

## **BILL ANALYSIS**

Senate Research Center  
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H.B. 1493  
By: King, Tracy O. (Hegar)  
Agriculture, Rural Affairs & Homeland Security  
4/26/2013  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Observers note that the Texas Department of Rural Affairs was recently abolished and that many of its program functions were transferred to the Texas Department of Agriculture (TDA). However, not all of the outdated references or duplicative provisions were amended accordingly. H.B. 1493 seeks to address these issues to fully reflect the transfer of these programs to TDA, eliminate duplication of general authorities and redundant reporting requirements, and eliminate or reduce certain requirements for unfunded and inactive programs.

H.B. 1493 amends current law relating to the transfer of programs from the Texas Department of Rural Affairs to the Department of Agriculture.

*[Note: A reference to "board" in this bill means the commissioner of agriculture. The term "commissioner" is used herein.]*

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the commissioner of agriculture is transferred to the Texas Department of Agriculture in SECTION 5 (Section 487.052, Government Code), SECTION 12 (Section 487.109, Government Code), SECTION 13 (Section 487.112, Government Code), SECTION 20 (Section 487.159, Government Code), SECTION 22 (Section 487.163, Government Code), SECTION 24 (Section 487.204, Government Code), SECTION 25 (Section 487.252, Government Code), SECTION 26 (Section 487.253, Government Code), SECTION 28 (Section 487.401, Government Code), SECTION 29 (Section 487.451, Government Code), SECTION 31 (Section 487.454, Government Code), SECTION 35 (Section 487.555, Government Code), SECTION 36 (Section 487.556, Government Code), and SECTION 43 (Section 487.752, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 61.0899, Education Code, as follows:

Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN REIMBURSEMENT AND STIPEND PROGRAMS. Requires the Texas Higher Education Coordinating Board (THECB), in cooperation with the Texas Department of Agriculture (TDA), rather than in cooperation with the Texas Department of Rural Affairs (TDRA) and TDRA's advisory panel established under Section 487.552 (Advisory Panel), Government Code, to ensure that THECB seeks to obtain the maximum amount of funds from any source, including federal funds, to support programs to provide student loan reimbursement or stipends for graduates of degree programs in this state who practice or agree to practice in a medically underserved community.

SECTION 2. Amends Section 487.001(3), Government Code, to redefine "department" to mean TDA, rather than the Office of Rural Affairs established within TDA under Section 12.038 (Office of Rural Affairs), Agriculture Code (office).

SECTION 3. Amends Section 487.026, Government Code, as follows:

Sec. 487.026. DIRECTOR. Deletes existing Subsection (a) designation. Provides that the director serves as the chief executive officer of the office and performs the administrative duties of the office.

Deletes existing Subsection (b) authorizing the director to hire staff within the guidelines established by the commissioner of agriculture (commissioner).

SECTION 4. Amends Section 487.051(a), Government Code, as follows:

(a) Requires the office to:

(1)-(4) Makes no change to these subdivisions;

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

(6)-(11) Makes no change to these subdivisions;

(12) Changes references to department to TDA; and

(13) Makes no change to this subdivision.

SECTION 5. Amends Section 487.052, Government Code, to authorize TDA, rather than the board [*commissioner*], to adopt rules as necessary to implement this chapter.

SECTION 6. Amends Section 487.060(b), Government Code, to require TDA, to assist the secretary of state (SOS) in preparing the report required under Section 405.021 (Report on State-Funded Projects Serving Colonias), on an annual, rather than quarterly, basis to provide a report to SOS detailing any projects funded by TDA that serve colonias by providing water or wastewater services, paved roads, or other assistance.

SECTION 7. Amends Section 487.061, Government Code, as follows:

Sec. 487.061. EMERGENCY SERVICES DISTRICT PROGRAM. (a) Requires TDA to serve as a resource, rather than requiring TDA to establish a program, to provide interested rural communities with general information about emergency services districts, and information and training related to the establishment of an emergency services district. Deletes existing text requiring TDA to establish a program to provide interested rural communities with technical assistance related to the implementation of an emergency services district.

