

By: Kolkhorst

H.B. No. 2542

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the continuation and functions of the Office of Rural  
3 Community Affairs.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 487.001(1), Government Code, is amended  
6 to read as follows:

7 (1) "Board" [~~"Executive committee"~~] means the board  
8 [~~executive committee~~] of the Office of Rural Community Affairs.

9 SECTION 2. Section 487.002, Government Code, is amended to  
10 read as follows:

11 Sec. 487.002. SUNSET PROVISION. The Office of Rural  
12 Community Affairs is subject to Chapter 325 (Texas Sunset Act).  
13 Unless continued in existence as provided by that chapter, the  
14 office is abolished and this chapter expires September 1, 2011  
15 [~~2007~~].

16 SECTION 3. Section 487.021, Government Code, is amended to  
17 read as follows:

18 Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board  
19 [~~executive committee~~] is the governing body of the office.

20 (b) The board [~~executive committee~~] is composed of the  
21 following 11 [~~nine~~] members:

22 (1) four [~~three~~] members who represent different  
23 geographic regions of the state appointed by the governor,  
24 including:

1           (A) two locally elected rural city or county  
2 officials or city or county employees involved with rural  
3 development; and

4           (B) two public members each of whom resides in a  
5 rural city or county;

6           (2) three members appointed by the lieutenant  
7 governor, including:

8           (A) one senator who resides in a rural city or  
9 county; and

10           (B) two public members each of whom resides in a  
11 rural city or county and is interested in rural issues; ~~and~~

12           (3) three members appointed by the speaker of the  
13 house of representatives, including:

14           (A) one member of the house of representatives  
15 who resides in a rural city or county; and

16           (B) two public members each of whom resides in a  
17 rural city or county and is interested in rural issues; and

18           (4) the commissioner of agriculture or the  
19 commissioner's designee.

20           (c) In this section, "rural city or county" means a rural  
21 city or county as defined by the federal community development  
22 block grant nonentitlement program. ~~[The governor, the lieutenant~~  
23 ~~governor, and the speaker of the house of representatives shall~~  
24 ~~each appoint at least two members who possess a strong~~  
25 ~~understanding of and commitment to rural interests based on the~~  
26 ~~individual's personal history, including residency, occupation,~~  
27 ~~and business or civic activities.]~~

1 (d) Appointments to the board [~~executive committee~~] shall  
2 be made without regard to the race, color, disability, sex,  
3 religion, age, or national origin of the appointees.

4 (e) The members of the board who are not serving as an  
5 additional duty of an office in state government [~~executive~~  
6 ~~committee~~] serve for staggered six-year terms, with the terms of  
7 two or three members expiring February 1 of each odd-numbered year.  
8 A member of the legislature serves at the will of the appointing  
9 authority.

10 (f) Board [~~Executive committee~~] members receive no  
11 compensation but are entitled to reimbursement of actual and  
12 necessary expenses incurred in the performance of their duties.

13 (g) The governor shall designate a member [~~The members~~] of  
14 the board as the [~~executive committee annually shall elect a~~]  
15 presiding officer [~~from among the members~~] of the board to serve in  
16 that capacity at the will of the governor [~~executive committee~~].

17 (h) Service on the board by a member of the legislature, the  
18 commissioner of agriculture, or an officer of a county or  
19 municipality is an additional duty of the individual's office.

20 SECTION 4. Sections 487.022(b) and (c), Government Code,  
21 are amended to read as follows:

22 (b) A person may not be a member of the board [~~executive~~  
23 ~~committee~~] and may not be an office employee employed in a "bona  
24 fide executive, administrative, or professional capacity," as that  
25 phrase is used for purposes of establishing an exemption to the  
26 overtime provisions of the federal Fair Labor Standards Act of 1938  
27 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

1           (1) the person is an officer, employee, or paid  
2 consultant of a Texas trade association in the field of rural  
3 affairs; or

4           (2) the person's spouse is an officer, manager, or paid  
5 consultant of a Texas trade association in the field of rural  
6 affairs.

7           (c) A person may not be a member of the board [~~executive~~  
8 ~~committee~~] or act as the general counsel to the board [~~executive~~  
9 ~~committee~~] or the office if the person is required to register as a  
10 lobbyist under Chapter 305 because of the person's activities for  
11 compensation on behalf of a profession related to the operation of  
12 the office.

13           SECTION 5. Sections 487.023 through 487.027, Government  
14 Code, are amended to read as follows:

15           Sec. 487.023. TRAINING FOR MEMBERS OF BOARD [~~EXECUTIVE~~  
16 ~~COMMITTEE~~]. (a) A person who is appointed to and qualifies for  
17 office as a member of the board [~~executive committee~~] may not vote,  
18 deliberate, or be counted as a member in attendance at a meeting of  
19 the board [~~executive committee~~] until the person completes a  
20 training program that complies with this section.

