources Code,~~

19                               ~~[(F) community-based support services identified~~  
20 ~~or provided in accordance with Section 531.02481, and~~

21                               ~~[(G) other health and human services programs, as~~  
22 ~~appropriate];~~

23                   (2) the office of inspector general to perform fraud  
24 and abuse investigation and enforcement functions as provided by  
25 Subchapter C and other law;

26                   (3) a regulatory division ~~[the office of the ombudsman~~  
27 ~~to.~~



1                   ~~[(A) provide dispute resolution services for the~~  
2 ~~commission and the health and human services agencies; and~~  
3                   ~~[(B) perform consumer protection functions~~  
4 ~~related to health and human services];~~

5                   (4) an administrative division ~~[a purchasing division~~  
6 ~~as provided by Section 531.017]; and~~

7                   (5) a facilities division for the purpose of  
8 administering state facilities, including state hospitals and  
9 state supported living centers ~~[an internal audit division to~~  
10 ~~conduct a program of internal auditing in accordance with Chapter~~  
11 ~~2102].~~

12               (d) Subsection (c) does not prohibit the executive  
13 commissioner from establishing additional divisions under  
14 Subsection (a) as the executive commissioner determines  
15 appropriate. This subsection and Subsection (c) expire September  
16 1, 2023.

17               (b) The executive commissioner of the Health and Human  
18 Services Commission shall establish divisions within the  
19 commission as required under Section 531.008, Government Code, as  
20 amended by this article, on the date specified in the transition  
21 plan required under Section 531.0204, Government Code, as added by  
22 this article.

23               SECTION 1.10. (a) Subchapter A, Chapter 531, Government  
24 Code, is amended by adding Section 531.0083 to read as follows:

25               Sec. 531.0083. OFFICE OF POLICY AND PERFORMANCE. (a) In  
26 this section, "office" means the office of policy and performance  
27 established by this section.

1       (b) The executive commissioner shall establish the office  
2 of policy and performance as an executive-level office designed to  
3 coordinate policy and performance efforts across the health and  
4 human services system. To coordinate those efforts, the office  
5 shall:

6               (1) develop a performance management system;

7               (2) take the lead in supporting and providing  
8 oversight for the implementation of major policy changes and in  
9 managing organizational changes; and

10              (3) act as a centralized body of experts within the  
11 commission that offers program evaluation and process improvement  
12 expertise.

13       (c) In developing a performance management system under  
14 Subsection (b)(1), the office shall:

15              (1) gather, measure, and evaluate performance  
16 measures and accountability systems used by the health and human  
17 services system;

18              (2) develop new and refined performance measures as  
19 appropriate; and

20              (3) establish targeted, high-level system metrics  
21 that are capable of measuring and communicating overall performance  
22 and achievement of goals by the health and human services system to  
23 both internal and public audiences through various mechanisms,  
24 including the Internet.

25       (d) In providing support and oversight for the  
26 implementation of policy or organizational changes within the  
27 health and human services system under Subsection (b)(2), the

1 office shall:

2           (1) ensure individuals receiving services from or  
3 participating in programs administered through the health and human  
4 services system do not lose visibility or attention during the  
5 implementation of any new policy or organizational change by:

6           (A) establishing timelines and milestones for  
7 any transition;

8           (B) supporting staff of the health and human  
9 services system in any change between service delivery methods; and

10           (C) providing feedback to executive management  
11 on technical assistance and other support needed to achieve a  
12 successful transition;

13           (2) address cultural differences among staff of the  
14 health and human services system; and

15           (3) track and oversee changes in policy or  
16 organization mandated by legislation or administrative rule.

17       (e) In acting as a centralized body of experts under  
18 Subsection (b)(3), the office shall:

19           (1) for the health and human services system, provide  
20 program evaluation and process improvement guidance both generally  
21 and for specific projects identified with executive or stakeholder  
22 input or through risk analysis; and

23           (2) identify and monitor cross-functional efforts  
24 involving different administrative components within the health  
25 and human services system and the establishment of cross-functional  
26 teams when necessary to improve the coordination of services  
27 provided through the system.

1        (f) The executive commissioner may otherwise develop the  
2 office's structure and duties as the executive commissioner  
3 determines appropriate.

4        (b) As soon as practicable after the effective date of this  
5 article but not later than October 1, 2015, the executive  
6 commissioner of the Health and Human Services Commission shall  
7 establish the office of policy and performance as an executive  
8 office within the commission as required under Section 531.0083,  
9 Government Code, as added by this article.

10        (c) The office of policy and performance required under  
11 Section 531.0083, Government Code, as added by this article, shall  
12 assist the Health and Human Services Transition Legislative  
13 Oversight Committee created under Section 531.0203, Government  
14 Code, as added by this article, by performing the functions  
15 required of the office under Section 531.0083(b)(2), Government  
16 Code, as added by this article, with respect to the consolidation  
17 mandated by Subchapter A-1, Chapter 531, Government Code, as added  
18 by this article.

19        SECTION 1.11. Section 531.017, Government Code, is amended  
20 to read as follows:

21        Sec. 531.017. PURCHASING UNIT [~~DIVISION~~].        (a) The  
22 commission shall establish a purchasing unit [~~division~~] for the  
23 management of administrative activities related to the purchasing  
24 functions within [~~of the commission and~~] the health and human  
25 services system [~~agencies~~].

26        (b) The purchasing unit [~~division~~] shall:

27            (1) seek to achieve targeted cost reductions, increase

1 process efficiencies, improve technological support and customer  
2 services, and enhance purchasing support within the [~~for each~~]  
3 health and human services system [~~agency~~]; and

4 (2) if cost-effective, contract with private entities  
5 to perform purchasing functions for the [~~commission and the~~] health  
6 and human services system [~~agencies~~].

7 SECTION 1.12. Chapter 265, Family Code, is amended by  
8 designating Sections 265.001 through 265.004 as Subchapter A and  
9 adding a subchapter heading to read as follows:

10 SUBCHAPTER A. PREVENTION AND EARLY INTERVENTION SERVICES

11 SECTION 1.13. Section 265.002, Family Code, is amended to  
12 read as follows:

13 Sec. 265.002. PREVENTION AND EARLY INTERVENTION SERVICES  
14 DIVISION. (a) The department shall operate a division to provide  
15 services for children in at-risk situations and for the families of  
16 those children and to achieve the consolidation of prevention and  
17 early intervention services within the jurisdiction of a single  
18 agency in order to avoid fragmentation and duplication of services  
19 and to increase the accountability for the delivery and  
20 administration of these services. The division shall be called the  
21 prevention and early intervention services division and shall have  
22 the following duties:

23 (1) to plan, develop, and administer a comprehensive  
24 and unified delivery system of prevention and early intervention  
25 services to children and their families in at-risk situations;

26 (2) to improve the responsiveness of services for  
27 at-risk children and their families by facilitating greater

1 coordination and flexibility in the use of funds by state and local  
2 service providers;

3 (3) to provide greater accountability for prevention  
4 and early intervention services in order to demonstrate the impact  
5 or public benefit of a program by adopting outcome measures; and

6 (4) to assist local communities in the coordination  
7 and development of prevention and early intervention services in  
8 order to maximize federal, state, and local resources.

9 (b) The department's prevention and early intervention  
10 services division must be organizationally separate from the  
11 department's divisions performing child protective services and  
12 adult protective services functions.

13 SECTION 1.14. Subchapter A, Chapter 265, Family Code, as  
14 added by this article, is amended by adding Section 265.006 to read  
15 as follows:

16 Sec. 265.006. PROHIBITION ON USE OF AGENCY NAME OR LOGO.  
17 The department may not allow the use of the department's name or  
18 identifying logo or insignia on forms or other materials related to  
19 the department's prevention and early intervention services that  
20 are:

21 (1) provided by the department's contractors; or  
22 (2) distributed by the department's contractors to the  
23 department's clients.

