

1-1 By: King of Zavala (Senate Sponsor - Hegar) H.B. No. 1493
 1-2 (In the Senate - Received from the House April 4, 2013;
 1-3 April 9, 2013, read first time and referred to Committee on
 1-4 Agriculture, Rural Affairs, and Homeland Security; May 2, 2013,
 1-5 reported favorably by the following vote: Yeas 5, Nays 0;
 1-6 May 2, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			

1-14 A BILL TO BE ENTITLED
 1-15 AN ACT

1-16 relating to the transfer of programs from the Texas Department of
 1-17 Rural Affairs to the Department of Agriculture.

1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-19 SECTION 1. Section 61.0899, Education Code, is amended to
 1-20 read as follows:

1-21 Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN
 1-22 REIMBURSEMENT AND STIPEND PROGRAMS. The board shall, in
 1-23 cooperation with the [Texas] Department of Agriculture [Rural
 1-24 Affairs and the department's advisory panel established under
 1-25 Section 487.552, Government Code], ensure that the board seeks to
 1-26 obtain the maximum amount of funds from any source, including
 1-27 federal funds, to support programs to provide student loan
 1-28 reimbursement or stipends for graduates of degree programs in this
 1-29 state who practice or agree to practice in a medically underserved
 1-30 community.

1-31 SECTION 2. Section 487.001(3), Government Code, is amended
 1-32 to read as follows:

1-33 (3) "Department" means the Department of Agriculture
 1-34 [~~office~~].

1-35 SECTION 3. Section 487.026, Government Code, is amended to
 1-36 read as follows:

1-37 Sec. 487.026. DIRECTOR. [~~(a)~~] The director serves as the
 1-38 chief executive officer of the office and performs the
 1-39 administrative duties of the office.

1-40 [~~(b) The director may hire staff within guidelines~~
 1-41 ~~established by the commissioner.~~]

1-42 SECTION 4. Section 487.051(a), Government Code, is amended
 1-43 to read as follows:

1-44 (a) The office shall:

1-45 (1) assist rural communities in the key areas of
 1-46 economic development, community development, rural health, and
 1-47 rural housing;

1-48 (2) serve as a clearinghouse for information and
 1-49 resources on all state and federal programs affecting rural
 1-50 communities;

1-51 (3) in consultation with rural community leaders,
 1-52 locally elected officials, state elected and appointed officials,
 1-53 academic and industry experts, and the interagency work group
 1-54 created under this chapter, identify and prioritize policy issues
 1-55 and concerns affecting rural communities in the state;

1-56 (4) make recommendations to the legislature to address
 1-57 the concerns affecting rural communities identified under
 1-58 Subdivision (3);

1-59 (5) monitor developments that have a substantial
 1-60 effect on rural Texas communities, especially actions of state
 1-61 government [~~, and compile an annual report describing and evaluating~~]

2-1 ~~the condition of rural communities~~];

2-2 (6) administer the federal community development

2-3 block grant nonentitlement program;

2-4 (7) administer programs supporting rural health care

2-5 as provided by this chapter;

2-6 (8) perform research to determine the most beneficial

2-7 and cost-effective ways to improve the welfare of rural

2-8 communities;

2-9 (9) ensure that the office qualifies as the state's

2-10 office of rural health for the purpose of receiving grants from the

2-11 Office of Rural Health Policy of the United States Department of

2-12 Health and Human Services under 42 U.S.C. Section 254r;

2-13 (10) manage the state's Medicare rural hospital

2-14 flexibility program under 42 U.S.C. Section 1395i-4;

2-15 (11) seek state and federal money available for

2-16 economic development in rural areas for programs under this

2-17 chapter;

2-18 (12) in conjunction with other offices and divisions

2-19 of the department [~~Department of Agriculture~~], regularly

2-20 cross-train office employees with other employees of the department

2-21 [~~Department of Agriculture~~] regarding the programs administered

2-22 and services provided to rural communities; and

2-23 (13) work with interested persons to assist volunteer

2-24 fire departments and emergency services districts in rural areas.

