

House Bill 2542
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SECTION 1. Section 487.001(1), Government Code, is amended to read as follows:

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

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

Sec. 487.002. SUNSET PROVISION. The Office of Rural Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished and this chapter expires September 1, **2015** [~~2007~~].

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

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~].

(a) The board [~~executive committee~~] is the governing body of the office.

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

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

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

(B) two public members each of whom resides in a rural

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

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

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

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~].

(a) The board [~~executive committee~~] is the governing body of the office.

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

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

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

(B) two public members each of whom resides in a rural

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city or county;

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

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

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

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

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

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

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

(b-1) The two board members who are members of the legislature are nonvoting members.

(c) In this section, "rural city or county" means a rural city or county as defined by the federal community development block grant nonentitlement program. ~~[The governor, the lieutenant governor, and the speaker of the house of representatives shall each appoint at least two members who possess a strong understanding of and commitment to rural interests based on the individual's~~

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city or county;

(2) three public members appointed by the ~~[lieutenant]~~ governor from a list of nominees submitted by the lieutenant governor; ~~and~~

(3) three public members appointed by the governor from a list of nominees submitted by the speaker of the house of representatives; and

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

(b-1) The individuals nominated by the lieutenant governor and the speaker of the house of representatives must reside in a rural city or county and be interested in rural issues. In making an appointment under Subsection (b)(2) or (3), the governor may reject one or more of the nominees on a list submitted by the lieutenant governor or the speaker of the house of representatives and request a new list of different nominees.

(c) In this section, "rural city or county" means a rural city or county as defined by the federal community development block grant nonentitlement program. ~~[The governor, the lieutenant governor, and the speaker of the house of representatives shall each appoint at least two members who possess a strong understanding of and commitment to rural interests based on the individual's~~

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~~personal history, including residency, occupation, and business or civic activities.]~~

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

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

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

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

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

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

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~~personal history, including residency, occupation, and business or civic activities.]~~

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

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

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

(g) The commissioner of agriculture or the commissioner's designee shall serve as ~~[members of]~~ the presiding officer ~~[executive committee annually shall elect a]~~ presiding officer ~~[from among the members]~~ of the board ~~[executive committee].~~

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

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

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

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

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

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

Sec. 487.023. TRAINING FOR MEMBERS OF BOARD [~~EXECUTIVE COMMITTEE~~]. (a) A person who is appointed to and qualifies for office as a member of the board [~~executive committee~~] may not vote, deliberate, or be counted as a member in attendance at a

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meeting of the board [~~executive committee~~] until the person completes a training program that complies with this section.

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

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

(2) the programs, [~~operated by the office~~;

~~(3) the role and~~] functions, [~~of the office~~;

~~(4) the~~] rules, [~~of the office, with an emphasis on any rules that relate to disciplinary~~] and [~~investigatory authority~~;

~~(5) the current~~] budget of [~~for~~] the office;

~~(3)~~ [~~(6)~~] the results of the most recent formal audit of the office;

~~(4)~~ [~~(7)~~] the requirements of laws relating to[-

~~(A) the~~] open meetings [~~law~~], [~~Chapter 551~~;

~~(B) the~~] public information [~~law~~], [~~Chapter 552~~;

~~(C) the~~] administrative procedure [~~law~~], [~~Chapter 2001~~]; and conflicts of interest

~~(D) other laws relating to public officials, including conflict of interest laws~~]; and

~~(5)~~ [~~(8)~~] any applicable ethics policies adopted by the office [~~executive committee~~] or the Texas Ethics Commission.

(c) A person appointed to the board [~~executive committee~~] is entitled to reimbursement, as provided by [~~general law and~~] the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the

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program occurs before or after the person qualifies for office.

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

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

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

(3) is ineligible for membership under Section 487.022;

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

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

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

(c) If the executive director has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the board [~~executive committee~~] of the potential ground. The presiding officer shall then notify the appointing authority [~~governor~~] and the attorney general that a potential ground for removal exists. If the potential

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ground for removal involves the presiding officer, the executive director shall notify the next highest ranking officer of the board [~~executive committee~~], who shall then notify the appointing authority [~~governor~~] and the attorney general that a potential ground for removal exists.