24 SECTION 1.15. (a) Subchapter Q, Chapter 531, Government  
25 Code, including provisions amended by S.B. No. 219, Acts of the 84th  
26 Legislature, Regular Session, 2015, is transferred to Chapter 265,  
27 Family Code, redesignated as Subchapter C, Chapter 265, Family

1 Code, and amended to read as follows:

2 SUBCHAPTER C [~~Q~~]. NURSE-FAMILY PARTNERSHIP COMPETITIVE  
3 GRANT PROGRAM

4 Sec. 265.101 [~~531.651~~]. DEFINITIONS. In this subchapter:

5 (1) "Competitive grant program" means the  
6 nurse-family partnership competitive grant program established  
7 under this subchapter.

8 (2) "Partnership program" means a nurse-family  
9 partnership program.

10 Sec. 265.102 [~~531.652~~]. OPERATION OF NURSE-FAMILY  
11 PARTNERSHIP COMPETITIVE GRANT PROGRAM. (a) The department  
12 [~~commission~~] shall operate a nurse-family partnership competitive  
13 grant program through which the department [~~commission~~] will award  
14 grants for the implementation of nurse-family partnership  
15 programs, or the expansion of existing programs, and for the  
16 operation of those programs for a period of not less than two years.

17 (b) The department [~~commission~~] shall award grants under  
18 the program to applicants, including applicants operating existing  
19 programs, in a manner that ensures that the partnership programs  
20 collectively:

21 (1) operate in multiple communities that are  
22 geographically distributed throughout this state; and

23 (2) provide program services to approximately 2,000  
24 families.

25 Sec. 265.103 [~~531.653~~]. PARTNERSHIP PROGRAM REQUIREMENTS.  
26 A partnership program funded through a grant awarded under this  
27 subchapter must:

1           (1) strictly adhere to the program model developed by  
2 the Nurse-Family Partnership National Service Office, including  
3 any clinical, programmatic, and data collection requirements of  
4 that model;

5           (2) require that registered nurses regularly visit the  
6 homes of low-income, first-time mothers participating in the  
7 program to provide services designed to:

8                   (A) improve pregnancy outcomes;

9                   (B) improve child health and development;

10                  (C) improve family economic self-sufficiency and  
11 stability; and

12                  (D) reduce the incidence of child abuse and  
13 neglect;

14           (3) require that nurses who provide services through  
15 the program:

16                   (A) receive training from the office of the  
17 attorney general at least once each year on procedures by which a  
18 person may voluntarily acknowledge the paternity of a child and on  
19 the availability of child support services from the office;

20                   (B) provide a mother with information about the  
21 rights, responsibilities, and benefits of establishing the  
22 paternity of her child, if appropriate;

23                   (C) provide assistance to a mother and the  
24 alleged father of her child if the mother and alleged father seek to  
25 voluntarily acknowledge paternity of the child, if appropriate; and

26                   (D) provide information to a mother about the  
27 availability of child support services from the office of the



1 attorney general; and

2 (4) require that the regular nurse visits described by  
3 Subdivision (2) begin not later than a mother's 28th week of  
4 gestation and end when her child reaches two years of age.

5 Sec. 265.104 [~~531.654~~]. APPLICATION. (a) A public or  
6 private entity, including a county, municipality, or other  
7 political subdivision of this state, may apply for a grant under  
8 this subchapter.

9 (b) To apply for a grant, an applicant must submit a written  
10 application to the department [~~commission~~] on a form prescribed by  
11 the department [~~commission~~] in consultation with the Nurse-Family  
12 Partnership National Service Office.

13 (c) The application prescribed by the department  
14 [~~commission~~] must:

15 (1) require the applicant to provide data on the  
16 number of low-income, first-time mothers residing in the community  
17 in which the applicant proposes to operate or expand a partnership  
18 program and provide a description of existing services available to  
19 those mothers;

20 (2) describe the ongoing monitoring and evaluation  
21 process to which a grant recipient is subject under Section 265.109  
22 [~~531.659~~], including the recipient's obligation to collect and  
23 provide information requested by the department [~~commission~~] under  
24 Section 265.109(c) [~~531.659(c)~~]; and

25 (3) require the applicant to provide other relevant  
26 information as determined by the department [~~commission~~].

27 Sec. 265.105 [~~531.655~~]. ADDITIONAL CONSIDERATIONS IN

1 AWARDING GRANTS. In addition to the factors described by Sections  
2 265.102(b) [~~531.652(b)~~] and 265.103 [~~531.653~~], in determining  
3 whether to award a grant to an applicant under this subchapter, the  
4 department [~~commission~~] shall consider:

5 (1) the demonstrated need for a partnership program in  
6 the community in which the applicant proposes to operate or expand  
7 the program, which may be determined by considering:

8 (A) the poverty rate, the crime rate, the number  
9 of births to Medicaid recipients, the rate of poor birth outcomes,  
10 and the incidence of child abuse and neglect during a prescribed  
11 period in the community; and

12 (B) the need to enhance school readiness in the  
13 community;

14 (2) the applicant's ability to participate in ongoing  
15 monitoring and performance evaluations under Section 265.109  
16 [~~531.659~~], including the applicant's ability to collect and provide  
17 information requested by the department [~~commission~~] under Section  
18 265.109(c) [~~531.659(c)~~];

19 (3) the applicant's ability to adhere to the  
20 partnership program standards adopted under Section 265.106  
21 [~~531.656~~];

22 (4) the applicant's ability to develop broad-based  
23 community support for implementing or expanding a partnership  
24 program, as applicable; and

25 (5) the applicant's history of developing and  
26 sustaining innovative, high-quality programs that meet the needs of  
27 families and communities.

1           Sec. 265.106 [~~531.656~~]. PARTNERSHIP PROGRAM STANDARDS.

2   The executive commissioner, with the assistance of the Nurse-Family  
3   Partnership National Service Office, shall adopt standards for the  
4   partnership programs funded under this subchapter. The standards  
5   must adhere to the Nurse-Family Partnership National Service Office  
6   program model standards and guidelines that were developed in  
7   multiple, randomized clinical trials and have been tested and  
8   replicated in multiple communities.

9           Sec. 265.107 [~~531.657~~]. USE OF AWARDED GRANT FUNDS. The  
10   grant funds awarded under this subchapter may be used only to cover  
11   costs related to implementing or expanding and operating a  
12   partnership program, including costs related to:

- 13           (1) administering the program;
- 14           (2) training and managing registered nurses who  
15   participate in the program;
- 16           (3) paying the salaries and expenses of registered  
17   nurses who participate in the program;
- 18           (4) paying for facilities and equipment for the  
19   program; and
- 20           (5) paying for services provided by the Nurse-Family  
21   Partnership National Service Office to ensure a grant recipient  
22   adheres to the organization's program model.

23           Sec. 265.108 [~~531.658~~]. STATE NURSE CONSULTANT. Using  
24   money appropriated for the competitive grant program, the  
25   department [~~commission~~] shall hire or contract with a state nurse  
26   consultant to assist grant recipients with implementing or  
27   expanding and operating the partnership programs in the applicable

1 communities.