2-25 SECTION 5. Section 487.052, Government Code, is amended to

2-26 read as follows:

2-27 Sec. 487.052. RULES. The department [~~board~~] may adopt

2-28 rules as necessary to implement this chapter.

2-29 SECTION 6. Section 487.060(b), Government Code, is amended

2-30 to read as follows:

2-31 (b) To assist the secretary of state in preparing the report

2-32 required under Section 405.021, the department on an annual [~~a~~

2-33 ~~quarterly~~] basis shall provide a report to the secretary of state

2-34 detailing any projects funded by the department that serve colonias

2-35 by providing water or wastewater services, paved roads, or other

2-36 assistance.

2-37 SECTION 7. Section 487.061, Government Code, is amended to

2-38 read as follows:

2-39 Sec. 487.061. EMERGENCY SERVICES DISTRICT PROGRAM. (a)

2-40 The department shall serve as a resource [~~establish a program~~] to

2-41 provide interested rural communities with:

2-42 (1) general information about emergency services

2-43 districts; and

2-44 (2) information and training related to the

2-45 establishment of an emergency services district[, ~~and~~

2-46 [~~(3) technical assistance related to the~~

2-47 ~~implementation of an emergency services district~~].

2-48 (b) The department [~~program~~] may:

2-49 (1) [~~assist fire departments in rural areas with the~~

2-50 ~~recruitment and retention of volunteer firefighters,~~

2-51 [~~(2)~~] provide to fire departments in rural areas

2-52 information relating to assistance programs offered to rural

2-53 volunteer firefighters, including the federal Staffing for

2-54 Adequate Fire and Emergency Response grant program to help fire

2-55 departments increase staffing and deployment capabilities; and

2-56 (2) [~~(3)~~] provide to rural homeowners information

2-57 relating to the benefits of volunteer fire departments, including a

2-58 reduction in homeowners insurance risk ratings, lower homeowners

2-59 insurance rates, and better fire protection.

2-60 SECTION 8. Sections 487.103(a), (b), and (c), Government

2-61 Code, are amended to read as follows:

2-62 (a) The selection committee shall advise the department

2-63 [~~board~~] on the progress of the program.

2-64 (b) The selection committee is composed of 12 members

2-65 appointed by the commissioner [~~board~~].

2-66 (c) The commissioner [~~board~~] shall consider geographical

2-67 representation in making appointments to the selection committee.

2-68 SECTION 9. Sections 487.104(b) and (d), Government Code,

2-69 are amended to read as follows:

3-1 (b) The selection committee shall make selections based on
 3-2 criteria approved by the department [~~board~~] and adopted as a rule of
 3-3 the department.

3-4 (d) The selection committee shall recommend to the
 3-5 department [~~board~~] guidelines to be used by rural communities in
 3-6 the selection of students for nomination and sponsorship as
 3-7 outstanding rural scholars.

3-8 SECTION 10. Section 487.107, Government Code, is amended to
 3-9 read as follows:

3-10 Sec. 487.107. AWARDING OF LOANS. (a) The selection
 3-11 committee shall recommend to the department [~~board~~] guidelines for
 3-12 the awarding of forgivable loans to outstanding rural scholars.

3-13 (b) The department [~~board~~], acting on the advice of the
 3-14 selection committee, shall award forgivable loans to outstanding
 3-15 rural scholars based on the availability of money in the fund.

3-16 (c) If in any year the fund is inadequate to provide loans to
 3-17 all eligible applicants, the department [~~board~~] shall award
 3-18 forgivable loans on a priority basis according to the applicants'
 3-19 academic performance, test scores, and other criteria of
 3-20 eligibility.

