

By: King of Zavala

H.B. No. 1493

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the transfer of programs from the Texas Department of
3 Rural Affairs to the Department of Agriculture.

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

5 SECTION 1. Section 61.0899, Education Code, is amended to
6 read as follows:

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

17 SECTION 2. Section 487.001(3), Government Code, is amended
18 to read as follows:

19 (3) "Department" means the Department of Agriculture
20 [~~office~~].

21 SECTION 3. Section 487.026, Government Code, is amended to
22 read as follows:

23 Sec. 487.026. DIRECTOR. [~~(a)~~] The director serves as the
24 chief executive officer of the office and performs the

1 administrative duties of the office.

2 ~~[(b) The director may hire staff within guidelines~~
3 ~~established by the commissioner.]~~

4 SECTION 4. Section 487.051(a), Government Code, is amended
5 to read as follows:

6 (a) The office shall:

7 (1) assist rural communities in the key areas of
8 economic development, community development, rural health, and
9 rural housing;

10 (2) serve as a clearinghouse for information and
11 resources on all state and federal programs affecting rural
12 communities;

13 (3) in consultation with rural community leaders,
14 locally elected officials, state elected and appointed officials,
15 academic and industry experts, and the interagency work group
16 created under this chapter, identify and prioritize policy issues
17 and concerns affecting rural communities in the state;

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

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

25 (6) administer the federal community development
26 block grant nonentitlement program;

27 (7) administer programs supporting rural health care

1 as provided by this chapter;

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

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

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

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

14 (12) in conjunction with other offices and divisions
15 of the department [~~Department of Agriculture~~], regularly
16 cross-train office employees with other employees of the department
17 [~~Department of Agriculture~~] regarding the programs administered
18 and services provided to rural communities; and

19 (13) work with interested persons to assist volunteer
20 fire departments and emergency services districts in rural areas.

21 SECTION 5. Section 487.052, Government Code, is amended to
22 read as follows:

23 Sec. 487.052. RULES. The department [~~board~~] may adopt
24 rules as necessary to implement this chapter.

25 SECTION 6. Section 487.060(b), Government Code, is amended
26 to read as follows:

27 (b) To assist the secretary of state in preparing the report

1 required under Section 405.021, the department on an annual [~~a~~
2 ~~quarterly~~] basis shall provide a report to the secretary of state
3 detailing any projects funded by the department that serve colonias
4 by providing water or wastewater services, paved roads, or other
5 assistance.

6 SECTION 7. Section 487.061, Government Code, is amended to
7 read as follows:

8 Sec. 487.061. EMERGENCY SERVICES DISTRICT PROGRAM. (a)
9 The department shall serve as a resource [~~establish a program~~] to
10 provide interested rural communities with:

11 (1) general information about emergency services
12 districts; and

13 (2) information and training related to the
14 establishment of an emergency services district [~~, and~~

15 [~~(3) technical assistance related to the~~
16 ~~implementation of an emergency services district]~~].

17 (b) The department [~~program~~] may:

18 (1) [~~assist fire departments in rural areas with the~~
19 ~~recruitment and retention of volunteer firefighters,~~

20 [~~(2)~~] provide to fire departments in rural areas
21 information relating to assistance programs offered to rural
22 volunteer firefighters, including the federal Staffing for
23 Adequate Fire and Emergency Response grant program to help fire
24 departments increase staffing and deployment capabilities; and

25 (2) [~~(3)~~] provide to rural homeowners information
26 relating to the benefits of volunteer fire departments, including a
27 reduction in homeowners insurance risk ratings, lower homeowners

1 insurance rates, and better fire protection.

2 SECTION 8. Sections 487.103(a), (b), and (c), Government
3 Code, are amended to read as follows:

4 (a) The selection committee shall advise the department
5 [~~board~~] on the progress of the program.

6 (b) The selection committee is composed of 12 members
7 appointed by the commissioner [~~board~~].

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

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

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

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

19 SECTION 10. Section 487.107, Government Code, is amended to
20 read as follows:

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

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

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

1 all eligible applicants, the department [~~board~~] shall award
2 forgivable loans on a priority basis according to the applicants'
3 academic performance, test scores, and other criteria of
4 eligibility.

5 SECTION 11. Section 487.108(a), Government Code, is amended
6 to read as follows:

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

16 SECTION 12. Sections 487.109(b), (c), and (d), Government
17 Code, are amended to read as follows:

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

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

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

5 SECTION 13. Section 487.112, Government Code, is amended to
6 read as follows:

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

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

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

16 SECTION 14. Section 487.152(a), Government Code, is amended
17 to read as follows:

18 (a) Subject to available funding, the [~~The~~] department
19 shall administer or contract for the administration of the program.