2       Sec. 265.109 [~~531.659~~]. PROGRAM MONITORING AND EVALUATION;  
3 ANNUAL COMMITTEE REPORTS. (a) The department [~~commission~~], with  
4 the assistance of the Nurse-Family Partnership National Service  
5 Office, shall:

6               (1) adopt performance indicators that are designed to  
7 measure a grant recipient's performance with respect to the  
8 partnership program standards adopted by the executive  
9 commissioner under Section 265.106 [~~531.656~~];

10              (2) use the performance indicators to continuously  
11 monitor and formally evaluate on an annual basis the performance of  
12 each grant recipient; and

13              (3) prepare and submit an annual report, not later  
14 than December 1 of each year, to the Senate Health and Human  
15 Services Committee, or its successor, and the House Human Services  
16 Committee, or its successor, regarding the performance of each  
17 grant recipient during the preceding state fiscal year with respect  
18 to providing partnership program services.

19       (b) The report required under Subsection (a)(3) must  
20 include:

21              (1) the number of low-income, first-time mothers to  
22 whom each grant recipient provided partnership program services  
23 and, of that number, the number of mothers who established the  
24 paternity of an alleged father as a result of services provided  
25 under the program;

26              (2) the extent to which each grant recipient made  
27 regular visits to mothers during the period described by Section

1 265.103(4) [~~531.653(4)~~]; and

2 (3) the extent to which each grant recipient adhered  
3 to the Nurse-Family Partnership National Service Office's program  
4 model, including the extent to which registered nurses:

5 (A) conducted home visitations comparable in  
6 frequency, duration, and content to those delivered in Nurse-Family  
7 Partnership National Service Office clinical trials; and

8 (B) assessed the health and well-being of mothers  
9 and children participating in the partnership programs in  
10 accordance with indicators of maternal, child, and family health  
11 defined by the department [~~commission~~] in consultation with the  
12 Nurse-Family Partnership National Service Office.

13 (c) On request, each grant recipient shall timely collect  
14 and provide data and any other information required by the  
15 department [~~commission~~] to monitor and evaluate the recipient or to  
16 prepare the report required by this section.

17 Sec. 265.110 [~~531.660~~]. COMPETITIVE GRANT PROGRAM FUNDING.

18 (a) The department [~~commission~~] shall actively seek and apply for ✓  
19 any available federal funds, including federal Medicaid and  
20 Temporary Assistance for Needy Families (TANF) funds, to assist in  
21 financing the competitive grant program established under this  
22 subchapter.

23 (b) The department [~~commission~~] may use appropriated funds  
24 from the state government and may accept gifts, donations, and  
25 grants of money from the federal government, local governments,  
26 private corporations, or other persons to assist in financing the  
27 competitive grant program.

(b) Notwithstanding the transfer of Subchapter Q, Chapter 531, Government Code, to Chapter 265, Family Code, and redesignation as Subchapter C of that chapter, the Health and Human Services Commission shall continue to administer the Nurse-Family Partnership Competitive Grant Program under that subchapter until the date the program transfers to the Department of Family and Protective Services in accordance with Section 531.0201, Government Code, as added by this article, and the transition plan under Section 531.0204, Government Code, as added by this article.

SECTION 1.16. Effective September 1, 2017, Section 1001.002, Health and Safety Code, is amended to read as follows:

Sec. 1001.002. AGENCY AND AGENCY FUNCTIONS. (a) In this section, "function" includes a power, duty, program, or activity and an administrative support services function associated with the power, duty, program, or activity, unless consolidated under Section 531.02012, Government Code.

(b) The department is an agency of the state.

(c) In accordance with Subchapter A-1, Chapter 531, Government Code, and notwithstanding any other law, the department performs only functions related to public health, including health care data collection and maintenance of the Texas Health Care Information Collection program.

SECTION 1.17. Effective September 1, 2017, Subchapter A, Chapter 1001, Health and Safety Code, is amended by adding Sections 1001.004 and 1001.005 to read as follows:

Sec. 1001.004. REFERENCES IN LAW MEANING DEPARTMENT. In this code or any other law, a reference to the department in

1 relation to a function described by Section 1001.002(c) means the  
2 department. A reference in law to the department in relation to any  
3 other function has the meaning assigned by Section 531.0011,  
4 Government Code.

5 Sec. 1001.005. REFERENCES IN LAW MEANING COMMISSIONER OR  
6 DESIGNEE. In this code or in any other law, a reference to the  
7 commissioner in relation to a function described by Section  
8 1001.002(c) means the commissioner. A reference in law to the  
9 commissioner in relation to any other function has the meaning  
10 assigned by Section 531.0012, Government Code.

11 SECTION 1.18. Effective September 1, 2017, Section  
12 40.002(b), Human Resources Code, as amended by S.B. No. 219, Acts of  
13 the 84th Legislature, Regular Session, 2015, is amended to read as  
14 follows:

15 (b) Except as provided by Section 40.0025 ~~[Notwithstanding~~  
16 ~~any other law]~~, the department shall:

17 (1) provide protective services for children and  
18 elderly persons and persons with disabilities, including  
19 investigations of alleged abuse, neglect, or exploitation in  
20 facilities of the Department of State Health Services and the  
21 Department of Aging and Disability Services or the successor agency  
22 for either of those agencies;

23 (2) provide family support and family preservation  
24 services that respect the fundamental right of parents to control  
25 the education and upbringing of their children;

26 (3) license, register, and enforce regulations  
27 applicable to child-care facilities, child-care administrators,

1 and child-placing agency administrators; and

2 (4) implement and manage programs intended to provide  
3 early intervention or prevent at-risk behaviors that lead to child  
4 abuse, delinquency, running away, truancy, and dropping out of  
5 school.

6 SECTION 1.19. Effective September 1, 2017, Subchapter A,  
7 Chapter 40, Human Resources Code, is amended by adding Sections  
8 40.0025, 40.0026, and 40.0027 to read as follows:

9 Sec. 40.0025. AGENCY FUNCTIONS. (a) In this section,  
10 "function" includes a power, duty, program, or activity and an  
11 administrative support services function associated with the  
12 power, duty, program, or activity, unless consolidated under  
13 Section 531.02012, Government Code.

14 (b) In accordance with Subchapter A-1, Chapter 531,  
15 Government Code, and notwithstanding any other law, the department  
16 performs only functions, including the statewide intake of reports  
17 and other information, related to the following services:

18 (1) child protective services, including services  
19 that are required by federal law to be provided by this state's  
20 child welfare agency;

21 (2) adult protective services, other than  
22 investigations of the alleged abuse, neglect, or exploitation of an  
23 elderly person or person with a disability:

24 (A) in a facility operated, or in a facility or by  
25 a person licensed, certified, or registered, by a state agency; or

26 (B) by a provider that has contracted to provide  
27 home and community-based services; and



1           (3) prevention and early intervention services  
2 functions, including:

3                   (A) prevention and early intervention services  
4 as defined under Section 265.001, Family Code; and

5                   (B) programs that:

6                           (i) provide parent education;

7                           (ii) promote healthier parent-child  
8 relationships; or

9                           (iii) prevent family violence.

10       Sec. 40.0026. REFERENCES IN LAW MEANING DEPARTMENT. In  
11 this code or any other law, a reference to the department in  
12 relation to a function described by Section 40.0025(b) means the  
13 department. A reference in law to the department in relation to any  
14 other function has the meaning assigned by Section 531.0011,  
15 Government Code.

16       Sec. 40.0027. REFERENCES IN LAW MEANING COMMISSIONER OR  
17 DESIGNEE. In this code or in any other law, a reference to the  
18 commissioner in relation to a function described by Section  
19 40.0025(b) means the commissioner. A reference in law to the  
20 commissioner in relation to any other function has the meaning  
21 assigned by Section 531.0012, Government Code.