3-21 SECTION 11. Section 487.108(a), Government Code, is amended
 3-22 to read as follows:

3-23 (a) On confirmation of an outstanding rural scholar's
 3-24 admission to a postsecondary educational institution, or on receipt
 3-25 of an enrollment report of the scholar at a postsecondary
 3-26 educational institution, and a certification of the amount of
 3-27 financial support needed, the selection committee annually shall
 3-28 recommend to the department [~~board~~] that the department [~~board~~]
 3-29 award a forgivable loan to the scholar in the amount of 50 percent
 3-30 of the cost of the scholar's tuition, fees, educational materials,
 3-31 and living expenses.

3-32 SECTION 12. Sections 487.109(b), (c), and (d), Government
 3-33 Code, are amended to read as follows:

3-34 (b) The sponsoring community shall report to the department
 3-35 [~~board~~] the length of time the scholar practices as a health care
 3-36 professional in the community.

3-37 (c) If the department [~~board~~] finds that a sponsoring
 3-38 community is not in need of the scholar's services and that the
 3-39 community is willing to forgive repayment of the principal balance
 3-40 and interest of the scholar's loan, the department [~~board~~] by rule
 3-41 may provide for the principal balance and interest of one year of
 3-42 the scholar's loan to be forgiven for each year the scholar
 3-43 practices in another rural community in this state.

3-44 (d) Any amount of loan principal or interest that is not
 3-45 forgiven under this section shall be repaid to the department with
 3-46 reasonable collection fees in a timely manner as provided by
 3-47 department [~~board~~] rule.

3-48 SECTION 13. Section 487.112, Government Code, is amended to
 3-49 read as follows:

3-50 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
 3-51 department [~~board~~] shall adopt reasonable rules to enforce the
 3-52 requirements, conditions, and limitations under this subchapter.

3-53 (b) The department [~~board~~] shall set the rate of interest
 3-54 charged on a forgivable loan under this subchapter.

3-55 (c) The department [~~board~~] shall adopt rules necessary to
 3-56 ensure compliance with the federal Civil Rights Act of 1964 (42
 3-57 U.S.C. Section 2000a et seq.) concerning nondiscrimination in
 3-58 admissions.

3-59 SECTION 14. Section 487.152(a), Government Code, is amended
 3-60 to read as follows:

3-61 (a) Subject to available funding, the [~~The~~] department
 3-62 shall administer or contract for the administration of the program.

3-63 SECTION 15. Section 487.154, Government Code, is amended to
 3-64 read as follows:

3-65 Sec. 487.154. LOANS. (a) The department [~~board~~] may award
 3-66 forgivable educational loans to eligible students under this
 3-67 subchapter.

3-68 (b) The department [~~board~~] may award forgivable loans to
 3-69 eligible students based on the availability of money in the fund.

4-1 (c) If in any year the fund is inadequate to provide loans to
4-2 all eligible students, the department [~~board~~] may award forgivable
4-3 loans on a priority basis according to the students' academic
4-4 performance, test scores, and other criteria of eligibility.

4-5 SECTION 16. Section 487.155(a), Government Code, is amended
4-6 to read as follows:

4-7 (a) To be eligible to receive a loan under this subchapter,
4-8 a student must:

4-9 (1) be sponsored by an eligible community;
4-10 (2) at the time of the application for the loan, be
4-11 enrolled in high school or enrolled or accepted for enrollment in a
4-12 postsecondary educational institution in this state;

4-13 (3) meet academic requirements as established by the
4-14 department [~~board~~];

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

4-17 (5) plan to practice as a health care professional in a
4-18 qualified area of the state; and

4-19 (6) meet other requirements as established by the
4-20 department [~~board~~].

4-21 SECTION 17. Section 487.156(c), Government Code, is amended
4-22 to read as follows:

4-23 (c) The department [~~board~~] shall determine the percentage
4-24 of educational expenses communities are required to provide under
4-25 this section.

4-26 SECTION 18. Section 487.157(a), Government Code, is amended
4-27 to read as follows:

4-28 (a) On confirmation of an eligible student's admission to a
4-29 postsecondary educational institution, or on receipt of an
4-30 enrollment report of the student at a postsecondary educational
4-31 institution, and certification of the amount of financial support
4-32 needed, the department [~~board~~] may award a forgivable loan to the
4-33 student in the amount of not more than the cost of the student's
4-34 tuition, fees, educational materials, and living expenses.