20 SECTION 15. Section 487.154, Government Code, is amended to
21 read as follows:

22 Sec. 487.154. LOANS. (a) The department [~~board~~] may award
23 forgivable educational loans to eligible students under this
24 subchapter.

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

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

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

4 SECTION 16. Section 487.155(a), Government Code, is amended
5 to read as follows:

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

8 (1) be sponsored by an eligible community;

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

12 (3) meet academic requirements as established by the
13 department [~~board~~];

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

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

18 (6) meet other requirements as established by the
19 department [~~board~~].

20 SECTION 17. Section 487.156(c), Government Code, is amended
21 to read as follows:

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

25 SECTION 18. Section 487.157(a), Government Code, is amended
26 to read as follows:

27 (a) On confirmation of an eligible student's admission to a

1 postsecondary educational institution, or on receipt of an
2 enrollment report of the student at a postsecondary educational
3 institution, and certification of the amount of financial support
4 needed, the department [~~board~~] may award a forgivable loan to the
5 student in the amount of not more than the cost of the student's
6 tuition, fees, educational materials, and living expenses.

7 SECTION 19. Section 487.158(b), Government Code, is amended
8 to read as follows:

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

13 (1) the total amount of assistance the student
14 receives from the department and the sponsoring community;

15 (2) interest on the total amount at a rate set by the
16 department [~~board~~]; and

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

19 SECTION 20. Section 487.159(b), Government Code, is amended
20 to read as follows:

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

1 SECTION 21. Sections 487.161(b) and (c), Government Code,
2 are amended to read as follows:

3 (b) The sponsoring community shall report to the office
4 [~~board~~] the length of time the student provides health care
5 services in the community in accordance with the guidelines
6 established by the department [~~board~~].

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

12 SECTION 22. Section 487.163, Government Code, is amended to
13 read as follows:

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

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

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

23 SECTION 23. Sections 487.202(a), (d), and (e), Government
24 Code, are amended to read as follows:

25 (a) The department [~~board~~] shall establish and administer a
26 program under this subchapter to increase the number of physicians
27 providing primary care in medically underserved communities.

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

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

7 SECTION 24. Sections 487.203 and 487.204, Government Code,
8 are amended to read as follows:

9 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
10 from the department, a medically underserved community must:

- 11 (1) apply for the money; and
12 (2) provide evidence satisfactory to the office
13 [~~board~~] that it has entered into an agreement with a physician for
14 the physician to provide primary care in the community for at least
15 two years.

16 Sec. 487.204. RULES. The department [~~board~~] shall adopt
17 rules necessary for the administration of this subchapter,
18 including rules addressing:

- 19 (1) eligibility criteria for a medically underserved
20 community;
21 (2) eligibility criteria for a physician;
22 (3) minimum and maximum community contributions to the
23 start-up money for a physician to be matched with state money;
24 (4) conditions under which state money must be repaid
25 by a community or physician;
26 (5) procedures for disbursement of money by the
27 department;

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

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

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

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

8 SECTION 25. Section 487.252, Government Code, is amended to
9 read as follows:

10 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a)
11 Subject to available funding, the department [~~The board~~] shall
12 establish a program [~~in the department~~] to assist communities in
13 recruiting and retaining physicians to practice in medically
14 underserved areas.

15 (b) The department [~~board~~] by rule shall establish:

16 (1) eligibility criteria for applicants;

17 (2) stipend application procedures;

18 (3) guidelines relating to stipend amounts;

19 (4) procedures for evaluating stipend applications;

20 and

21 (5) a system of priorities relating to the:

22 (A) geographic areas covered;

23 (B) medical specialties eligible to receive
24 funding under the program; and

25 (C) level of stipend support.

26 SECTION 26. Section 487.253(a), Government Code, is amended
27 to read as follows:

1 (a) The department [~~board~~] shall adopt rules necessary to
2 administer this subchapter, and the department shall administer the
3 program in accordance with those rules.

4 SECTION 27. Section 487.351(c), Government Code, is amended
5 to read as follows:

6 (c) The department shall give priority to eligible
7 activities in the areas of economic development, community
8 development, and rural health[~~, and rural housing~~] to support
9 workforce development in awarding funding for community
10 development block grant programs.