22       SECTION 1.20. Sections 40.0515(d) and (e), Human Resources  
23 Code, are amended to read as follows:

24       (d) A performance review conducted under Subsection (b)(3)  
25 is considered a performance evaluation for purposes of Section  
26 40.032(c) of this code or Section 531.009(c), Government Code, as  
27 applicable. The department shall ensure that disciplinary or other

1 corrective action is taken against a supervisor or other managerial  
2 employee who is required to conduct a performance evaluation for  
3 adult protective services personnel under Section 40.032(c) of this  
4 code or Section 531.009(c), Government Code, as applicable, or a  
5 performance review under Subsection (b)(3) and who fails to  
6 complete that evaluation or review in a timely manner.

7 (e) The annual performance evaluation required under  
8 Section 40.032(c) of this code or Section 531.009(c), Government  
9 Code, as applicable, of the performance of a supervisor in the adult  
10 protective services division must:

11 (1) be performed by an appropriate program  
12 administrator; and

13 (2) include:

14 (A) an evaluation of the supervisor with respect  
15 to the job performance standards applicable to the supervisor's  
16 assigned duties; and

17 (B) an evaluation of the supervisor with respect  
18 to the compliance of employees supervised by the supervisor with  
19 the job performance standards applicable to those employees'  
20 assigned duties.

21 SECTION 1.21. (a) The heading to Subchapter C, Chapter  
22 112, Human Resources Code, is amended to read as follows:

23 SUBCHAPTER C. [~~OFFICE FOR THE~~] PREVENTION OF DEVELOPMENTAL  
24 DISABILITIES

25 (b) Section 112.042, Human Resources Code, is amended by  
26 amending Subdivision (1) and adding Subdivisions (1-a) and (1-b) to  
27 read as follows:

1           (1) "Commission" means the Health and Human Services  
2 Commission.

3           (1-a) "Developmental disability" means a severe,  
4 chronic disability that:

5                   (A) is attributable to a mental or physical  
6 impairment or to a combination of a mental and physical impairment;

7                   (B) is manifested before a person reaches the age  
8 of 22;

9                   (C) is likely to continue indefinitely;

10                  (D) results in substantial functional  
11 limitations in three or more major life activities, including:

12                           (i) self-care;

13                           (ii) receptive and expressive language;

14                           (iii) learning;

15                           (iv) mobility;

16                           (v) self-direction;

17                           (vi) capacity for independent living; and

18                           (vii) economic sufficiency; and

19                   (E) reflects the person's needs for a combination  
20 and sequence of special interdisciplinary or generic care,  
21 treatment, or other lifelong or extended services that are  
22 individually planned and coordinated.

23           (1-b) "Executive commissioner" means the executive  
24 commissioner of the Health and Human Services Commission.

25           (c) Subchapter C, Chapter 112, Human Resources Code, is  
26 amended by adding Sections 112.0421 and 112.0431 to read as  
27 follows:

1       Sec. 112.0421. APPLICABILITY AND EXPIRATION OF CERTAIN  
2 PROVISIONS. (a) Sections 112.041(a), 112.043, 112.045, 112.0451,  
3 112.0452, 112.0453, 112.0454, 112.046, 112.047, 112.0471, and  
4 112.0472 apply only until the date the executive commissioner  
5 begins to administer this subchapter and the commission assumes the  
6 duties and functions of the Office for the Prevention of  
7 Developmental Disabilities in accordance with Section 112.0431.

8       (b) On the date the provisions listed in Subsection (a)  
9 cease to apply, the executive committee under Section 112.045 and  
10 the board of advisors under Section 112.046 are abolished.

11       (c) This section and Sections 112.041(a), 112.043, 112.045,  
12 112.0451, 112.0452, 112.0453, 112.0454, 112.046, 112.047,  
13 112.0471, and 112.0472 expire on the last day of the period  
14 prescribed by Section 531.02001(2), Government Code.

15       Sec. 112.0431. ADMINISTRATION OF SUBCHAPTER; CERTAIN  
16 REFERENCES. (a) Notwithstanding any other provision in this  
17 subchapter, the executive commissioner shall administer this  
18 subchapter beginning on the date specified in the transition plan  
19 under Section 531.0204, Government Code, and the commission shall  
20 perform the duties and functions of the Office for the Prevention of  
21 Developmental Disabilities in the organizational form the  
22 executive commissioner determines appropriate.

23       (b) Following the assumption of the administration of this  
24 subchapter by the executive commissioner and the duties and  
25 functions by the commission in accordance with Subsection (a):

26       (1) a reference in this subchapter to the office, the  
27 Office for the Prevention of Developmental Disabilities, or the

1 executive committee of that office means the commission, the  
2 division or other organizational unit within the commission  
3 designated by the executive commissioner, or the executive  
4 commissioner, as appropriate; and

5 (2) a reference in any other law to the Office for the  
6 Prevention of Developmental Disabilities has the meaning assigned  
7 by Subdivision (1).

8 (d) Section 112.044, Human Resources Code, is amended to  
9 read as follows:

10 Sec. 112.044. DUTIES. The office shall:

11 (1) educate the public and attempt to promote sound  
12 public policy regarding the prevention of developmental  
13 disabilities;

14 (2) identify, collect, and disseminate information  
15 and data concerning the causes, frequency of occurrence, and  
16 preventability of developmental disabilities;

17 (3) work with appropriate divisions within the  
18 commission, state agencies, and other entities to develop a  
19 coordinated long-range plan to effectively monitor and reduce the  
20 incidence or severity of developmental disabilities;

21 (4) promote and facilitate the identification,  
22 development, coordination, and delivery of needed prevention  
23 services;

24 (5) solicit, receive, and spend grants and donations  
25 from public, private, state, and federal sources;

26 (6) identify and encourage establishment of needed  
27 reporting systems to track the causes and frequencies of occurrence

1 of developmental disabilities;

2 (7) develop, operate, and monitor programs created  
3 under Section 112.048 addressing [~~task forces to address~~] the  
4 prevention of specific targeted developmental disabilities;

5 (8) monitor and assess the effectiveness of divisions  
6 within the commission and of state agencies in preventing [~~to~~  
7 ~~prevent~~] developmental disabilities;

8 (9) recommend the role each division within the  
9 commission and each state agency should have with regard to  
10 prevention of developmental disabilities;

11 (10) facilitate coordination of state agency  
12 prevention services and activities within the commission and among  
13 appropriate state agencies; and

14 (11) encourage cooperative, comprehensive, and  
15 complementary planning among public, private, and volunteer  
16 individuals and organizations engaged in prevention activities,  
17 providing prevention services, or conducting related research.

18 (e) Sections 112.048 and 112.049, Human Resources Code, are  
19 amended to read as follows:

20 Sec. 112.048. PREVENTION PROGRAMS FOR TARGETED  
21 DEVELOPMENTAL DISABILITIES [~~TASK FORCES~~]. (a) The executive  
22 committee shall establish guidelines for:

23 (1) selecting targeted disabilities;

24 (2) assessing prevention services needs; and

25 (3) reviewing [~~task force~~] plans, budgets, and  
26 operations for programs under this section.

27 (b) The executive committee shall [~~create task forces made~~

1 ~~up of members of the board of advisors to~~ plan and implement  
2 prevention programs for specifically targeted developmental  
3 disabilities. ~~[A task force operates as an administrative division~~  
4 ~~of the office and can be abolished when it is ineffective or is no~~  
5 ~~longer needed.]~~

6 (c) A program under this section ~~[task force shall]~~:

7 (1) must include ~~[develop]~~ a plan designed to reduce  
8 the incidence of a specifically targeted disability;

9 (2) must include ~~[prepare]~~ a budget for implementing a  
10 plan;

11 (3) must be funded ~~[arrange for funds]~~ through:

12 (A) contracts for services from participating  
13 agencies;

14 (B) grants and gifts from private persons and  
15 consumer and advocacy organizations; and

16 (C) foundation support; and

17 (4) must be approved by ~~[submit the plan, budget, and~~  
18 ~~evidence of funding commitments to]~~ the executive committee ~~[for~~  
19 ~~approval]~~.

