

## **BILL ANALYSIS**

C.S.H.B. 289  
By: Delisi  
Public Health  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

State spending on health and human services is rising rapidly. There have been longstanding initiatives at both the state and federal level to integrate the use of volunteers from both faith-based groups and community-based organizations as a way to more effectively assist people in need. These existing partnerships have already been demonstrated to be an effective way to leverage resources, both human and financial, to provide greater assistance. However, the State of Texas is not yet making full use of the pool of potential faith- and community-based talent that may be available. CSHB 289 seeks to further enhance the role of faith- and community-based organizations in forming partnerships with state agencies to more effectively meet the social service needs of Texans.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTIONS 1 and 2 of this bill.

### **ANALYSIS**

CSHB 289 adds Chapter 535, PROVISION OF HUMAN SERVICES AND OTHER SOCIAL SERVICES THROUGH FAITH- AND COMMUNITY-BASED ORGANIZATIONS and establishes that the purpose of the chapter is to strengthen the capacity of faith- and community-based organizations and to forge stronger partnerships between those organizations and state government for the legitimate public purpose of providing charitable and social services. The bill defines "community-based initiative," "community-based organization," "faith-based initiative," and "faith-based organization." The bill provides that the chapter may not be construed to exempt certain organizations from applicable state or federal law or be an endorsement or sponsorship by this state of religious character, expression, beliefs, doctrines, or practices. It also specifies that any power authorized or duty imposed under the chapter must be consistent with certain federal law.

Not later than December 1, 2007, CSHB 289 requires the executive commissioner (executive commissioner) of the Health and Human Services Commission (HHSC), in consultation with the governor, to designate one employee from HHSC and from each health and human services agency to serve as a liaison for faith- and community-based organizations. It also requires the chief administrative office of certain specified agencies, in consultation with the governor, to designate an employee to serve as a liaison for faith- and community-based organizations. The bill sets forth the general duties of the liaisons.

The bill creates the Interagency Coordinating Group composed of each faith- and community-based liaison and specifies the presiding officer is the HHSC employee. The interagency coordinating group is required to meet periodically at the call of the presiding officer; work across state agencies to facilitate the removal of unnecessary interagency barriers to partnerships between state agencies and faith- and community-based organizations; and to operate in a manner that promotes effective partnerships between those agencies and organizations to serve residents of this state who need assistance. It also establishes the reporting requirements of the liaison. The bill provides that the group must hold its first meeting not later than February 1, 2008.

CSHB 289 creates the renewing our communities account (account) in the general revenue fund. The purpose of the account is to increase the capacity of faith and community based

organizations to provide charitable services and to manage human resources and funds, to assist local governmental entities in establishing local offices to promote faith- and community-based initiatives, and to foster better partnerships between the state government and these organizations. The account consists of certain appropriations, gifts, grants, and donations, and interest earned on money in the account, and the account is exempt from certain applications.

HHSC is required to contract with the administrative entity, designated as the State Commission on National and Community Service, in accordance with specified federal law to administer funds appropriated from the account in a certain manner. The bill authorizes HHSC, instead of contracting with the administrative entity, to award a grant to an administrative entity that is a nonprofit corporation organized in this state. Any funds awarded to the administrative entity under a contract or through a grant must be administered in a certain manner.

The bill requires HHSC to develop a competitive process for awarding grants from the fund; oversee the delivery of certain training and assistance; develop criteria limiting grant awards to certain small and medium sized organizations; establish general state priorities; establish and monitor performance and outcome measures of award recipients; and establish policies and procedures to ensure that certain money allocated from the account is not used to advance a sectarian purpose.

HHSC or certain administrative entities may directly, or through agreements with certain entities, assist faith and community based organization with writing or managing grants through workshops or other forms of guidance, obtaining certain legal advice and information; provide information or assistance to faith- and community-based organizations related to building the organizations' capacity for providing services; facilitate the formation of networks, the coordination of services, and the sharing of resources among faith- and community-based organizations; in cooperation with existing efforts, if possible, conduct certain needs assessments; work with faith- and community-based organizations to identify the organizations' needs for improvements in their internal capacity for providing services; provide faith- and community-based organizations with information on and assistance in identifying or using certain practices; and encourage research into the impact of organizational capacity on program delivery for faith- and community-based organizations.

