

1-1 By: Darby, et al. (Senate Sponsor - Estes) H.B. No. 1918  
1-2 (In the Senate - Received from the House April 8, 2009;  
1-3 April 27, 2009, read first time and referred to Committee on  
1-4 Government Organization; April 29, 2009, rereferred to Committee on  
1-5 Agriculture and Rural Affairs; May 7, 2009, reported favorably by  
1-6 the following vote: Yeas 4, Nays 0; May 7, 2009, sent to printer.)

1-7 A BILL TO BE ENTITLED  
1-8 AN ACT

1-9 relating to changing the name of the Office of Rural Community  
1-10 Affairs to the Texas Department of Rural Affairs.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 12.040(f), Agriculture Code, is amended  
1-13 to read as follows:

1-14 (f) The department shall consult with the Texas Department  
1-15 [~~Office~~] of Rural [~~Community~~] Affairs to establish parameters for  
1-16 certification of rural communities under this section.

1-17 SECTION 2. Section 38.060(a), Education Code, is amended to  
1-18 read as follows:

1-19 (a) This section applies only to a school-based health  
1-20 center serving an area that:

1-21 (1) is located in a county with a population not  
1-22 greater than 50,000; or

1-23 (2) has been designated under state or federal law as:

1-24 (A) a health professional shortage area;

1-25 (B) a medically underserved area; or

1-26 (C) a medically underserved community by the  
1-27 Texas Department [~~Office~~] of Rural [~~Community~~] Affairs.

1-28 SECTION 3. Sections 51.918(a) and (c), Education Code, are  
1-29 amended to read as follows:

1-30 (a) The Texas Higher Education Coordinating Board, the  
1-31 Texas Department [~~Office~~] of Rural [~~Community~~] Affairs, medical  
1-32 schools, nursing schools, and schools of allied health sciences  
1-33 shall cooperate to improve and expand programs for rural areas.

1-34 (c) The Texas Department [~~Office~~] of Rural [~~Community~~]  
1-35 Affairs shall develop relief service programs for rural physicians  
1-36 and allied health personnel to facilitate ready access to  
1-37 continuing medical education as well as to provide practice  
1-38 coverage for purposes other than continuing medical education.

1-39 SECTION 4. Section 58.007(b)(1), Education Code, is amended  
1-40 to read as follows:

1-41 (1) The Primary Care Residency Advisory Committee is  
1-42 created and shall consist of 12 members as follows:

1-43 (A) seven members shall be licensed physicians,  
1-44 one appointed by each of the following:

1-45 (i) the Texas Medical Association;

1-46 (ii) the Texas Osteopathic Medical  
1-47 Association;

1-48 (iii) the Texas Academy of Family  
1-49 Physicians;

1-50 (iv) the Texas Society of the American  
1-51 College of Osteopathic Family Physicians;

1-52 (v) the Texas Society of Internal Medicine;

1-53 (vi) the Texas Pediatric Society; and

1-54 (vii) the Texas Association of  
1-55 Obstetricians and Gynecologists;

1-56 (B) one member shall be appointed by the Texas  
1-57 Department [~~Office~~] of Rural [~~Community~~] Affairs;

1-58 (C) one member shall be appointed by the Bureau  
1-59 of Community Oriented Primary Care at the [~~Texas~~] Department of  
1-60 State Health Services; and

1-61 (D) three members shall be members of the public,  
1-62 one appointed by each of the following:

1-63 (i) the governor;

1-64 (ii) the lieutenant governor; and

2-1 (iii) the speaker of the house of  
2-2 representatives.

2-3 SECTION 5. Section 61.0899, Education Code, is amended to  
2-4 read as follows:

2-5 Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN  
2-6 REIMBURSEMENT AND STIPEND PROGRAMS. The board shall, in  
2-7 cooperation with the Texas Department [Office] of Rural [~~Community~~]  
2-8 Affairs and the department's [office's] advisory panel established  
2-9 under Section 487.552, Government Code, ensure that the board seeks  
2-10 to obtain the maximum amount of funds from any source, including  
2-11 federal funds, to support programs to provide student loan  
2-12 reimbursement or stipends for graduates of degree programs in this  
2-13 state who practice or agree to practice in a medically underserved  
2-14 community.

2-15 SECTION 6. Section 403.1065(c), Government Code, is amended  
2-16 to read as follows:

2-17 (c) The available earnings of the fund may be appropriated  
2-18 to the Texas Department [Office] of Rural [~~Community~~] Affairs for  
2-19 the purposes of Subchapter H, Chapter 487.

2-20 SECTION 7. Section 405.021(c), Government Code, is amended  
2-21 to read as follows:

2-22 (c) The secretary of state shall compile information  
2-23 received from the Texas Department [Office] of Rural [~~Community~~]  
2-24 Affairs, the Texas Water Development Board, the Texas  
2-25 Transportation Commission, the Texas Department of Housing and  
2-26 Community Affairs, the Department of State Health Services, the  
2-27 Texas Commission on Environmental Quality, the Health and Human  
2-28 Services Commission, the Texas Cooperative Extension, councils of  
2-29 governments, an institution of higher education that receives  
2-30 funding from the state for projects that provide assistance to  
2-31 colonias, and any other agency considered appropriate by the  
2-32 secretary of state for purposes of the classification system.

2-33 SECTION 8. The heading to Chapter 487, Government Code, is  
2-34 amended to read as follows:

2-35 CHAPTER 487. TEXAS DEPARTMENT [OFFICE] OF RURAL  
2-36 [~~COMMUNITY~~] AFFAIRS

2-37 SECTION 9. Section 487.001, Government Code, is amended to  
2-38 read as follows:

2-39 Sec. 487.001. DEFINITIONS. In this chapter:

2-40 (1) "Board" means the board of the Texas Department  
2-41 [~~Office]~~ of Rural [~~Community~~] Affairs.

2-42 (2) "Department" [~~"Office"~~] means the Texas  
2-43 Department [Office] of Rural [~~Community~~] Affairs.

2-44 SECTION 10. Section 487.002, Government Code, is amended to  
2-45 read as follows:

2-46 Sec. 487.002. SUNSET PROVISION. The Texas Department  
2-47 [~~Office]~~ of Rural [~~Community~~] Affairs is subject to Chapter 325  
2-48 (Texas Sunset Act). Unless continued in existence as provided by  
2-49 that chapter, the department [office] is abolished and this chapter  
2-50 expires September 1, 2013.

2-51 SECTION 11. Section 487.021(a), Government Code, is amended  
2-52 to read as follows:

2-53 (a) The board is the governing body of the department  
2-54 [~~office]~~.

2-55 SECTION 12. Sections 487.022(b) and (c), Government Code,  
2-56 are amended to read as follows:

2-57 (b) A person may not be a member of the board and may not be a  
2-58 department [an office] employee employed in a "bona fide executive,  
2-59 administrative, or professional capacity," as that phrase is used  
2-60 for purposes of establishing an exemption to the overtime  
2-61 provisions of the federal Fair Labor Standards Act of 1938 (29  
2-62 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

2-63 (1) the person is an officer, employee, or paid  
2-64 consultant of a Texas trade association in the field of rural  
2-65 affairs; or

2-66 (2) the person's spouse is an officer, manager, or paid  
2-67 consultant of a Texas trade association in the field of rural  
2-68 affairs.

2-69 (c) A person may not be a member of the board or act as the

3-1 general counsel to the board or the department [~~office~~] if the  
3-2 person is required to register as a lobbyist under Chapter 305  
3-3 because of the person's activities for compensation on behalf of a  
3-4 profession related to the operation of the department [~~office~~].

3-5 SECTION 13. Section 487.023(b), Government Code, is amended  
3-6 to read as follows:

3-7 (b) The training program must provide the person with  
3-8 information regarding:

3-9 (1) the legislation that created the department  
3-10 [~~office~~];

3-11 (2) the programs, functions, rules, and budget of the  
3-12 department [~~office~~];

3-13 (3) the results of the most recent formal audit of the  
3-14 department [~~office~~];

3-15 (4) the requirements of laws relating to open  
3-16 meetings, public information, administrative procedure, and  
3-17 conflicts of interest; and

3-18 (5) any applicable ethics policies adopted by the  
3-19 department [~~office~~] or the Texas Ethics Commission.

3-20 SECTION 14. Section 487.025, Government Code, is amended to  
3-21 read as follows:

3-22 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board shall  
3-23 develop and implement policies that clearly separate the  
3-24 policy-making responsibilities of the board and the management  
3-25 responsibilities of the executive director and staff of the  
3-26 department [~~office~~].

