AN ACT
relating to the expansion of faith- and community-based health and
human services and social services initiatives.

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

SECTION 1. (a) Subtitle I, Title 4, Government Code, is
amended by adding Chapter 535 to read 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. In this chapter:

(1) "Community-based initiative" includes a social,
health, human services, or volunteer income tax assistance
initiative operated by a community-based organization.

(2) "Community-based organization" means a nonprofit
corporation or association that is located in close proximity to
the population the organization serves.

(3) "Faith-based initiative" means a social, health,
or human services initiative operated by a faith-based
organization.

(4) "Faith-based organization" means a nonprofit
corporation or association that:

(A) is operated through a religious or
denominational organization, including an organization that is
operated for religious, educational, or charitable purposes and
that is operated, supervised, or controlled, wholly or partly, by
or in connection with a religious organization; or

(B) clearly demonstrates through the
organization's mission statement, policies, or practices that the
organization is guided or motivated by religion.

(5) "State Commission on National and Community
Service" means the entity used as authorized by 42 U.S.C. Section
12638(a) to carry out the duties of a state commission under the
National and Community Service Act of 1990 (42 U.S.C. Section 12501
et seq.).

Sec. 535.002. PURPOSE. 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. This chapter may not be
construed to:

(1) exempt a faith- or community-based organization
from any applicable state or federal law; or

(2) 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. A
power authorized or duty imposed under this chapter must be
performed in a manner that is consistent with 42 U.S.C. Section
604a.
SUBCHAPTER B. GOVERNMENTAL LIAISONS FOR FAITH- AND COMMUNITY-BASED ORGANIZATIONS

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

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

(1) the Office of Rural Community Affairs;
(2) the Texas Commission on Environmental Quality;
(3) the Texas Department of Criminal Justice;
(4) the Texas Department of Housing and Community Affairs;
(5) the Texas Education Agency;
(6) the Texas Juvenile Probation Commission;
(7) the Texas Veterans Commission;
(8) the Texas Workforce Commission;
(9) the Texas Youth Commission; and
(10) other state agencies as determined by the governor.

Sec. 535.052. GENERAL DUTIES OF LIAISONS. (a) A faith- and community-based liaison designated under Section 535.051 shall:

(1) identify and remove unnecessary barriers to
partnerships between the state agency the liaison represents and faith- and community-based organizations;

(2) 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;

(3) facilitate the identification of practices with demonstrated effectiveness for faith- and community-based organizations that partner with the state agency the liaison represents;

(4) 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;

(5) 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

(6) 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) A faith- and community-based liaison designated under Section 535.051 may coordinate and interact with statewide organizations that represent faith- or community-based organizations as necessary to accomplish the purposes of this
Sec. 535.053. INTERAGENCY COORDINATING GROUP. (a) 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) The commission employee designated as a liaison under Section 535.051 is the presiding officer of the interagency coordinating group.

(c) The interagency coordinating group shall:

(1) meet periodically at the call of the presiding officer;

(2) work across state agencies and with the State Commission on National and Community Service to facilitate the removal of unnecessary interagency barriers to partnerships between state agencies and faith- and community-based organizations; and

(3) 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) A liaison designated under Section 535.051 shall:

(1) 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

(2) 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) Each report made under Subsection (a)(2) must 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.

[Sections 535.055-535.100 reserved for expansion]

SUBCHAPTER C. RENEWING OUR COMMUNITIES ACCOUNT

Sec. 535.101. DEFINITION. In this subchapter, "account"
means the renewing our communities account.

Sec. 535.102. PURPOSES OF SUBCHAPTER. Recognizing that
faith- and community-based organizations provide a range of vital
charitable services to persons in this state, the purposes of this
subchapter are to:

(1) increase the impact and effectiveness of those
organizations;

(2) 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

(3) 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) The
renewing our communities account is an account in the general revenue fund that may be appropriated only to the commission for the purposes and activities authorized by this subchapter and for reasonable administrative expenses under this subchapter.

(b) The account consists of:

(1) all money appropriated for the purposes of this subchapter;

(2) any gifts, grants, or donations received for the purposes of this subchapter; and

(3) interest earned on money in the account.

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

(d) The purposes of the account are to:

(1) increase the capacity of faith- and community-based organizations to provide charitable services and to manage human resources and funds;

(2) assist local governmental entities in establishing local offices to promote faith- and community-based initiatives; and

(3) foster better partnerships between state government and faith- and community-based organizations.

Sec. 535.104. POWERS AND DUTIES REGARDING ACCOUNT. (a) The commission shall:

(1) contract with the State Commission on National and Community Service to administer funds appropriated from the account in a manner that:

(A) consolidates the capacity of and strengthens
national service and community and faith- and community-based
initiatives; and

(B) leverages public and private funds to benefit
this state;

(2) develop a competitive process to be used in
awarding grants from account funds that is consistent with state
law and includes objective selection criteria;

(3) oversee the delivery of training and other
assistance activities under this subchapter;

(4) develop criteria limiting awards of grants under
Section 535.105(1)(A) to small and medium-sized faith- and
community-based organizations that provide charitable services to
persons in this state;

(5) establish general state priorities for the
account;

(6) establish and monitor performance and outcome
measures for persons to whom grants are awarded under this
subchapter; and

(7) establish policies and procedures to ensure that
any money appropriated from the account to the commission 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.