20 ~~[(d) A task force shall regularly report to the executive~~  
21 ~~committee, as required by the committee, the operation, progress,~~  
22 ~~and results of the task force's prevention plan.]~~

23 Sec. 112.049. EVALUATION. (a) The office shall identify  
24 or encourage the establishment of needed statistical bases for each  
25 targeted group against which the office can measure how effectively  
26 a ~~[task force]~~ program under Section 112.048 is reducing the  
27 frequency or severity of a targeted developmental disability.

1 (b) The executive committee shall regularly monitor and  
2 evaluate the results of [~~task force prevention~~] programs under  
3 Section 112.048.

4 (f) The heading to Section 112.050, Human Resources Code, is  
5 amended to read as follows:

6 Sec. 112.050. GRANTS AND OTHER FUNDING.

7 (g) Section 112.050, Human Resources Code, is amended by  
8 amending Subsection (c) and adding Subsection (d) to read as  
9 follows:

10 (c) The executive committee may not submit a legislative  
11 appropriation request for general revenue funds for purposes of  
12 this subchapter.

13 (d) In addition to funding under Subsection (a), the office  
14 may accept and solicit gifts, donations, and grants of money from  
15 public and private sources, including the federal government, local  
16 governments, and private entities, to assist in financing the  
17 duties and functions of the office. The commission shall support  
18 office fund-raising efforts authorized by this subsection. Funds  
19 raised under this subsection may only be spent in furtherance of a  
20 duty or function of the office or in accordance with rules  
21 applicable to the office.

22 (h) Section 112.051, Human Resources Code, is amended to  
23 read as follows:

24 Sec. 112.051. REPORTS TO LEGISLATURE. The office shall  
25 submit by February 1 of each odd-numbered year biennial reports to  
26 the legislature detailing findings of the office and the results of  
27 [~~task force prevention~~] programs under Section 112.048 and



1 recommending improvements in the delivery of developmental  
2 disability prevention services.

3       (i) Notwithstanding the changes in law made by this section,  
4 the Office for the Prevention of Developmental Disabilities and any  
5 administrative entity of the Office for the Prevention of  
6 Developmental Disabilities shall continue to operate under the law  
7 as it existed before the effective date of this article, and that  
8 law is continued in effect for that purpose, until the executive  
9 commissioner of the Health and Human Services Commission begins  
10 administering Subchapter C, Chapter 112, Human Resources Code, as  
11 amended by this article, and the commission begins performing the  
12 duties and functions of the Office for the Prevention of  
13 Developmental Disabilities as required by Section 112.0431, Human  
14 Resources Code, as added by this article, on the date specified in  
15 the transition plan required under Section 531.0204, Government  
16 Code, as added by this article.

17       (j) The executive commissioner of the Health and Human  
18 Services Commission shall begin administering Subchapter C,  
19 Chapter 112, Human Resources Code, as amended by this article, and  
20 the commission shall begin performing the duties and functions of  
21 the Office for the Prevention of Developmental Disabilities as  
22 required by Section 112.0431, Human Resources Code, as added by  
23 this article, on the date specified in the transition plan required  
24 under Section 531.0204, Government Code, as added by this article.

25       SECTION 1.22. (a) The heading to Chapter 114, Human  
26 Resources Code, is amended to read as follows:

1 CHAPTER 114. [~~TEXAS COUNCIL ON~~] AUTISM AND PERVASIVE DEVELOPMENTAL  
2 DISORDERS

3 (b) Section 114.002, Human Resources Code, is amended by  
4 adding Subdivisions (1-a) and (3) to read as follows:

5 (1-a) "Commission" means the Health and Human Services  
6 Commission.

7 (3) "Executive commissioner" means the executive  
8 commissioner of the Health and Human Services Commission.

9 (c) Chapter 114, Human Resources Code, is amended by adding  
10 Sections 114.0021 and 114.0031 to read as follows:

11 Sec. 114.0021. APPLICABILITY AND EXPIRATION OF CERTAIN  
12 PROVISIONS. (a) Sections 114.001, 114.003, 114.004, 114.005,  
13 114.007(a), and 114.010(d) apply only until the date the executive  
14 commissioner begins to administer this chapter and the commission  
15 assumes the duties and functions of the Texas Council on Autism and  
16 Pervasive Developmental Disorders in accordance with Section  
17 114.0031.

18 (b) On the date the provisions listed in Subsection (a)  
19 cease to apply, the Texas Council on Autism and Pervasive  
20 Developmental Disorders is abolished.

21 (c) This section and Sections 114.001, 114.003, 114.004,  
22 114.005, 114.007(a), and 114.010(d) expire on the last day of the  
23 period prescribed by Section 531.02001(1), Government Code.

24 Sec. 114.0031. ADMINISTRATION OF CHAPTER; CERTAIN  
25 REFERENCES. (a) Notwithstanding any other provision in this  
26 chapter, the executive commissioner shall administer this chapter  
27 beginning on the date specified in the transition plan under

Section 531.0204, Government Code, and the commission shall perform the duties and functions of the Texas Council on Autism and Pervasive Developmental Disorders in the organizational form the executive commissioner determines appropriate.

(b) Following the assumption of the administration of this chapter by the executive commissioner and the duties and functions by the commission in accordance with Subsection (a):

(1) a reference in this chapter to the council, the Texas Council on Autism and Pervasive Developmental Disorders, or an agency represented on the council means the commission, the division or other organizational unit within the commission designated by the executive commissioner, or the executive commissioner, as appropriate; and

(2) a reference in any other law to the Texas Council on Autism and Pervasive Developmental Disorders has the meaning assigned by Subdivision (1).

(d) Section 114.006(b), Human Resources Code, is amended to read as follows:

(b) The council shall make written recommendations on the implementation of this chapter. If the council considers a recommendation that will affect another state ~~[an]~~ agency ~~[not represented on the council]~~, the council shall seek the advice and assistance of the agency before taking action on the recommendation. On approval of the governing body of the agency, each agency affected by a council recommendation shall implement the recommendation. If an agency does not have sufficient funds to implement a recommendation, the agency shall request funds for that

1 purpose in its next budget proposal.

2 (e) Sections 114.007(b) and (c), Human Resources Code, are  
3 amended to read as follows:

4 (b) The council with [~~the advice of the advisory task force~~  
5 ~~and~~] input from people with autism and other pervasive  
6 developmental disorders, their families, and related advocacy  
7 organizations shall address contemporary issues affecting services  
8 available to persons with autism or other pervasive developmental  
9 disorders in this state, including:

- 10 (1) successful intervention and treatment strategies,  
11 including transitioning;
- 12 (2) personnel preparation and continuing education;
- 13 (3) referral, screening, and evaluation services;
- 14 (4) day care, respite care, or residential care  
15 services;
- 16 (5) vocational and adult training programs;
- 17 (6) public awareness strategies;
- 18 (7) contemporary research;
- 19 (8) early identification strategies;
- 20 (9) family counseling and case management; and
- 21 (10) recommendations for monitoring autism service  
22 programs.

23 (c) The council with [~~the advice of the advisory task force~~  
24 ~~and~~] input from people with autism and other pervasive  
25 developmental disorders, their families, and related advocacy  
26 organizations shall advise the legislature on legislation that is  
27 needed to develop further and to maintain a statewide system of

1 quality intervention and treatment services for all persons with  
2 autism or other pervasive developmental disorders. The council may  
3 develop and recommend legislation to the legislature or comment on  
4 pending legislation that affects those persons.