4-35 SECTION 19. Section 487.158(b), Government Code, is amended
4-36 to read as follows:

4-37 (b) The contract must provide that if the student does not
4-38 provide the required services to the community or provides those
4-39 services for less than the required time, the student is personally
4-40 liable to the state for:

4-41 (1) the total amount of assistance the student
4-42 receives from the department and the sponsoring community;

4-43 (2) interest on the total amount at a rate set by the
4-44 department [~~board~~]; and

4-45 (3) the state's reasonable expenses incurred in
4-46 obtaining payment, including reasonable attorney's fees.

4-47 SECTION 20. Section 487.159(b), Government Code, is amended
4-48 to read as follows:

4-49 (b) If the department [~~board~~] finds that a sponsoring
4-50 community is not in need of the student's services and that the
4-51 community is willing to forgive repayment of the principal balance
4-52 and interest of the student's loan, the department [~~board~~] by rule
4-53 may provide for the principal balance and interest of the student's
4-54 loan to be forgiven if the student provides services in another
4-55 qualified area in this state.

4-56 SECTION 21. Sections 487.161(b) and (c), Government Code,
4-57 are amended to read as follows:

4-58 (b) The sponsoring community shall report to the office
4-59 [~~board~~] the length of time the student provides health care
4-60 services in the community in accordance with the guidelines
4-61 established by the department [~~board~~].

4-62 (c) A postsecondary educational institution shall provide
4-63 to the office [~~board~~] a copy of the academic transcript of each
4-64 student for whom the institution has received a release that
4-65 complies with state and federal open records laws and that
4-66 authorizes the provision of the transcript.

4-67 SECTION 22. Section 487.163, Government Code, is amended to
4-68 read as follows:

4-69 Sec. 487.163. ADOPTION OF RULES. (a) The department

5-1 [~~board~~] shall adopt reasonable rules to enforce the requirements,
 5-2 conditions, and limitations of this subchapter.

5-3 (b) The department [~~board~~] shall set the rate of interest
 5-4 charged on a forgivable loan under this subchapter.

5-5 (c) The department [~~board~~] shall adopt rules necessary to
 5-6 ensure compliance with the federal Civil Rights Act of 1964 (42
 5-7 U.S.C. Section 2000a et seq.) concerning nondiscrimination in
 5-8 admissions.

5-9 SECTION 23. Sections 487.202(a), (d), and (e), Government
 5-10 Code, are amended to read as follows:

5-11 (a) The department [~~board~~] shall establish and administer a
 5-12 program under this subchapter to increase the number of physicians
 5-13 providing primary care in medically underserved communities.

5-14 (d) The department may not pay more than \$25,000 to a
 5-15 community in a fiscal year unless the office [~~board~~] makes a
 5-16 specific finding of need by the community.

5-17 (e) The office [~~board~~] shall establish priorities so that
 5-18 the neediest communities eligible for assistance under this
 5-19 subchapter are assured the receipt of a grant.

5-20 SECTION 24. Sections 487.203 and 487.204, Government Code,
 5-21 are amended to read as follows:

5-22 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
 5-23 from the department, a medically underserved community must:

- 5-24 (1) apply for the money; and
- 5-25 (2) provide evidence satisfactory to the office
 5-26 [~~board~~] that it has entered into an agreement with a physician for
 5-27 the physician to provide primary care in the community for at least
 5-28 two years.

5-29 Sec. 487.204. RULES. The department [~~board~~] shall adopt
 5-30 rules necessary for the administration of this subchapter,
 5-31 including rules addressing:

- 5-32 (1) eligibility criteria for a medically underserved
 5-33 community;
- 5-34 (2) eligibility criteria for a physician;
- 5-35 (3) minimum and maximum community contributions to the
 5-36 start-up money for a physician to be matched with state money;
- 5-37 (4) conditions under which state money must be repaid
 5-38 by a community or physician;
- 5-39 (5) procedures for disbursement of money by the
 5-40 department;
- 5-41 (6) the form and manner in which a community must make
 5-42 its contribution to the start-up money; and
- 5-43 (7) the contents of an agreement to be entered into by
 5-44 the parties, which must include at least:
 - 5-45 (A) a credit check for an eligible physician; and
 - 5-46 (B) community retention of interest in any
 5-47 property, equipment, or durable goods for seven years.