(b) Authorizes TDA to provide to fire departments in rural areas information relating to assistance programs offered to rural volunteer firefighters, including the federal Staffing for Adequate Fire and Emergency Response grant program to help fire departments increase staffing and deployment capabilities, and provide to rural homeowners information relating to the benefits of volunteer fire departments, including a reduction in homeowners insurance risk ratings, lower homeowners insurance rates, and better fire protection. Deletes existing text authorizing the program to assist fire departments in rural areas with the recruitment and retention of volunteer firefighters. Makes a conforming change.

SECTION 8. Amends Sections 487.103(a), (b), and (c), Government Code, as follows:

(a) Requires the Outstanding Rural Scholar Selection Committee (selection committee) to advise TDA, rather than the commissioner, on the progress of the outstanding rural scholar recognition and loan program for rural health care.

(b)-(c) Makes conforming changes.

SECTION 9. Amends Sections 487.104(b) and (d), Government Code, as follows:

(b) Requires the selection committee to make selections based on criteria approved by TDA, rather than by the commissioner, and adopted as a rule of TDA.

(d) Requires the selection committee to recommend to TDA, rather than to the commissioner, guidelines to be used by rural communities in the selection of students for nomination and sponsorship as outstanding rural scholars.

SECTION 10. Amends Section 487.107, Government Code, as follows:

Sec. 487.107. AWARDING OF LOANS. (a) Requires the selection committee to recommend to TDA, rather than to the commissioner, guidelines for the awarding of forgivable loans to outstanding rural scholars.

(b) Requires TDA, rather than the commissioner, acting on the advice of the selection committee, to award forgivable loans to outstanding rural scholars based on the availability of money in the outstanding rural scholar fund.

(c) Requires TDA, rather than the commissioner, if in any year the fund is inadequate to provide loans to all eligible applicants, to award forgivable loans on a priority basis according to the applicants' academic performance, test scores, and other criteria of eligibility.

SECTION 11. Amends Section 487.108(a), Government Code, to require the selection committee annually, on confirmation of an outstanding rural scholar's admission to a postsecondary educational institution, or on receipt of an enrollment report of the scholar at a postsecondary educational institution, and a certification of the amount of financial support needed, to recommend to TDA that TDA, rather than recommend to the commissioner that the commissioner, award a forgivable loan to the scholar in the amount of 50 percent of the cost of the scholar's tuition, fees, educational materials, and living expenses.

SECTION 12. Amends Sections 487.109(b), (c), and (d), Government Code, as follows:

(b) Requires the sponsoring community to report to TDA, rather than to the commissioner, the length of time the scholar practices as a health care professional in the community.

(c) Authorizes TDA, rather than the commissioner, by rule, if TDA, rather than the commissioner, finds that a sponsoring community is not in need of the scholar's services and that the community is willing to forgive repayment of the principal balance and interest of the scholar's loan, to provide for the principal balance and interest of one year of the scholar's loan to be forgiven for each year the scholar practices in another rural community in this state.

(d) Requires that any amount of loan principal or interest that is not forgiven under this section be repaid to TDA with reasonable collection fees in a timely manner as provided by TDA, rather than the commissioner, rule.

SECTION 13. Amends Section 487.112, Government Code, as follows:

Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) Requires TDA, rather than the commissioner, to adopt reasonable rules to enforce the requirements, conditions, and limitations under this subchapter (Outstanding Rural Scholar Recognition and Loan Program for Rural Health Care).

(b) Requires TDA, rather than the commissioner, to set the rate of interest charged on a forgivable loan under this subchapter.

(c) Requires TDA, rather than the commissioner, to adopt rules necessary to ensure compliance with the federal Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination in admissions.

SECTION 14. Amends Section 487.152(a), Government Code, to require TDA, subject to available funding, to administer or contract for the administration of the health careers promotion and education program.

