

**SUBJECT:** Faith- and community-based social, health, and human services initiatives

**COMMITTEE:** Public Health — committee substitute recommended

**VOTE:** 10 ayes — Kolkhorst, Naishtat, Coleman, J. Davis, Gonzales, Hopson, Laubenberg, McReynolds, Truitt, Zerwas

0 nays

1 absent — S. King

**WITNESSES:** For — Bee Moorhead, Texas Impact; Susan Paynter, Christian Life Commission Baptist General Convention of Texas; (*Registered, but did not testify*: Steven Bristow, Parkland Health & Hospital System; Lisa Lewis-Nourzad, Goodwill Industries; Karen Johnson, United Ways of Texas)

Against — None

On — Ryan Valentine, Texas Freedom Network; Susan Weddington, for Elizabeth Seale, OneStar Foundation; (*Registered, but did not testify*: Jeff Johnson, Health and Human Services Commission; Kathy Miller, Texas Freedom Network)

**BACKGROUND:** As a result of the National Community Service Trust Act of 1993, the federal government merged existing national service entities into a new Corporation for National and Community Service and established the AmeriCorps program. The Texas State Commission on National and Community Service was established in 1994 to enable Texas to apply for federal grant funding for a state AmeriCorps program. The state commission and the administration of the AmeriCorps program evolved over the years to come under the administration of the OneStar Foundation, a nonprofit with the purpose of furthering volunteerism and community service in Texas.

**DIGEST:** CSHB 492 would revise how faith- and community-based organizations provide charitable and social services. Government liaisons would work with these organizations to foster partnerships with state agencies. CSHB 492 would designate the “renewing our communities account” to support

initiatives with faith- and community-based organizations. The bill would state that it could not be construed as exempting these organizations from any applicable law or endorsing the religious character, expression, beliefs, doctrines, or practices of a faith-based organization.

**Governmental liaisons for faith- and community-based organizations.,**

Agency chief administrative officers, in consultation with the governor, would designate one employee from each health and human services agency and one employee from at least nine other designated agencies to serve as a liaison for faith- and community-based organizations. The liaisons would participate in an interagency coordinating group, including a liaison from the State Commission on National and Community Service, to remove interagency barriers to partnerships between state agencies and faith- and community-based organizations. A faith- and community-based liaison also would:

- provide information and training for state employees;
- conduct outreach efforts to encourage new faith- and community-based organizations to partner with the agency;
- coordinate efforts with the governor's office of faith-based and community initiatives; and
- attend conferences to remain informed of issues and developments regarding faith- and community-based initiatives.

Liaisons would report on their efforts to their agency's chief executive officer, the Governor's Office of Faith- and Community-Based Initiatives, and, as necessary, the State Commission on National and Community Service.

**Renewing our communities account.** The renewing our communities account would be a state general revenue account consisting of funds from appropriations, gifts, grants, donations, and other sources.

The account would be used to:

- increase the capacity of faith- and community-based organizations to provide charitable services and to manage internal operations;
- assist local governmental entities in establishing local offices to promote faith- and community-based initiatives; and
- foster better partnerships between state government and faith- and community-based organizations.

The executive commissioner of the Health and Human Services Commission (HHSC) would appoint leaders of faith- and community-based organizations to a renewing our communities account advisory committee. The membership of the advisory committee would have to represent the religious, cultural, and geographic diversity of Texas. The advisory committee would make recommendations to regarding the powers and duties with respect to the account.

**Administration of the renewing our communities account.** HHSC would contract with or provide a grant to the State Commission on National and Community Service to administer funds appropriated from the account. The state commission would create an objective, competitive process for awarding grants and develop criteria limiting grant awards based on the size of the faith- and community-based organizations. The state commission also would establish and monitor performance and outcome measures for persons to whom grants were awarded. Policies and procedures would establish that no funds appropriated from the renewing our communities account could be used to advance a sectarian purpose.

HHSC or the State Commission on National and Community Service, directly or through agreement with another entity, could assist faith- and community-based organizations with grant-writing and management, obtaining legal assistance, or referrals to business and organizational experts. The state commission would offer other capacity-building services, such as conducting needs assessments and facilitating more effective service delivery. The state commission could use account funds to provide matching money for federal or private grant programs that aligned with the purpose of the account.

HHSC, in consultation with the governor, would establish a Task Force on Strengthening Nonprofit Capacity that would present a report and legislative recommendations for strengthening the capacity of faith- and community-based organizations for providing services and managing human resources and funds. Task force membership would include representatives from state agencies, nonprofit organizations, the academic community, and the foundation community. The task force would hold public hearings if funds were available.

**Reporting and public information.** HHSC would monitor the use of the funds administered by the State Commission on National and Community Service to ensure the funds were used in accordance with requirements.

The State Commission on National and Community Service would provide periodic reports to HHSC, including an annual report with a specific accounting of the use of renewing our communities account funds and a summary of the efforts of the faith- and community-based liaisons.

HHSC would post the annual report on its web site as well as a link to the State Commission on National and Community Service's web site. The state commission web site would provide the recipient, amount, and purpose of any grant awarded and information regarding the methods by which the public could request information about those grants.

**Effective date.** The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS  
SAY:**

CSHB 492 would enhance the capacity of faith- and community-based organizations to provide charitable services to Texans through training and assistance programs for these organizations as well as through coordination with state agencies. Agency liaisons would enhance state partnerships with and awareness of faith- and community-based organizations.

The nonprofit community already is a positive economic and community force for Texas, but these entities could aid more Texans through enhancements to organizational efficiency. The State Commission on National and Community Service would teach nonprofits how to better engage in their business, better serve the community, and how to solicit other grant money. The grant program particularly could enable smaller communities to capitalize on local resources.

CSHB 492 would contain many provisions designed to ensure transparency and accountability. HHSC would have oversight of the grant administration process and would benefit from the recommendations of an advisory committee. The public could review grant information accessible on the state commission's web site. Records related to grant administration would be subject to open records requirements.

Strict rules would prevent a faith-based organization from using funding for sectarian purposes. If a faith-based organization refused to compromise the way it delivered services to meet the requirements of the renewing our communities funding, the organization would not have to participate in the

program. Other faith-based organizations, however, already have been participating in similar programs for years and have provided services in a non-sectarian fashion without compromising their principles.

OPPONENTS  
SAY:

Faith-based organizations should rely on the members of their faith to provide money for any social, health, or human services offered. Faith-based organizations naturally have their own agendas and should be able to use their funding to implement programs in the manner of their choosing. The use of state funding would be restricted, and faith-based organizations should not be forced to compromise their principles by accepting funding with strings attached.

While renewing our communities funding could not be used for direct services that served a sectarian purposes, many faith-based organizations use volunteers from their faith, and it would be difficult to determine if they proselytized in the course of providing charitable services that were enhanced through state funds. Also, many faith-based organizations disproportionately would serve people of their own faith, which could be deemed as a discriminatory practice backed by state funds.

NOTES:

HB 492 as filed would have required HHSC to establish a searchable database of volunteer opportunities. The committee substitute made conforming changes to attribute the powers and duties of the “administrative entity” referenced in the filed bill to the State Commission on National and Community Service.

The LBB indicates that HB 492 would cost \$1,000,000 in general revenue funds in fiscal 2010-11. The LBB assumes during fiscal 2010 and after that \$500,000 in general revenue funds per year would be transferred to the renewing our communities account and the account annually would receive an additional \$200,000 in gifts, grants, and donations.