

## **BILL ANALYSIS**

Senate Research Center  
78R2582 MCK-D

S.B. 446  
By: Madla  
Intergovernmental Relations  
2/27/2003  
As Filed

### **DIGEST AND PURPOSE**

The Office of Rural Community Affairs 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. As proposed, S.B. 446 would clarify the Rural Foundation may apply for grants for economic development programs in rural areas of the state.

### **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 Section 110.001, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, to require the Office of Rural Community Affairs 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 added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, as follows: (a) Requires the Rural Foundation to raise money from foundations, governmental entities, and other sources to finance health and economic development programs in the rural areas of the state.

(c) Makes a conforming change.

SECTION 3. Amends Section 110.003(a), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, to make conforming changes.

SECTION 4. Amends Section 110.004(b), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to provide that a person who is an officer, employee, or paid consultant of a Texas trade association that is in the field of health care or that contracts with the foundation may not be a member of the board of directors of the Rural Foundation and may not be a foundation employee employed in a "bona fide executive, administrative, or professional capacity." Makes a conforming change.

SECTION 5. Amends Section 110.005(c), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, to make a conforming change.

SECTION 6. Amends Section 110.010, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, to make conforming changes.

SECTION 7. Amends Section 110.011(a), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, to make a conforming change.

SECTION 8. Amends Section 110.012, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, to make conforming changes.

SECTION 9. Effective date: September 1, 2003.