11 SECTION 28. Section 487.401, Government Code, is amended to
12 read as follows:

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

17 (b) At the hospital's request, the department shall
18 designate the hospital as a rural hospital if the hospital meets the
19 requirements for a rural hospital under the department's [~~board's~~]
20 rules.

21 SECTION 29. Sections 487.451(1) and (3), Government Code,
22 are amended to read as follows:

- 23 (1) "Health care professional" means:
- 24 (A) an advanced nurse practitioner;
 - 25 (B) a dentist;
 - 26 (C) a dental hygienist;
 - 27 (D) a laboratory technician;

- 1 (E) a licensed vocational nurse;
 - 2 (F) a licensed professional counselor;
 - 3 (G) a medical radiological technologist;
 - 4 (H) an occupational therapist;
 - 5 (I) a pharmacist;
 - 6 (J) a physical therapist;
 - 7 (K) a physician;
 - 8 (L) a physician assistant;
 - 9 (M) a psychologist;
 - 10 (N) a registered nurse;
 - 11 (O) a social worker;
 - 12 (P) a speech-language pathologist;
 - 13 (Q) a veterinarian;
 - 14 (R) a chiropractor; and
 - 15 (S) another appropriate health care professional
- 16 identified by the department [~~board~~].

17 (3) "Underserved urban area" means an urban area of
18 this state with a medically underserved population, as determined
19 in accordance with criteria adopted by the department [~~board~~] by
20 rule, considering relevant demographic, geographic, and
21 environmental factors.

22 SECTION 30. Section 487.452(a), Government Code, is amended
23 to read as follows:

24 (a) Subject to available funding, the department [~~The~~
25 ~~board~~], in collaboration with Area Health Education Center
26 Programs, shall establish a community healthcare awareness and
27 mentoring program for students to:

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

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

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

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

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

21 SECTION 31. Section 487.454, Government Code, is amended to
22 read as follows:

23 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
24 available funding, the department [~~funds, the board~~] shall develop
25 and implement, as a component of the program, a grant program to
26 support employment opportunities in rural and underserved urban
27 areas in this state for students participating in training or

1 educational programs to become health care professionals.

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

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

7 (1) apply for the grant on a form adopted by the
8 department [~~board~~];

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

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

14 (4) comply fully with any practice or requirements
15 associated with any scholarship, loan, or other similar benefit
16 received by the student.

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

24 SECTION 32. Section 487.503(a), Government Code, is amended
25 to read as follows:

26 (a) Subject to available funding, the [~~The~~] department
27 shall establish a process in consultation with the Texas Higher

1 Education Coordinating Board for selecting Texas medical schools to
2 recruit students from rural communities and encourage them to
3 return to rural communities to practice medicine.

4 SECTION 33. Section 487.553, Government Code, is amended to
5 read as follows:

6 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. Subject to
7 available funding, the department [~~The board~~] shall establish a
8 program [~~in the department~~] to assist communities in recruiting
9 health professionals to practice in medically underserved
10 communities by providing loan reimbursement for health
11 professionals who serve in those communities.

12 SECTION 34. Sections 487.554(a) and (b), Government Code,
13 are amended to read as follows:

14 (a) Subject to available funding, the department [~~The~~
15 ~~board~~] shall establish a program [~~in the department~~] to assist
16 communities in recruiting health professionals to practice in
17 medically underserved communities by providing a stipend to health
18 professionals who agree to serve in those communities.

19 (b) A stipend awarded under this section may [~~shall~~] be paid
20 in periodic installments.

21 SECTION 35. Section 487.555(e), Government Code, is amended
22 to read as follows:

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

27 (1) the total amount of assistance the health

1 professional received from the department and the medically
2 underserved community;

3 (2) interest on the amount under Subdivision (1) at a
4 rate set by the department [~~board~~];

5 (3) the state's reasonable expenses incurred in
6 obtaining payment, including reasonable attorney's fees; and

7 (4) a penalty as established by the department [~~board~~]
8 by rule to help ensure compliance with the contract.