21           (b) The training program must provide the person with  
22 information regarding:

23           (1) the legislation that created the office and the  
24 board [~~executive committee~~];

25           (2) the programs operated by the office;

26           (3) the role and functions of the office;

27           (4) the rules of the office, with an emphasis on any

1 rules that relate to disciplinary and investigatory authority;

2 (5) the current budget for the office;

3 (6) the results of the most recent formal audit of the  
4 office;

5 (7) the requirements of:

6 (A) the open meetings law, Chapter 551;

7 (B) the public information law, Chapter 552;

8 (C) the administrative procedure law, Chapter  
9 2001; and

10 (D) other laws relating to public officials,  
11 including conflict-of-interest laws; and

12 (8) any applicable ethics policies adopted by the  
13 board [~~executive committee~~] or the Texas Ethics Commission.

14 (c) A person appointed to the board [~~executive committee~~] is  
15 entitled to reimbursement, as provided by general law and the  
16 General Appropriations Act, for the travel expenses incurred in  
17 attending the training program regardless of whether the attendance  
18 at the program occurs before or after the person qualifies for  
19 office.

20 Sec. 487.024. REMOVAL. (a) It is a ground for removal from  
21 the board [~~executive committee~~] that a member:

22 (1) does not have at the time of taking office the  
23 qualifications required by Section 487.021;

24 (2) does not maintain during service on the board  
25 [~~executive committee~~] the qualifications required by Section  
26 487.021;

27 (3) is ineligible for membership under Section

1 487.022;

2 (4) cannot, because of illness or disability,  
3 discharge the member's duties for a substantial part of the member's  
4 term; or

5 (5) is absent from more than half of the regularly  
6 scheduled board [~~executive committee~~] meetings that the member is  
7 eligible to attend during a calendar year without an excuse  
8 approved by a majority vote of the board [~~executive committee~~].

9 (b) The validity of an action of the board [~~executive  
10 committee~~] is not affected by the fact that it is taken when a  
11 ground for removal of a board [~~an executive committee~~] member  
12 exists.

13 (c) If the executive director has knowledge that a potential  
14 ground for removal exists, the executive director shall notify the  
15 presiding officer of the board [~~executive committee~~] of the  
16 potential ground. The presiding officer shall then notify the  
17 appointing authority [~~governor~~] and the attorney general that a  
18 potential ground for removal exists. If the potential ground for  
19 removal involves the presiding officer, the executive director  
20 shall notify the next highest ranking officer of the board  
21 [~~executive committee~~], who shall then notify the appointing  
22 authority [~~governor~~] and the attorney general that a potential  
23 ground for removal exists.

24 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board  
25 [~~executive committee~~] shall develop and implement policies that  
26 clearly separate the policy-making responsibilities of the board  
27 [~~executive committee~~] and the management responsibilities of the

1 executive director and staff of the office.

2           Sec. 487.026. EXECUTIVE DIRECTOR.           (a)       The board  
3 [~~executive committee~~] may hire an executive director to serve as  
4 the chief executive officer of the office and to perform the  
5 administrative duties of the office.

6           (b)   The executive director serves at the will of the board  
7 [~~executive committee~~].

8           (c)   The executive director may hire staff within guidelines  
9 established by the board [~~executive committee~~].

10          Sec. 487.027. PUBLIC HEARINGS.       The board [~~executive~~  
11 ~~committee~~] shall develop and implement policies that provide the  
12 public with a reasonable opportunity to appear before the board  
13 [~~executive committee~~] and to speak on any issue under the  
14 jurisdiction of the office.

15          SECTION 6. Section 487.029, Government Code, is amended to  
16 read as follows:

17          Sec. 487.029. STANDARDS OF CONDUCT. The executive director  
18 or the executive director's designee shall provide to members of  
19 the board [~~executive committee~~] and to agency employees, as often  
20 as necessary, information regarding the requirements for office or  
21 employment under this chapter, including information regarding a  
22 person's responsibilities under applicable laws relating to  
23 standards of conduct for state officers or employees.

24          SECTION 7. Section 487.051, Government Code, is amended to  
25 read as follows:

26          Sec. 487.051. POWERS AND DUTIES. The office shall:

27               (1) assist rural communities in the key areas of

1 economic development, community development, rural health, and  
2 natural resources [~~develop a rural policy for the state in~~  
3 ~~consultation with local leaders representing all facets of rural~~  
4 ~~community life, academic and industry experts, and state elected~~  
5 ~~and appointed officials with interests in rural communities~~];

6 (2) serve as a clearinghouse for information and  
7 resources on all state and federal programs affecting rural  
8 communities [~~work with other state agencies and officials to~~  
9 ~~improve the results and the cost-effectiveness of state programs~~  
10 ~~affecting rural communities through coordination of efforts~~];

11 (3) in consultation with rural community leaders,  
12 locally elected officials, state elected and appointed officials,  
13 academic and industry experts, and the interagency work group  
14 created under this chapter, identify and prioritize policy issues  
15 and concerns affecting rural communities in the state [~~develop~~  
16 ~~programs to improve the leadership capacity of rural community~~  
17 ~~leaders~~];

18 (4) make recommendations to the legislature to address  
19 the concerns affecting rural communities identified under  
20 Subdivision (3);

21 (5) monitor developments that have a substantial  
22 effect on rural Texas communities, especially actions of state  
23 government, and compile an annual report describing and evaluating  
24 the condition of rural communities;

25 (6) [~~(5)~~] administer the federal community  
26 development block grant nonentitlement program;