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

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

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

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

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

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

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

Same as House version.

SECTION 7. Section 487.030, Government Code, is amended to read as follows:

Sec. 487.030. COMPLAINTS. (a) The office shall maintain a system to promptly and efficiently act on complaints [~~file on each written complaint~~] filed with the office. The office shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition [~~The file must include:~~

- [~~(1) the name of the person who filed the complaint;~~
- [~~(2) the date the complaint is received by the office;~~
- [~~(3) the subject matter of the complaint;~~
- [~~(4) the name of each person contacted in relation to the complaint;~~
- [~~(5) a summary of the results of the review or investigation of the complaint; and~~

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~~[(6) an explanation of the reason the file was closed, if the office closed the file without taking action other than to investigate the complaint].~~

(b) The office shall make information available describing its ~~[provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the office's policies and]~~ procedures for ~~[relating to]~~ complaint investigation and resolution.

(c) The office~~[- at least quarterly until final disposition of the complaint,]~~ shall periodically notify the complaint parties ~~[person filing the complaint and each person who is a subject of the complaint]~~ of the status of the complaint until final disposition ~~[investigation unless the notice would jeopardize an undercover investigation].~~

SECTION 8. Subchapter B, Chapter 487, Government Code, is amended by adding Sections 487.031 and 487.032 to read as follows:

Sec. 487.031. USE OF TECHNOLOGY. The board shall implement a policy requiring the office to use appropriate technological solutions to improve the office's ability to perform its functions. The policy must ensure that the public is able to interact with the office on the Internet.

Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter

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2008 for the adoption of office rules; and
(2) appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal and external disputes under the office's jurisdiction.
(b) The office's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.
(c) The board shall designate a trained person to:
(1) coordinate the implementation of the policy adopted under Subsection (a);
(2) serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and
(3) collect data concerning the effectiveness of those procedures, as implemented by the office.

SECTION 9. Section 487.051, Government Code, is amended to read as follows:

Sec. 487.051. POWERS AND DUTIES. (a)

The office shall:

(1) assist rural communities in the key areas of economic development, community development, rural health, and rural housing [develop a rural policy for the state in consultation with local leaders representing all facets of rural community life, academic and industry experts, and state elected and appointed officials with interests in rural communities];

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

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

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

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

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

(7) [~~(6)~~] administer programs supporting rural health care as provided by this chapter;

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

(9) [~~(8)~~] ensure that the office qualifies as the state's office of rural health for the purpose of receiving grants from the Office of Rural Health Policy of the United

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States Department of Health and Human Services under 42 U.S.C. Section 254r;

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

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

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

(b) The office may require office employees who work at locations other than the central office to be based in Department of Agriculture offices.

SECTION 10. Section 487.052, Government Code, is amended to read as follows:

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

Same as House version.

SECTION 11. Section 487.053(b), Government Code, is amended to read as follows:

(b) All gifts, grants, and donations must be accepted in an open meeting by a majority of the voting members of the board ~~[executive committee]~~ and reported in the

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public record of the meeting with the name of the donor and purpose of the gift, grant, or donation.

SECTION 12. Section 487.054(b), Government Code, is amended to read as follows:

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

Same as House version.

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

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

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SECTION 14. Section 487.056, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The office shall obtain information on the availability of housing in rural communities throughout

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the state for all income levels. The office shall include the information, and the office's assessment of the information, in the office's report to the legislature.

SECTION 15. Section 487.057(b), Government Code, is amended to read as follows:

(b) The office shall submit the rural health work plan to the board [~~executive committee~~] for approval. The board [~~executive committee~~] shall approve the rural health work plan not later than August 1 of each odd-numbered year.

Same as House version.

SECTION 16. Sections 487.059(b), (c), (e), (f), and (g), Government Code, are amended to read as follows:

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

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award.

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

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

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

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

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

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

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

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

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

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

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

SECTION 17. Sections 487.103(a), (b), and (c), Government Code, are amended to read as follows:

Same as House version.