SECTION 15. Amends Section 487.154, Government Code, as follows:

Sec. 487.154. LOANS. (a) Authorizes TDA, rather than the commissioner, to award forgivable educational loans to eligible students under this subchapter (Health Careers Promotion and Education Program).

(b) Authorizes TDA, rather than the commissioner, to award forgivable loans to eligible students based on the availability of money in the health careers education fund.

(c) Authorizes TDA, rather than the commissioner, if in any year the fund is inadequate to provide loans to all eligible students, to award forgivable loans on a priority basis according to the students' academic performance, test scores, and other criteria of eligibility.

SECTION 16. Amends Section 487.155(a), Government Code, to require a student, to be eligible to receive a loan under this subchapter, to meet certain criteria, including meeting academic requirements as established by TDA, rather than the commissioner, and meeting other requirements as established by TDA, rather than the commissioner.

SECTION 17. Amends Section 487.156(c), Government Code, to require TDA, rather than the commissioner, to determine the percentage of educational expenses communities are required to provide under this section.

SECTION 18. Amends Section 487.157(a), Government Code, to authorize TDA, rather than the commissioner, on confirmation of an eligible student's admission to a postsecondary educational institution, or on receipt of an enrollment report of the student at a postsecondary educational institution, and certification of the amount of financial support needed, to award a forgivable loan to the student in the amount of not more than the cost of the student's tuition, fees, educational materials, and living expenses.

SECTION 19. Amends Section 487.158(b), Government Code, to require that a certain contract agreed to by a student receiving assistance under this subchapter provide that if the student does not provide the required services to the community or provides those services for less than the required time, the student is personally liable to the state for certain financial requirements, including interest on the total amount at a rate set by TDA, rather than the commissioner.

SECTION 20. Amends Section 487.159(b), Government Code, to authorize TDA, rather than the commissioner by rule, if TDA, rather than the commissioner, finds that a sponsoring community is not in need of the student's services and that the community is willing to forgive repayment of the principal balance and interest of the student's loan, to provide for the principal balance and interest of the student's loan to be forgiven if the student provides services in another qualified area in this state.

SECTION 21. Amends Sections 487.161(b) and (c), Government Code, as follows:

(b) Requires the sponsoring community to report to the office, rather than the commissioner, the length of time the student provides health care services in the community in accordance with the guidelines established by TDA, rather than the commissioner.

(c) Requires a postsecondary educational institution to provide to the office, rather than the commissioner, a copy of the academic transcript of each student for whom the institution has received a release that complies with state and federal open records laws and that authorizes the provision of the transcript.

SECTION 22. Amends Section 487.163, Government Code, as follows:

Sec. 487.163. **ADOPTION OF RULES.** (a) Requires TDA, rather than the commissioner, to adopt reasonable rules to enforce the requirements, conditions, and limitations of this subchapter.

(b) Requires TDA, rather than the commissioner, to set the rate of interest charged on a forgivable loan under this subchapter.

(c) Requires TDA, rather than the commissioner, to adopt rules necessary to ensure compliance with the federal Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination in admissions.

SECTION 23. Amends Sections 487.202(a), (d), and (e), Government Code, as follows:

(a) Requires TDA, rather than the commissioner, to establish and administer a program under this subchapter (Medically Underserved Community-State Matching Incentive Program) to increase the number of physicians providing primary care in medically underserved communities.

(d) Prohibits TDA from paying more than \$25,000 to a community in a fiscal year unless the office, rather than the commissioner, makes a specific finding of need by the community.

(e) Requires the office, rather than the commissioner, to establish priorities so that the neediest communities eligible for assistance under this subchapter are assured the receipt of a grant.

SECTION 24. Amends Sections 487.203 and 487.204, Government Code, as follows:

Sec. 487.203. **ELIGIBILITY.** Requires a medically underserved community, to be eligible to receive money from TDA, to:

(1) apply for the money; and

(2) provide evidence satisfactory to the office, rather than the commissioner, that it has entered into an agreement with a physician for the physician to provide primary care in the community for at least two years.