3-27 SECTION 15. Section 487.026(a), Government Code, is amended  
3-28 to read as follows:

3-29 (a) The board may hire an executive director to serve as the  
3-30 chief executive officer of the department [~~office~~] and to perform  
3-31 the administrative duties of the department [~~office~~].

3-32 SECTION 16. Section 487.027, Government Code, is amended to  
3-33 read as follows:

3-34 Sec. 487.027. PUBLIC HEARINGS. The board shall develop and  
3-35 implement policies that provide the public with a reasonable  
3-36 opportunity to appear before the board and to speak on any issue  
3-37 under the jurisdiction of the department [~~office~~].

3-38 SECTION 17. Section 487.028(b), Government Code, is amended  
3-39 to read as follows:

3-40 (b) The policy statement must include:

3-41 (1) personnel policies, including policies relating  
3-42 to recruitment, evaluation, selection, training, and promotion of  
3-43 personnel, that show the intent of the department [~~office~~] to avoid  
3-44 the unlawful employment practices described by Chapter 21, Labor  
3-45 Code; and

3-46 (2) an analysis of the extent to which the composition  
3-47 of the department's [~~office's~~] personnel is in accordance with  
3-48 state and federal law and a description of reasonable methods to  
3-49 achieve compliance with state and federal law.

3-50 SECTION 18. Section 487.030, Government Code, is amended to  
3-51 read as follows:

3-52 Sec. 487.030. COMPLAINTS. (a) The department [~~office~~]  
3-53 shall maintain a system to promptly and efficiently act on  
3-54 complaints filed with the department [~~office~~]. The department  
3-55 [~~office~~] shall maintain information about parties to the complaint,  
3-56 the subject matter of the complaint, a summary of the results of the  
3-57 review or investigation of the complaint, and its disposition.

3-58 (b) The department [~~office~~] shall make information  
3-59 available describing its procedures for complaint investigation  
3-60 and resolution.

3-61 (c) The department [~~office~~] shall periodically notify the  
3-62 complaint parties of the status of the complaint until final  
3-63 disposition.

3-64 SECTION 19. Section 487.031, Government Code, is amended to  
3-65 read as follows:

3-66 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement  
3-67 a policy requiring the department [~~office~~] to use appropriate  
3-68 technological solutions to improve the department's [~~office's~~]  
3-69 ability to perform its functions. The policy must ensure that the

4-1 public is able to interact with the department [~~office~~] on the  
4-2 Internet.

4-3 SECTION 20. Section 487.032, Government Code, is amended to  
4-4 read as follows:

4-5 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE  
4-6 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and  
4-7 implement a policy to encourage the use of:

4-8 (1) negotiated rulemaking procedures under Chapter  
4-9 2008 for the adoption of department [~~office~~] rules; and

4-10 (2) appropriate alternative dispute resolution  
4-11 procedures under Chapter 2009 to assist in the resolution of  
4-12 internal and external disputes under the department's [~~office's~~]  
4-13 jurisdiction.

4-14 (b) The department's [~~office's~~] procedures relating to  
4-15 alternative dispute resolution must conform, to the extent  
4-16 possible, to any model guidelines issued by the State Office of  
4-17 Administrative Hearings for the use of alternative dispute  
4-18 resolution by state agencies.

4-19 (c) The board shall designate a trained person to:

4-20 (1) coordinate the implementation of the policy  
4-21 adopted under Subsection (a);

4-22 (2) serve as a resource for any training needed to  
4-23 implement the procedures for negotiated rulemaking or alternative  
4-24 dispute resolution; and

4-25 (3) collect data concerning the effectiveness of those  
4-26 procedures, as implemented by the department [~~office~~].

4-27 SECTION 21. Section 487.051, Government Code, as amended by  
4-28 Chapters 560 (S.B. 1440) and 1241 (H.B. 2542), Acts of the 80th  
4-29 Legislature, Regular Session, 2007, is reenacted and amended to  
4-30 read as follows:

4-31 Sec. 487.051. POWERS AND DUTIES. (a) The department  
4-32 [~~office~~] shall:

4-33 (1) assist rural communities in the key areas of  
4-34 economic development, community development, rural health, and  
4-35 rural housing;

4-36 (2) serve as a clearinghouse for information and  
4-37 resources on all state and federal programs affecting rural  
4-38 communities;

4-39 (3) in consultation with rural community leaders,  
4-40 locally elected officials, state elected and appointed officials,  
4-41 academic and industry experts, and the interagency work group  
4-42 created under this chapter, identify and prioritize policy issues  
4-43 and concerns affecting rural communities in the state;

4-44 (4) make recommendations to the legislature to address  
4-45 the concerns affecting rural communities identified under  
4-46 Subdivision (3);

4-47 (5) monitor developments that have a substantial  
4-48 effect on rural Texas communities, especially actions of state  
4-49 government, and compile an annual report describing and evaluating  
4-50 the condition of rural communities;

4-51 (6) administer the federal community development  
4-52 block grant nonentitlement program;

4-53 (7) administer programs supporting rural health care  
4-54 as provided by this chapter;

4-55 (8) perform research to determine the most beneficial  
4-56 and cost-effective ways to improve the welfare of rural  
4-57 communities;

4-58 (9) ensure that the department [~~office~~] qualifies as  
4-59 the state's office of rural health for the purpose of receiving  
4-60 grants from the Office of Rural Health Policy of the United States  
4-61 Department of Health and Human Services under 42 U.S.C. Section  
4-62 254r;

4-63 (10) manage the state's Medicare rural hospital  
4-64 flexibility program under 42 U.S.C. Section 1395i-4;

4-65 (11) seek state and federal money available for  
4-66 economic development in rural areas for programs under this  
4-67 chapter; [~~and~~]

4-68 (12) in conjunction with the Department of  
4-69 Agriculture, regularly cross-train department [~~office~~] employees

5-1 with employees of the Department of Agriculture regarding the  
 5-2 programs administered and services provided by each agency to rural  
 5-3 communities; and

5-4 (13) [~~(11)~~] work with interested persons to assist  
 5-5 volunteer fire departments and emergency services districts in  
 5-6 rural areas.

5-7 (b) The department [~~office~~] may require department [~~office~~]  
 5-8 employees who work at locations other than the central office to be  
 5-9 based in Department of Agriculture offices.

5-10 SECTION 22. Section 487.053(a), Government Code, is amended  
 5-11 to read as follows:

5-12 (a) The department [~~office~~] may accept gifts, grants, and  
 5-13 donations from any organization for the purpose of funding any  
 5-14 activity under this chapter, and the department [~~office~~] shall  
 5-15 actively seek funding from appropriate nonprofit foundations.

5-16 SECTION 23. Section 487.054(a), Government Code, is amended  
 5-17 to read as follows:

5-18 (a) At least once each year, the following agency heads or  
 5-19 their designees shall meet in Austin to discuss rural issues and to  
 5-20 provide information showing the impact each agency has on rural  
 5-21 communities for use in developing rural policy and compiling the  
 5-22 annual report under Section 487.051(a)(5) [~~487.051(4)~~]:

- 5-23 (1) the commissioner of agriculture;
- 5-24 (2) the executive director of the Public Utility  
 5-25 Commission of Texas;
- 5-26 (3) the director of the Texas Agricultural Extension  
 5-27 Service;
- 5-28 (4) the executive director of the Texas Department of  
 5-29 Housing and Community Affairs;
- 5-30 (5) the commissioner of the Department of State Health  
 5-31 Services;
- 5-32 (6) the executive administrator of the Texas Water  
 5-33 Development Board;
- 5-34 (7) the executive director of the Parks and Wildlife  
 5-35 Department;
- 5-36 (8) the commissioner of higher education;
- 5-37 (9) the comptroller;
- 5-38 (10) the executive director of the Texas Department of  
 5-39 Transportation;
- 5-40 (11) the executive director of the Texas Commission on  
 5-41 Environmental Quality;
- 5-42 (12) the executive director of the Texas Economic  
 5-43 Development and Tourism Office;
- 5-44 (13) the commissioner of insurance;
- 5-45 (14) the commissioner of the Department of Aging and  
 5-46 Disability Services;
- 5-47 (15) the commissioner of education;
- 5-48 (16) the executive commissioner of the Health and  
 5-49 Human Services Commission;
- 5-50 (17) the executive director of the Texas Workforce  
 5-51 Commission;
- 5-52 (18) the executive director of the Texas Historical  
 5-53 Commission;
- 5-54 (19) a member of the Railroad Commission of Texas;
- 5-55 (20) the executive director of the State Soil and  
 5-56 Water Conservation Board;
- 5-57 (21) the executive director of the department  
 5-58 [~~office~~]; and
- 5-59 (22) the head of any other agency interested in rural  
 5-60 issues.

