

## **BILL ANALYSIS**

Senate Research Center

H.B. 492  
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Health & Human Services  
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Engrossed

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

State spending on health and human services is rising rapidly. There have been longstanding initiatives at both the state and federal level to integrate into the service delivery system volunteers from both faith-based groups and community-based organizations to more effectively assist people in need. These existing partnerships have proven to be an effective way to leverage resources, both human and financial, to provide greater assistance. However, the state of Texas is not taking full advantage of the available faith-based and community-based talent.

This bill enhances the role of faith-based and community-based organizations in forming partnerships with state agencies and more effectively meeting the social services needs of Texans.

H.B. 492 amends current law relating to the expansion of faith-based and community-based health and human services and social services initiatives.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. (a) Amends Subtitle I, Title 4, Government Code, by adding Chapter 535, as follows:

#### **CHAPTER 535. PROVISION OF HUMAN SERVICES AND OTHER SOCIAL SERVICES THROUGH FAITH- AND COMMUNITY-BASED ORGANIZATIONS**

##### **SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 535.001. DEFINITIONS. Defines "community-based initiative," "community-based organization," "faith-based initiative," "faith-based organization" and "State Commission on National and Community Service."

Sec. 535.002. PURPOSE. Provides that the purpose of this chapter is to strengthen the capacity of faith- and community-based organizations and to forge stronger partnerships between those organizations and state government for the legitimate public purpose of providing charitable and social services to persons in this state.

Sec. 535.003. CONSTRUCTION. Prohibits this chapter from being construed to exempt a faith- or community-based organization from any applicable state or federal law or be an endorsement or sponsorship by this state of the religious character, expression, beliefs, doctrines, or practices of a faith-based organization.

Sec. 535.004. APPLICABILITY OF CERTAIN FEDERAL LAW. Requires that a power authorized or duty imposed under this chapter be performed in a manner that is consistent with 42 U.S.C. Section 604a.

[Reserves Sections 535.005-535.050 for expansion.]

SUBCHAPTER B. GOVERNMENTAL LIAISONS FOR FAITH- AND  
COMMUNITY-BASED ORGANIZATIONS

Sec. 535.051. DESIGNATION OF FAITH- AND COMMUNITY-BASED LIAISONS. (a) Requires the executive commissioner of the Health and Human Services Commission (executive commissioner), in consultation with the governor, to designate one employee from the Health and Human Services Commission (HHSC) and from each health and human services agency to serve as a liaison for faith- and community-based organizations.

(b) Requires the chief administrative officer of each of certain state agencies, in consultation with the governor, to designate one employee from the agency to serve as a liaison for certain faith- and community-based organizations.

Sec. 535.052. GENERAL DUTIES OF LIAISONS. (a) Requires a faith- and community-based liaison designated under Section 535.051 to identify and remove unnecessary barriers to partnerships between the state agency the liaison represents and faith- and community-based organizations; provide information and training, if necessary, for employees of the state agency the liaison represents regarding equal opportunity standards for faith- and community-based organizations seeking to partner with state government; facilitate the identification of practices with demonstrated effectiveness for faith- and community-based organizations that partner with the state agency the liaison represents; work with the appropriate departments and programs of the state agency the liaison represents to conduct outreach efforts to inform and welcome faith- and community-based organizations that have not traditionally formed partnerships with the agency; coordinate all efforts with the governor's office of faith-based and community initiatives and provide information, support, and assistance to that office as requested to the extent permitted by law and as feasible; and attend conferences sponsored by federal agencies and offices and other relevant entities to become and remain informed of issues and developments regarding faith- and community-based initiatives.

(b) Authorizes a faith- and community-based liaison designated under Section 535.051 to coordinate and interact with statewide organizations that represent faith- or community-based organizations as necessary to accomplish the purposes of this chapter.

Sec. 535.053. INTERAGENCY COORDINATING GROUP. (a) Provides that the interagency coordinating group for faith- and community-based initiatives is composed of each faith- and community-based liaison designated under Section 535.051 and a liaison from the State Commission on National and Community Service.

(b) Provides that the HHSC employee designated as a liaison under Section 535.051 is the presiding officer of the interagency coordinating group.

(c) Requires the interagency coordinating group to meet periodically at the call of the presiding officer; work across state agencies and with HHSC to facilitate the removal of unnecessary interagency barriers to partnerships between state agencies and faith- and community-based organizations; and operate in a manner that promotes effective partnerships between those agencies and organizations to serve residents of this state who need assistance.

Sec. 535.054. REPORTS. (a) Requires a liaison designated under Section 535.051 to provide periodic reports to the executive commissioner or other chief executive officer who designated the liaison, as applicable, on a schedule

determined by the person who designated the liaison and report annually to the governor's office of faith- and community-based initiatives and as necessary to the State Commission on National and Community Service regarding the liaison's efforts to comply with the duties imposed under Sections 535.052 and 535.053.

(b) Requires that each report made under Subsection (a)(2) (relating to reporting annually to the governor's office of faith- and community-based initiatives) be made available to the public through posting on the office of the governor's Internet website, and the reports may be aggregated into a single report for that purpose.