Sec. 487.204. **RULES.** Requires TDA, rather than the commissioner, to adopt rules necessary for the administration of this subchapter, including certain rules.

SECTION 25. Amends Section 487.252, Government Code, as follows:

Sec. 487.252. **TEXAS HEALTH SERVICE CORPS PROGRAM.** (a) Requires TDA, rather than the commissioner, subject to available funding, to establish a program, rather than a program in TDA, to assist communities in recruiting and retaining physicians to practice in medically underserved areas.

(b) Requires TDA, rather than the commissioner, by rule to establish eligibility criteria for applicants, stipend application procedures, guidelines relating to stipend amounts, procedures for evaluating stipend applications, and a system of priorities relating to the geographic areas covered, medical specialties eligible to receive funding under the program, and level of stipend support.

SECTION 26. Amends Section 487.253(a), Government Code, to require TDA, rather than the commissioner, to adopt rules necessary to administer this subchapter, and requires TDA to administer the program in accordance with those rules.

SECTION 27. Amends Section 487.351(c), Government Code, to require TDA to give priority to eligible activities in the areas of economic development, community development, and rural health, rather than in the areas of economic development, community development, rural health, and rural housing, to support workforce development in awarding funding for community development block grant programs.

SECTION 28. Amends Section 487.401, Government Code, to require TDA, rather than the commissioner, to adopt rules that establish a procedure for designating a hospital as a rural hospital in order for the hospital to qualify for federal funds under 42 C.F.R. Part 412.

(b) Requires TDA, at the hospital's request, to designate the hospital as a rural hospital if the hospital meets the requirements for a rural hospital under TDA's rules, rather than under the commissioner's rules.

SECTION 29. Amends Sections 487.451(1) and (3), Government Code, to redefine "health care professional" and "underserved urban area."

SECTION 30. Amends Section 487.452(a), Government Code, to require TDA, rather than the commissioner, in collaboration with Area Health Education Center Programs, subject to available funding, to establish a community healthcare awareness and mentoring program for students to achieve certain purposes.

SECTION 31. Amends Section 487.454, Government Code, as follows:

Sec. 487.454. GRANTS; ELIGIBILITY. (a) Requires TDA, rather than the commissioner, subject to available funding, to develop and implement, as a component of the program, a grant program to support employment opportunities in rural and underserved urban areas in this state for students participating in training or educational programs to become health care professionals.

(b) Requires TDA, rather than the commissioner, in awarding grants under the program, to give first priority to grants to training or educational programs that provide internships to students.

(c) Requires a person, to be eligible to receive a grant under the grant program, to, among other requirements, apply for the grant on a form adopted by TDA, rather than the commissioner.

(d) Requires the student, as a condition of receiving a grant under the program, to agree to repay the amount of the grant, plus a penalty in an amount established by rule of TDA, rather than the commissioner, not to exceed two times the amount of the grant, if the student becomes licensed as a health care professional and fails to practice or work for at least one year as a health care professional in a rural or underserved urban area in this state.

SECTION 32. Amends Section 487.503(a), Government Code, to require TDA, subject to available funding, to establish a process in consultation with the THECB for selecting Texas medical schools to recruit students from rural communities and encourage them to return to rural communities to practice medicine.

SECTION 33. Amends Section 487.553, Government Code, to require TDA, rather than the commissioner, subject to available funding, to establish a program, rather than a program in TDA, to assist communities in recruiting health professionals to practice in medically underserved communities by providing loan reimbursement for health professionals who serve in those communities.

SECTION 34. Amends Sections 487.554(a) and (b), Government Code, as follows:

(a) Requires TDA, rather than the commissioner, subject to available funding, to establish a program, rather than a program in TDA, to assist communities in recruiting health professionals to practice in medically underserved communities by providing a stipend to health professionals who agree to serve in those communities.

(b) Authorizes, rather than requires, a stipend awarded under this section to be paid in periodic installments.