- (a) The selection committee shall advise the board [~~executive committee~~] on the progress of the program.
- (b) The selection committee is composed of 12 members appointed by the board [~~executive committee~~].
- (c) The board [~~executive committee~~] shall consider geographical representation in making appointments to the selection committee.

SECTION 18. Sections 487.104(b) and (d), Government Code, are amended to read as follows:

Same as House version.

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

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

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

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

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

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

SECTION 20. Section 487.108(a), Government Code, is amended to read as follows:

(a) On confirmation of an outstanding rural scholar's admission to a postsecondary educational institution, or on receipt of an enrollment report of the scholar at a postsecondary educational institution, and a certification

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of the amount of financial support needed, the selection committee annually shall recommend to the board [~~executive committee~~] that the board [~~committee~~] award a forgivable loan to the scholar in the amount of 50 percent of the cost of the scholar's tuition, fees, educational materials, and living expenses.

SECTION 21. Sections 487.109(b), (c), and (d), Government Code, are amended to read as follows:

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

(c) If the board [~~executive committee~~] finds that a sponsoring community is not in need of the scholar's services and that the community is willing to forgive repayment of the principal balance and interest of the scholar's loan, the board [~~executive committee~~] by rule may provide for the principal balance and interest of one year of the scholar's loan to be forgiven for each year the scholar practices in another rural community in this state.

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

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SECTION 22. Section 487.112, Government Code, is amended to read as follows:

Sec. 487.112. ADOPTION AND DISTRIBUTION OF

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RULES. (a) The board [~~executive committee~~] shall adopt reasonable rules to enforce the requirements, conditions, and limitations under this subchapter.

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

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

SECTION 23. Section 487.154, Government Code, is amended to read as follows:

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

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

(c) If in any year the fund is inadequate to provide loans to all eligible students, the board [~~executive committee~~] may award forgivable loans on a priority basis according to the students' academic performance, test scores, and other criteria of eligibility.

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SECTION 24. Section 487.155(a), Government Code, is amended to read as follows:

(a) To be eligible to receive a loan under this

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subchapter, a student must:

- (1) be sponsored by an eligible community;
- (2) at the time of the application for the loan, be enrolled in high school or enrolled or accepted for enrollment in a postsecondary educational institution in this state;
- (3) meet academic requirements as established by the board [~~executive committee~~];
- (4) plan to complete a health care professional degree or certificate program;
- (5) plan to practice as a health care professional in a qualified area of the state; and
- (6) meet other requirements as established by the board [~~executive committee~~].

SECTION 25. Section 487.156(c), Government Code, is amended to read as follows:

Same as House version.

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

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

Same as House version.

(a) On confirmation of an eligible student's admission to a postsecondary educational institution, or on receipt of an enrollment report of the student at a postsecondary educational institution, and certification of the amount of financial support needed, the board [~~executive committee~~] may award a forgivable loan to the student in

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the amount of not more than the cost of the student's tuition, fees, educational materials, and living expenses.

SECTION 27. Section 487.158(b), Government Code, is amended to read as follows:

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

- (1) the total amount of assistance the student receives from the office and the sponsoring community;
- (2) interest on the total amount at a rate set by the board [~~executive committee~~]; and
- (3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees.

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SECTION 28. Section 487.159(b), Government Code, is amended to read as follows:

(b) If the board [~~executive committee~~] finds that a sponsoring community is not in need of the student's services and that the community is willing to forgive repayment of the principal balance and interest of the student's loan, the board [~~executive committee~~] by rule may provide for the principal balance and interest of the student's loan to be forgiven if the student provides services in another qualified area in this state.

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SECTION 29. Sections 487.161(b) and (c), Government Code, are amended to read as follows:

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

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

SECTION 30. Section 487.163, Government Code, is amended to read as follows:

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

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

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

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Same as House version.

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SECTION 31. Sections 487.202, 487.203, and 487.204, Government Code, are amended to read as follows:

Sec. 487.202. PROGRAM. (a) The board [~~executive committee~~] shall establish and administer a program under this subchapter to increase the number of physicians providing primary care in medically underserved communities.