5-48 SECTION 25. Section 487.252, Government Code, is amended to
 5-49 read as follows:

5-50 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a)
 5-51 Subject to available funding, the department [~~The board~~] shall
 5-52 establish a program [~~in the department~~] to assist communities in
 5-53 recruiting and retaining physicians to practice in medically
 5-54 underserved areas.

- 5-55 (b) The department [~~board~~] by rule shall establish:
 - 5-56 (1) eligibility criteria for applicants;
 - 5-57 (2) stipend application procedures;
 - 5-58 (3) guidelines relating to stipend amounts;
 - 5-59 (4) procedures for evaluating stipend applications;
- 5-60 and
 - 5-61 (5) a system of priorities relating to the:
 - 5-62 (A) geographic areas covered;
 - 5-63 (B) medical specialties eligible to receive
 5-64 funding under the program; and
 - 5-65 (C) level of stipend support.

5-66 SECTION 26. Section 487.253(a), Government Code, is amended
 5-67 to read as follows:

5-68 (a) The department [~~board~~] shall adopt rules necessary to
 5-69 administer this subchapter, and the department shall administer the

6-1 program in accordance with those rules.

6-2 SECTION 27. Section 487.351(c), Government Code, is amended
6-3 to read as follows:

6-4 (c) The department shall give priority to eligible
6-5 activities in the areas of economic development, community
6-6 development, and rural health~~[, and rural housing]~~ to support
6-7 workforce development in awarding funding for community
6-8 development block grant programs.

6-9 SECTION 28. Section 487.401, Government Code, is amended to
6-10 read as follows:

6-11 Sec. 487.401. ADMINISTRATION. (a) The department ~~[board]~~
6-12 shall adopt rules that establish a procedure for designating a
6-13 hospital as a rural hospital in order for the hospital to qualify
6-14 for federal funds under 42 C.F.R. Part 412.

6-15 (b) At the hospital's request, the department shall
6-16 designate the hospital as a rural hospital if the hospital meets the
6-17 requirements for a rural hospital under the department's ~~[board's]~~
6-18 rules.

6-19 SECTION 29. Sections 487.451(1) and (3), Government Code,
6-20 are amended to read as follows:

6-21 (1) "Health care professional" means:

- 6-22 (A) an advanced nurse practitioner;
- 6-23 (B) a dentist;
- 6-24 (C) a dental hygienist;
- 6-25 (D) a laboratory technician;
- 6-26 (E) a licensed vocational nurse;
- 6-27 (F) a licensed professional counselor;
- 6-28 (G) a medical radiological technologist;
- 6-29 (H) an occupational therapist;
- 6-30 (I) a pharmacist;
- 6-31 (J) a physical therapist;
- 6-32 (K) a physician;
- 6-33 (L) a physician assistant;
- 6-34 (M) a psychologist;
- 6-35 (N) a registered nurse;
- 6-36 (O) a social worker;
- 6-37 (P) a speech-language pathologist;
- 6-38 (Q) a veterinarian;
- 6-39 (R) a chiropractor; and
- 6-40 (S) another appropriate health care professional
6-41 identified by the department ~~[board]~~.

6-42 (3) "Underserved urban area" means an urban area of
6-43 this state with a medically underserved population, as determined
6-44 in accordance with criteria adopted by the department ~~[board]~~ by
6-45 rule, considering relevant demographic, geographic, and
6-46 environmental factors.