SECTION 35. Amends Section 487.555(e), Government Code, to require that a contract under this section provide that a health professional who does not provide the required services to the community or provides those services for less than the required time is personally liable to the state for certain financial requirements, including interest on the amount under Subdivision (1) at a rate set by TDA, rather than by the commissioner, and a penalty as established by TDA, rather than by the commissioner, by rule to help ensure compliance with the contract.

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

Sec. 487.556. POWERS AND DUTIES OF DEPARTMENT. (a) Requires TDA, rather than the commissioner, to adopt rules necessary for the administration of this subchapter (Rural Communities Health Care Investment Program), including guidelines for certain purposes.

(b) Authorizes TDA, rather than the commissioner, by rule to designate areas of the state as medically underserved communities.

(c) Requires TDA, rather than the commissioner, to make reasonable efforts to contract with health professionals from a variety of different health professions.

SECTION 37. Amends 487.602, Government Code, to require TDA, subject to available funding, to create a program to provide affordable relief services to rural physicians practicing in the fields of general family medicine, general internal medicine, and general pediatrics to facilitate the ability of those physicians to take time away from their practice.

SECTION 38. Amends Section 487.652(a), Government Code, to require the community telecommunications alliance program, subject to available funding, to assist local communities in the creation and development of certain community telecommunications alliances, and assist community telecommunications alliances in applying for certain grant funding for projects.

SECTION 39. Amends Section 487.701(a), Government Code, to require TDA to establish the Texas Rural Foundation (TRF) as a nonprofit corporation that complies with Chapter 22 (Nonprofit Organizations), Business Organizations Code, rather than with the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., V.T.C.S), except as otherwise provided by this chapter, and qualifies as an organization exempt from federal income tax under Section 501(c)(3), Internal Revenue Code of 1986, as amended.

SECTION 40. Amends Section 487.703(a), Government Code, to provide that TRF is governed by a board of an odd number of at least nine and not more than 15 directors appointed by the commissioner, rather than by the board of the Department of Rural Affairs (TDRA).

SECTION 41. Amends Section 487.705(c), Government Code, as follows:

(c) Requires the director of the office, rather than the executive director of TDRA, if the director of the office, rather than the executive director of TDRA, has knowledge that a potential ground for removal exists, to notify the presiding officer of the board of directors of TRF of the potential ground. Requires the director of the office, rather than the executive director of TDRA, if the potential ground for removal involves the presiding officer, to notify the next highest ranking officer of the board of directors, who

is required to then notify the governor and the attorney general that a potential ground for removal exists.

SECTION 42. Amends Section 487.710, Government Code, to require TRF and TDA to enter into a memorandum of understanding that meets certain criteria, including requiring the board of directors and staff of TRF to report to the director of the office and the commissioner, rather than to the the executive director and the board of TDRA.

SECTION 43. Amends Section 487.752(b), Government Code, to require TDA, rather than the commissioner, by rule to establish eligibility criteria for grant applicants, grant application procedures, guidelines relating to grant amounts, procedures for evaluating grant applications, and procedures for monitoring the use of grants awarded under the program and for ensuring compliance with the conditions of a grant.

SECTION 44. Repealers: Sections 487.001(1) (defining "board" in this chapter), 487.027 (Public Hearings), 487.030 (Complaints), 487.031 (Use of Technology), 487.032 (Negotiated Rulemaking and Alternative Dispute Resolution Procedures), 487.053 (Gifts and Grants), 487.054 (Annual Meeting on Rural Issues), 487.0541 (Interagency Work Group), 487.056 (Report to Legislature), 487.057 (Rural Health Work Plan), 487.059 (Disclosure of Financial Interest or Employment), 487.552 (Advisory Panel), 487.608 (Advisory Committee), and 487.653 (Report to Legislature), Government Code.

SECTION 45. Abolishes the following, on the effective date of this Act:

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

SECTION 46. Effective date: September 1, 2013.