5 (f) Section 114.008, Human Resources Code, is amended to  
6 read as follows:

7 Sec. 114.008. REPORT. (a) ~~[The agencies represented on~~  
8 ~~the council and the public members shall report to the council any~~  
9 ~~requirements identified by the agency or person to provide~~  
10 ~~additional or improved services to persons with autism or other~~  
11 ~~pervasive developmental disorders.]~~ Not later than November 1 of  
12 each even-numbered year, the council shall:

13 (1) prepare a report summarizing requirements the  
14 council identifies and recommendations for providing additional or  
15 improved services to persons with autism or other pervasive  
16 developmental disorders; and

17 (2) deliver the report to the executive commissioner  
18 ~~[of the Health and Human Services Commission]~~, the governor, the  
19 lieutenant governor, and the speaker of the house of  
20 representatives ~~[a report summarizing the recommendations]~~.

21 (b) The council shall develop a strategy for establishing  
22 new programs to meet the requirements identified through the  
23 council's review and assessment and from input from ~~[the task~~  
24 ~~force]~~ people with autism and related pervasive developmental  
25 disorders, their families, and related advocacy organizations.

26 (g) Section 114.013, Human Resources Code, is amended to  
27 read as follows:

1           Sec. 114.013. COORDINATION OF RESOURCES FOR INDIVIDUALS  
2 WITH AUTISM SPECTRUM DISORDERS [~~RESOURCE CENTER~~].     (a) The  
3 commission [~~Health and Human Services Commission~~] shall [~~establish~~  
4 ~~and administer an autism spectrum disorders resource center to~~]  
5 coordinate resources for individuals with autism and other  
6 pervasive developmental disorders and their families.     In  
7 coordinating those resources [~~establishing and administering the~~  
8 ~~center~~], the commission [~~Health and Human Services Commission~~]  
9 shall consult with [~~the council and coordinate with~~] appropriate  
10 state agencies[, ~~including each agency represented on the council~~].

11           (b) As part of coordinating resources under Subsection (a),  
12 the commission [~~The Health and Human Services Commission~~] shall  
13 [~~design the center to~~]:

14                     (1) collect and distribute information and research  
15 regarding autism and other pervasive developmental disorders;

16                     (2) conduct training and development activities for  
17 persons who may interact with an individual with autism or another  
18 pervasive developmental disorder in the course of their employment,  
19 including school, medical, or law enforcement personnel;

20                     (3) coordinate with local entities that provide  
21 services to an individual with autism or another pervasive  
22 developmental disorder; and

23                     (4) provide support for families affected by autism  
24 and other pervasive developmental disorders.

25           (h) Notwithstanding the changes in law made by this section,  
26 the Texas Council on Autism and Pervasive Developmental Disorders  
27 and any administrative entity of the Texas Council on Autism and

1 Pervasive Developmental Disorders shall continue to operate under  
2 the law as it existed before the effective date of this article, and  
3 that law is continued in effect for that purpose, until the  
4 executive commissioner of the Health and Human Services Commission  
5 begins administering Chapter 114, Human Resources Code, as amended  
6 by this article, and the commission begins performing the duties  
7 and functions of the Texas Council on Autism and Pervasive  
8 Developmental Disorders as required by Section 114.0031, Human  
9 Resources Code, as added by this article, on the date specified in  
10 the transition plan required under Section 531.0204, Government  
11 Code, as added by this article.

12 (i) The executive commissioner of the Health and Human  
13 Services Commission shall begin administering Chapter 114, Human  
14 Resources Code, as amended by this article, and the commission  
15 shall begin performing the duties and functions of the Texas  
16 Council on Autism and Pervasive Developmental Disorders as required  
17 by Section 114.0031, Human Resources Code, as added by this  
18 article, on the date specified in the transition plan required  
19 under Section 531.0204, Government Code, as added by this article.

20 SECTION 1.23. (a) Effective September 1, 2016, the  
21 following provisions of the Government Code, including provisions  
22 amended by S.B. No. 219, Acts of the 84th Legislature, Regular  
23 Session, 2015, are repealed:

- 24 (1) Section 531.0235; and  
25 (2) Subchapter K, Chapter 531.

26 (b) Effective September 1, 2016, the following provisions  
27 of the Health and Safety Code are repealed:

- 1 (1) Section 1001.021;
- 2 (2) Section 1001.022;
- 3 (3) Section 1001.023;
- 4 (4) Section 1001.024;
- 5 (5) Section 1001.025;
- 6 (6) Section 1001.026; and
- 7 (7) Section 1001.027.

8 (c) Effective September 1, 2016, the following provisions  
9 of the Human Resources Code, including provisions amended by S.B.  
10 No. 219, Acts of the 84th Legislature, Regular Session, 2015, are  
11 repealed:

- 12 (1) Section 40.021;
- 13 (2) Section 40.022;
- 14 (3) Section 40.0226;
- 15 (4) Section 40.024;
- 16 (5) Section 40.025;
- 17 (6) Section 40.026;
- 18 (7) Section 117.002;
- 19 (8) Section 117.021;
- 20 (9) Section 117.022;
- 21 (10) Section 117.023;
- 22 (11) Section 117.024;
- 23 (12) Section 117.025;
- 24 (13) Section 117.026;
- 25 (14) Section 117.027;
- 26 (15) Section 117.028;
- 27 (16) Section 117.029;



1           (17) Section 117.030;  
2           (18) Section 117.032;  
3           (19) Section 117.051;  
4           (20) Section 117.052;  
5           (21) Section 117.053;  
6           (22) Section 117.054;  
7           (23) Section 117.055;  
8           (24) Section 117.056;  
9           (25) Section 117.072;  
10          (26) Section 161.021;  
11          (27) Section 161.022;  
12          (28) Section 161.023;  
13          (29) Section 161.024;  
14          (30) Section 161.025;  
15          (31) Section 161.026;  
16          (32) Section 161.027;  
17          (33) Section 161.028;  
18          (34) Section 161.029; and  
19          (35) Section 161.030.

20           (d) Effective September 1, 2017, Section 531.0055(i),  
21 Government Code, is repealed.

22           (e) Effective September 1, 2017, the following provisions  
23 of the Human Resources Code, including provisions amended by S.B.  
24 No. 219, Acts of the 84th Legislature, Regular Session, 2015, are  
25 repealed:

26           (1) Section 161.002;  
27           (2) Section 161.032;

- 1           (3) Section 161.051;  
2           (4) Section 161.052;  
3           (5) Section 161.053;  
4           (6) Section 161.054;  
5           (7) Section 161.055;  
6           (8) Section 161.056; and  
7           (9) Section 161.072.

8           (f) Notwithstanding Subsections (a), (b), (c), (d), and (e)  
9 of this section, the implementation of a provision repealed by one  
10 of those subsections ceases on the date the responsible state  
11 agency or entity listed in Section 531.0202, Government Code, as  
12 added by this article, is abolished as provided by Subchapter A-1,  
13 Chapter 531, Government Code, as added by this article.

14           ARTICLE 2. HEALTH AND HUMAN SERVICES SYSTEM OPERATIONS

15           SECTION 2.01. Section 531.001, Government Code, is amended  
16 by adding Subdivision (3-a) to read as follows:

17                 (3-a) "Health and human services system" means the  
18 system for providing or otherwise administering health and human  
19 services in this state by the commission, including through an  
20 office or division of the commission or through another entity  
21 under the administrative and operational control of the executive  
22 commissioner.

23           SECTION 2.02. Subchapter A, Chapter 531, Government Code,  
24 is amended by adding Section 531.00552 to read as follows:

25                 Sec. 531.00552. CONSOLIDATED INTERNAL AUDIT PROGRAM.

26                 (a) Notwithstanding Section 2102.005, the commission shall  
27 operate the internal audit program required under Chapter 2102 for

1 the commission and each health and human services agency as a  
2 consolidated internal audit program.