27 (7) [~~(6)~~] administer programs supporting rural health



1 care as provided by this chapter;

2 (8) [~~(7)~~] perform research to determine the most  
3 beneficial and cost-effective ways to improve the welfare of rural  
4 communities;

5 (9) [~~(8)~~] ensure that the office qualifies as the  
6 state's office of rural health for the purpose of receiving grants  
7 from the Office of Rural Health Policy of the United States  
8 Department of Health and Human Services under 42 U.S.C. Section  
9 254r;

10 (10) [~~(9)~~] manage the state's Medicare rural hospital  
11 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

12 (11) [~~(10)~~] seek state and federal money available for  
13 economic development in rural areas for programs under this  
14 chapter;

15 (12) require office employees who work at locations  
16 other than the central office to be based in Department of  
17 Agriculture offices; and

18 (13) in conjunction with the Department of  
19 Agriculture, regularly cross-train office employees with employees  
20 of the Department of Agriculture regarding the programs  
21 administered and services provided by each agency to rural  
22 communities.

23 SECTION 8. Section 487.052, Government Code, is amended to  
24 read as follows:

25 Sec. 487.052. RULES. The board [~~executive committee~~] may  
26 adopt rules as necessary to implement this chapter.

27 SECTION 9. Section 487.053(b), Government Code, is amended

1 to read as follows:

2 (b) All gifts, grants, and donations must be accepted in an  
3 open meeting by a majority of the voting members of the board  
4 [~~executive committee~~] and reported in the public record of the  
5 meeting with the name of the donor and purpose of the gift, grant,  
6 or donation.

7 SECTION 10. Section 487.054(b), Government Code, is amended  
8 to read as follows:

9 (b) The board [~~executive committee~~] shall call the annual  
10 meeting. The board [~~executive committee~~] shall set the time and  
11 date of the meeting after consulting with the agency heads listed in  
12 Subsection (a).

13 SECTION 11. Section 487.055, Government Code, is amended to  
14 read as follows:

15 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~  
16 ~~committee~~] may appoint advisory committees as necessary to assist  
17 the board [~~executive committee~~] in performing its duties. An  
18 advisory committee may be composed of private citizens and  
19 representatives from state and local governmental entities. A  
20 state or local governmental entity shall appoint a representative  
21 to an advisory committee at the request of the board [~~executive~~  
22 ~~committee~~]. Chapter 2110 does not apply to an advisory committee  
23 created under this section.

24 SECTION 12. Section 487.057(b), Government Code, is amended  
25 to read as follows:

26 (b) The office shall submit the rural health work plan to  
27 the board [~~executive committee~~] for approval. The board [~~executive~~

1 ~~committee~~] shall approve the rural health work plan not later than  
2 August 1 of each odd-numbered year.

3 SECTION 13. Sections 487.059(b), (c), (e), (f), and (g),  
4 Government Code, are amended to read as follows:

5 (b) If a member of the board [~~executive committee~~] or a  
6 [~~another~~] committee established under this chapter, including an  
7 advisory committee, has a financial interest in an entity that  
8 applies for a monetary award, the board or committee member shall,  
9 before a vote on the monetary award, disclose the fact of the board  
10 or committee member's financial interest. The board or committee  
11 shall enter the disclosure into the minutes of the meeting at which  
12 a vote on the monetary award is taken. The board or committee  
13 member may not vote on or otherwise participate in a discussion or  
14 any other activity that relates to awarding the monetary award. If  
15 the board or committee member does not comply with this subsection,  
16 the entity is not eligible for the monetary award.

17 (c) If the executive director or another office employee has  
18 a financial interest in an entity that applies for a monetary award,  
19 the executive director or employee:

20 (1) shall, as soon as possible, disclose to the board  
21 [~~executive committee~~] the fact of the director's or employee's  
22 financial interest;

23 (2) may not participate in staff evaluations regarding  
24 the monetary award; and

25 (3) if the executive director or employee under office  
26 procedures may [~~has a~~] vote, or make a recommendation concerning a  
27 vote, on a matter that involves the monetary award:

1 (A) shall disclose the fact of the director's or  
2 employee's financial interest before a vote on the monetary award,  
3 which the board or committee shall enter into the minutes of the  
4 meeting at which a vote on the monetary award is taken; and

5 (B) may not vote on or otherwise participate in a  
6 discussion or any other activity that relates to awarding the  
7 monetary award.

8 (e) Subsections (f) and (g) apply only to a member of the  
9 board or a ~~[executive]~~ committee who is employed by:

10 (1) an entity that offers to enter into a contract with  
11 the office; or

12 (2) an entity that is under common ownership or  
13 governance with or otherwise affiliated with an entity that applies  
14 for a monetary award or offers to enter into a contract with the  
15 office.

16 (f) The board or ~~[executive]~~ committee member shall, before  
17 a vote on the monetary award or contract, disclose the fact of the  
18 member's employment by the entity. The board or ~~[executive]~~  
19 committee shall enter the disclosure into the minutes of the  
20 meeting at which a vote on the monetary award or contract is taken.  
21 The board or ~~[executive]~~ committee member may not vote on or  
22 otherwise participate in a discussion or any other activity that  
23 relates to awarding the monetary award or contract.