5-61 SECTION 24. Section 487.0541(c), Government Code, is  
 5-62 amended to read as follows:

5-63 (c) The work group shall meet at the call of the executive  
 5-64 director of the department [~~office~~].

5-65 SECTION 25. Section 487.056, Government Code, is amended to  
 5-66 read as follows:

5-67 Sec. 487.056. REPORT TO LEGISLATURE. (a) Not later than  
 5-68 January 1 of each odd-numbered year, the department [~~office~~] shall  
 5-69 submit a biennial report to the legislature regarding the

6-1 activities of the department [~~office~~], the activities of the Texas  
 6-2 Rural Foundation, and any findings and recommendations relating to  
 6-3 rural issues.

6-4 (b) The department [~~office~~] shall obtain information from  
 6-5 each county about indigent health care provided in the county and  
 6-6 information from each university, medical school, rural community,  
 6-7 or rural health care provider that has performed a study relating to  
 6-8 rural health care during the biennium. The department [~~office~~]  
 6-9 shall include the information obtained under this subsection in the  
 6-10 department's [~~office's~~] report to the legislature.

6-11 (c) The department [~~office~~] shall obtain information on the  
 6-12 availability of housing in rural communities throughout the state  
 6-13 for all income levels. The department [~~office~~] shall include the  
 6-14 information, and the department's [~~office's~~] assessment of the  
 6-15 information, in the department's [~~office's~~] report to the  
 6-16 legislature.

6-17 SECTION 26. Section 487.057, Government Code, is amended to  
 6-18 read as follows:

6-19 Sec. 487.057. RURAL HEALTH WORK PLAN. (a) The department  
 6-20 [~~office~~] shall develop, implement, and update a rural health work  
 6-21 plan.

6-22 (b) The department [~~office~~] shall submit the rural health  
 6-23 work plan to the board for approval. The board shall approve the  
 6-24 rural health work plan not later than August 1 of each odd-numbered  
 6-25 year.

6-26 (c) The department [~~office~~] shall work with health care  
 6-27 providers, rural communities, universities, and all health and  
 6-28 human service related state agencies to develop the rural health  
 6-29 work plan. The department [~~office~~] shall solicit public comment on  
 6-30 the rural health work plan.

6-31 (d) The rural health work plan must identify:

6-32 (1) the mission, goals, and objectives of how the  
 6-33 department [~~office~~] will work to assist rural communities in  
 6-34 meeting rural health care needs;

6-35 (2) ways for the state to effectively and creatively  
 6-36 address the unmet health care needs of rural communities;

6-37 (3) ways to coordinate the administration and delivery  
 6-38 of rural health care service with federal, state, and local public  
 6-39 and private programs that provide similar services; and

6-40 (4) the department's [~~office's~~] priorities to  
 6-41 accomplish the objectives of the plan.

6-42 SECTION 27. Section 487.058, Government Code, is amended to  
 6-43 read as follows:

6-44 Sec. 487.058. CONTRACT FOR ADMINISTRATIVE SERVICES. (a)  
 6-45 The department [~~office~~] shall enter into an interagency contract  
 6-46 with another state agency to provide routine administrative  
 6-47 services for the department [~~office~~].

6-48 (b) The Legislative Budget Board and the Department of  
 6-49 Information Resources shall:

6-50 (1) evaluate and recommend the most efficient and  
 6-51 appropriate ways to obtain the administrative services under  
 6-52 Subsection (a); and

6-53 (2) assist the department [~~office~~] with contracting  
 6-54 and any other matters relating to obtaining the administrative  
 6-55 services in the most efficient manner.

6-56 SECTION 28. Sections 487.059(c) and (e), Government Code,  
 6-57 are amended to read as follows:

6-58 (c) If the executive director or another department  
 6-59 [~~office~~] employee has a financial interest in an entity that  
 6-60 applies for a monetary award, the executive director or employee:

6-61 (1) shall, as soon as possible, disclose to the board  
 6-62 the fact of the director's or employee's financial interest;

6-63 (2) may not participate in staff evaluations regarding  
 6-64 the monetary award; and

6-65 (3) if the executive director or employee under  
 6-66 department [~~office~~] procedures may vote, or make a recommendation  
 6-67 concerning a vote, on a matter that involves the monetary award:

6-68 (A) shall disclose the fact of the director's or  
 6-69 employee's financial interest before a vote on the monetary award,

7-1 which the board or committee shall enter into the minutes of the  
 7-2 meeting at which a vote on the monetary award is taken; and

7-3 (B) may not vote on or otherwise participate in a  
 7-4 discussion or any other activity that relates to awarding the  
 7-5 monetary award.

7-6 (e) Subsections (f) and (g) apply only to a member of the  
 7-7 board or a committee who is employed by:

7-8 (1) an entity that offers to enter into a contract with  
 7-9 the department [office]; or

7-10 (2) an entity that is under common ownership or  
 7-11 governance with or otherwise affiliated with an entity that applies  
 7-12 for a monetary award or offers to enter into a contract with the  
 7-13 department [office].

7-14 SECTION 29. Sections 487.060(b) and (d), Government Code,  
 7-15 are amended to read as follows:

7-16 (b) To assist the secretary of state in preparing the report  
 7-17 required under Section 405.021, the department [office] on a  
 7-18 quarterly basis shall provide a report to the secretary of state  
 7-19 detailing any projects funded by the department [office] that serve  
 7-20 colonias by providing water or wastewater services, paved roads, or  
 7-21 other assistance.

7-22 (d) The department [office] shall require an applicant for  
 7-23 funds administered by the department [office] to submit to the  
 7-24 department [office] a colonia classification number, if one exists,  
 7-25 for each colonia that may be served by the project proposed in the  
 7-26 application. If a colonia does not have a classification number,  
 7-27 the department [office] may contact the secretary of state or the  
 7-28 secretary of state's representative to obtain a number. On request  
 7-29 of the department [office], the secretary of state or the secretary  
 7-30 of state's representative shall assign a classification number.

7-31 SECTION 30. Section 487.061(a), Government Code, is amended  
 7-32 to read as follows:

7-33 (a) The department [office] shall establish a program to  
 7-34 provide interested rural communities with:

7-35 (1) general information about emergency services  
 7-36 districts;

7-37 (2) information and training related to the  
 7-38 establishment of an emergency services district; and

7-39 (3) technical assistance related to the  
 7-40 implementation of an emergency services district.

7-41 SECTION 31. Section 487.102, Government Code, is amended to  
 7-42 read as follows:

7-43 Sec. 487.102. ADMINISTRATION. The department [office]  
 7-44 shall administer or contract for the administration of the program.

7-45 SECTION 32. Section 487.104(b), Government Code, is amended  
 7-46 to read as follows:

7-47 (b) The selection committee shall make selections based on  
 7-48 criteria approved by the board and adopted as a rule of the  
 7-49 department [office].

7-50 SECTION 33. Section 487.105(b), Government Code, is amended  
 7-51 to read as follows:

7-52 (b) If a person is neither a high school student nor an  
 7-53 undergraduate student, the person must be eligible for  
 7-54 participation in the competition under rules adopted by the  
 7-55 department [office].

7-56 SECTION 34. Section 487.109(d), Government Code, is amended  
 7-57 to read as follows:

7-58 (d) Any amount of loan principal or interest that is not  
 7-59 forgiven under this section shall be repaid to the department  
 7-60 [office] with reasonable collection fees in a timely manner as  
 7-61 provided by board rule.

7-62 SECTION 35. Sections 487.110(b), (c), (d), and (e),  
 7-63 Government Code, are amended to read as follows:

7-64 (b) The fund consists of legislative appropriations, gifts,  
 7-65 grants, donations, the market value of in-kind contributions, and  
 7-66 principal and interest payments on forgivable loans deposited to  
 7-67 the credit of the fund by the department [office].

7-68 (c) The department [office] shall administer the fund.

7-69 (d) The department [office] shall allocate the fund, as

8-1 available, for forgivable loans under this subchapter.

8-2 (e) The department [~~office~~] shall deposit any principal and  
8-3 interest payments on forgivable loans to the credit of the fund.

8-4 SECTION 36. Section 487.111(b), Government Code, is amended  
8-5 to read as follows:

8-6 (b) The department [~~office~~] shall require reports from  
8-7 students and postsecondary educational institutions as needed to  
8-8 monitor the program. After receiving any necessary releases as a  
8-9 condition of providing assistance, the department [~~office~~] shall  
8-10 distribute reports relating to the progress of an outstanding rural  
8-11 scholar to the community sponsoring the scholar.

