

By: Zerwas, Kolthorst (Senate Sponsor - Deuell) H.B. No. 492  
(In the Senate - Received from the House April 27, 2009;  
May 1, 2009, read first time and referred to Committee on Health  
and Human Services; May 8, 2009, reported favorably by the  
following vote: Yeas 7, Nays 0; May 8, 2009, sent to printer.)

A BILL TO BE ENTITLED  
AN ACT

relating to the expansion of faith- and community-based health and  
human services and social services initiatives.

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

SECTION 1. (a) Subtitle I, Title 4, Government Code, is  
amended by adding Chapter 535 to read as follows:

CHAPTER 535. PROVISION OF HUMAN SERVICES AND OTHER  
SOCIAL SERVICES THROUGH FAITH- AND COMMUNITY-BASED ORGANIZATIONS  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 535.001. DEFINITIONS. In this chapter:

(1) "Community-based initiative" includes a social, health, human services, or volunteer income tax assistance initiative operated by a community-based organization.

(2) "Community-based organization" means a nonprofit corporation or association that is located in close proximity to the population the organization serves.

(3) "Faith-based initiative" means a social, health, or human services initiative operated by a faith-based organization.

(4) "Faith-based organization" means a nonprofit corporation or association that:

(A) is operated through a religious or denominational organization, including an organization that is operated for religious, educational, or charitable purposes and that is operated, supervised, or controlled, wholly or partly, by or in connection with a religious organization; or

(B) clearly demonstrates through the organization's mission statement, policies, or practices that the organization is guided or motivated by religion.

(5) "State Commission on National and Community Service" means the entity used as authorized by 42 U.S.C. Section 12638(a) to carry out the duties of a state commission under the National and Community Service Act of 1990 (42 U.S.C. Section 12501 et seq.).

Sec. 535.002. PURPOSE. The purpose of this chapter is to strengthen the capacity of faith- and community-based organizations and to forge stronger partnerships between those organizations and state government for the legitimate public purpose of providing charitable and social services to persons in this state.

Sec. 535.003. CONSTRUCTION. This chapter may not be construed to:

(1) exempt a faith- or community-based organization from any applicable state or federal law; or

(2) be an endorsement or sponsorship by this state of the religious character, expression, beliefs, doctrines, or practices of a faith-based organization.

Sec. 535.004. APPLICABILITY OF CERTAIN FEDERAL LAW. A power authorized or duty imposed under this chapter must be performed in a manner that is consistent with 42 U.S.C. Section 604a.

[Sections 535.005-535.050 reserved for expansion]

SUBCHAPTER B. GOVERNMENTAL LIAISONS FOR FAITH- AND  
COMMUNITY-BASED ORGANIZATIONS

Sec. 535.051. DESIGNATION OF FAITH- AND COMMUNITY-BASED LIAISONS. (a) The executive commissioner, in consultation with the governor, shall designate one employee from the commission and from each health and human services agency to serve as a liaison for

2-1 faith- and community-based organizations.

2-2 (b) The chief administrative officer of each of the  
 2-3 following state agencies, in consultation with the governor, shall  
 2-4 designate one employee from the agency to serve as a liaison for  
 2-5 faith- and community-based organizations:

2-6 (1) the Office of Rural Community Affairs;  
 2-7 (2) the Texas Commission on Environmental Quality;  
 2-8 (3) the Texas Department of Criminal Justice;  
 2-9 (4) the Texas Department of Housing and Community  
 2-10 Affairs;

2-11 (5) the Texas Education Agency;  
 2-12 (6) the Texas Juvenile Probation Commission;  
 2-13 (7) the Texas Veterans Commission;  
 2-14 (8) the Texas Workforce Commission;  
 2-15 (9) the Texas Youth Commission; and  
 2-16 (10) other state agencies as determined by the  
 2-17 governor.