24 (g) If the board or ~~[executive]~~ committee member does not  
25 comply with Subsection (f), the entity is not eligible to be awarded  
26 the monetary award or contract.

27 SECTION 14. Sections 487.103(a), (b), and (c), Government

1 Code, are amended to read as follows:

2 (a) The selection committee shall advise the board  
3 [~~executive committee~~] on the progress of the program.

4 (b) The selection committee is composed of 12 members  
5 appointed by the board [~~executive committee~~].

6 (c) The board [~~executive committee~~] shall consider  
7 geographical representation in making appointments to the  
8 selection committee.

9 SECTION 15. Sections 487.104(b) and (d), Government Code,  
10 are amended to read as follows:

11 (b) The selection committee shall make selections based on  
12 criteria approved by the board [~~executive committee~~] and adopted as  
13 a rule of the office.

14 (d) The selection committee shall recommend to the board  
15 [~~executive committee~~] guidelines to be used by rural communities in  
16 the selection of students for nomination and sponsorship as  
17 outstanding rural scholars.

18 SECTION 16. Section 487.107, Government Code, is amended to  
19 read as follows:

20 Sec. 487.107. AWARDING OF LOANS. (a) The selection  
21 committee shall recommend to the state review [~~executive~~] committee  
22 guidelines for the awarding of forgivable loans to outstanding  
23 rural scholars.

24 (b) The state review [~~executive~~] committee, acting on the  
25 advice of the selection committee, shall award forgivable loans to  
26 outstanding rural scholars based on the availability of money in  
27 the fund.

1 (c) If in any year the fund is inadequate to provide loans to  
2 all eligible applicants, the state review [~~executive~~] committee  
3 shall award forgivable loans on a priority basis according to the  
4 applicants' academic performance, test scores, and other criteria  
5 of eligibility.

6 SECTION 17. Section 487.108(a), Government Code, is amended  
7 to read as follows:

8 (a) On confirmation of an outstanding rural scholar's  
9 admission to a postsecondary educational institution, or on receipt  
10 of an enrollment report of the scholar at a postsecondary  
11 educational institution, and a certification of the amount of  
12 financial support needed, the selection committee annually shall  
13 recommend to the state review [~~executive~~] committee that the state  
14 review committee award a forgivable loan to the scholar in the  
15 amount of 50 percent of the cost of the scholar's tuition, fees,  
16 educational materials, and living expenses.

17 SECTION 18. Sections 487.109(b), (c), and (d), Government  
18 Code, are amended to read as follows:

19 (b) The sponsoring community shall report to the board  
20 [~~executive committee~~] the length of time the scholar practices as a  
21 health care professional in the community.

22 (c) If the board [~~executive committee~~] finds that a  
23 sponsoring community is not in need of the scholar's services and  
24 that the community is willing to forgive repayment of the principal  
25 balance and interest of the scholar's loan, the board [~~executive~~  
26 ~~committee~~] by rule may provide for the principal balance and  
27 interest of one year of the scholar's loan to be forgiven for each

1 year the scholar practices in another rural community in this  
2 state.

3 (d) Any amount of loan principal or interest that is not  
4 forgiven under this section shall be repaid to the office with  
5 reasonable collection fees in a timely manner as provided by board  
6 [~~executive committee~~] rule.

7 SECTION 19. Section 487.112, Government Code, is amended to  
8 read as follows:

9 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The  
10 board [~~executive committee~~] shall adopt reasonable rules to enforce  
11 the requirements, conditions, and limitations under this  
12 subchapter.

13 (b) The board [~~executive committee~~] shall set the rate of  
14 interest charged on a forgivable loan under this subchapter.

15 (c) The board [~~executive committee~~] shall adopt rules  
16 necessary to ensure compliance with the federal Civil Rights Act of  
17 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination  
18 in admissions.

19 SECTION 20. Section 487.154, Government Code, is amended to  
20 read as follows:

21 Sec. 487.154. LOANS. (a) The state review [~~executive~~]  
22 committee may award forgivable educational loans to eligible  
23 students under this subchapter.

24 (b) The state review [~~executive~~] committee may award  
25 forgivable loans to eligible students based on the availability of  
26 money in the fund.

27 (c) If in any year the fund is inadequate to provide loans to

1 all eligible students, the state review [~~executive~~] committee may  
2 award forgivable loans on a priority basis according to the  
3 students' academic performance, test scores, and other criteria of  
4 eligibility.

5 SECTION 21. Section 487.155(a), Government Code, is amended  
6 to read as follows:

7 (a) To be eligible to receive a loan under this subchapter,  
8 a student must:

9 (1) be sponsored by an eligible community;

10 (2) at the time of the application for the loan, be  
11 enrolled in high school or enrolled or accepted for enrollment in a  
12 postsecondary educational institution in this state;

13 (3) meet academic requirements as established by the  
14 board [~~executive committee~~];

15 (4) plan to complete a health care professional degree  
16 or certificate program;

17 (5) plan to practice as a health care professional in a  
18 qualified area of the state; and

19 (6) meet other requirements as established by the  
20 board [~~executive committee~~].

