

**BILL ANALYSIS**

C.S.H.B. 2632  
By: Chisum  
Land & Resource Management  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

The Office of Rural and Community Affairs (ORCA) was created in 2001 with the passage of H.B. 7. H.B. 7 required that “not later than December 1, 2002, the Office of Rural Community Affairs shall: (1) evaluate the rural health programs under its jurisdiction and propose changes, including statutory changes, to combine, streamline, or coordinate the programs to improve their flexibility and efficiency, and (2) report to the presiding officer of each house of the legislator any proposed statutory changes.”

C.S.H.B. 2632 attempts to satisfy the requirements placed upon ORCA by the 77th Legislature.

**RULEMAKING AUTHORITY**

SECTION 2 of H.B. 2632 amends Section 487.051, Government Code, by adding Subsection 11 that requires ORCA to adopt rules and set priorities for programs under this chapter.

SECTION 14 of H.B. 2632 amends Section 487.204, Government Code, by requiring the executive committee to adopt rules necessary for the administration of the relevant subchapter, including rules requiring a physician to return any money received under the program if the physician fails to fulfill the term of the agreement with the community.

**ANALYSIS**

SECTION 1. Amends Section 487.001, Government Code, as follows:

Defines “Rural community”, “Health care professional”, “Physician”, “Hospital” and “Medical school”.

SECTION 2. Amends Section 487.051, Government Code, as follows:

In addition to activities currently authorized by law, ORCA is authorized to do the following:

Establish, and administer, or contract for the administration of programs.

Adopt rules and set priorities for programs.

Make awards under programs when available money is inadequate to provide grants, stipends, loans and loan guarantees to all eligible applicants for the program.

Enter into, enforce, and execute contracts and deliver instruments necessary to make and administer grants, stipends, loans and loan guarantees.

Impose and collect reasonable fees and charges in connection with grants,

stipends, loans and loan guarantees and enforce reasonable penalties against a user of a program who defaults on a loan, is delinquent in making loan payments or violates the terms of the program.

Deposit amounts recovered for programs back into the fund from which the award money originates.

Employ personnel necessary to implement programs.

Seek state and federal money available for economic development in rural areas.

SECTION 3. Amends Section 487.053, Government Code, as follows:

Requires that any contribution is subject to any limitation or requirement placed by the person making the contribution.

SECTION 4. Amends Section 487.056(a) and (b), Government Code, as follows:

Requires ORCA to report to the legislature the activities of the Rural Foundation. Makes conforming changes.

SECTION 5. Amends Section 487.102, Government Code, as follows:

States the purpose of the Outstanding Rural Scholar Recognition and Loan Program for Rural Health Care is as follows:

Encourage rural communities to recognize and financially support students at institutions of higher education who pursue a degree in a health care profession and agree to practice health care in a rural community.

States that the financial assistance provided under this program includes awarding forgivable loans.

SECTION 6. Amends Section 487.104(a), Government Code, as follows:

States that the office shall select outstanding rural scholars through a statewide competition according to office rules.

SECTION 7. Amends Section 487.105(a), Government Code, as follows:

Modifies the criteria by which an applicant for the Outstanding Rural Scholar Recognition and Loan Program for Rural Health Care may be eligible. Deletes provisions requiring an applicant to be in the top quarter of his or her class.

SECTION 8. Amends Section 487.107(c), Government Code, as follows:

Deletes criteria used in making decisions regarding the award of forgivable loans (academic performance, test scores, etc.).

SECTION 9. Amends Section 487.108(b), Government Code, to make conforming changes.