2-18 Sec. 535.052. GENERAL DUTIES OF LIAISONS. (a) A faith- and  
 2-19 community-based liaison designated under Section 535.051 shall:

2-20 (1) identify and remove unnecessary barriers to  
 2-21 partnerships between the state agency the liaison represents and  
 2-22 faith- and community-based organizations;

2-23 (2) provide information and training, if necessary,  
 2-24 for employees of the state agency the liaison represents regarding  
 2-25 equal opportunity standards for faith- and community-based  
 2-26 organizations seeking to partner with state government;

2-27 (3) facilitate the identification of practices with  
 2-28 demonstrated effectiveness for faith- and community-based  
 2-29 organizations that partner with the state agency the liaison  
 2-30 represents;

2-31 (4) work with the appropriate departments and programs  
 2-32 of the state agency the liaison represents to conduct outreach  
 2-33 efforts to inform and welcome faith- and community-based  
 2-34 organizations that have not traditionally formed partnerships with  
 2-35 the agency;

2-36 (5) coordinate all efforts with the governor's office  
 2-37 of faith-based and community initiatives and provide information,  
 2-38 support, and assistance to that office as requested to the extent  
 2-39 permitted by law and as feasible; and

2-40 (6) attend conferences sponsored by federal agencies  
 2-41 and offices and other relevant entities to become and remain  
 2-42 informed of issues and developments regarding faith- and  
 2-43 community-based initiatives.

2-44 (b) A faith- and community-based liaison designated under  
 2-45 Section 535.051 may coordinate and interact with statewide  
 2-46 organizations that represent faith- or community-based  
 2-47 organizations as necessary to accomplish the purposes of this  
 2-48 chapter.

2-49 Sec. 535.053. INTERAGENCY COORDINATING GROUP. (a) The  
 2-50 interagency coordinating group for faith- and community-based  
 2-51 initiatives is composed of each faith- and community-based liaison  
 2-52 designated under Section 535.051 and a liaison from the State  
 2-53 Commission on National and Community Service.

2-54 (b) The commission employee designated as a liaison under  
 2-55 Section 535.051 is the presiding officer of the interagency  
 2-56 coordinating group.

2-57 (c) The interagency coordinating group shall:

2-58 (1) meet periodically at the call of the presiding  
 2-59 officer;

2-60 (2) work across state agencies and with the State  
 2-61 Commission on National and Community Service to facilitate the  
 2-62 removal of unnecessary interagency barriers to partnerships  
 2-63 between state agencies and faith- and community-based  
 2-64 organizations; and

2-65 (3) operate in a manner that promotes effective  
 2-66 partnerships between those agencies and organizations to serve  
 2-67 residents of this state who need assistance.

2-68 Sec. 535.054. REPORTS. (a) A liaison designated under  
 2-69 Section 535.051 shall:

(1) provide periodic reports to the executive commissioner or other chief executive officer who designated the liaison, as applicable, on a schedule determined by the person who designated the liaison; and

(2) report annually to the governor's office of faith- and community-based initiatives and as necessary to the State Commission on National and Community Service regarding the liaison's efforts to comply with the duties imposed under Sections 535.052 and 535.053.

(b) Each report made under Subsection (a)(2) must be made available to the public through posting on the office of the governor's Internet website, and the reports may be aggregated into a single report for that purpose.

[Sections 535.055-535.100 reserved for expansion]

#### SUBCHAPTER C. RENEWING OUR COMMUNITIES ACCOUNT

Sec. 535.101. DEFINITION. In this subchapter, "account" means the renewing our communities account.

Sec. 535.102. PURPOSES OF SUBCHAPTER. Recognizing that faith- and community-based organizations provide a range of vital charitable services to persons in this state, the purposes of this subchapter are to:

(1) increase the impact and effectiveness of those organizations;

(2) forge stronger partnerships between those organizations and state government so that communities are empowered to serve persons in need and community capacity for providing services is strengthened; and

(3) create a funding mechanism that builds on the established efforts of those organizations and operates to create new partnerships in local communities for the benefit of this state.

Sec. 535.103. RENEWING OUR COMMUNITIES ACCOUNT. (a) The renewing our communities account is an account in the general revenue fund that may be appropriated only to the commission for the purposes and activities authorized by this subchapter and for reasonable administrative expenses under this subchapter.

(b) The account consists of:

(1) all money appropriated for the purposes of this subchapter;

(2) any gifts, grants, or donations received for the purposes of this subchapter; and

(3) interest earned on money in the account.

(c) The account is exempt from the application of Section 403.095.

(d) The purposes of the account are to:

(1) increase the capacity of faith- and community-based organizations to provide charitable services and to manage human resources and funds;

(2) assist local governmental entities in establishing local offices to promote faith- and community-based initiatives; and

(3) foster better partnerships between state government and faith- and community-based organizations.