HHSC or certain administrative entities may assist local governments in creating better partnerships between the state and the organizations, and use the account for matching funds from federal or private grant programs. HHSC is required to monitor the use of the funds administered by certain administrative entities to ensure that the funds are used in a certain manner. The bill establishes that certain records relating to the account are public information subject to Chapter 552. The bill establishes with respect to certain administrative entities, the subchapter relating to the account may not be construed in certain ways.

CSHB 289 authorizes the administrative entity with which HHSC contracts or awards a grant, to award grants to certain faith- and community-based organizations and local governmental entities, and are required to monitor performance and outcome measures for persons to whom the entity awards grants using certain measures.

HHSC is required to provide a link on its Internet website to the administrative entity's Internet which HHSC contracts or awards a grant, which must provide certain information regarding each person to whom the entity awarded a grant. The administrative entity must provide periodic and annual reports to HHSC with certain information, and HHSC is required to post the annual report on its Internet website and provide copies to the governor, the lieutenant governor, and the members of the legislature.

The bill requires the executive commissioner, in consultation with the governor, to establish a task force on strengthening nonprofit capacity (task force). The bill sets forth the task force's membership, duties, and required public hearings. The task force is required to hear testimony at the hearings regarding strengthening the capacity of faith- and community-based organizations to manage human resources and funds and provide services. The bill establishes that the task force is not required to hold a public hearing if there is insufficient funds available for the performance of the certain duties or activities. The task force is required to present a report and legislative recommendations to the House Committee on Human Services not later than September 1, 2008,

regarding its recommendations. The bill establishes that this provision expires September 1, 2009.

The executive commissioner is required to appoint leaders of faith- and community-based organizations to serve on the renewing our communities account advisory committee (advisory committee). The advisory committee members must be representative of the religious, cultural, and geographic diversity of this state and the diversity of organization types and sizes in this state. The advisory committee is required make certain recommendation to the executive commissioner. The bill establishes that the advisory committee is subject to Chapter 551, and that Chapter 2110 does not apply.

The bill requires HHSC to establish a searchable Internet database, by February 1, 2008, of state-wide volunteer opportunities to assist certain state agencies and faith- and community-based organizations, and for each state agency that has a faith- and community-based liaison to provide information on volunteer opportunities. It authorizes the executive commissioner of HHSC to adopt rules regarding certain minimum requirements and methods. Each state agency that has a faith- and community-based liaison is authorized to provide to HHSC information regarding certain volunteer opportunities and is required to regularly update that information.

HHSC may provide links to other websites that list volunteer opportunities with charitable organizations, create a downloadable link to the database that another Internet website may use to refer others to the database, and may directly operate and maintain the database, or contract or partner with another entity, to do so. To the extent possible, HHSC is required to use existing funds to implement and administer this provision.

The bill directs a state agency affected by this provision to seek federal authority or to request a waiver if it determines the authority or waiver is necessary for implementation of the provision, and may delay implementation until the waiver or authorization is granted.

#### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

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

The substitute modifies the original by deleting the subchapters relating to the Texas Mentoring Initiative and the Center for Faith- and Community Based Initiatives, and makes conforming changes.

The substitute changes the title of Chapter 535, Government Code from "PROVISION OF HUMAN SERVICES THROUGH FAITH- AND COMMUNITY-BASED ORGANIZATIONS" to "PROVISION OF HUMAN SERVICES AND OTHER SOCIAL SERVICES THROUGH FAITH- AND COMMUNITY-BASED ORGANIZATIONS." The substitute adds definitions for community-based initiative and faith-based initiative.

The substitute provides that the executive commissioner shall designate an employee from HHSC, in addition to each health and human services agency, to serve as a liaison for faith- and community-based organization.