3 (b) For purposes of this section, a reference in Chapter  
4 2102 to the administrator of a state agency with respect to a health  
5 and human services agency means the executive commissioner.

6 SECTION 2.03. (a) Subchapter A, Chapter 531, Government  
7 Code, is amended by adding Section 531.0164 to read as follows:

8 Sec. 531.0164. HEALTH AND HUMAN SERVICES SYSTEM INTERNET  
9 WEBSITE COORDINATION. The commission shall establish a process to  
10 ensure Internet websites across the health and human services  
11 system are developed and maintained according to standard criteria  
12 for uniformity, efficiency, and technical capabilities. Under the  
13 process, the commission shall:

14 (1) develop and maintain an inventory of all health  
15 and human services system Internet websites;

16 (2) on an ongoing basis, evaluate the inventory  
17 maintained under Subdivision (1) to:

18 (A) determine whether any of the Internet  
19 websites should be consolidated to improve public access to those  
20 websites' content; and

21 (B) ensure the Internet websites comply with the  
22 standard criteria; and

23 (3) if appropriate, consolidate the websites  
24 identified under Subdivision (2)(A).

25 (b) As soon as possible after the effective date of this  
26 article, the Health and Human Services Commission shall implement  
27 Section 531.0164, Government Code, as added by this article.

1 (c) As soon as possible after a function is transferred in  
2 accordance with Section 531.0201, 531.02011, or 531.02012,  
3 Government Code, as added by this Act, the Health and Human Services  
4 Commission shall, in accordance with Section 531.0164, Government  
5 Code, as added by this article, ensure that an Internet website  
6 related to the transferred function is updated, transferred, or  
7 consolidated to reflect the consolidation mandated by Subchapter  
8 A-1, Chapter 531, Government Code, as added by this Act.

9 SECTION 2.04. (a) Subchapter A, Chapter 531, Government  
10 Code, is amended by adding Section 531.0171 to read as follows:

11 Sec. 531.0171. OFFICE OF OMBUDSMAN. (a) The executive  
12 commissioner shall establish the commission's office of the  
13 ombudsman with authority and responsibility over the health and  
14 human services system in performing the following functions:

15 (1) providing dispute resolution services for the  
16 health and human services system;

17 (2) performing consumer protection and advocacy  
18 functions related to health and human services, including assisting  
19 a consumer or other interested person with:

20 (A) raising a matter within the health and human  
21 services system that the person feels is being ignored; and

22 (B) obtaining information regarding a filed  
23 complaint; and

24 (3) collecting inquiry and complaint data related to  
25 the health and human services system.

26 (b) The office of the ombudsman does not have the authority  
27 to provide a separate process for resolving complaints or appeals.

1       (c) The executive commissioner shall develop a standard  
2 process for tracking and reporting received inquiries and  
3 complaints within the health and human services system. The  
4 process must provide for the centralized tracking of inquiries and  
5 complaints submitted to field, regional, or other local health and  
6 human services system offices.

7       (d) Using the process developed under Subsection (c), the  
8 office of the ombudsman shall collect inquiry and complaint data  
9 from all offices, agencies, divisions, and other entities within  
10 the health and human services system. To assist with the collection  
11 of data under this subsection, the office may access any system or  
12 process for recording inquiries and complaints used or maintained  
13 within the health and human services system.

14       (b) As soon as possible after the effective date of this  
15 article, the executive commissioner of the Health and Human  
16 Services Commission shall implement Section 531.0171, Government  
17 Code, as added by this article.

18       (c) Notwithstanding any other provision of state law but  
19 except as provided by Subsection (d) of this section:

20           (1) each office of an ombudsman established before the  
21 effective date of this section that performs ombudsman duties for a  
22 state agency or entity subject to abolition under Section 531.0202,  
23 Government Code, as added by this Act, is abolished on the date the  
24 state agency or entity for which the office performs ombudsman  
25 duties is abolished in accordance with the transition plan under  
26 Section 531.0204, Government Code, as added by this Act; and

27           (2) each office of an ombudsman established before the

1 effective date of this section that performs ombudsman duties for  
2 the Department of Family and Protective Services or the Department  
3 of State Health Services is abolished on the date specified in the  
4 transition plan under Section 531.0204, Government Code, as added  
5 by this Act.

6 (d) The following offices of an ombudsman are not abolished  
7 under Subsection (c) of this section and continue in existence:

8 (1) the office of independent ombudsman for state  
9 supported living centers established under Subchapter C, Chapter  
10 555, Health and Safety Code;

11 (2) the office of the state long-term care ombudsman;  
12 and

13 (3) any other ombudsman office serving all or part of  
14 the health and human services system that is required by federal  
15 law.

16 (e) The executive commissioner of the Health and Human  
17 Services Commission shall certify which offices of ombudsman are  
18 abolished, and which are exempt from abolition, under Subsection  
19 (d) of this section and shall publish that certification in the  
20 Texas Register not later than September 1, 2016.

21 SECTION 2.05. (a) Subchapter A, Chapter 531, Government  
22 Code, is amended by adding Section 531.0192 to read as follows:

23 Sec. 531.0192. HEALTH AND HUMAN SERVICES SYSTEM HOTLINE AND  
24 CALL CENTER COORDINATION. (a) The commission shall establish a  
25 process to ensure all health and human services system hotlines and  
26 call centers are necessary and appropriate. Under the process, the  
27 commission shall:

1           (1) develop criteria for use in assessing whether a  
2 hotline or call center serves an ongoing purpose;

3           (2) develop and maintain an inventory of all system  
4 hotlines and call centers;

5           (3) use the inventory and assessment criteria  
6 developed under this subsection to periodically consolidate  
7 hotlines and call centers along appropriate functional lines;

8           (4) develop an approval process designed to ensure  
9 that a newly established hotline or call center, including the  
10 telephone system and contract terms for the hotline or call center,  
11 meets policies and standards established by the commission; and

12           (5) develop policies and standards for hotlines and  
13 call centers that include both quality and quantity performance  
14 measures and benchmarks and may include:

15                   (A) client satisfaction with call resolution;

16                   (B) accuracy of information provided;

17                   (C) the percentage of received calls that are  
18 answered;

19                   (D) the amount of time a caller spends on hold;

20 and

21                   (E) call abandonment rates.

22           (a-1) In developing policies and standards under Subsection  
23 (a)(5), the commission may allow varied performance measures and  
24 benchmarks for a hotline or call center based on factors affecting  
25 the capacity of the hotline or call center, including factors such  
26 as staffing levels and funding.

27           (b) In consolidating hotlines and call centers under

1 Subsection (a)(3), the commission shall seek to maximize the use  
2 and effectiveness of the commission's 2-1-1 telephone number.

3 (b) As soon as possible after the effective date of this  
4 article, the Health and Human Services Commission shall implement  
5 Section 531.0192, Government Code, as added by this article.

6 (c) Not later than March 1, 2016, the Health and Human  
7 Services Commission shall complete an initial assessment and  
8 consolidation of hotlines and call centers, as required by Section  
9 531.0192, Government Code, as added by this article.

10 (d) As soon as possible after a function is transferred in  
11 accordance with Section 531.0201 or 531.02011, Government Code, as  
12 added by this Act, the Health and Human Services Commission shall,  
13 in accordance with Section 531.0192, Government Code, as added by  
14 this article, ensure a hotline or call center related to the  
15 transferred function is transferred or consolidated to reflect the  
16 consolidation mandated by Subchapter A-1, Chapter 531, Government  
17 Code, as added by this Act.