21 SECTION 22. Section 487.156(c), Government Code, is amended  
22 to read as follows:

23 (c) The board [~~executive committee~~] shall determine the  
24 percentage of educational expenses communities are required to  
25 provide under this section.

26 SECTION 23. Section 487.157(a), Government Code, is amended  
27 to read as follows:



1 (a) On confirmation of an eligible student's admission to a  
2 postsecondary educational institution, or on receipt of an  
3 enrollment report of the student at a postsecondary educational  
4 institution, and certification of the amount of financial support  
5 needed, the state review [~~executive~~] committee may award a  
6 forgivable loan to the student in the amount of not more than the  
7 cost of the student's tuition, fees, educational materials, and  
8 living expenses.

9 SECTION 24. Section 487.158(b), Government Code, is amended  
10 to read as follows:

11 (b) The contract must provide that if the student does not  
12 provide the required services to the community or provides those  
13 services for less than the required time, the student is personally  
14 liable to the state for:

15 (1) the total amount of assistance the student  
16 receives from the office and the sponsoring community;

17 (2) interest on the total amount at a rate set by the  
18 board [~~executive committee~~]; and

19 (3) the state's reasonable expenses incurred in  
20 obtaining payment, including reasonable attorney's fees.

21 SECTION 25. Section 487.159(b), Government Code, is amended  
22 to read as follows:

23 (b) If the board [~~executive committee~~] finds that a  
24 sponsoring community is not in need of the student's services and  
25 that the community is willing to forgive repayment of the principal  
26 balance and interest of the student's loan, the board [~~executive~~  
27 ~~committee~~] by rule may provide for the principal balance and

1 interest of the student's loan to be forgiven if the student  
2 provides services in another qualified area in this state.

3 SECTION 26. Sections 487.161(b) and (c), Government Code,  
4 are amended to read as follows:

5 (b) The sponsoring community shall report to the board  
6 [~~executive committee~~] the length of time the student provides  
7 health care services in the community in accordance with the  
8 guidelines established by the board [~~executive committee~~].

9 (c) A postsecondary educational institution shall provide  
10 to the board [~~executive committee~~] a copy of the academic  
11 transcript of each student for whom the institution has received a  
12 release that complies with state and federal open records laws and  
13 that authorizes the provision of the transcript.

14 SECTION 27. Section 487.163, Government Code, is amended to  
15 read as follows:

16 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~  
17 ~~committee~~] shall adopt reasonable rules to enforce the  
18 requirements, conditions, and limitations of this subchapter.

19 (b) The board [~~executive committee~~] shall set the rate of  
20 interest charged on a forgivable loan under this subchapter.

21 (c) The board [~~executive committee~~] shall adopt rules  
22 necessary to ensure compliance with the federal Civil Rights Act of  
23 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination  
24 in admissions.

25 SECTION 28. Sections 487.202, 487.203, and 487.204,  
26 Government Code, are amended to read as follows:

27 Sec. 487.202. PROGRAM. (a) The board [~~executive~~

1 ~~committee~~] shall establish and administer a program under this  
2 subchapter to increase the number of physicians providing primary  
3 care in medically underserved communities.

4 (b) A medically underserved community may sponsor a  
5 physician who has completed a primary care residency program and  
6 has agreed to provide primary care in the community by contributing  
7 start-up money for the physician and having that contribution  
8 matched wholly or partly by state money appropriated to the office  
9 ~~[executive committee]~~ for that purpose.

10 (c) A participating medically underserved community may  
11 provide start-up money to an eligible physician over a two-year  
12 period.

13 (d) The office ~~[executive committee]~~ may not pay more than  
14 \$25,000 to a community in a fiscal year unless the state review  
15 ~~[executive]~~ committee makes a specific finding of need by the  
16 community.

17 (e) The board ~~[executive committee]~~ shall establish  
18 priorities so that the neediest communities eligible for assistance  
19 under this subchapter are assured the receipt of a grant.

20 Sec. 487.203. ELIGIBILITY. To be eligible to receive money  
21 from the office ~~[executive committee]~~, a medically underserved  
22 community must:

- 23 (1) apply for the money; and  
24 (2) provide evidence satisfactory to the board  
25 ~~[executive committee]~~ that it has entered into an agreement with a  
26 physician for the physician to provide primary care in the  
27 community for at least two years.

1           Sec. 487.204. RULES. The board [~~executive committee~~] shall  
2 adopt rules necessary for the administration of this subchapter,  
3 including rules addressing:

4           (1) eligibility criteria for a medically underserved  
5 community;

6           (2) eligibility criteria for a physician;

7           (3) minimum and maximum community contributions to the  
8 start-up money for a physician to be matched with state money;

9           (4) conditions under which state money must be repaid  
10 by a community or physician;

11           (5) procedures for disbursement of money by the office  
12 [~~executive committee~~];

13           (6) the form and manner in which a community must make  
14 its contribution to the start-up money; and

15           (7) the contents of an agreement to be entered into by  
16 the parties, which must include at least:

17                   (A) a credit check for an eligible physician; and

18                   (B) community retention of interest in any  
19 property, equipment, or durable goods for seven years.