8-12 SECTION 37. Section 487.151(4), Government Code, is amended  
8-13 to read as follows:

8-14 (4) "Qualified area" means an area qualifying under  
8-15 the National Health Services Corps Community Scholarship Program or  
8-16 an area with similar characteristics as identified by the  
8-17 department [~~office~~].

8-18 SECTION 38. Section 487.152, Government Code, is amended to  
8-19 read as follows:

8-20 Sec. 487.152. ADMINISTRATION. (a) The department [~~office~~]  
8-21 shall administer or contract for the administration of the program.

8-22 (b) The department [~~office~~] may solicit and accept gifts,  
8-23 grants, donations, and contributions to support the program.

8-24 SECTION 39. Section 487.153, Government Code, is amended to  
8-25 read as follows:

8-26 Sec. 487.153. HEALTH CAREERS PROMOTION. The department  
8-27 [~~office~~] may establish a program to work with students,  
8-28 communities, and community-based organizations to encourage high  
8-29 school students to pursue health care professional careers. The  
8-30 department [~~office~~] shall give priority to working with communities  
8-31 and students in qualified areas.

8-32 SECTION 40. Section 487.158(b), Government Code, is amended  
8-33 to read as follows:

8-34 (b) The contract must provide that if the student does not  
8-35 provide the required services to the community or provides those  
8-36 services for less than the required time, the student is personally  
8-37 liable to the state for:

8-38 (1) the total amount of assistance the student  
8-39 receives from the department [~~office~~] and the sponsoring community;

8-40 (2) interest on the total amount at a rate set by the  
8-41 board; and

8-42 (3) the state's reasonable expenses incurred in  
8-43 obtaining payment, including reasonable attorney's fees.

8-44 SECTION 41. Sections 487.160(b), (c), (d), (e), and (f),  
8-45 Government Code, are amended to read as follows:

8-46 (b) The department [~~office~~] shall administer the fund.

8-47 (c) The fund consists of gifts, grants, donations, the  
8-48 market value of in-kind contributions, and principal and interest  
8-49 payments on forgivable loans deposited to the credit of the fund by  
8-50 the department [~~office~~].

8-51 (d) The department [~~office~~] shall deposit any principal and  
8-52 interest payments on forgivable loans to the credit of the fund.

8-53 (e) The department [~~office~~] shall allocate the fund, as  
8-54 available, for forgivable loans and community repayment under this  
8-55 subchapter.

8-56 (f) Unless otherwise provided by the General Appropriations  
8-57 Act, the department [~~office~~] may use money appropriated to the  
8-58 department [~~office~~] to support the fund.

8-59 SECTION 42. Section 487.161(a), Government Code, is amended  
8-60 to read as follows:

8-61 (a) The department [~~office~~] shall require reports from  
8-62 students, communities, and postsecondary educational institutions  
8-63 as needed to monitor the program. After receiving any necessary  
8-64 releases as a condition of providing assistance, the department  
8-65 [~~office~~] shall distribute reports relating to the progress of a  
8-66 student to the community sponsoring the student.

8-67 SECTION 43. Section 487.162, Government Code, is amended to  
8-68 read as follows:

8-69 Sec. 487.162. PROGRAM PROMOTION. The department [~~office~~]



9-1 shall provide postsecondary educational institutions and  
9-2 communities in qualified areas with information about health care  
9-3 careers and loan opportunities, including information on  
9-4 eligibility and availability of funds under this subchapter.

9-5 SECTION 44. Section 487.201(1), Government Code, is amended  
9-6 to read as follows:

9-7 (1) "Medically underserved community" means:

9-8 (A) a community located in an area in this state  
9-9 with a medically underserved population;

9-10 (B) a community located in an area in this state  
9-11 designated by the United States secretary of health and human  
9-12 services as an area with a shortage of personal health services;

9-13 (C) a population group designated by the United  
9-14 States secretary of health and human services as having a shortage  
9-15 of personal health services;

9-16 (D) a community designated under state or federal  
9-17 law as a medically underserved community; or

9-18 (E) a community that the department [~~office~~]  
9-19 considers to be medically underserved based on relevant  
9-20 demographic, geographic, and environmental factors.

9-21 SECTION 45. Sections 487.202(b) and (d), Government Code,  
9-22 are amended to read as follows:

9-23 (b) A medically underserved community may sponsor a  
9-24 physician who has completed a primary care residency program and  
9-25 has agreed to provide primary care in the community by contributing  
9-26 start-up money for the physician and having that contribution  
9-27 matched wholly or partly by state money appropriated to the  
9-28 department [~~office~~] for that purpose.

9-29 (d) The department [~~office~~] may not pay more than \$25,000 to  
9-30 a community in a fiscal year unless the board makes a specific  
9-31 finding of need by the community.

9-32 SECTION 46. Section 487.203, Government Code, is amended to  
9-33 read as follows:

9-34 Sec. 487.203. ELIGIBILITY. To be eligible to receive money  
9-35 from the department [~~office~~], a medically underserved community  
9-36 must:

9-37 (1) apply for the money; and

9-38 (2) provide evidence satisfactory to the board that it  
9-39 has entered into an agreement with a physician for the physician to  
9-40 provide primary care in the community for at least two years.

9-41 SECTION 47. Section 487.204, Government Code, is amended to  
9-42 read as follows:

9-43 Sec. 487.204. RULES. The board shall adopt rules necessary  
9-44 for the administration of this subchapter, including rules  
9-45 addressing:

9-46 (1) eligibility criteria for a medically underserved  
9-47 community;

9-48 (2) eligibility criteria for a physician;

9-49 (3) minimum and maximum community contributions to the  
9-50 start-up money for a physician to be matched with state money;

9-51 (4) conditions under which state money must be repaid  
9-52 by a community or physician;

9-53 (5) procedures for disbursement of money by the  
9-54 department [~~office~~];

9-55 (6) the form and manner in which a community must make  
9-56 its contribution to the start-up money; and

9-57 (7) the contents of an agreement to be entered into by  
9-58 the parties, which must include at least:

9-59 (A) a credit check for an eligible physician; and

9-60 (B) community retention of interest in any  
9-61 property, equipment, or durable goods for seven years.

9-62 SECTION 48. Section 487.252(a), Government Code, is amended  
9-63 to read as follows:

9-64 (a) The board shall establish a program in the department  
9-65 [~~office~~] to assist communities in recruiting and retaining  
9-66 physicians to practice in medically underserved areas.

9-67 SECTION 49. Section 487.253, Government Code, is amended to  
9-68 read as follows:

9-69 Sec. 487.253. ADMINISTRATION. (a) The board shall adopt

10-1 rules necessary to administer this subchapter, and the department  
 10-2 [~~office~~] shall administer the program in accordance with those  
 10-3 rules.

10-4 (b) The department [~~office~~] may not spend for the  
 10-5 department's [~~office's~~] administrative costs in administering the  
 10-6 program more than 10 percent of the amount appropriated to  
 10-7 implement this subchapter.

10-8 SECTION 50. Section 487.254(a), Government Code, is amended  
 10-9 to read as follows:

10-10 (a) The department [~~office~~] may award a stipend to a  
 10-11 physician under this subchapter if the physician enters into a  
 10-12 written contract to provide services in a medically underserved  
 10-13 area for at least one year for each year that the physician receives  
 10-14 the stipend.

10-15 SECTION 51. Sections 487.255(a) and (b), Government Code,  
 10-16 are amended to read as follows:

10-17 (a) The department [~~office~~] shall award stipends to  
 10-18 physicians for one-year periods. A stipend awarded under this  
 10-19 subchapter may not exceed \$15,000 each year.

10-20 (b) The department [~~office~~] may renew a stipend used to  
 10-21 assist a particular physician.

10-22 SECTION 52. Section 487.256, Government Code, is amended to  
 10-23 read as follows:

10-24 Sec. 487.256. FUNDING. The department [~~office~~] may seek,  
 10-25 receive, and spend money received through an appropriation, grant,  
 10-26 donation, or reimbursement from any public or private source to  
 10-27 implement this subchapter.