(b) Instead of contracting with the State Commission on
National and Community Service under Subsection (a)(1), the
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commission may award account funds appropriated to the commission
to the State Commission on National and Community Service in the
form of a grant.

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

(d) The commission or the State Commission on National and
Community Service, in accordance with the terms of the contract or
grant, as applicable, may:

(1) 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:

(A) assist faith- and community-based
organizations with:

(i) writing or managing grants through
workshops or other forms of guidance;

(ii) obtaining legal assistance related to
forming a corporation or obtaining an exemption from taxation under
the Internal Revenue Code; and

(iii) obtaining information about or
referrals to entities that provide expertise in accounting, legal,
or tax issues, program development matters, or other organizational
topics;

(B) provide information or assistance to
faith- and community-based organizations related to building the
organizations' capacity for providing services;
(C) facilitate the formation of networks, the coordination of services, and the sharing of resources among faith- and community-based organizations;

(D) 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;

(E) work with faith- and community-based organizations to identify the organizations' needs for improvements in their internal capacity for providing services;

(F) 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

(G) 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) The commission shall 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. 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.

(f) If the commission contracts with or awards a grant to the State Commission on National and Community Service under this section, this subchapter may not be construed to:

(1) release that entity from any regulations or reporting or other requirements applicable to a contractor or grantee of the commission;

(2) impose regulations or reporting or other requirements on that entity that do not apply to other contractors or grantees of the commission solely because of the entity's status;

(3) alter the nonprofit status of that entity or the requirements for maintaining that status; or

(4) convert 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. If under Section 535.104 the commission contracts with or awards a grant to the State Commission on National and Community Service, that entity:
may award grants from funds appropriated from the
account to:

(A) faith- and community-based organizations
that provide charitable services to persons in this state for
capacity-building purposes; and

(B) local governmental entities to provide seed
money for local offices for faith- and community-based initiatives;
and

(2) shall monitor performance and outcome measures for
persons to whom that entity awards grants using the measures
established by the commission under Section 535.104(a)(6).

Sec. 535.106. REPORTS AND PUBLIC INFORMATION. (a) The
commission shall provide a link on the commission's Internet
website to the Internet website of the State Commission on National
and Community Service if the commission contracts with or awards a
grant to that entity under Section 535.104. The entity's Internet
website must provide:

(1) 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

(2) information regarding the methods by which the
public may request information about those grants.

(b) If awarded a contract or grant under Section 535.104,
the State Commission on National and Community Service must provide
to the commission periodic reports on a schedule determined by the
executive commissioner. The schedule of periodic reports must
include an annual report that includes:
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(1) 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

(2) 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) The commission shall post the annual report made under
Subsection (b) on the commission's Internet website and shall
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) The executive commissioner, in consultation with
the governor, shall 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. The members of the task force must include:

(1) representatives from state agencies, nonprofit
organizations, the academic community, and the foundation
community; and

(2) other individuals who have expertise that would be
valuable to the task force.

(b) Using money appropriated from the account, the task
force shall hold at least three public hearings in various
geographic areas of this state, at least one of which must be
outside of Central Texas. The task force shall 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) The task force is not required to hold a public hearing
if the remaining money appropriated from the account to the
commission for the state fiscal biennium is insufficient for the
performance of the duties or activities under this subchapter.

(d) The task force shall 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) This section expires September 1, 2011.

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

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

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

(d) Chapter 2110 does not apply to the advisory committee.

(e) The advisory committee is subject to Chapter 551.

(b) The executive commissioner of the Health and Human Services Commission and 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 shall 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) The interagency coordinating group established under Section 535.053, Government Code, as added by this section, shall hold its first meeting not later than February 1, 2010.

SECTION 2. This Act does not make an appropriation. A provision in this Act that creates a new governmental program, creates a new entitlement, or imposes a new duty on a governmental entity is not mandatory during a fiscal period for which the legislature has not made a specific appropriation to implement the provision.

SECTION 3. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a
1 federal agency is necessary for implementation of that provision,
2 the agency affected by the provision shall request the waiver or
3 authorization and may delay implementing that provision until the
4 waiver or authorization is granted.

SECTION 4. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2009.
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President of the Senate

Speaker of the House

I certify that H.B. No. 492 was passed by the House on April 24, 2009, by the following vote: Yeas 119, Nays 15, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 492 on May 18, 2009, by the following vote: Yeas 139, Nays 2, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 492 was passed by the Senate, with amendments, on May 14, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: __________________

Date

Governor