SECTION 10. Amends the heading for Subchapter F, Chapter 487, Government Code as follows:

SUBCHAPTER F.: RURAL [~~MEDICALLY—UNDERSERVED~~]  
COMMUNITY-STATE MATCHING INCENTIVE PROGRAM

- SECTION 11. Amends Section 487.201, Government Code, to make conforming changes.
- SECTION 12. Amends Section 487.202(a), (c), and (e), Government Code, to make conforming changes.
- SECTION 13. Amends Section 487.203, Government Code, to make conforming changes
- SECTION 14. Amends Section 487.204, Government Code, as follows:
- Requires a physician to return any money received under the program if the physician fails to fulfill the term of the agreement with the community.
- Eliminates some rules for the administration of the subchapter.
- SECTION 15. Amends Section 487.251, Government Code, as follows:
- Defines “program” as the Texas Health Service Corps Program
- SECTION 16. Amends Section 487.252(a), Government Code, as follows:
- Requires that the executive committee establish a program to assist in recruiting and retaining primary care physicians to practice in rural areas in the state.
- SECTION 17. Amends Section 487.254 (a) to make conforming changes.
- SECTION 18. Amends Section 487.302, Government Code, to make conforming changes (the deleted powers are inserted under SECTION 1 of the bill).
- SECTION 19. Amends Subchapter H, Chapter 106, Health and Safety Code, by redesignating it as Subchapter K, Chapter 487, Government Code, as follows:
- Generally provides for the administration of the Community Healthcare Awareness and Mentoring Program For Students.
- Deletes legislative mandated purposes and eligibility requirements of the Community Healthcare Awareness and Mentoring Program For Students.
- Deletes provisions providing for a program to grant money to underserved urban areas from support under this Section.
- SECTION 20. Amends Subchapter H, Chapter 106, Health and Safety Code, by redesignating it as Subchapter L, Chapter 487, Government Code, as follows:
- Generally provides for the administration of the Rural Physician Recruitment Program.
- SECTION 21. Amends Subchapter H, Chapter 106, Health and Safety Code, by redesignating it as Subchapter M, Chapter 487, Government Code, as follows:
- Generally provides for the administration of the Rural Communities Health Care Investment Program.

Deletes the advisory committee that previously was responsible for advising the center.

Deletes provisions providing for a program to help communities recruit health professionals to practice in underserved urban areas.

Deletes the legislative mandate that ORCA adopt specific rules for the administration of Rural Communities Health Care Investment Program.

Deletes a requirement that ORCA report on the permanent endowment fund for the rural communities health care investment program to the Legislative Budget Board.

SECTION 22. Reenacts Section 38.011(j), Education Code, and redesignates it as Section 38.060(a), Education Code.

SECTION 23. Amends Section 61.0899, Education Code, Code, to make conforming changes.

SECTION 24. Amends Section 110.001, Health and Safety Code, to make conforming changes.

SECTION 25. Amends Section 110.002(c), Health and Safety Code, to make conforming changes.

SECTION 26. Amends Section 110.003(a), Health and Safety Code, to make conforming changes.

SECTION 27. Amends Section 110.005(c), Health and Safety Code, to make conforming changes.

SECTION 28. Amends Section 110.010, Health and Safety Code, to make conforming changes.

SECTION 29. Amends Section 110.011(a), Health and Safety Code, to make conforming changes.

SECTION 30. Amends Section 110.012, Health and Safety Code, to make conforming changes.

SECTION 31. Amends the heading for Section 204.104, Occupations Code, to make conforming changes.

SECTION 32. Amends Section 204.104(a), Occupations Code, to empower ORCA, instead of the Texas Department of Health, to provide student loan repayment for graduates of physician assistant training programs in rural areas.

SECTION 33. Amends Section 531.021712, Government Code, to make conforming changes.

SECTION 34. Repealer.

SECTION 35. Effective date.

#### **EFFECTIVE DATE**

September 1, 2003.

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

SECTION 23 of H.B. 2632 is removed from C.S.H.B. 2632 (amends Section 51.949(b), Education Code, to make conforming changes).

SECTION 32 of H.B. 2632 is removed from C.S.H.B. 2632 (amends Section 155.1025(a), Occupations Code, to make conforming changes).

SECTION 33 of H.B. 2632 is removed from C.S.H.B. 2632 (amends Section 531.021712, Government Code, to make conforming changes).