10-28 SECTION 53. Section 487.302, Government Code, is amended to  
 10-29 read as follows:

10-30 Sec. 487.302. POWERS OF DEPARTMENT [~~OFFICE~~]. In  
 10-31 administering this subchapter, the department [~~office~~] may:

10-32 (1) enter into and enforce contracts and execute and  
 10-33 deliver conveyances and other instruments necessary to make and  
 10-34 administer grants, loans, and loan guarantees under this  
 10-35 subchapter;

10-36 (2) employ personnel and counsel necessary to  
 10-37 implement this subchapter and pay them from money appropriated for  
 10-38 that purpose;

10-39 (3) impose and collect reasonable fees and charges in  
 10-40 connection with grants, loans, and loan guarantees made under this  
 10-41 subchapter and provide reasonable penalties for delinquent payment  
 10-42 of fees, charges, or loan repayments;

10-43 (4) take and enforce a mortgage or appropriate  
 10-44 security interest in real or personal property that a loan  
 10-45 recipient acquires with the proceeds of a loan made under this  
 10-46 subchapter; and

10-47 (5) adopt rules necessary to implement the grant,  
 10-48 loan, and loan guarantee program.

10-49 SECTION 54. Section 487.303(a), Government Code, is amended  
 10-50 to read as follows:

10-51 (a) The department [~~office~~] may use money appropriated to  
 10-52 the department [~~office~~] under Section 403.1065 to make a grant or  
 10-53 low-interest loan to, or guarantee a loan for, a public or nonprofit  
 10-54 hospital located in a rural county.

10-55 SECTION 55. Section 487.304, Government Code, is amended to  
 10-56 read as follows:

10-57 Sec. 487.304. ELIGIBILITY FOR GRANT, LOAN, OR LOAN  
 10-58 GUARANTEE; INTEREST RATE. (a) The department [~~office~~] shall adopt  
 10-59 rules that establish eligibility criteria for receiving a grant,  
 10-60 loan, or loan guarantee under this subchapter.

10-61 (b) The rules must state generally the factors the  
 10-62 department [~~office~~] will consider in determining whether an  
 10-63 applicant should receive a grant, loan, or loan guarantee. The  
 10-64 rules must consider at least the financial need of the applicant,  
 10-65 the health care needs of the rural area served by the applicant, and  
 10-66 the probability that the applicant will effectively and efficiently  
 10-67 use the money obtained through the grant, loan, or loan guarantee to  
 10-68 meet the health care needs of the rural area served by the  
 10-69 applicant.

11-1 (c) The rules must state generally the factors the  
 11-2 department [office] will consider in determining the extent to  
 11-3 which the interest rate on a loan should be below market rates.

11-4 SECTION 56. Section 487.351, Government Code, is amended to  
 11-5 read as follows:

11-6 Sec. 487.351. ADMINISTRATION OF COMMUNITY DEVELOPMENT  
 11-7 BLOCK GRANT PROGRAM; ALLOCATION OF FUNDS. (a) The department  
 11-8 [office] shall, under the Omnibus Budget Reconciliation Act of 1981  
 11-9 (Pub.L. No. 97-35) and 24 CFR, Part 570, Subpart I, administer the  
 11-10 state's allocation of federal funds provided under the community  
 11-11 development block grant nonentitlement program authorized by Title  
 11-12 I of the Housing and Community Development Act of 1974 (42 U.S.C.  
 11-13 Section 5301 et seq.).

11-14 (b) Community development block grant program funds shall  
 11-15 be allocated to eligible counties and municipalities under  
 11-16 department [office] rules.

11-17 (c) The department [office] shall give priority to eligible  
 11-18 activities in the areas of economic development, community  
 11-19 development, rural health, and rural housing to support workforce  
 11-20 development in awarding funding for community development block  
 11-21 grant programs.

11-22 SECTION 57. Section 487.352, Government Code, is amended to  
 11-23 read as follows:

11-24 Sec. 487.352. TRANSFER OF FEDERAL FUNDS. (a) The  
 11-25 department [office] may enter into an interagency agreement with  
 11-26 the Department of Agriculture to reimburse the Department of  
 11-27 Agriculture for providing on behalf of the department [office]  
 11-28 marketing, underwriting, and any other services on the portion of  
 11-29 the federal community development block grant funds allocated by  
 11-30 the department [office] for economic development activities.

11-31 (b) The department [office] shall allocate not more than 20  
 11-32 percent of the federal funds received by the department [office] to  
 11-33 the Department of Agriculture to be used for economic development  
 11-34 activities.

11-35 (c) The department [office] shall allocate not more than  
 11-36 five percent of the funds allocated to the Department of  
 11-37 Agriculture under Subsection (b) to be used for county economic and  
 11-38 management development.

11-39 (d) The department [office] shall monitor the activities  
 11-40 undertaken by the Department of Agriculture under this section.

11-41 SECTION 58. Section 487.353(i), Government Code, is amended  
 11-42 to read as follows:

11-43 (i) The committee shall:

11-44 (1) consult with and advise the executive director on  
 11-45 the administration and enforcement of the community development  
 11-46 block grant program; and

11-47 (2) in consultation with the executive director and  
 11-48 department [office] staff, review and approve grant and loan  
 11-49 applications and associated funding awards of eligible counties and  
 11-50 municipalities and advise and assist the executive director  
 11-51 regarding the allocation of program funds to those applicants.

11-52 SECTION 59. Section 487.354, Government Code, is amended to  
 11-53 read as follows:

11-54 Sec. 487.354. FINANCIAL ASSISTANCE FOR INSTALLATION OF  
 11-55 STREET LIGHTS IN COLONIAS. (a) In this section, "colonia" means an  
 11-56 identifiable unincorporated community, or an identifiable  
 11-57 community annexed by a municipality and eligible for assistance as  
 11-58 described by Section 43.907(b), Local Government Code, that:

11-59 (1) is located within 150 miles of the international  
 11-60 border of this state in a county that is eligible to receive  
 11-61 financial assistance from the community development block grant  
 11-62 colonia fund under this subchapter, as identified by department  
 11-63 [office] rule;

11-64 (2) is determined by the department [office] to be a  
 11-65 colonia on the basis of objective criteria, including lack of  
 11-66 potable water supply, lack of adequate sewage systems, and lack of  
 11-67 decent, safe, and sanitary housing; and

11-68 (3) was in existence and generally recognized as a  
 11-69 colonia before November 28, 1990.

12-1 (b) The department [~~office~~] shall adopt a rule requiring a  
12-2 political subdivision that receives community development block  
12-3 grant program money targeted toward street improvement projects to  
12-4 allocate not less than five percent but not more than 15 percent of  
12-5 the total amount of targeted money to providing financial  
12-6 assistance to colonias within the political subdivision to enable  
12-7 the installation of adequate street lighting in those colonias if  
12-8 street lighting is absent or needed.

12-9 SECTION 60. Section 487.401(b), Government Code, is amended  
12-10 to read as follows:

12-11 (b) At the hospital's request, the department [~~office~~]  
12-12 shall designate the hospital as a rural hospital if the hospital  
12-13 meets the requirements for a rural hospital under the board's  
12-14 rules.

12-15 SECTION 61. Section 487.452(b), Government Code, is amended  
12-16 to read as follows:

12-17 (b) In connection with the program, the department [~~office~~]  
12-18 shall establish and maintain an updated medical resource library  
12-19 that contains information relating to medical careers. The  
12-20 department [~~office~~] shall make the library available to school  
12-21 counselors, students, and parents of students.

12-22 SECTION 62. Section 487.453, Government Code, is amended to  
12-23 read as follows:

12-24 Sec. 487.453. ADMINISTRATION. (a) The department [~~office~~]  
12-25 shall administer or contract for the administration of the program.

12-26 (b) The department [~~office~~] may solicit and accept gifts,  
12-27 grants, donations, and contributions to support the program.

12-28 (c) The department [~~office~~] may administer the program in  
12-29 cooperation with other public and private entities.

12-30 (d) The department [~~office~~], in consultation with Area  
12-31 Health Education Center Programs, shall coordinate the program with  
12-32 similar programs, including programs relating to workforce  
12-33 development, scholarships for education, and employment of  
12-34 students, that are administered by other agencies, such as the  
12-35 Texas Workforce Commission and local workforce development boards.

12-36 SECTION 63. Section 487.501(1), Government Code, is amended  
12-37 to read as follows:

12-38 (1) "Rural community" means a rural area as defined by  
12-39 the department [~~office~~].

12-40 SECTION 64. Section 487.502, Government Code, is amended to  
12-41 read as follows:

12-42 Sec. 487.502. GIFTS AND GRANTS. The department [~~office~~]  
12-43 may accept gifts, grants, and donations to support the rural  
12-44 physician recruitment program.

12-45 SECTION 65. Section 487.503(a), Government Code, is amended  
12-46 to read as follows:

12-47 (a) The department [~~office~~] shall establish a process in  
12-48 consultation with the Texas Higher Education Coordinating Board for  
12-49 selecting Texas medical schools to recruit students from rural  
12-50 communities and encourage them to return to rural communities to  
12-51 practice medicine.