9 SECTION 36. Section 487.556, Government Code, is amended to
10 read as follows:

11 Sec. 487.556. POWERS AND DUTIES OF DEPARTMENT. (a) The
12 department [~~board~~] shall adopt rules necessary for the
13 administration of this subchapter, including guidelines for:

14 (1) developing contracts under which loan
15 reimbursement or stipend recipients provide services to qualifying
16 communities;

17 (2) identifying the duties of the state, state agency,
18 loan reimbursement or stipend recipient, and medically underserved
19 community under the loan reimbursement or stipend contract;

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

22 (4) ensuring that a loan reimbursement or stipend
23 recipient provides access to health services to participants in
24 government-funded health benefits programs in qualifying
25 communities;

26 (5) encouraging the use of telecommunications or
27 telemedicine, as appropriate;

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

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

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

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

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

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

20 SECTION 37. Section 487.602, Government Code, is amended to
21 read as follows:

22 Sec. 487.602. RURAL PHYSICIAN RELIEF PROGRAM. Subject to
23 available funding, the [~~The~~] department shall create a program to
24 provide affordable relief services to rural physicians practicing
25 in the fields of general family medicine, general internal
26 medicine, and general pediatrics to facilitate the ability of those
27 physicians to take time away from their practice.

1 SECTION 38. Section 487.652(a), Government Code, is amended
2 to read as follows:

3 (a) Subject to available funding, the [~~The~~] community
4 telecommunications alliance program shall:

5 (1) assist local communities in the creation and
6 development of community telecommunications alliances, including
7 alliances established to pursue rural economic development or
8 innovative rural school health technology projects, by providing
9 advice and assistance in assessing local uses of and local demands
10 or needs for local telecommunications and information services of
11 private sector providers; and

12 (2) assist community telecommunications alliances in
13 applying for grant funding for projects, including:

14 (A) assisting alliances in securing matching
15 private sector funding for projects; and

16 (B) requiring alliances to develop sustainable
17 plans:

18 (i) that demonstrate how the alliance will
19 continue to obtain private sector services once the grant funding
20 terminates;

21 (ii) that do not directly compete with
22 local businesses, telecommunications providers, or information
23 services providers; and

24 (iii) that prohibit a network created with
25 assistance from the alliance or other public funding from being
26 sold to a direct competitor of a private sector provider.

27 SECTION 39. Section 487.701(a), Government Code, is amended

1 to read as follows:

2 (a) The department shall establish the Texas Rural
3 Foundation as a nonprofit corporation that complies with Chapter
4 22, Business Organizations Code [~~the Texas Non-Profit Corporation~~
5 ~~Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes)~~],
6 except as otherwise provided by this chapter, and qualifies as an
7 organization exempt from federal income tax under Section
8 501(c)(3), Internal Revenue Code of 1986, as amended.

9 SECTION 40. Section 487.703(a), Government Code, is amended
10 to read as follows:

11 (a) The Texas Rural Foundation is governed by a board of an
12 odd number of at least nine and not more than 15 directors appointed
13 by the commissioner [~~board of the department~~].

14 SECTION 41. Section 487.705(c), Government Code, is amended
15 to read as follows:

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

27 SECTION 42. Section 487.710, Government Code, is amended to

1 read as follows:

2 Sec. 487.710. MEMORANDUM OF UNDERSTANDING. The Texas Rural
3 Foundation and the department shall enter into a memorandum of
4 understanding that:

5 (1) requires the board of directors and staff of the
6 foundation to report to the [~~executive~~] director of the department
7 and the commissioner [~~board of the department~~];

8 (2) allows the department to provide staff functions
9 to the foundation;

10 (3) allows the department to expend funds on the
11 foundation; and

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

14 SECTION 43. Section 487.752(b), Government Code, is amended
15 to read as follows:

16 (b) The department [~~executive committee~~] by rule shall
17 establish:

18 (1) eligibility criteria for grant applicants;

19 (2) grant application procedures;

20 (3) guidelines relating to grant amounts;

21 (4) procedures for evaluating grant applications; and

22 (5) procedures for monitoring the use of grants
23 awarded under the program and for ensuring compliance with the
24 conditions of a grant.

25 SECTION 44. The following provisions of the Government Code
26 are repealed:

27 (1) Section 487.001(1);

- 1 (2) Section 487.027;
- 2 (3) Section 487.030;
- 3 (4) Section 487.031;
- 4 (5) Section 487.032;
- 5 (6) Section 487.053;
- 6 (7) Section 487.054;
- 7 (8) Section 487.0541;
- 8 (9) Section 487.056;
- 9 (10) Section 487.057;
- 10 (11) Section 487.059;
- 11 (12) Section 487.552;
- 12 (13) Section 487.608; and
- 13 (14) Section 487.653.

14 SECTION 45. On the effective date of this Act, the following
15 are abolished:

- 16 (1) the interagency work group under Section 487.0541,
17 Government Code;
- 18 (2) the advisory panel under Section 487.552,
19 Government Code; and
- 20 (3) the rural physician relief advisory committee
21 under Section 487.608, Government Code.

22 SECTION 46. This Act takes effect September 1, 2013.