20           SECTION 29. Section 487.252, Government Code, is amended to  
21 read as follows:

22           Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The  
23 board [~~executive committee~~] shall establish a program in the office  
24 to assist communities in recruiting and retaining physicians to  
25 practice in medically underserved areas.

26           (b) The board [~~executive committee~~] by rule shall  
27 establish:

- 1 (1) eligibility criteria for applicants;
- 2 (2) stipend application procedures;
- 3 (3) guidelines relating to stipend amounts;
- 4 (4) procedures for evaluating stipend applications;
- 5 and
- 6 (5) a system of priorities relating to the:
  - 7 (A) geographic areas covered;
  - 8 (B) medical specialties eligible to receive
  - 9 funding under the program; and
  - 10 (C) level of stipend support.

11 SECTION 30. Section 487.253(a), Government Code, is amended  
12 to read as follows:

13 (a) The board [~~executive committee~~] shall adopt rules  
14 necessary to administer this subchapter, and the office shall  
15 administer the program in accordance with those rules.

16 SECTION 31. Section 487.351, Government Code, is amended by  
17 adding Subsection (c) to read as follows:

18 (c) The office shall give priority to eligible activities in  
19 the areas of economic development, community development, rural  
20 health, and natural resources in awarding funding for community  
21 development block grant programs.

22 SECTION 32. Subchapter I, Chapter 487, Government Code, is  
23 amended by adding Section 487.3515 to read as follows:

24 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK  
25 GRANT PROGRAM. (a) The office, in consultation with the Department  
26 of Agriculture, shall review and evaluate the administration of the  
27 state's allocation of federal funds under the community development

1 block grant nonentitlement program and, based on the results of the  
2 evaluation, streamline administration of the program and program  
3 requirements. The office shall, at a minimum, evaluate:

4 (1) combining program fund categories, within  
5 allowable limits provided by state statute, the General  
6 Appropriations Act, and federal law and regulations;

7 (2) simplifying the grant application and scoring  
8 process; and

9 (3) regularly reviewing and closing out aged  
10 contracts.

11 (b) The office shall implement program changes resulting  
12 from the evaluation that do not require statutory changes as soon as  
13 possible, but not later than the date the office publishes the next  
14 community development block grant nonentitlement program action  
15 plan.

16 (c) The office shall include the findings from the  
17 evaluation, program changes resulting from the evaluation, and any  
18 statutory changes needed to make additional changes in the agency's  
19 biennial report to the 81st Legislature.

20 (d) This section expires September 1, 2009.

21 SECTION 33. Section 487.353, Government Code, is  
22 transferred to Subchapter C, Chapter 487, Government Code,  
23 redesignated as Section 487.062, Government Code, and amended to  
24 read as follows:

25 Sec. 487.062 [~~487.353~~]. STATE [~~COMMUNITY DEVELOPMENT~~]  
26 REVIEW COMMITTEE. (a) The state [~~community development~~] review  
27 committee is composed of 12 members appointed by the governor.

1 (b) A committee member must be:

2 (1) a member of the governing body of a county or  
3 municipality eligible for funding under the office's programs  
4 [~~community development block grant program~~]; or

5 (2) a county or municipal employee who is a supervisor  
6 and whose regular duties include involvement in [~~community~~  
7 ~~development~~] activities funded by the office.

8 (c) The ratio of county officials serving as committee  
9 members to all committee members may not exceed the ratio of all  
10 counties eligible for funding under programs administered by the  
11 office [~~the community development block grant program~~] to all  
12 eligible applicants.

13 (d) The governor shall designate the presiding officer of  
14 the committee, who serves at the governor's pleasure.

15 (e) Committee members serve two-year terms expiring  
16 February 1 of each odd-numbered year.

17 (f) A committee member serves without compensation for  
18 service on the committee, but is entitled to reimbursement for  
19 reasonable and necessary expenses incurred in performing the  
20 member's duties.

21 (g) Service on the committee by an officer or employee of a  
22 county or municipality is an additional duty of the individual's  
23 office or employment and is not dual office holding.

24 (h) The committee shall meet at least twice annually at the  
25 executive director's call.

26 (i) The committee shall:

27 (1) consult with and advise the executive director on

1 the administration and enforcement of office programs [~~the~~  
2 ~~community development block grant program~~]; and

3 (2) in consultation with the executive director and  
4 office staff, review and approve grant and loan [~~funding~~]  
5 applications and associated funding awards for all office programs  
6 [~~of eligible counties and municipalities and advise and assist the~~  
7 ~~executive director regarding the allocation of program funds to~~  
8 ~~those applicants~~].

9 (j) The committee may annually recommend to the executive  
10 director a formula for allocating funds to each geographic state  
11 planning region established by the governor under Chapter 391,  
12 Local Government Code. The formula must give preference to regions  
13 according to the regions' needs.

14 (k) An applicant for a grant, loan, or award under an office  
15 program may appeal a decision of the committee by filing a complaint  
16 with the board. The board shall hold a hearing on a complaint filed  
17 with the board under this subsection and render a decision.

18 (l) The committee is a governmental body for purposes of the  
19 open meetings law, Chapter 551.