12-52 SECTION 66. Section 487.551(2), Government Code, is amended  
12-53 to read as follows:

12-54 (2) "Medically underserved community" means a  
12-55 community that:

12-56 (A) is located in a county with a population of  
12-57 50,000 or less;

12-58 (B) has been designated under state or federal  
12-59 law as:

12-60 (i) a health professional shortage area; or  
12-61 (ii) a medically underserved area; or

12-62 (C) has been designated as a medically  
12-63 underserved community by the department [~~office~~].

12-64 SECTION 67. Section 487.552, Government Code, is amended to  
12-65 read as follows:

12-66 Sec. 487.552. ADVISORY PANEL. The department [~~office~~]  
12-67 shall appoint an advisory panel to assist in the department's  
12-68 [~~office's~~] duties under this subchapter. The advisory panel must  
12-69 consist of at least:

- 13-1 (1) one representative from the Texas Higher Education  
13-2 Coordinating Board;  
13-3 (2) one representative from the institutions of higher  
13-4 education having degree programs for the health professions  
13-5 participating in the programs under this subchapter;  
13-6 (3) one representative from a hospital in a medically  
13-7 underserved community;  
13-8 (4) one physician practicing in a medically  
13-9 underserved community;  
13-10 (5) one health professional, other than a physician,  
13-11 practicing in a medically underserved community; and  
13-12 (6) one public representative who resides in a  
13-13 medically underserved community.

13-14 SECTION 68. Section 487.553, Government Code, is amended to  
13-15 read as follows:

13-16 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board shall  
13-17 establish a program in the department [~~office~~] to assist  
13-18 communities in recruiting health professionals to practice in  
13-19 medically underserved communities by providing loan reimbursement  
13-20 for health professionals who serve in those communities.

13-21 SECTION 69. Section 487.554(a), Government Code, is amended  
13-22 to read as follows:

13-23 (a) The board shall establish a program in the department  
13-24 [~~office~~] to assist communities in recruiting health professionals  
13-25 to practice in medically underserved communities by providing a  
13-26 stipend to health professionals who agree to serve in those  
13-27 communities.

13-28 SECTION 70. Sections 487.555(b), (c), and (e), Government  
13-29 Code, are amended to read as follows:

13-30 (b) A student in a degree program preparing to become a  
13-31 health professional may contract with the department [~~office~~] for  
13-32 the loan reimbursement program under Section 487.553 before  
13-33 obtaining the license required to become a health professional.

13-34 (c) The department [~~office~~] may contract with a health  
13-35 professional for part-time services under the stipend program  
13-36 established under Section 487.554.

13-37 (e) A contract under this section must provide that a health  
13-38 professional who does not provide the required services to the  
13-39 community or provides those services for less than the required  
13-40 time is personally liable to the state for:

13-41 (1) the total amount of assistance the health  
13-42 professional received from the department [~~office~~] and the  
13-43 medically underserved community;

13-44 (2) interest on the amount under Subdivision (1) at a  
13-45 rate set by the board;

13-46 (3) the state's reasonable expenses incurred in  
13-47 obtaining payment, including reasonable attorney's fees; and

13-48 (4) a penalty as established by the board by rule to  
13-49 help ensure compliance with the contract.

13-50 SECTION 71. The heading to Section 487.556, Government  
13-51 Code, is amended to read as follows:

13-52 Sec. 487.556. POWERS AND DUTIES OF DEPARTMENT [~~OFFICE~~].

13-53 SECTION 72. Section 487.556(a), Government Code, is amended  
13-54 to read as follows:

13-55 (a) The board shall adopt rules necessary for the  
13-56 administration of this subchapter, including guidelines for:

13-57 (1) developing contracts under which loan  
13-58 reimbursement or stipend recipients provide services to qualifying  
13-59 communities;

13-60 (2) identifying the duties of the state, state agency,  
13-61 loan reimbursement or stipend recipient, and medically underserved  
13-62 community under the loan reimbursement or stipend contract;

13-63 (3) determining a rate of interest to be charged under  
13-64 Section 487.555(e)(2);

13-65 (4) ensuring that a loan reimbursement or stipend  
13-66 recipient provides access to health services to participants in  
13-67 government-funded health benefits programs in qualifying  
13-68 communities;

13-69 (5) encouraging the use of telecommunications or

14-1 telemedicine, as appropriate;

14-2 (6) prioritizing the provision of loan reimbursements  
14-3 and stipends to health professionals who are not eligible for any  
14-4 other state loan forgiveness, loan repayment, or stipend program;

14-5 (7) prioritizing the provision of loan reimbursements  
14-6 and stipends to health professionals who are graduates of health  
14-7 professional degree programs in this state;

14-8 (8) encouraging a medically underserved community  
14-9 served by a loan reimbursement or stipend recipient to contribute  
14-10 to the cost of the loan reimbursement or stipend when making a  
14-11 contribution is feasible; and

14-12 (9) requiring a medically underserved community  
14-13 served by a loan reimbursement or stipend recipient to assist the  
14-14 department [~~office~~] in contracting with the loan reimbursement or  
14-15 stipend recipient who will serve that community.

14-16 SECTION 73. Sections 487.559(a) and (c), Government Code,  
14-17 are amended to read as follows:

14-18 (a) The department [~~office~~] may administer the permanent  
14-19 endowment fund for the rural communities health care investment  
14-20 program. If the department [~~office~~] elects not to administer the  
14-21 fund, the comptroller shall administer the fund.

14-22 (c) The comptroller or the department [~~office~~] may solicit  
14-23 and accept gifts and grants to the fund.

14-24 SECTION 74. Section 487.560, Government Code, is amended to  
14-25 read as follows:

14-26 Sec. 487.560. REPORTING REQUIREMENT. The department  
14-27 [~~office~~] shall provide a report on the permanent endowment fund for  
14-28 the rural communities health care investment program to the  
14-29 Legislative Budget Board not later than November 1 of each year.  
14-30 The report must include the total amount of money the department  
14-31 [~~office~~] received from the fund, the purpose for which the money was  
14-32 used, and any additional information that may be requested by the  
14-33 Legislative Budget Board.

14-34 SECTION 75. Section 487.601(3), Government Code, is amended  
14-35 to read as follows:

14-36 (3) "Rural" means:

14-37 (A) a community located in a county with a  
14-38 population not greater than 50,000;

14-39 (B) an area designated under state or federal law  
14-40 as:

14-41 (i) a health professional shortage area; or

14-42 (ii) a medically underserved area; or

14-43 (C) a medically underserved community designated  
14-44 by the department [~~office~~].

14-45 SECTION 76. Section 487.602, Government Code, is amended to  
14-46 read as follows:

14-47 Sec. 487.602. RURAL PHYSICIAN RELIEF PROGRAM. The  
14-48 department [~~office~~] shall create a program to provide affordable  
14-49 relief services to rural physicians practicing in the fields of  
14-50 general family medicine, general internal medicine, and general  
14-51 pediatrics to facilitate the ability of those physicians to take  
14-52 time away from their practice.

14-53 SECTION 77. Section 487.603, Government Code, is amended to  
14-54 read as follows:

14-55 Sec. 487.603. FEES. (a) The department [~~office~~] shall  
14-56 charge a fee for rural physicians to participate in the program.

14-57 (b) The fees collected under this section shall be deposited  
14-58 in a special account in the general revenue fund that may be  
14-59 appropriated only to the department [~~office~~] for administration of  
14-60 this subchapter.

14-61 SECTION 78. Section 487.604, Government Code, is amended to  
14-62 read as follows:

14-63 Sec. 487.604. FUNDING. The department [~~office~~] may solicit  
14-64 and accept gifts, grants, donations, and contributions to support  
14-65 the program.

14-66 SECTION 79. Section 487.605, Government Code, is amended to  
14-67 read as follows:

14-68 Sec. 487.605. RELIEF PHYSICIAN'S EXPENSES. The department  
14-69 [~~office~~] shall pay a physician providing relief under the program

15-1 using fees collected by the center.

15-2 SECTION 80. Section 487.606, Government Code, is amended to  
15-3 read as follows:

15-4 Sec. 487.606. PRIORITY ASSIGNMENT OF RELIEF PHYSICIANS.

15-5 (a) The department [~~office~~] shall assign physicians to provide  
15-6 relief to a rural area in accordance with the following priorities:

15-7 (1) solo practitioners;

15-8 (2) counties that have fewer than seven residents per  
15-9 square mile;

15-10 (3) counties that have been designated under federal  
15-11 law as a health professional shortage area;

15-12 (4) counties that do not have a hospital; and

15-13 (5) counties that have a hospital but do not have a  
15-14 continuously staffed hospital emergency room.