6-47 SECTION 30. Section 487.452(a), Government Code, is amended
6-48 to read as follows:

6-49 (a) Subject to available funding, the department ~~[The~~
6-50 ~~board]~~, in collaboration with Area Health Education Center
6-51 Programs, shall establish a community healthcare awareness and
6-52 mentoring program for students to:

6-53 (1) identify high school students in rural and
6-54 underserved urban areas who are interested in serving those areas
6-55 as health care professionals;

6-56 (2) identify health care professionals in rural and
6-57 underserved urban areas to act as positive role models, mentors, or
6-58 reference resources for the interested high school students;

6-59 (3) introduce interested high school students to the
6-60 spectrum of professional health care careers through activities
6-61 such as health care camps and shadowing of health care
6-62 professionals;

6-63 (4) encourage a continued interest in service as
6-64 health care professionals in rural and underserved urban areas by
6-65 providing mentors and community resources for students
6-66 participating in training or educational programs to become health
6-67 care professionals; and

6-68 (5) provide continuing community-based support for
6-69 students during the period the students are attending training or

7-1 educational programs to become health care professionals,
 7-2 including summer job opportunities and opportunities to mentor high
 7-3 school students in the community.

7-4 SECTION 31. Section 487.454, Government Code, is amended to
 7-5 read as follows:

7-6 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
 7-7 available funding, the department [~~funds, the board~~] shall develop
 7-8 and implement, as a component of the program, a grant program to
 7-9 support employment opportunities in rural and underserved urban
 7-10 areas in this state for students participating in training or
 7-11 educational programs to become health care professionals.

7-12 (b) In awarding grants under the program, the department
 7-13 [~~board~~] shall give first priority to grants to training or
 7-14 educational programs that provide internships to students.

7-15 (c) To be eligible to receive a grant under the grant
 7-16 program, a person must:

7-17 (1) apply for the grant on a form adopted by the
 7-18 department [~~board~~];

7-19 (2) be enrolled or intend to be enrolled in a training
 7-20 or educational program to become a health care professional;

7-21 (3) commit to practice or work, after licensure as a
 7-22 health care professional, for at least one year as a health care
 7-23 professional in a rural or underserved urban area in this state; and

7-24 (4) comply fully with any practice or requirements
 7-25 associated with any scholarship, loan, or other similar benefit
 7-26 received by the student.

7-27 (d) As a condition of receiving a grant under the program
 7-28 the student must agree to repay the amount of the grant, plus a
 7-29 penalty in an amount established by rule of the department [~~board~~]
 7-30 not to exceed two times the amount of the grant, if the student
 7-31 becomes licensed as a health care professional and fails to
 7-32 practice or work for at least one year as a health care professional
 7-33 in a rural or underserved urban area in this state.

7-34 SECTION 32. Section 487.503(a), Government Code, is amended
 7-35 to read as follows:

7-36 (a) Subject to available funding, the [~~The~~] department
 7-37 shall establish a process in consultation with the Texas Higher
 7-38 Education Coordinating Board for selecting Texas medical schools to
 7-39 recruit students from rural communities and encourage them to
 7-40 return to rural communities to practice medicine.

7-41 SECTION 33. Section 487.553, Government Code, is amended to
 7-42 read as follows:

7-43 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. Subject to
 7-44 available funding, the department [~~The board~~] shall establish a
 7-45 program [~~in the department~~] to assist communities in recruiting
 7-46 health professionals to practice in medically underserved
 7-47 communities by providing loan reimbursement for health
 7-48 professionals who serve in those communities.

7-49 SECTION 34. Sections 487.554(a) and (b), Government Code,
 7-50 are amended to read as follows:

7-51 (a) Subject to available funding, the department [~~The~~
 7-52 ~~board~~] shall establish a program [~~in the department~~] to assist
 7-53 communities in recruiting health professionals to practice in
 7-54 medically underserved communities by providing a stipend to health
 7-55 professionals who agree to serve in those communities.

7-56 (b) A stipend awarded under this section may [~~shall~~] be paid
 7-57 in periodic installments.