20 SECTION 34. Section 487.401, Government Code, is amended to  
21 read as follows:

22 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~  
23 ~~committee~~] shall adopt rules that establish a procedure for  
24 designating a hospital as a rural hospital in order for the hospital  
25 to qualify for federal funds under 42 C.F.R. Part 412.

26 (b) At the hospital's request, the office shall designate  
27 the hospital as a rural hospital if the hospital meets the



1 requirements for a rural hospital under the board's [~~executive~~  
2 ~~committee's~~] rules.

3 SECTION 35. Section 487.451(1), Government Code, is amended  
4 to read as follows:

5 (1) "Health care professional" means:

- 6 (A) an advanced nurse practitioner;
- 7 (B) a dentist;
- 8 (C) a dental hygienist;
- 9 (D) a laboratory technician;
- 10 (E) a licensed vocational nurse;
- 11 (F) a licensed professional counselor;
- 12 (G) a medical radiological technologist;
- 13 (H) an occupational therapist;
- 14 (I) a pharmacist;
- 15 (J) a physical therapist;
- 16 (K) a physician;
- 17 (L) a physician assistant;
- 18 (M) a psychologist;
- 19 (N) a registered nurse;
- 20 (O) a social worker;
- 21 (P) a speech-language pathologist;
- 22 (Q) a veterinarian;
- 23 (R) a chiropractor; and
- 24 (S) another appropriate health care professional

25 identified by the board [~~executive committee~~].

26 SECTION 36. Section 487.452(a), Government Code, is amended  
27 to read as follows:

1           (a) The board [~~executive committee~~], in collaboration with  
2 Area Health Education Center Programs, shall establish a community  
3 healthcare awareness and mentoring program for students to:

4           (1) identify high school students in rural and  
5 underserved urban areas who are interested in serving those areas  
6 as health care professionals;

7           (2) identify health care professionals in rural and  
8 underserved urban areas to act as positive role models, mentors, or  
9 reference resources for the interested high school students;

10          (3) introduce interested high school students to the  
11 spectrum of professional health care careers through activities  
12 such as health care camps and shadowing of health care  
13 professionals;

14          (4) encourage a continued interest in service as  
15 health care professionals in rural and underserved urban areas by  
16 providing mentors and community resources for students  
17 participating in training or educational programs to become health  
18 care professionals; and

19          (5) provide continuing community-based support for  
20 students during the period the students are attending training or  
21 educational programs to become health care professionals,  
22 including summer job opportunities and opportunities to mentor high  
23 school students in the community.

24          SECTION 37. Section 487.454, Government Code, is amended to  
25 read as follows:

26          Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to  
27 available funds, the board [~~executive committee~~] shall develop and

1 implement, as a component of the program, a grant program to support  
2 employment opportunities in rural and underserved urban areas in  
3 this state for students participating in training or educational  
4 programs to become health care professionals.

5 (b) In awarding grants under the program, the state review  
6 ~~[executive]~~ committee shall give first priority to grants to  
7 training or educational programs that provide internships to  
8 students.

9 (c) To be eligible to receive a grant under the grant  
10 program, a person must:

11 (1) apply for the grant on a form adopted by the board  
12 ~~[executive committee]~~;

13 (2) be enrolled or intend to be enrolled in a training  
14 or educational program to become a health care professional;

15 (3) commit to practice or work, after licensure as a  
16 health care professional, for at least one year as a health care  
17 professional in a rural or underserved urban area in this state; and

18 (4) comply fully with any practice or requirements  
19 associated with any scholarship, loan, or other similar benefit  
20 received by the student.

21 (d) As a condition of receiving a grant under the program  
22 the student must agree to repay the amount of the grant, plus a  
23 penalty in an amount established by rule of the board ~~[executive~~  
24 ~~committee]~~ not to exceed two times the amount of the grant, if the  
25 student becomes licensed as a health care professional and fails to  
26 practice or work for at least one year as a health care professional  
27 in a rural or underserved urban area in this state.

1 SECTION 38. Section 487.553, Government Code, is amended to  
2 read as follows:

3 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board  
4 [~~executive committee~~] shall establish a program in the office to  
5 assist communities in recruiting health professionals to practice  
6 in medically underserved communities by providing loan  
7 reimbursement for health professionals who serve in those  
8 communities.

9 SECTION 39. Section 487.554(a), Government Code, is amended  
10 to read as follows:

11 (a) The board [~~executive committee~~] shall establish a  
12 program in the office to assist communities in recruiting health  
13 professionals to practice in medically underserved communities by  
14 providing a stipend to health professionals who agree to serve in  
15 those communities.

16 SECTION 40. Section 487.555(e), Government Code, is amended  
17 to read as follows:

18 (e) A contract under this section must provide that a health  
19 professional who does not provide the required services to the  
20 community or provides those services for less than the required  
21 time is personally liable to the state for:

22 (1) the total amount of assistance the health  
23 professional received from the office and the medically underserved  
24 community;

25 (2) interest on the amount under Subdivision (1) at a  
26 rate set by the board [~~executive committee~~];

27 (3) the state's reasonable expenses incurred in

1 obtaining payment, including reasonable attorney's fees; and

2 (4) a penalty as established by the board [~~executive~~  
3 ~~committee~~] by rule to help ensure compliance with the contract.