15-15 (b) In determining where to assign relief physicians, the  
15-16 department [~~office~~] shall consider the number of physicians in the  
15-17 area available to provide relief services and the distance in that  
15-18 area to the nearest physician who practices in the same specialty.

15-19 (c) At the request of the department [~~office~~], residency  
15-20 program directors may assist the department [~~office~~] in  
15-21 coordinating the assignment of relief physicians.

15-22 SECTION 81. Section 487.607, Government Code, is amended to  
15-23 read as follows:

15-24 Sec. 487.607. RELIEF PHYSICIAN RECRUITMENT. The department  
15-25 [~~office~~] shall actively recruit physicians to participate in the  
15-26 program as relief physicians. The department [~~office~~] shall  
15-27 concentrate on recruiting physicians involved in an accredited  
15-28 residency program in general pediatrics, general internal  
15-29 medicine, and general family medicine, physicians registered on the  
15-30 department's [~~office's~~] locum tenens registry, physicians employed  
15-31 at a medical school, and physicians working for private locum  
15-32 tenens groups.

15-33 SECTION 82. Section 487.608(b), Government Code, is amended  
15-34 to read as follows:

15-35 (b) The advisory committee shall assist the department  
15-36 [~~office~~] in administering the program.

15-37 SECTION 83. Section 487.653, Government Code, is amended to  
15-38 read as follows:

15-39 Sec. 487.653. REPORT TO LEGISLATURE. Not later than  
15-40 January 1 of each odd-numbered year, the department [~~office~~] shall  
15-41 submit to the legislature a report detailing the grant activities  
15-42 of the program and grant recipients. The report must include:

15-43 (1) the criteria used to quantify the effect grant  
15-44 funds had in advancing telecommunications connectivity and  
15-45 technology;

15-46 (2) data and performance measures used to quantify the  
15-47 achievement of program objectives; and

15-48 (3) a description of and results from a grant  
15-49 monitoring risk assessment and on-site review process.

15-50 SECTION 84. Section 487.701, Government Code, as  
15-51 transferred, redesignated, and amended by Chapter 542 (S.B. 1128),  
15-52 Acts of the 80th Legislature, Regular Session, 2007, is amended to  
15-53 read as follows:

15-54 Sec. 487.701. CREATION OF FOUNDATION. (a) The department  
15-55 [~~Office of Rural Community Affairs~~] shall establish the Texas Rural  
15-56 Foundation as a nonprofit corporation that complies with the Texas  
15-57 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
15-58 Texas Civil Statutes), except as otherwise provided by this  
15-59 chapter, and qualifies as an organization exempt from federal  
15-60 income tax under Section 501(c)(3), Internal Revenue Code of 1986,  
15-61 as amended.

15-62 (b) The department [~~Office of Rural Community Affairs~~]  
15-63 shall ensure that the Texas Rural Foundation operates independently  
15-64 of any state agency or political subdivision of the state.

15-65 SECTION 85. Section 487.702(c), Government Code, as  
15-66 transferred, redesignated, and amended by Chapter 542 (S.B. 1128),  
15-67 Acts of the 80th Legislature, Regular Session, 2007, is amended to  
15-68 read as follows:

15-69 (c) The Texas Rural Foundation shall develop and implement

16-1 policies and procedures that clearly separate the responsibilities  
16-2 and activities of the foundation from the department [~~Office of~~  
16-3 ~~Rural Community Affairs~~].

16-4 SECTION 86. Section 487.703(a), Government Code, as  
16-5 transferred, redesignated, and amended by Chapter 542 (S.B. 1128),  
16-6 Acts of the 80th Legislature, Regular Session, 2007, is amended to  
16-7 read as follows:

16-8 (a) The Texas Rural Foundation is governed by a board of an  
16-9 odd number of at least nine and not more than 15 directors appointed  
16-10 by the board of the department [~~Office of Rural Community Affairs~~].

16-11 SECTION 87. Section 487.705(c), Government Code, is amended  
16-12 to read as follows:

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

16-24 SECTION 88. Section 487.710, Government Code, is amended to  
16-25 read as follows:

16-26 Sec. 487.710. MEMORANDUM OF UNDERSTANDING. The Texas  
16-27 Rural Foundation and the department [~~Office of Rural Community~~  
16-28 ~~Affairs~~] shall enter into a memorandum of understanding that:

16-29 (1) requires the board of directors and staff of the  
16-30 foundation to report to the executive director and board of the  
16-31 department [~~Office of Rural Community Affairs~~];

16-32 (2) allows the department [~~Office of Rural Community~~  
16-33 ~~Affairs~~] to provide staff functions to the foundation;

16-34 (3) allows the department [~~Office of Rural Community~~  
16-35 ~~Affairs~~] to expend funds on the foundation; and

16-36 (4) outlines the financial contributions to be made to  
16-37 the foundation from funds obtained from grants and other sources.

16-38 SECTION 89. Section 487.711(a), Government Code, is amended  
16-39 to read as follows:

16-40 (a) The Texas Rural Foundation shall maintain financial  
16-41 records and reports independently from those of the department  
16-42 [~~Office of Rural Community Affairs~~].

16-43 SECTION 90. Section 487.712, Government Code, is amended to  
16-44 read as follows:

16-45 Sec. 487.712. REPORT TO DEPARTMENT [~~OFFICE OF RURAL~~  
16-46 ~~COMMUNITY AFFAIRS~~]. Not later than the 60th day after the last day  
16-47 of the fiscal year, the Texas Rural Foundation shall submit to the  
16-48 department [~~Office of Rural Community Affairs~~] a report itemizing  
16-49 all income and expenditures and describing all activities of the  
16-50 foundation during the preceding fiscal year.

16-51 SECTION 91. Subchapter P, Chapter 487, Government Code, as  
16-52 added by Chapter 712 (H.B. 2235), Acts of the 80th Legislature,  
16-53 Regular Session, 2007, is relettered as Subchapter Q, Chapter 487,  
16-54 Government Code, and amended to read as follows:

16-55 SUBCHAPTER Q [~~P~~]. RURAL TECHNOLOGY CENTER GRANT PROGRAM

16-56 Sec. 487.751 [~~487.701~~]. DEFINITION. In this subchapter,  
16-57 "rural county" means a county that has a population of not more than  
16-58 125,000.

16-59 Sec. 487.752 [~~487.702~~]. GRANT PROGRAM. (a) Subject to  
16-60 available funds, the department [~~office~~] shall establish a grant  
16-61 program under which the department [~~office~~] awards grants to public  
16-62 institutions of higher education, public high schools, and  
16-63 governmental entities located in a rural county for the development  
16-64 and operation of multi-institutional technology centers that  
16-65 provide:

16-66 (1) community access to technology;

16-67 (2) computer literacy programs;

16-68 (3) educational programs designed to provide  
16-69 concurrent enrollment credit for high school students taking



17-1 postsecondary courses in information and emerging technologies;  
 17-2 (4) training for careers in technology-related fields  
 17-3 and other highly skilled industries; and  
 17-4 (5) technology-related continuing and adult education  
 17-5 programs.

17-6 (b) The executive committee by rule shall establish:  
 17-7 (1) eligibility criteria for grant applicants;  
 17-8 (2) grant application procedures;  
 17-9 (3) guidelines relating to grant amounts;  
 17-10 (4) procedures for evaluating grant applications; and  
 17-11 (5) procedures for monitoring the use of grants  
 17-12 awarded under the program and for ensuring compliance with the  
 17-13 conditions of a grant.

17-14 Sec. 487.753 [~~487.703~~]. FUNDING. The department [~~office~~]  
 17-15 may seek, receive, and spend money received through an  
 17-16 appropriation, grant, donation, or reimbursement from any public or  
 17-17 private source to implement this subchapter.

17-18 SECTION 92. Section 490A.003(a), Government Code, is  
 17-19 amended to read as follows:

17-20 (a) The founding members of the network are:  
 17-21 (1) the Texas Cooperative Extension of The Texas A&M  
 17-22 University System;  
 17-23 (2) the IC2 Institute at The University of Texas at  
 17-24 Austin;  
 17-25 (3) the College of Agricultural Sciences and Natural  
 17-26 Resources at Texas Tech University;  
 17-27 (4) the Department of Agriculture;  
 17-28 (5) the Texas Workforce Commission;  
 17-29 (6) the Texas Department [~~Office~~] of Rural [~~Community~~]  
 17-30 Affairs;  
 17-31 (7) the Texas Center for Rural Entrepreneurship;  
 17-32 (8) the Texas Economic Development Council;  
 17-33 (9) CoSERVE at The University of Texas--Pan American;  
 17-34 (10) the office of external affairs at Texas Southern  
 17-35 University; and  
 17-36 (11) the John F. Baugh Center for Entrepreneurship at  
 17-37 Baylor University.