The substitute adds language designating the liaison appointed by the executive commissioner of HHSC as the presiding officer of the Interagency Coordinating Group. It requires the group to meet periodically subject to the call of the presiding officer and to operate in a manner that promotes effective partnerships between those agencies and organizations to serve residents of this state who need assistance. The substitute adds that the interagency coordinating group must report as necessary to certain administrative entities, and clarifies that certain reports may be aggregated into a single report when posted to the governor's Internet website.

The substitute amends the purpose of the renewing our communities account by deleting the words "and strengthen" and by changing "to persons in this state who are in need of those

services" to read "and manage human resources and funds," and deletes "to provide charitable services in this state."

The substitute amends the Powers and Duties Regarding Account section by adding that: HHSC is required to contract with the administrative entity, designated as the State Commission on National and Community Service, in accordance with specified federal law to administer funds appropriated from the account in a certain manner; authorizes HHSC, instead of contracting with the administrative entity, to award a grant to an administrative entity that is a nonprofit corporation organized in this state. Any funds awarded to the administrative entity under a contract or through a grant must be administered in a certain manner. CSHB 289 adds that HHSC is required to establish policies and procedures to ensure that certain money allocated from the account is not used to advance a sectarian purpose. The substitute deletes language authorizing HHSC to award grants from the account to faith and community based organizations that provide charitable services to persons in this state for capacity-building purposes and to local governmental entities to provide seed money for local offices for faith and community based initiatives, and to contract with the governor's office of faith-based community initiatives to administer certain programs or perform certain duties or activities. The substitute authorizes HHSC or certain administrative entities in accordance with the terms of the contract or grant, where the original authorized HHSC, to directly, or through certain agreements assist faith and community based organizations and local governmental entities with certain issues and use account funds for certain matching money. It adds that HHSC is required to monitor the use of the funds administered by certain administrative entities to ensure that the funds are used in a certain manner, and establishes that certain records relating to the account are public information subject to Chapter 552. The substitute establishes with respect to certain administrative entities, the subchapter relating to the account may not be construed in certain ways.

The substitute adds a section regarding the administration of account funds to authorize the administrative entity with which HHSC contracts or awards a grant, to award grants to certain faith- and community-based organizations and local governmental entities, and are required to monitor performance and outcome measures for persons to whom the entity awards grants using certain measures.

The substitute adds a section regarding reports and public information to require HHSC to provide a link on its Internet website to the administrative entity's Internet which HHSC contracts or awards a grant, which must provide certain information regarding each person to whom the entity awarded a grant. The administrative entity must provide periodic and annual reports to HHSC with certain information, and HHSC is required to post the annual report on its Internet website and provide copies to the governor, the lieutenant governor, and the members of the legislature.

The substitute adds a section relating to the Task Force on Strengthening Nonprofit Capacity. It requires the executive commissioner, in consultation with the governor, to establish a task force on strengthening nonprofit capacity (task force). The bill sets forth the task force's membership, duties, and required public hearings. The task force is required to hear testimony at the hearings regarding strengthening the capacity of faith- and community-based organizations to manage human resources and funds and provide services. The bill establishes that the task force is not required to hold a public hearing if there is insufficient funds available for the performance of the certain duties or activities. The task force is required to present a report and legislative recommendations to the House Committee on Human Services not later than September 1, 2008, regarding its recommendations. The bill establishes that this provision expires September 1, 2009.

The substitute amends the original by changing the title from FAITH- AND COMMUNITY-BASED INITIATIVES ADVISORY COMMITTEE to RENEWING OUR COMMUNITIES ADVISORY COMMITTEE, and adds that the members must be representative of geographic diversity of the state and the diversity of organization types and sizes in the state.

The substitute provides that HHSC "may" adopt rules regarding a database of volunteer opportunities, rather than "shall" as provided in the original. The substitute adds a provision that to the extent possible, HHSC shall use existing funds to implement and administer this section.

The substitute authorizes, rather than requires, each state agency that has certain liaisons to provide HHSC with information regarding volunteer opportunities.

The substitute also makes conforming and non-substantive changes.