[Reserves Sections 535.055-535.100 for expansion.]

## SUBCHAPTER C. RENEWING OUR COMMUNITIES ACCOUNT

Sec. 535.101. DEFINITION. Defines "account."

Sec. 535.102. PURPOSES OF SUBCHAPTER. Provides that the purposes of this subchapter, recognizing that faith- and community-based organizations provide a range of vital charitable services to persons in this state, are to increase the impact and effectiveness of those organizations; forge stronger partnerships between those organizations and state government so that communities are empowered to serve persons in need and community capacity for providing services is strengthened; and create a funding mechanism that builds on the established efforts of those organizations and operates to create new partnerships in local communities for the benefit of this state.

Sec. 535.103. RENEWING OUR COMMUNITIES ACCOUNT. (a) Provides that the renewing our communities account is an account in the general revenue fund that may be appropriated only to HHSC for the purposes and activities authorized by this subchapter and for reasonable administrative expenses under this subchapter.

(b) Provides that the account consists of all money appropriated for the purposes of this subchapter; any gifts, grants, or donations received for the purposes of this subchapter; and interest earned on money in the account.

(c) Provides that the account is exempt from the application of Section 403.095.

(d) Provides that the purposes of the account are to increase the capacity of faith- and community-based organizations to provide charitable services and to manage human resources and funds; 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.

Sec. 535.104. POWERS AND DUTIES REGARDING ACCOUNT. (a) Requires HHSC to contract with the State Commission on National and Community Service to administer funds appropriated from the account in a manner that consolidates the capacity of and strengthens national service and community and faith- and community-based initiatives and leverages public and private funds to benefit this state; develop a competitive process to be used in awarding grants from account funds that is consistent with state law and includes objective selection criteria; oversee the delivery of training and other assistance activities under this subchapter; develop criteria limiting awards of grants under Section 535.105(1)(A) (relating to awarding grants from funds appropriated from the account to faith- and community-based organizations) to small and medium-sized faith- and community-based organizations that provide charitable services to persons in this state; establish general state priorities for the account; establish and monitor performance and outcome measures for persons to whom grants are

awarded under this subchapter; establish policies and procedures to ensure that any money appropriated from the account to HHSC that is allocated to build the capacity of a faith-based organization or for a faith-based initiative, including money allocated for the establishment of the advisory committee under Section 535.108, is not used to advance a sectarian purpose or to engage in any form of proselytization; and establish policies and procedures to ensure that any money appropriated from the account to HHSC that is allocated to an organization or initiative that receives a grant or assistance under this chapter may not discriminate on the basis of race, religion, color, national origin, sex, age, sexual orientation, or political affiliation, or on the basis of disability, against an employee or volunteer of such organization or initiative or a recipient of services provided by such organization or initiative.

(b) Authorizes HHSC, instead of contracting with the State Commission on National and Community Service under Subsection (a)(1) (relating to contracting with the State Commission on National and Community Service to administer funds), to award account funds appropriated to HHSC to the State Commission on National and Community Service in the form of a grant.

(c) Requires that any funds awarded to the State Commission on National and Community Service under a contract or through a grant under this section be administered in the manner required by this subchapter, including Subsection (a)(1).

(d) Authorizes HHSC or the State Commission on National and Community Service, in accordance with the terms of the contract or grant, as applicable, to:

(1) assist directly, or through agreements with one or more entities that serve faith- and community-based organizations that provide charitable services to persons in this state, faith- and community-based organizations with writing or managing grants through workshops or other forms of guidance; obtaining legal assistance related to forming a corporation or obtaining an exemption from taxation under the Internal Revenue Code; and obtaining information about or referrals to entities that provide expertise in accounting, legal, or tax issues, program development matters, or other organizational topics; provide information or assistance to faith- and community-based organizations related to building the organizations' capacity for providing services; facilitate the formation of networks, the coordination of services, and the sharing of resources among faith- and community-based organizations; in cooperation with existing efforts, if possible, conduct needs assessments to identify gaps in services in a community that present a need for developing or expanding services; work with faith- and community-based organizations to identify the organizations' needs for improvements in their internal capacity for providing services; provide faith- and community-based organizations with information on and assistance in identifying or using practices with demonstrated effectiveness for delivering charitable services to persons, families, and communities and in replicating charitable services programs that have demonstrated effectiveness; and encourage research into the impact of organizational capacity on program delivery for faith- and community-based organizations;

(2) assist a local governmental entity in creating a better partnership between government and faith- and community-based organizations to provide charitable services to persons in this state; and

(3) use funds appropriated from the account to provide matching money for federal or private grant programs that further the purposes of the account as described by Section 535.103(d).

(e) Requires HHSC to monitor the use of the funds administered by the State Commission on National and Community Service under a contract or through a grant under this section to ensure that the funds are used in a manner consistent with the requirements of this subchapter. Provides that records relating to the award of a contract or grant to the State Commission on National and Community Service, or to grants awarded by that entity, and records relating to other uses of the funds are public information subject to Chapter 552 (Public Information).