7-58 SECTION 35. Section 487.555(e), Government Code, is amended
 7-59 to read as follows:

7-60 (e) A contract under this section must provide that a health
 7-61 professional who does not provide the required services to the
 7-62 community or provides those services for less than the required
 7-63 time is personally liable to the state for:

7-64 (1) the total amount of assistance the health
 7-65 professional received from the department and the medically
 7-66 underserved community;

7-67 (2) interest on the amount under Subdivision (1) at a
 7-68 rate set by the department [~~board~~];

7-69 (3) the state's reasonable expenses incurred in

8-1 obtaining payment, including reasonable attorney's fees; and
8-2 (4) a penalty as established by the department [~~board~~]
8-3 by rule to help ensure compliance with the contract.

8-4 SECTION 36. Section 487.556, Government Code, is amended to
8-5 read as follows:

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

8-9 (1) developing contracts under which loan
8-10 reimbursement or stipend recipients provide services to qualifying
8-11 communities;

8-12 (2) identifying the duties of the state, state agency,
8-13 loan reimbursement or stipend recipient, and medically underserved
8-14 community under the loan reimbursement or stipend contract;

8-15 (3) determining a rate of interest to be charged under
8-16 Section 487.555(e)(2);

8-17 (4) ensuring that a loan reimbursement or stipend
8-18 recipient provides access to health services to participants in
8-19 government-funded health benefits programs in qualifying
8-20 communities;

8-21 (5) encouraging the use of telecommunications or
8-22 telemedicine, as appropriate;

8-23 (6) prioritizing the provision of loan reimbursements
8-24 and stipends to health professionals who are not eligible for any
8-25 other state loan forgiveness, loan repayment, or stipend program;

8-26 (7) prioritizing the provision of loan reimbursements
8-27 and stipends to health professionals who are graduates of health
8-28 professional degree programs in this state;

8-29 (8) encouraging a medically underserved community
8-30 served by a loan reimbursement or stipend recipient to contribute
8-31 to the cost of the loan reimbursement or stipend when making a
8-32 contribution is feasible; and

8-33 (9) requiring a medically underserved community
8-34 served by a loan reimbursement or stipend recipient to assist the
8-35 department in contracting with the loan reimbursement or stipend
8-36 recipient who will serve that community.

8-37 (b) The department [~~board~~] by rule may designate areas of
8-38 the state as medically underserved communities.

8-39 (c) The department [~~board~~] shall make reasonable efforts to
8-40 contract with health professionals from a variety of different
8-41 health professions.

8-42 SECTION 37. Section 487.602, Government Code, is amended to
8-43 read as follows:

8-44 Sec. 487.602. RURAL PHYSICIAN RELIEF PROGRAM. Subject to
8-45 available funding, the [~~The~~] department shall create a program to
8-46 provide affordable relief services to rural physicians practicing
8-47 in the fields of general family medicine, general internal
8-48 medicine, and general pediatrics to facilitate the ability of those
8-49 physicians to take time away from their practice.

8-50 SECTION 38. Section 487.652(a), Government Code, is amended
8-51 to read as follows:

8-52 (a) Subject to available funding, the [~~The~~] community
8-53 telecommunications alliance program shall:

8-54 (1) assist local communities in the creation and
8-55 development of community telecommunications alliances, including
8-56 alliances established to pursue rural economic development or
8-57 innovative rural school health technology projects, by providing
8-58 advice and assistance in assessing local uses of and local demands
8-59 or needs for local telecommunications and information services of
8-60 private sector providers; and

8-61 (2) assist community telecommunications alliances in
8-62 applying for grant funding for projects, including:

8-63 (A) assisting alliances in securing matching
8-64 private sector funding for projects; and

8-65 (B) requiring alliances to develop sustainable
8-66 plans:

8-67 (i) that demonstrate how the alliance will
8-68 continue to obtain private sector services once the grant funding
8-69 terminates;

9-1 (ii) that do not directly compete with
 9-2 local businesses, telecommunications providers, or information
 9-3 services providers; and

9-4 (iii) that prohibit a network created with
 9-5 assistance from the alliance or other public funding from being
 9-6 sold to a direct competitor of a private sector provider.