Sec. 535.104. POWERS AND DUTIES REGARDING ACCOUNT. (a) The commission shall:

(1) contract with the State Commission on National and Community Service to administer funds appropriated from the account in a manner that:

(A) consolidates the capacity of and strengthens national service and community and faith- and community-based initiatives; and

(B) leverages public and private funds to benefit this state;

(2) develop a competitive process to be used in awarding grants from account funds that is consistent with state law and includes objective selection criteria;

(3) oversee the delivery of training and other assistance activities under this subchapter;

(4) develop criteria limiting awards of grants under

Section 535.105(1)(A) to small and medium-sized faith- and community-based organizations that provide charitable services to persons in this state;

(5) establish general state priorities for the account;

(6) establish and monitor performance and outcome measures for persons to whom grants are awarded under this subchapter;

(7) establish policies and procedures to ensure that any money appropriated from the account to the commission that is allocated to build the capacity of a faith-based organization or for a faith-based initiative, including money allocated for the establishment of the advisory committee under Section 535.108, is not used to advance a sectarian purpose or to engage in any form of proselytization; and

(8) establish policies and procedures to ensure that any money appropriated from the account to the commission that is allocated to an organization or initiative that receives a grant or assistance under this chapter may not discriminate on the basis of race, religion, color, national origin, sex, age, sexual orientation, or political affiliation, or on the basis of disability, against:

(A) an employee or volunteer of such organization or initiative; or

(B) a recipient of services provided by such organization or initiative.

(b) Instead of contracting with the State Commission on National and Community Service under Subsection (a)(1), the commission may award account funds appropriated to the commission to the State Commission on National and Community Service in the form of a grant.

(c) Any funds awarded to the State Commission on National and Community Service under a contract or through a grant under this section must be administered in the manner required by this subchapter, including Subsection (a)(1).

(d) The commission or the State Commission on National and Community Service, in accordance with the terms of the contract or grant, as applicable, may:

(1) directly, or through agreements with one or more entities that serve faith- and community-based organizations that provide charitable services to persons in this state:

(A) assist faith- and community-based organizations with:

(i) writing or managing grants through workshops or other forms of guidance;

(ii) obtaining legal assistance related to forming a corporation or obtaining an exemption from taxation under the Internal Revenue Code; and

(iii) obtaining information about or referrals to entities that provide expertise in accounting, legal, or tax issues, program development matters, or other organizational topics;

(B) provide information or assistance to faith- and community-based organizations related to building the organizations' capacity for providing services;

(C) facilitate the formation of networks, the coordination of services, and the sharing of resources among faith- and community-based organizations;

(D) in cooperation with existing efforts, if possible, conduct needs assessments to identify gaps in services in a community that present a need for developing or expanding services;

(E) work with faith- and community-based organizations to identify the organizations' needs for improvements in their internal capacity for providing services;

(F) provide faith- and community-based organizations with information on and assistance in identifying or using practices with demonstrated effectiveness for delivering charitable services to persons, families, and communities and in

replicating charitable services programs that have demonstrated effectiveness; and

(G) encourage research into the impact of organizational capacity on program delivery for faith- and community-based organizations;

(2) assist a local governmental entity in creating a better partnership between government and faith- and community-based organizations to provide charitable services to persons in this state; and

(3) use funds appropriated from the account to provide matching money for federal or private grant programs that further the purposes of the account as described by Section 535.103(d).

(e) The commission shall monitor the use of the funds administered by the State Commission on National and Community Service under a contract or through a grant under this section to ensure that the funds are used in a manner consistent with the requirements of this subchapter. Records relating to the award of a contract or grant to the State Commission on National and Community Service, or to grants awarded by that entity, and records relating to other uses of the funds are public information subject to Chapter 552.

(f) If the commission contracts with or awards a grant to the State Commission on National and Community Service under this section, this subchapter may not be construed to:

(1) release that entity from any regulations or reporting or other requirements applicable to a contractor or grantee of the commission;

(2) impose regulations or reporting or other requirements on that entity that do not apply to other contractors or grantees of the commission solely because of the entity's status;

(3) alter the nonprofit status of that entity or the requirements for maintaining that status; or

(4) convert that entity into a governmental entity because of the receipt of account funds through the contract or grant.

Sec. 535.105. ADMINISTRATION OF ACCOUNT FUNDS. If under Section 535.104 the commission contracts with or awards a grant to the State Commission on National and Community Service, that entity:

(1) may award grants from funds appropriated from the account to:

(A) faith- and community-based organizations that provide charitable services to persons in this state for capacity-building purposes; and

(B) local governmental entities to provide seed money for local offices for faith- and community-based initiatives; and

(2) shall monitor performance and outcome measures for persons to whom that entity awards grants using the measures established by the commission under Section 535.104(a)(6).