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

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

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

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

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

- (1) apply for the money; and
- (2) provide evidence satisfactory to the board [~~executive~~

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~~committee~~] that it has entered into an agreement with a physician for the physician to provide primary care in the community for at least two years.

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

- (1) eligibility criteria for a medically underserved community;
- (2) eligibility criteria for a physician;
- (3) minimum and maximum community contributions to the start-up money for a physician to be matched with state money;
- (4) conditions under which state money must be repaid by a community or physician;
- (5) procedures for disbursement of money by the office [~~executive committee~~];
- (6) the form and manner in which a community must make its contribution to the start-up money; and
- (7) the contents of an agreement to be entered into by the parties, which must include at least:
 - (A) a credit check for an eligible physician; and
 - (B) community retention of interest in any property, equipment, or durable goods for seven years.

SECTION 32. Section 487.252, Government Code, is amended to read as follows:

Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The board [~~executive committee~~] shall

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establish a program in the office to assist communities in recruiting and retaining physicians to practice in medically underserved areas.

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

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

SECTION 33. Section 487.253(a), Government Code, is amended to read as follows:

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

Same as House version.

SECTION 34. Section 487.351, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The office shall give priority to eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development in awarding funding for

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community development block grant programs.

SECTION 35. Subchapter I, Chapter 487, Government Code, is amended by adding Section 487.3515 to read as follows:

Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM. (a) The office, in consultation with the Department of Agriculture, shall review and evaluate the administration of the state's allocation of federal funds under the community development block grant nonentitlement program and, based on the results of the evaluation, streamline administration of the program and program requirements. The office shall, at a minimum, evaluate:

- (1) combining program fund categories, within allowable limits provided by state statute, the General Appropriations Act, and federal law and regulations;
- (2) simplifying the grant application and scoring process; and
- (3) regularly reviewing and closing out aged contracts.

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

(c) The office shall include the findings from the evaluation, program changes resulting from the evaluation, and any statutory changes needed to make additional changes in the agency's biennial report to the

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(d) This section expires September 1, 2009.

SECTION 36. Section 487.353, Government Code, is amended by amending Subsections (i) and (j) and adding Subsections (k) and (l) to read as follows:

(i) The committee shall:

(1) consult with and advise the executive director on the administration and enforcement of the community development block grant program; and

(2) in consultation with the executive director and office staff, review and approve grant and loan [funding] applications and associated funding awards of eligible counties and municipalities and advise and assist the executive director regarding the allocation of program funds to those applicants.

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

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

(l) The committee is a governmental body for purposes

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of the open meetings law, Chapter 551.

SECTION 37. Section 487.401, Government Code, is amended to read as follows:

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

(b) At the hospital's request, the office shall designate the hospital as a rural hospital if the hospital meets the requirements for a rural hospital under the board's [~~executive committee's~~] rules.

Same as House version.

SECTION 38. Section 487.451(1), Government Code, is amended to read as follows:

(1) "Health care professional" means:

- (A) an advanced nurse practitioner;
- (B) a dentist;
- (C) a dental hygienist;
- (D) a laboratory technician;
- (E) a licensed vocational nurse;
- (F) a licensed professional counselor;
- (G) a medical radiological technologist;
- (H) an occupational therapist;
- (I) a pharmacist;
- (J) a physical therapist;
- (K) a physician;

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- (L) a physician assistant;
- (M) a psychologist;
- (N) a registered nurse;
- (O) a social worker;
- (P) a speech-language pathologist;
- (Q) a veterinarian;
- (R) a chiropractor; and
- (S) another appropriate health care professional identified by the board [~~executive committee~~].

SECTION 39. Section 487.452(a), Government Code, is amended to read as follows:

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

- (1) identify high school students in rural and underserved urban areas who are interested in serving those areas as health care professionals;
- (2) identify health care professionals in rural and underserved urban areas to act as positive role models, mentors, or reference resources for the interested high school students;
- (3) introduce interested high school students to the spectrum of professional health care careers through activities such as health care camps and shadowing of health care professionals;
- (4) encourage a continued interest in service as health care professionals in rural and underserved urban areas

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by providing mentors and community resources for students participating in training or educational programs to become health care professionals; and
(5) provide continuing community-based support for students during the period the students are attending training or educational programs to become health care professionals, including summer job opportunities and opportunities to mentor high school students in the community.

