

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 602  
By: Hinojosa et al.  
Health & Human Services  
4/20/2017  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 602 begins the process of right-sizing the number of state-operated facilities for people with intellectual and developmental disabilities (IDD) in Texas to maintain only the number of facilities necessary to meet the needs of the state.

S.B. 602 establishes the State Supported Living Center (SSLC) Restructuring Commission (commission) to develop recommendations on the number and location of SSLCs needed in Texas given declining populations, rapidly increasing costs, and inconsistent quality of care.

The commission will evaluate each SSLC to determine whether to close, consolidate or repurpose. They shall consider specific criteria such as quality of services, cost of operating the center, compliance with the 2009 Department of Justice settlement, input from parents and guardians of current residents, the availability of community service providers, capacity and resources in the community, staff turnover rates and availability of employment opportunities for center employees if the center is closed, repurposed, or consolidated, and infrastructure deficiency costs.

Not later than December 1, 2018, the commission shall submit a report to the governor, lieutenant governor, the Texas Legislature, and the Health and Human Services Commission (HHSC) of their evaluation of each SSLC and their recommendation of which SSLCs will be closed. S.B. 602 specifies a cap so that no more than five SSLCs can be closed.

If the commission decides to close one or more SSLCs, then HHSC will begin the implementation process for closure. HHSC shall establish a closure plan for each SSLC that is recommended for closure. The plan must provide for closure of the facility and operations by August 31, 2027. The plan must provide procedures to transition residents to the community and must meet certain criteria to ensure a safe and appropriate transition.

The proceeds from the closure of any SSLC, including the sale or lease of a center's facilities or other property, shall only be appropriated for services for persons with IDD.

S.B. 602 improves services for those at the remaining SSLCs should one or more of the centers close. The shift to a smaller system would allow the state to focus on providing higher quality care to people with IDD who have the greatest needs.

Simultaneously, S.B. 602 significantly helps reduce waiting lists for community-based services by downsizing SSLCs and redirecting that money into the community. Currently, there is no waiting list for the SSLCs, but there is an extremely long waiting list for community living options for those with disabilities. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 602 amends current law relating to the establishment of a restructuring commission to evaluate each state supported living center.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 555, Health and Safety Code, by adding Subchapters F and G, as follows:

### **SUBCHAPTER F. STATE SUPPORTED LIVING CENTER RESTRUCTURING AND CLOSURES**

Sec. 555.201. STATE SUPPORTED LIVING CENTER RESTRUCTURING COMMISSION. (a) Defines "restructuring commission" (commission) and "Section 1915(c) waiver program."

(b) Provides that the commission consists of five members appointed by the governor and three nonvoting ex officio members, including the executive commissioner of the Health and Human Services Commission (executive commissioner; HHSC) or the executive commissioner's designee; the executive director of the Texas Facilities Commission or the executive director's designee; and the commissioner of the General Land Office or the commissioner's designee.

(c) Establishes the commission to ensure that the state maintains only the number of state supported living centers (SSLCs) necessary to meet the level of need for those centers in this state. Requires the commission to evaluate each SSLC to determine whether to recommend the center be consolidated with another center, downsized, repurposed, or closed. Prohibits the commission from recommending the closure of more than five centers.

(d) Requires the commission to visit each SSLC in the course of making the commission's evaluations and determinations. Requires the commission, in evaluating an SSLC, to consider certain matters.

(e) Requires the commission, not later than December 1, 2018, to submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of the senate and house of representatives having primary jurisdiction over intellectual and developmental disability issues, a report detailing the commission's evaluation of each SSLC and, as applicable, the commission's recommendation for the SSLC to be consolidated with another SSLC, downsized, repurposed, or closed.

(f) Provides that this commission is abolished and this section expires January 1, 2019.

Sec. 555.202. CLOSURE OF STATE SUPPORTED LIVING CENTER. Requires HHSC to ensure that an SSLC recommended for closure is closed not later than August 31, 2023, in accordance with the closure plan established for the SSLC.

Sec. 555.203. CLOSURE PLAN FOR STATE SUPPORTED LIVING CENTER. (a) Requires HHSC to establish a closure plan for each SSLC for which closure is recommended under Section 555.202.

(b) Requires that the closure plan provide for closure of the facility and its operations not later than August 31, 2023. Requires that the plan provide procedures to transition to the community each resident for whom transition to the community is approved by persons responsible for the treatment of the resident at the SSLC, may be reasonably accommodated by an appropriate community placement, and is the choice of the resident or guardian of the resident.

Sec. 555.204. PROCEEDS FROM CLOSURE OF STATE SUPPORTED LIVING CENTER. Authorizes the proceeds from the closure of an SSLC, including from the sale or lease of an SSLC's facilities or other property, to be appropriated only for services for

persons with intellectual and developmental disabilities, including persons with a dual diagnosis of intellectual and developmental disabilities and mental illness.

Sec. 555.205. RECOMMENDED CLOSURES OF STATE SUPPORTED LIVING CENTERS. (a) Requires the 86th Legislature, if the commission proposes the closure of one or more SSLCs, to consider the SSLCs recommended for closure by voting on whether to approve the commission's recommendations.

(b) Requires the Texas Department of State Health Services (DSHS), if the legislation described by Subsection (a) is enacted and becomes law, to ensure that each SSLC approved by the legislature for closure under Subsection (a) is closed not later than August 31, 2023.

Sec. 555.206. EXPIRATION. Provides that this subchapter expires September 1, 2023.

#### SUBCHAPTER G. SALE OF REAL PROPERTY

Sec. 555.251. OPTION TO PURCHASE REAL PROPERTY. (a) Requires the real property or portion thereof, if HHSC, DSHS, or another state agency or entity offers for sale or plans to commercially develop all or part of real property owned by the state on which an SSLC is located, to be offered for sale to the city and county in which the real property is located before the real property is developed or offered for sale to the general public. Prohibits the purchase price, if the city or county purchases the real property, from being less than market value.

(b) Prohibits Subsection (a) from being construed as requiring HHSC, DSHS, or another state agency or entity to offer real property owned by the state on which an SSLC is located to the city and county in which the real property is located before offering the real property for sale to a state agency for governmental use.

SECTION 2. Amends Section 31.158(c)(1), Natural Resources Code, as follows:

(1) Requires the sale or lease to be by sealed bid, by public auction, or as otherwise provided by Subsection (d); provided, however, the School Land Board is required to have the first option to purchase such real property pursuant to Section 31.159 (First Option to Purchase) of this code and the city and county in which the real property is located is required to have the option to purchase such real property pursuant to Section 555.251, Health and Safety Code. Provides that Subdivisions (2) through (7) apply only to a sale or lease by sealed bid or public auction.

SECTION 3. Requires the governor, not later than September 1, 2017, to appoint five members of the commission to serve under Section 555.201, Health and Safety Code, as added by this Act.

SECTION 4. Effective date: upon passage or September 1, 2017.