4 SECTION 41. Section 487.556, Government Code, is amended to  
5 read as follows:

6 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board  
7 [~~executive committee~~] shall adopt rules necessary for the  
8 administration of this subchapter, including guidelines for:

9 (1) developing contracts under which loan  
10 reimbursement or stipend recipients provide services to qualifying  
11 communities;

12 (2) identifying the duties of the state, state agency,  
13 loan reimbursement or stipend recipient, and medically underserved  
14 community under the loan reimbursement or stipend contract;

15 (3) determining a rate of interest to be charged under  
16 Section 487.555(e)(2);

17 (4) ensuring that a loan reimbursement or stipend  
18 recipient provides access to health services to participants in  
19 government-funded health benefits programs in qualifying  
20 communities;

21 (5) encouraging the use of telecommunications or  
22 telemedicine, as appropriate;

23 (6) prioritizing the provision of loan reimbursements  
24 and stipends to health professionals who are not eligible for any  
25 other state loan forgiveness, loan repayment, or stipend program;

26 (7) prioritizing the provision of loan reimbursements  
27 and stipends to health professionals who are graduates of health

1 professional degree programs in this state;

2 (8) encouraging a medically underserved community  
3 served by a loan reimbursement or stipend recipient to contribute  
4 to the cost of the loan reimbursement or stipend when making a  
5 contribution is feasible; and

6 (9) requiring a medically underserved community  
7 served by a loan reimbursement or stipend recipient to assist the  
8 office in contracting with the loan reimbursement or stipend  
9 recipient who will serve that community.

10 (b) The board [~~executive committee~~] by rule may designate  
11 areas of the state as medically underserved communities.

12 (c) The board [~~executive committee~~] shall make reasonable  
13 efforts to contract with health professionals from a variety of  
14 different health professions.

15 SECTION 42. Section 487.608(a), Government Code, is amended  
16 to read as follows:

17 (a) The rural physician relief advisory committee is  
18 composed of the following members appointed by the board [~~executive  
19 committee~~]:

20 (1) a physician who practices in the area of general  
21 family medicine in a rural county;

22 (2) a physician who practices in the area of general  
23 internal medicine in a rural county;

24 (3) a physician who practices in the area of general  
25 pediatrics in a rural county;

26 (4) a representative from an accredited Texas medical  
27 school;

1           (5) a program director from an accredited primary care  
2 residency program;

3           (6) a representative from the Texas Higher Education  
4 Coordinating Board; and

5           (7) a representative from the Texas [~~State Board of~~  
6 Medical Board [~~Examiners~~].

7           SECTION 43. Section 110.003(a), Health and Safety Code, is  
8 amended to read as follows:

9           (a) The Rural Foundation is governed by a board of five  
10 directors appointed by the board [~~executive committee~~] of the  
11 Office of Rural Community Affairs from individuals recommended by  
12 the executive director of the Office of Rural Community Affairs.

13           SECTION 44. Section 110.010, Health and Safety Code, is  
14 amended to read as follows:

15           Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural  
16 Foundation and the Office of Rural Community Affairs shall enter  
17 into a memorandum of understanding that:

18           (1) requires the board of directors and staff of the  
19 foundation to report to the executive director and board [~~executive~~  
20 ~~committee~~] of the Office of Rural Community Affairs;

21           (2) allows the Office of Rural Community Affairs to  
22 provide staff functions to the foundation;

23           (3) allows the Office of Rural Community Affairs to  
24 expend funds on the foundation; and

25           (4) outlines the financial contributions to be made to  
26 the foundation from funds obtained from grants and other sources.

27           SECTION 45. (a) The nine members of the executive committee

1 of the Office of Rural Community Affairs who are serving  
2 immediately before September 1, 2007, continue to serve as members  
3 of the governing board of the office on and after that date  
4 regardless of whether those members meet the membership  
5 requirements prescribed by Subchapter B, Chapter 487, Government  
6 Code, as amended by this Act. However, the positions of those nine  
7 members are abolished on the date on which a majority of the 11  
8 board membership positions that are created under Section 487.021,  
9 Government Code, as amended by this Act, are filled and the  
10 appointees qualify for office.

11 (b) The governor, lieutenant governor, and speaker of the  
12 house shall make the 10 appointments to the board under Section  
13 487.021, Government Code, as amended by this Act, as soon as  
14 possible on or after September 1, 2007. In making the initial  
15 appointments, the governor shall designate two members for terms  
16 expiring February 1, 2009, one member for a term expiring February  
17 1, 2011, and one member for a term expiring February 1, 2013. In  
18 making the initial appointments, the lieutenant governor and  
19 speaker of the house shall each designate one nonlegislative member  
20 for a term expiring February 1, 2011, and one nonlegislative member  
21 for a term expiring February 1, 2013. Any person who served as a  
22 member of the executive committee before September 1, 2007, may be  
23 appointed to the board.

24 SECTION 46. This Act takes effect immediately if it  
25 receives a vote of two-thirds of all the members elected to each  
26 house, as provided by Section 39, Article III, Texas Constitution.  
27 If this Act does not receive the vote necessary for immediate



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1 effect, this Act takes effect September 1, 2007.