17-38 SECTION 93. Section 531.02172(b), Government Code, is  
 17-39 amended to read as follows:

17-40 (b) The advisory committee must include:  
 17-41 (1) representatives of health and human services  
 17-42 agencies and other state agencies concerned with the use of  
 17-43 telemedical consultations in the Medicaid program and the state  
 17-44 child health plan program, including representatives of:  
 17-45 (A) the commission;  
 17-46 (B) the Department of State Health Services;  
 17-47 (C) the Texas Department [~~Office~~] of Rural  
 17-48 [~~Community~~] Affairs;  
 17-49 (D) the Texas Department of Insurance;  
 17-50 (E) the Texas Medical Board;  
 17-51 (F) the Texas Board of Nursing; and  
 17-52 (G) the Texas State Board of Pharmacy;  
 17-53 (2) representatives of health science centers in this  
 17-54 state;  
 17-55 (3) experts on telemedicine, telemedical  
 17-56 consultation, and telemedicine medical services or telehealth  
 17-57 services; and  
 17-58 (4) representatives of consumers of health services  
 17-59 provided through telemedical consultations and telemedicine  
 17-60 medical services or telehealth services.

17-61 SECTION 94. Section 614.152(3), Government Code, as added  
 17-62 by Chapter 1215 (H.B. 1915), Acts of the 80th Legislature, Regular  
 17-63 Session, 2007, is amended to read as follows:

17-64 (3) "State fire agency" means the:  
 17-65 (A) firefighters' pension commissioner;  
 17-66 (B) Texas Department [~~Office~~] of Rural  
 17-67 [~~Community~~] Affairs;  
 17-68 (C) service;  
 17-69 (D) Texas Commission on Fire Protection;

18-1 (E) Texas Engineering Extension Service of The  
 18-2 Texas A&M University System; and  
 18-3 (F) Texas State Fire Marshal's Office of the  
 18-4 Texas Department of Insurance.

18-5 SECTION 95. Section 772.011(b), Government Code, is amended  
 18-6 to read as follows:

18-7 (b) The work group is composed of the heads of the following  
 18-8 agencies or their designees:

- 18-9 (1) the Texas Department [~~Office~~] of Rural [~~Community~~]  
 18-10 Affairs;
- 18-11 (2) the Texas Department of Housing and Community  
 18-12 Affairs;
- 18-13 (3) the Texas Water Development Board;
- 18-14 (4) the Texas Department of Transportation;
- 18-15 (5) the Texas Commission on Environmental Quality;
- 18-16 (6) the Texas Workforce Commission;
- 18-17 (7) the Department of State Health Services;
- 18-18 (8) the Health and Human Services Commission;
- 18-19 (9) the General Land Office;
- 18-20 (10) the Texas Education Agency;
- 18-21 (11) the Texas Economic Development and Tourism  
 18-22 Office;
- 18-23 (12) the [~~Texas~~] Office of State-Federal Relations;
- 18-24 (13) the Texas Higher Education Coordinating Board;
- 18-25 (14) the attorney general's office;
- 18-26 (15) the secretary of state's office;
- 18-27 (16) the Department of Public Safety; and
- 18-28 (17) the Railroad Commission of Texas.

18-29 SECTION 96. Section 775.002(d), Government Code, is amended  
 18-30 to read as follows:

18-31 (d) The following agencies shall designate an officer or  
 18-32 employee of the agency to serve as the agency's liaison for colonia  
 18-33 initiatives:

- 18-34 (1) the office of the attorney general;
- 18-35 (2) the Department of State Health Services;
- 18-36 (3) the Texas Department of Housing and Community  
 18-37 Affairs;
- 18-38 (4) the Texas Commission on Environmental Quality;
- 18-39 (5) the Texas Water Development Board;
- 18-40 (6) the Texas Department [~~Office~~] of Rural [~~Community~~]  
 18-41 Affairs;
- 18-42 (7) the Office of State-Federal Relations;
- 18-43 (8) the Texas Department of Insurance; and
- 18-44 (9) the Texas Department of Transportation.

18-45 SECTION 97. Section 86.011, Health and Safety Code, is  
 18-46 amended to read as follows:

18-47 Sec. 86.011. BREAST CANCER SCREENING. (a) The Texas  
 18-48 Department [~~Office~~] of Rural [~~Community~~] Affairs may provide for  
 18-49 breast cancer screening in counties with a population of 50,000 or  
 18-50 less.

18-51 (b) The Texas Department [~~Office~~] of Rural [~~Community~~]  
 18-52 Affairs may provide the breast cancer screening through contracts  
 18-53 with public or private entities to provide mobile units and on-site  
 18-54 screening services.

18-55 (c) The Texas Department [~~Office~~] of Rural [~~Community~~]  
 18-56 Affairs shall coordinate the breast cancer screening with programs  
 18-57 administered by the Texas Cancer Council.

18-58 SECTION 98. Sections 775.083(a), (b), and (c), Health and  
 18-59 Safety Code, are amended to read as follows:

18-60 (a) On or before January 1 of each year, a district shall  
 18-61 file with the Texas Department [~~Office~~] of Rural [~~Community~~]  
 18-62 Affairs an annual report that includes the following:

- 18-63 (1) the district's name;
- 18-64 (2) the name of each county in which the district is  
 18-65 located;
- 18-66 (3) the district's business address;
- 18-67 (4) the name, mailing address, and term of office of  
 18-68 each commissioner;
- 18-69 (5) the name, mailing address, and term of office of

19-1 the district's general manager, executive director, and fire chief;  
19-2 (6) the name of each legal counsel or other consultant  
19-3 for the district; and

19-4 (7) the district's annual budget and tax rate for the  
19-5 preceding fiscal year.

19-6 (b) The Texas Department [Office] of Rural ~~[Community]~~  
19-7 Affairs may not charge a fee for filing the report.

19-8 (c) The Texas Department [Office] of Rural ~~[Community]~~  
19-9 Affairs shall develop and maintain an Internet-based system that  
19-10 enables:

19-11 (1) a district to securely file the report and update  
19-12 the district's information; and

19-13 (2) the public to view, in a searchable format, the  
19-14 reports filed by districts under this section.

19-15 SECTION 99. Sections 776.083(a), (b), and (c), Health and  
19-16 Safety Code, are amended to read as follows:

19-17 (a) On or before January 1 of each year, a district shall  
19-18 file with the Texas Department [Office] of Rural ~~[Community]~~  
19-19 Affairs an annual report that includes the following:

19-20 (1) the district's name;

19-21 (2) the name of each county in which the district is  
19-22 located;

19-23 (3) the district's business address;

19-24 (4) the name, mailing address, and term of office of  
19-25 each commissioner;

19-26 (5) the name, mailing address, and term of office of  
19-27 the district's general manager, executive director, and fire chief;

19-28 (6) the name of each legal counsel or other consultant  
19-29 for the district; and

19-30 (7) the district's annual budget and tax rate for the  
19-31 preceding fiscal year.

19-32 (b) The Texas Department [Office] of Rural ~~[Community]~~  
19-33 Affairs may not charge a fee for filing the report.

19-34 (c) The Texas Department [Office] of Rural ~~[Community]~~  
19-35 Affairs shall develop and maintain an Internet-based system that  
19-36 enables:

19-37 (1) a district to securely file the report and update  
19-38 the district's information; and

19-39 (2) the public to view, in a searchable format, the  
19-40 reports filed by districts under this section.

19-41 SECTION 100. Sections 204.104(b) and (c), Occupations Code,  
19-42 are amended to read as follows:

19-43 (b) The Texas Department [Office] of Rural ~~[Community]~~  
19-44 Affairs shall establish policies for and adopt rules to administer  
19-45 the loan program.

19-46 (c) The physician assistant board shall authorize and the  
19-47 medical board shall transfer annually the funds designated under

19-48 Subsection (a) to the Texas Department [Office] of Rural  
19-49 ~~[Community]~~ Affairs to administer the loan program.

19-50 SECTION 101. A reference in another law or administrative  
19-51 rule to the Office of Rural Community Affairs means the Texas  
19-52 Department of Rural Affairs.

19-53 SECTION 102. This Act takes effect September 1, 2009.

19-54 \* \* \* \* \*