18 SECTION 2.06. Subchapter B, Chapter 531, Government Code,  
19 is amended by adding Section 531.02731 to read as follows:

20 Sec. 531.02731. REPORT OF INFORMATION RESOURCES MANAGER TO  
21 COMMISSION. Notwithstanding Section 2054.075(b), the information  
22 resources manager of a health and human services agency shall  
23 report directly to the executive commissioner or a deputy executive  
24 commissioner designated by the executive commissioner.

25 ARTICLE 3. FEDERAL AUTHORIZATION AND EFFECTIVE DATE

26 SECTION 3.01. If before implementing any provision of this  
27 Act a state agency determines that a waiver or authorization from a



1 federal agency is necessary for implementation of that provision,  
2 the agency affected by the provision shall request the waiver or  
3 authorization and may delay implementing that provision until the  
4 waiver or authorization is granted.

5 SECTION 3.02. Except as otherwise provided by this Act,  
6 this Act takes effect September 1, 2015.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 23, 2015**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2578** by Price (Relating to the efficiency of and consolidation of powers and duties within the health and human services system.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined at this time due to the lack of information necessary to make accurate assumptions to determine a fiscal impact. A specific discussion of the elements with fiscal implications is included below.

The bill would partially implement the Sunset Advisory Commission recommendations concerning the Health and Human Services Commission (HHSC). The bill would consolidate, in two phases, portions of the five health and human service agencies into a single health and human services agency. Specifically, client services across the system would be consolidated by 9/1/2016; institutions and regulatory functions would be consolidated by 9/1/2017; and all administrative functions that are feasible and desirable to consolidate would be consolidated by 9/1/2017. Further, prevention programs across the system would be consolidated at the Department of Family and Protective Services (DFPS) by 9/1/2016. The result of these transfers would abolish and transfer the functions of the Department of Assistive and Rehabilitative Services (DARS) by 9/1/2016, and the Department of Aging and Disability Services (DADS) by 9/1/2017.

The bill would require the executive commissioner of HHSC to develop and submit a transition plan by 3/1/2016. The bill would require the plan to define the programs contained in each type of function to be transferred, including client services, regulatory, institutions, public health, and adult and child protective services. The bill would create the Transition Legislative Oversight Committee to facilitate and report on the transfer of functions contained in the bill.

The bill requires a limited-scope review by the Sunset Advisory Commission related to progress of the reorganization in 2023. The HHSC executive commissioner and the Transition Legislative Oversight Committee shall study and report, by 9/1/2018, whether DFPS and DSHS should continue independently or be merged into HHSC. The bill would take effect on September 1, 2015.

Based on the analysis provided by HHSC, the cost or savings of the provisions of this bill in fiscal years 2016 and 2017 cannot be determined; there are both costs and savings that would be incurred over this period, and therefore some elements will net out. HHSC anticipates costs and savings throughout the implementation and operational (maintenance) years. Costs are expected by HHSC to exceed savings until after fiscal year 2020.

The following provisions of the bill could have a fiscal impact:

-Section 1 reorganizes portions of the five health and human services agencies in two phases, which could result in cost savings from more accountable operations, more streamlined services, and increased consolidation of administrative functions. This reorganization includes consolidation of the health and human service system's internal audit functions. Savings could be achieved through more efficient operations and organizational streamlining, including contract consolidation, in several administrative and support areas including legal, internal audit, governmental relations, budget/accounting, information technology, contract management and oversight, rate analysis, facilities management, human resources, ombudsman, and other administrative management. Contract consolidation could result in significant savings in the future, but the timing and scope is unknown due to a lack of information. Available information does not allow for quantification of these savings elements at this time.

Alternatively, costs would occur from development of a transition structure and formation of a transition team, employment of new division directors, modifications to information technology, financial, and administrative systems to support the new organization, rebranding signage and various office products to reflect the new organization (although this adjustment is anticipated to happen over time), creation of the policy and performance office, transition of employees and email accounts, and maintenance of legacy systems and data access during the transition period. The modifications to information technology, financial and administrative systems could result in a significant cost, estimated to be \$8 million by HHSC.

-Sections 2.03 and 2.05 require HHSC to create an approval process and standard criteria for all system websites and policies governing hotlines and call centers which could produce savings from streamlined websites and hotlines and potentially fewer consumer contacts and complaints.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 320 Texas Workforce Commission, 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 503 Texas Medical Board, 781 Higher Education Coordinating Board

**LBB Staff:** UP, SD, NB, MB, CH, WP, ER, EMo

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 19, 2015**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2578** by Price (Relating to the efficiency of and consolidation of powers and duties within the health and human services system.), **Committee Report 2nd House, Substituted**

The fiscal implications of the bill cannot be determined at this time due to the lack of information necessary to make accurate assumptions to determine a fiscal impact. A specific discussion of the elements with fiscal implications is included below.

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The bill requires a limited-scope review by the Sunset Advisory Commission related to progress of the reorganization in 2023. The HHSC executive commissioner and the Transition Legislative Oversight Committee shall study and report, by 9/1/2018, whether DFPS and DSHS should continue independently or be merged into HHSC. The bill would take effect on September 1, 2015.

Based on the analysis provided by HHSC, the cost or savings of the provisions of this bill in fiscal years 2016 and 2017 cannot be determined; there are both costs and savings that would be incurred over this period, and therefore some elements will net out. HHSC anticipates costs and savings throughout the implementation and operational (maintenance) years. Costs are expected by HHSC to exceed savings until after fiscal year 2020.

The following provisions of the bill could have a fiscal impact:

-Section 1 reorganizes portions of the five health and human services agencies in two phases, which could result in cost savings from more accountable operations, more streamlined services, and increased consolidation of administrative functions. This reorganization includes consolidation of the health and human service system's internal audit functions. Savings could be achieved through more efficient operations and organizational streamlining, including contract consolidation, in several administrative and support areas including legal, internal audit, governmental relations, budget/accounting, information technology, contract management and oversight, rate analysis, facilities management, human resources, ombudsman, and other administrative management. Contract consolidation could result in significant savings in the future, but the timing and scope is unknown due to a lack of information. Available information does not allow for quantification of these savings elements at this time.

Alternatively, costs would occur from development of a transition structure and formation of a transition team, employment of new division directors, modifications to information technology, financial, and administrative systems to support the new organization, rebranding signage and various office products to reflect the new organization (although this adjustment is anticipated to happen over time), creation of the policy and performance office, transition of employees and email accounts, and maintenance of legacy systems and data access during the transition period. The modifications to information technology, financial and administrative systems could result in a significant cost, estimated to be \$8 million by HHSC.

-Sections 2.03 and 2.05 require HHSC to create an approval process and standard criteria for all system websites and policies governing hotlines and call centers which could produce savings from streamlined websites and hotlines and potentially fewer consumer contacts and complaints.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 320 Texas Workforce Commission, 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 503 Texas Medical Board, 781 Higher Education Coordinating Board

**LBB Staff:** UP, NB, MB, CH, WP, ER, EMO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 15, 2015**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2578** by Price (Relating to the efficiency and consolidation of powers and duties within the health and human services system.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 531 of the Government Code to require that the internal audit programs for each health and human services agency be operated as a consolidated internal audit program by the Health and Human Services Commission (HHSC). The bill would also require that the information resources manager for each health and human services agency report directly to the HHSC executive commissioner or designee. HHSC indicates that costs associated with these provisions could be absorbed within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 530 Family and Protective Services, Department of, 537 State Health Services, Department of, 538 Assistive and Rehabilitative Services, Department of, 539 Aging and Disability Services, Department of

**LBB Staff:** UP, NB, WP, CH

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 24, 2015**

**TO:** Honorable Richard Peña Raymond, Chair, House Committee on Human Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2578** by Price (Relating to the efficiency and consolidation of powers and duties within the health and human services system.), **As Introduced**

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