9-7 SECTION 39. Section 487.701(a), Government Code, is amended
 9-8 to read as follows:

9-9 (a) The department shall establish the Texas Rural
 9-10 Foundation as a nonprofit corporation that complies with Chapter
 9-11 22, Business Organizations Code [~~the Texas Non-Profit Corporation~~
 9-12 ~~Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes)~~],
 9-13 except as otherwise provided by this chapter, and qualifies as an
 9-14 organization exempt from federal income tax under Section
 9-15 501(c)(3), Internal Revenue Code of 1986, as amended.

9-16 SECTION 40. Section 487.703(a), Government Code, is amended
 9-17 to read as follows:

9-18 (a) The Texas Rural Foundation is governed by a board of an
 9-19 odd number of at least nine and not more than 15 directors appointed
 9-20 by the commissioner [~~board of the department~~].

9-21 SECTION 41. Section 487.705(c), Government Code, is amended
 9-22 to read as follows:

9-23 (c) If the [~~executive~~] director of the department has
 9-24 knowledge that a potential ground for removal exists, the
 9-25 [~~executive~~] director shall notify the presiding officer of the
 9-26 board of directors of the Texas Rural Foundation of the potential
 9-27 ground. The presiding officer shall then notify the governor and
 9-28 the attorney general that a potential ground for removal
 9-29 exists. If the potential ground for removal involves the presiding
 9-30 officer, the [~~executive~~] director of the department shall notify
 9-31 the next highest ranking officer of the board of directors, who
 9-32 shall then notify the governor and the attorney general that a
 9-33 potential ground for removal exists.

9-34 SECTION 42. Section 487.710, Government Code, is amended to
 9-35 read as follows:

9-36 Sec. 487.710. MEMORANDUM OF UNDERSTANDING. The Texas Rural
 9-37 Foundation and the department shall enter into a memorandum of
 9-38 understanding that:

9-39 (1) requires the board of directors and staff of the
 9-40 foundation to report to the [~~executive~~] director of the department
 9-41 and the commissioner [~~board of the department~~];

9-42 (2) allows the department to provide staff functions
 9-43 to the foundation;

9-44 (3) allows the department to expend funds on the
 9-45 foundation; and

9-46 (4) outlines the financial contributions to be made to
 9-47 the foundation from funds obtained from grants and other sources.

9-48 SECTION 43. Section 487.752(b), Government Code, is amended
 9-49 to read as follows:

9-50 (b) The department [~~executive committee~~] by rule shall
 9-51 establish:

9-52 (1) eligibility criteria for grant applicants;

9-53 (2) grant application procedures;

9-54 (3) guidelines relating to grant amounts;

9-55 (4) procedures for evaluating grant applications; and

9-56 (5) procedures for monitoring the use of grants
 9-57 awarded under the program and for ensuring compliance with the
 9-58 conditions of a grant.

9-59 SECTION 44. The following provisions of the Government Code
 9-60 are repealed:

9-61 (1) Section 487.001(1);

9-62 (2) Section 487.027;

9-63 (3) Section 487.030;

9-64 (4) Section 487.031;

9-65 (5) Section 487.032;

9-66 (6) Section 487.053;

9-67 (7) Section 487.054;

9-68 (8) Section 487.0541;

9-69 (9) Section 487.056;

- 10-1 (10) Section 487.057;
- 10-2 (11) Section 487.059;
- 10-3 (12) Section 487.552;
- 10-4 (13) Section 487.608; and
- 10-5 (14) Section 487.653.

10-6 SECTION 45. On the effective date of this Act, the following
10-7 are abolished:

- 10-8 (1) the interagency work group under Section 487.0541,
10-9 Government Code;
- 10-10 (2) the advisory panel under Section 487.552,
10-11 Government Code; and
- 10-12 (3) the rural physician relief advisory committee
10-13 under Section 487.608, Government Code.

10-14 SECTION 46. This Act takes effect September 1, 2013.

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