

BILL ANALYSIS

Senate Research Center

S.B. 1461
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Chapter 281 (Hospital Districts in Counties of at Least 190,000) of the Health and Safety Code authorizes county commissioners courts to appoint the members of a hospital district board. Under the law, boards consist of between five and seven members who serve two-year terms.

The bylaws of the Dallas County Hospital District (Parkland Health & Hospital System) require the board to consist of seven members. Each of the four county commissioners plus the county judge nominates one board member for appointment; the remaining two are considered "at large" and are selected by the entire court.

In March 2013, the corporate governance and compliance advisor to Parkland's board of managers released a report outlining recommendations for improved corporate governance of Parkland. Those recommendations include increasing the number of board members as well as the length of member terms. According to the report, experts often advocate for health boards with between nine and 17 members. Increasing the size would provide stronger expertise, experience, and perspectives in the boardroom. Additionally, more of the board's work would be done in its committees, thereby reducing the burden on individual members and making board service possible for more members of the community. Commissioners appoint board members in January of odd-numbered years, effective on February 1 of that year. Each term of service is two years and members may not serve more than six consecutive years.

To give effect to the report's recommendations, S.B. 1461 expands the Dallas County Hospital District's Board of Managers from seven to 11 members. It requires each county commissioner and the county judge to appoint two members and it requires one "at large" appointment. The bill also requires three-year staggered terms and authorizes the board to determine how to stagger the terms that are first established, whether by drawing lots or by other method. Once the board establishes the original staggered terms, the commissioners determine the date the terms expire.

S.B. 1461 amends current law relating to the appointment and terms of the board of hospital managers of the Dallas County Hospital District.

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 Subchapter B, Chapter 281, Health and Safety Code, by adding Section 281.0211, as follows:

Sec. 281.0211. APPOINTMENT OF DALLAS COUNTY HOSPITAL DISTRICT BOARD; MEMBERS' TERMS. (a) Provides that the Dallas County Hospital District is governed by a board composed of 11 members, appointed as follows:

- (1) the Dallas County Commissioners Court shall appoint one member;

(2) each commissioner on the Dallas County Commissioners Court shall appoint two members; and

(3) the county judge of Dallas County shall appoint two members.

(b) Provides that board members adopted under this section serve staggered three-year terms, with as near as possible to one-third of the members' terms expiring each year.

(c) Requires the Dallas County Commissioners Court to appoint members to the board in accordance with Sections 281.021(a) and 281.022(a) on or after September 1, 2022.

(d) Provides that subsection (c) does not affect the entitlement of a member of the board of the Dallas County Hospital District appointed to the board under this section before September 1, 2022, to continue to carry out the member's functions for the remainder of the member's term.

(e) Requires the Dallas County Commissioners Court, on the expiration of the terms of the board members described by Subsection (d), to take appropriate action to ensure that, as soon as possible, the board of the Dallas County Hospital District complies with the requirements of Sections 281.021(a) and 281.022(a).

SECTION 2. (a) Authorizes the members of the board of hospital managers of the Dallas County Hospital District serving on the effective date of this Act to draw lots or use another method to determine the members, the number of whom must be as near as possible to one-third of the total number of members, who shall serve terms that expire in 2018, the members, the number of whom must be as near as possible to one-third of the total number of members, who shall serve terms that expire in 2017, and the members, the number of whom must be as near as possible to one-third of the total number of members, who shall serve terms that expire in 2016. Requires the members of the board appointed to succeed the members serving on the effective date of this Act to serve three-year terms.

(b) Requires the Dallas County Commissioners Court, at the time the terms of the board of hospital managers of the Dallas County Hospital District are determined under Subsection (a) of this section, to establish the specific date on which the terms of members of the board of hospital managers shall expire each year.

(c) Requires the additional members of the board of hospital managers of the Dallas County Hospital District required by Section 281.0211, Health and Safety Code, as added by this Act, be appointed not later than January 1, 2016.

SECTION 3. Effective date: upon passage or September 1, 2015.