Sec. 535.106. REPORTS AND PUBLIC INFORMATION. (a) The commission shall provide a link on the commission's Internet website to the Internet website of the State Commission on National and Community Service if the commission contracts with or awards a grant to that entity under Section 535.104. The entity's Internet website must provide:

(1) a list of the names of each person to whom the entity awarded a grant from money appropriated from the account and the amount and purpose of the grant; and

(2) information regarding the methods by which the public may request information about those grants.

(b) If awarded a contract or grant under Section 535.104, the State Commission on National and Community Service must provide to the commission periodic reports on a schedule determined by the executive commissioner. The schedule of periodic reports must include an annual report that includes:

(1) a specific accounting with respect to the use by that entity of money appropriated from the account, including the

names of persons to whom grants have been awarded and the purposes of those grants; and

(2) a summary of the efforts of the faith- and community-based liaisons designated under Section 535.051 to comply with the duties imposed by and the purposes of Sections 535.052 and 535.053.

(c) The commission shall post the annual report made under Subsection (b) on the commission's Internet website and shall provide copies of the report to the governor, the lieutenant governor, and the members of the legislature.

Sec. 535.107. TASK FORCE ON STRENGTHENING NONPROFIT CAPACITY. (a) The executive commissioner, in consultation with the governor, shall establish a task force to make recommendations for strengthening the capacity of faith- and community-based organizations for managing human resources and funds and providing services. The members of the task force must include:

(1) representatives from state agencies, nonprofit organizations, the academic community, and the foundation community; and

(2) other individuals who have expertise that would be valuable to the task force.

(b) Using money appropriated from the account, the task force shall hold at least three public hearings in various geographic areas of this state, at least one of which must be outside of Central Texas. The task force shall hear testimony at the hearings regarding strengthening the capacity of faith- and community-based organizations to manage human resources and funds and provide services.

(c) The task force is not required to hold a public hearing if the remaining money appropriated from the account to the commission for the state fiscal biennium is insufficient for the performance of the duties or activities under this subchapter.

(d) The task force shall present a report and legislative recommendations to the House Committee on Human Services or its successor, the House Committee on Public Health or its successor, and the Senate Health and Human Services Committee or its successor not later than September 1, 2010, regarding its recommendations.

(e) This section expires September 1, 2011.

Sec. 535.108. RENEWING OUR COMMUNITIES ACCOUNT ADVISORY COMMITTEE. (a) The executive commissioner shall appoint leaders of faith- and community-based organizations in this state to serve on the renewing our communities account advisory committee. The advisory committee members must be representative of the religious, cultural, and geographic diversity of this state and the diversity of organization types and sizes in this state.

(b) The advisory committee shall make recommendations to the executive commissioner regarding the powers and duties with respect to the account as described by Section 535.104.

(c) Except as otherwise provided by this subsection, the advisory committee shall meet at least twice each calendar year. The advisory committee is not required to meet if the remaining amount appropriated from the account to the commission for the state fiscal biennium is insufficient for the performance of any duties or activities under this subchapter.

(d) Chapter 2110 does not apply to the advisory committee.

(e) The advisory committee is subject to Chapter 551.

(b) The executive commissioner of the Health and Human Services Commission and the chief executive officers of the Office of Rural Community Affairs, the Texas Commission on Environmental Quality, the Texas Department of Criminal Justice, the Texas Department of Housing and Community Affairs, the Texas Education Agency, the Texas Juvenile Probation Commission, the Texas Veterans Commission, the Texas Workforce Commission, the Texas Youth Commission, and any other state agency as determined by the governor shall designate the liaisons for faith- and community-based initiatives as required under Section 535.051, Government Code, as added by this section, not later than December 1, 2009.

(c) The interagency coordinating group established under

7-1 Section 535.053, Government Code, as added by this section, shall  
7-2 hold its first meeting not later than February 1, 2010.

7-3 SECTION 2. If before implementing any provision of this Act  
7-4 a state agency determines that a waiver or authorization from a  
7-5 federal agency is necessary for implementation of that provision,  
7-6 the agency affected by the provision shall request the waiver or  
7-7 authorization and may delay implementing that provision until the  
7-8 waiver or authorization is granted.

7-9 SECTION 3. This Act takes effect immediately if it receives  
7-10 a vote of two-thirds of all the members elected to each house, as  
7-11 provided by Section 39, Article III, Texas Constitution. If this  
7-12 Act does not receive the vote necessary for immediate effect, this  
7-13 Act takes effect September 1, 2009.

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