(f) Prohibits this subchapter, if HHSC contracts with or awards a grant to the State Commission on National and Community Service under this section, from being construed to release that entity from any regulations or reporting or other requirements applicable to a contractor or grantee of HHSC; imposing regulations or reporting or other requirements on that entity that do not apply to other contractors or grantees of HHSC solely because of the entity's status; altering the nonprofit status of that entity or the requirements for maintaining that status; or converting that entity into a governmental entity because of the receipt of account funds through the contract or grant.

Sec. 535.105. ADMINISTRATION OF ACCOUNT FUNDS. Authorizes the entity, if under Section 535.104 HHSC contracts with or awards a grant to the State Commission on National and Community Service, to award grants from funds appropriated from the account to faith- and community-based organizations that provide charitable services to persons in this state for capacity-building purposes and local governmental entities to provide seed money for local offices for faith- and community-based initiatives; and require the entity to monitor performance and outcome measures for persons to whom that entity awards grants using the measures established by HHSC under Section 535.104(a)(6) (relating to establishing and monitoring performance and outcome measures for persons to whom grants are awarded).

Sec. 535.106. REPORTS AND PUBLIC INFORMATION. (a) Requires HHSC to provide a link on HHSC's Internet website to the Internet website of the State Commission on National and Community Service if HHSC contracts with or awards a grant to that entity under Section 535.104. Requires the entity's Internet website to provide a list of the names of each person to whom the entity awarded a grant from money appropriated from the account and the amount and purpose of the grant and information regarding the methods by which the public may request information about those grants.

(b) Requires the State Commission on National and Community Service, if awarded a contract or grant under Section 535.104, to provide to HHSC periodic reports on a schedule determined by the executive commissioner. Requires that the schedule of periodic reports include an annual report that includes a specific accounting with respect to the use by that entity of money appropriated from the account, including the names of persons to whom grants have been awarded and the purposes of those grants and a summary of the efforts of the faith- and community-based liaisons designated under Section 535.051 to comply with the duties imposed by and the purposes of Sections 535.052 and 535.053.

(c) Requires HHSC to post the annual report made under Subsection (b) on HHSC's Internet website and to provide copies of the report to the governor, the lieutenant governor, and the members of the legislature.

Sec. 535.107. TASK FORCE ON STRENGTHENING NONPROFIT CAPACITY. (a) Requires the executive commissioner, in consultation with the governor, to establish a task force to make recommendations for strengthening the capacity of faith- and community-based organizations for managing human resources and funds and providing services. Requires the members of the task force to include representatives from state agencies, nonprofit organizations, the academic community, and the foundation community and other individuals who have expertise that would be valuable to the task force.

(b) Requires the task force, using money appropriated from the account, to hold at least three public hearings in various geographic areas of this state, at least one of which must be outside of Central Texas. Requires the task force to hear testimony at the hearings regarding strengthening the capacity of faith- and community-based organizations to manage human resources and funds and provide services.

(c) Provides that the task force is not required to hold a public hearing if the remaining money appropriated from the account to HHSC for the state fiscal biennium is insufficient for the performance of the duties or activities under this subchapter.

(d) Requires the task force to present a report and legislative recommendations to the House Committee on Human Services or its successor, the House Committee on Public Health or its successor, and the Senate Health and Human Services Committee or its successor not later than September 1, 2010, regarding its recommendations.

(e) Provides that this section expires September 1, 2011.

Sec. 535.108. RENEWING OUR COMMUNITIES ACCOUNT ADVISORY COMMITTEE. (a) Requires the executive commissioner to appoint leaders of faith- and community-based organizations in this state to serve on the renewing our communities account advisory committee. Requires the advisory committee members to be representative of the religious, cultural, and geographic diversity of this state and the diversity of organization types and sizes in this state.

(b) Requires the advisory committee to make recommendations to the executive commissioner regarding the powers and duties with respect to the account as described by Section 535.104.

(c) Requires the advisory committee, except as otherwise provided by this subsection, to meet at least twice each calendar year. Provides that the advisory committee is not required to meet if the remaining amount appropriated from the account to HHSC for the state fiscal biennium is insufficient for the performance of any duties or activities under this subchapter.

(d) Provides that Chapter 2110 (State Agency Advisory Committees) does not apply to the advisory committee.

(e) Provides that the advisory committee is subject to Chapter 551 (Open Meetings).

(b) Requires the executive commissioner, the chief executive officers of the Office of Rural Community Affairs, the Texas Commission on Environmental Quality, the Texas Department of Criminal Justice, the Texas Department of Housing and Community Affairs, the Texas Education Agency, the Texas Juvenile Probation Commission, the Texas Veterans Commission, the Texas Workforce Commission, the Texas Youth Commission, and any other state agency as determined by the governor to designate the liaisons for faith- and community-based initiatives as required under Section 535.051, Government Code, as added by this section, not later than December 1, 2009.

(c) Requires the interagency coordinating group established under Section 535.053, Government Code, as added by this section, to hold its first meeting not later than February 1, 2010.

SECTION 2. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such waivers or authorizations are granted.

SECTION 3. Effective date: upon passage or September 1, 2009.