

Amend **HB 1094** by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 136, Human Resources Code, is transferred to Subtitle E, Title 2, Health and Safety Code, renumbered as Chapter 112, Health and Safety Code, and amended to read as follows:

CHAPTER 112 [~~136~~]. TEXAS COMMUNITY HEALTH CENTER REVOLVING LOAN
PROGRAM [~~FUND~~]

Sec. 112.001 [~~136.001~~]. PURPOSE. The legislature finds that:

(1) community health centers play a significant role in the delivery of medical care and related services to the residents of this state who cannot afford health insurance;

(2) community health centers are a cost-effective way to provide primary and preventive health care to populations lacking quality health care by reducing hospitalizations and the inappropriate use of emergency rooms;

(3) the financing sources available for the capital needs of community health centers, such as buildings and equipment, are inadequate; and

(4) increasing community health centers' access to capital would benefit residents of this state in poor and underserved communities and foreign-born residents who are uninsured, by providing greater access to primary care and preventive health services and by targeting the common health problems of these residents.

Sec. 112.002 [~~136.002~~]. DEFINITIONS. In this chapter:

(1) "Community health center" means a nonprofit corporation in this state that:

(A) provides required primary health services, including:

- (i) basic health services;
- (ii) referrals to providers of medical services;
- (iii) patient case management services;
- (iv) outreach; and

(v) patient education; and

(B) has a governing board that:

(i) is composed of individuals, a majority of whom are being served by the community health centers; and

(ii) represents the individuals being served by the community health center.

~~(2) ["Commission" means the Health and Human Services Commission.]~~

~~[(3)] "Development corporation" means a nonprofit corporation that:~~

~~(A) provides revolving loan funds to community health centers;~~

~~(B) accepts gifts and grants;~~

~~(C) seeks funding from various government and private sources; [and]~~

~~(D) associates with a broad-based organization serving community health centers; and~~

~~(E) is certified by the United States Department of Treasury as a Community Development Financial Institution.~~

~~(3) [(4) "Fund" means the community health center revolving loan fund established by this chapter.]~~

~~[(5)] "Program" means the loan program authorized by this chapter.~~

~~[Sec. 136.003. TRUST FUND. (a) The community health center revolving loan fund is a trust fund outside the state treasury held by a financial institution and administered by the commission as trustee on behalf of community health centers in this state.]~~

~~[(b) The fund is composed of:]~~

~~[(1) money appropriated to the fund by the legislature;~~

~~[(2) gifts or grants received from public or private sources; and~~

~~[(3) income from other money in the fund.]~~

~~[(c) The commission may accept on behalf of the fund gifts and grants for the use and benefit of the program.]~~

Sec. 112.003 [~~136.004~~]. DEVELOPMENT CORPORATION. The department [~~commission~~] shall [~~contract with and~~] award a grant

[~~money~~] to a development corporation to carry out the purposes of this chapter.

Sec. 112.004 [~~136.005~~]. INVESTMENT COMMITTEE. (a) Before awarding a grant to [~~contracting with~~] a development corporation, the department [~~commission~~] shall require the development corporation to establish an investment committee to approve loan requests of community health centers.

(b) The investment committee must consist of seven members as follows:

(1) at least two members with lending experience;

(2) at least two members who receive health care services from a community health center; and

(3) at least one member who represents the Texas Association of Community Health Centers, Inc.

Sec. 112.005 [~~136.006~~]. LOANS TO COMMUNITY HEALTH CENTERS.

(a) The development corporation may make a loan to a community health center only with the approval of the investment committee.

(b) The development corporation shall use at least 60 percent of the money received under the program for loans to community health centers in existence for at least one year before the loan date.

(c) A loan made by the development corporation may be subordinated debt.

(d) The development corporation may make a loan under the program through a partnership or joint investment with one or more other lenders [~~financial institutions~~] or federal or state programs.

(e) Payments on community health center loans shall be made to the development corporation. The development corporation shall use the loan payment money received from community health centers to make new loans and cover the expenses of making and servicing loans under [~~as provided by~~] this chapter.

(f) The development corporation may make a loan to fund a joint project of two or more community health centers.

[~~Sec. 136.007. SELF-FUNDING. The commission shall develop the fund program as a revolving loan fund that will become self-funding over the life of the program.~~]

Sec. 112.006 [~~136.008~~]. INCOME FROM LOAN. All income received on a loan made with money received under the program is the property of the development corporation. Income received on a loan includes the payment of interest by a borrower and the administrative fees assessed by the development corporation.

Sec. 112.007 [~~136.009~~]. RULES. (a) The board [~~commission~~] shall adopt rules necessary to administer this chapter and to ensure a grant made under this chapter is used for the purposes intended by the legislature [~~, including rules that require:~~

~~[(1) the commission to review the lending and servicing practices of a development corporation to ensure the practices conform to generally accepted accounting principles;~~

~~[(2) an eligible community health center to enter into an agreement with the development corporation that states the terms of the loan made to the center;~~

~~[(3) the development corporation to provide to the commission semiannual reports giving details of the status of each loan made under the program;~~

~~[(4) the development corporation to require annual audits of community health centers receiving loans under the program; and~~

~~[(5) the commission to provide oversight of the development corporation as necessary to qualify the development corporation for loan guarantees from federal and state programs].~~

(b) Under rules adopted by the board [~~commission~~], the development corporation may:

(1) make grants to eligible community health centers from money other than money [~~that is received from the fund and that was~~] derived from a legislative appropriation; or

(2) seek funds from state or federal agencies or private sources to supplement and complement the funds received under the grant [~~program~~].

(c) The board [~~commission~~] may adopt other rules as necessary to accomplish the purposes of this chapter.

SECTION _____. The Texas Board of Health shall adopt rules necessary for the Texas Department of Health to administer Chapter 112, Health and Safety Code, as transferred and amended by this Act,

not later than December 1, 2003.