SECTION 40. Section 487.454, Government Code, is amended to read as follows:

Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to available funds, the board [~~executive committee~~] shall develop and implement, as a component of the program, a grant program to support employment opportunities in rural and underserved urban areas in this state for students participating in training or educational programs to become health care professionals.

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

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

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

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

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professional;
(3) commit to practice or work, after licensure as a health care professional, for at least one year as a health care professional in a rural or underserved urban area in this state; and
(4) comply fully with any practice or requirements associated with any scholarship, loan, or other similar benefit received by the student.
(d) As a condition of receiving a grant under the program the student must agree to repay the amount of the grant, plus a penalty in an amount established by rule of the board [~~executive committee~~] not to exceed two times the amount of the grant, if the student becomes licensed as a health care professional and fails to practice or work for at least one year as a health care professional in a rural or underserved urban area in this state.

SECTION 41. Section 487.553, Government Code, is amended to read as follows:
Sec. 487.553. LOAN REIMBURSEMENT PROGRAM.
The board [~~executive committee~~] shall establish a program in the office to assist communities in recruiting health professionals to practice in medically underserved communities by providing loan reimbursement for health professionals who serve in those communities.

Same as House version.

SECTION 42. Section 487.554(a), Government Code, is amended to read as follows:

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

SECTION 43. Section 487.555(e), Government Code, is amended to read as follows:

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

- (1) the total amount of assistance the health professional received from the office and the medically underserved community;
- (2) interest on the amount under Subdivision (1) at a rate set by the board [~~executive committee~~];
- (3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees; and
- (4) a penalty as established by the board [~~executive committee~~] by rule to help ensure compliance with the contract.

SECTION 44. Section 487.556, Government Code, is amended to read as follows:

Sec. 487.556. POWERS AND DUTIES OF OFFICE.

(a) The board [~~executive committee~~] shall adopt rules

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Same as House version.

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necessary for the administration of this subchapter, including guidelines for:

- (1) developing contracts under which loan reimbursement or stipend recipients provide services to qualifying communities;
- (2) identifying the duties of the state, state agency, loan reimbursement or stipend recipient, and medically underserved community under the loan reimbursement or stipend contract;
- (3) determining a rate of interest to be charged under Section 487.555(e)(2);
- (4) ensuring that a loan reimbursement or stipend recipient provides access to health services to participants in government-funded health benefits programs in qualifying communities;
- (5) encouraging the use of telecommunications or telemedicine, as appropriate;
- (6) prioritizing the provision of loan reimbursements and stipends to health professionals who are not eligible for any other state loan forgiveness, loan repayment, or stipend program;
- (7) prioritizing the provision of loan reimbursements and stipends to health professionals who are graduates of health professional degree programs in this state;
- (8) encouraging a medically underserved community served by a loan reimbursement or stipend recipient to contribute to the cost of the loan reimbursement or stipend when making a contribution is feasible; and
- (9) requiring a medically underserved community served by a loan reimbursement or stipend recipient to assist the

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office in contracting with the loan reimbursement or stipend recipient who will serve that community.

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

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

SECTION 45. Section 487.608(a), Government Code, is amended to read as follows:

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

- (1) a physician who practices in the area of general family medicine in a rural county;
- (2) a physician who practices in the area of general internal medicine in a rural county;
- (3) a physician who practices in the area of general pediatrics in a rural county;
- (4) a representative from an accredited Texas medical school;
- (5) a program director from an accredited primary care residency program;
- (6) a representative from the Texas Higher Education Coordinating Board; and
- (7) a representative from the Texas [~~State Board of~~] Medical Board [~~Examiners~~].

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SECTION 46. Section 110.003(a), Health and Safety Code, is amended to read as follows:

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

Same as House version.

SECTION 47. Section 110.010, Health and Safety Code, is amended to read as follows:

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

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

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

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

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

Same as House version.

SECTION 48. (a) The nine members of the executive committee of the Office of Rural Community Affairs

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

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

SECTION 49. This Act takes effect immediately if it

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receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

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