

**BILL ANALYSIS**

S.B. 446  
By: Madla  
Land & Resource Management  
Committee Report (Unamended)

**BACKGROUND AND PURPOSE**

The Office of Rural Community Affairs (ORCA) provides grant writing and grant compliance assistance to rural communities, hospitals, schools, or health care providers who are attempting to find funding for a variety of projects. During the 77th Legislature, the Rural Foundation was created as a non-profit foundation because some grants prohibit a governmental entity from receiving grant money. However, due to a drafting error it was unclear whether the foundation could apply for and administer grants relating only to health care entities or for other entities as the bill intended. The Attorney General has ruled that the foundation is currently authorized only to work with health care grants.

S.B. 446 would clarify that the Rural Foundation may apply for grants for economic development programs in rural areas of the state.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

- SECTION 1. Amends Section 110.001, Health and Safety Code, as follows:
- Requires that ORCA rather than the Center for Rural Health Initiatives, to establish the Rural Foundation. Makes a conforming change.
- SECTION 2. Amends Sections 110.002(a) and (c), Health and Safety Code, as follows:
- Requires the Rural Foundation to raise money for community and economic development programs in addition to the programs that it is currently required to do so for.
- SECTION 3. Amends Subsection 110.003(a), Health and Safety Code, to authorize ORCA (rather than the Center for Rural Health Initiatives) to appoint the Rural Foundation board.
- SECTION 4. Amends Section 110.004(b), Health and Safety Code, as follows:
- Prohibits a person who contracts with the Rural Foundation from being a member of the board of directors of the foundation and may not be a foundation employee employed in a bona fide executive, administrative, or professional capacity (this prohibition is in addition to the group currently prohibited from such positions).
- SECTION 5. Amends Section 110.005(c), Health and Safety Code, to make a conforming change.

- SECTION 6. Amends Section 110.010, Health and Safety Code, to make conforming changes.
- SECTION 7. Amends Section 110.011(a), Health and Safety Code, to make a conforming change.
- SECTION 8. Amends Section 110.012, Health and Safety Code, to make conforming changes.
- SECTION 9. Effective date.

**EFFECTIVE DATE**

September 1, 2003.