



OFFICE • OF • RURAL
COMMUNITY • AFFAIRS

Where rural Texas comes first.

ORCA GOVERNING BOARD MEETING

August 7-8, 2008

AUSTIN, TEXAS



**OFFICE OF RURAL COMMUNITY AFFAIRS
GOVERNING BOARD MEETING**

August 7-8, 2008

**Texas State Capitol Extension
1100 Congress Ave., Room E1.012**

Austin, Texas 78701

1:00 PM

NOTICE: The ORCA Internal Audit Committee will meet at 10:00 AM on August 7, 2008 in Room E1.012 to review the staff evaluations of proposals related to agenda item C. 4. The public is welcome to attend.

Three Advisory Committees (Finance, Rural Health and Community Development) will meet beginning at 11:00 AM on August 7, 2008 to review respective agenda items with ORCA staff. The public is welcome to attend the meetings which will also be held in Room E1.012 in the Capitol Extension.

The Board will discuss, consider and take appropriate action on the following agenda items beginning promptly at 1:00 PM on August 7, 2008. All items not heard on August 7 may be considered on August 8th beginning at 8:30 AM. Two items, C 5 & 6, are specifically scheduled for August 8th.

A. CALL TO ORDER BY THE CHAIR

1. Roll call and certification of a quorum.
2. Consider approval of the minutes of the June 12-13, 2008 meeting in Austin.

B. PUBLIC COMMENT

1. The Board will provide interested persons the opportunity to offer public comment on any matter within the jurisdiction of the agency and, if time permits, may offer this more than once. The Board may limit the time of each speaker to 3 minutes or less and exclude repetitious comments.

C. EXECUTIVE DIRECTOR

1. Consider the 2010-2011 Legislative Appropriations Request (LAR) with exceptional items. (Action needed)

2. Consider proposed changes to Title 10 Part 6 Chapter 256 of the Texas Administrative Code and authorize publication in *Texas Register* for public comment. (Action needed)
3. Hear report from internal auditor related to a contract management audit and management response.
4. Consider selecting an internal auditor. (Action needed)
5. Hear report from Katy Bourgeois, (Greenlights for Success) concerning the activities related to the Texas Rural Foundation. (Friday Aug. 8 – 8:30 AM)
6. Review and reconsider the prohibition in the ORCA TxCDBG Action Plan against using disaster relief funds under FEMA's Hazard Mitigation Grant Program (HMGP) in instances related to property in a designated flood plain area. (Action needed) (Friday morning Aug. 8)

D. FINANCE

1. Hear an update on the agency's Fiscal Year 2008 Internal Budget.
2. Consider the Agency's 2009 Internal Operating Budget. (Action needed)

E. STATE OFFICE OF RURAL HEALTH PROGRAM

1. Hear progress report on the use of TxCDBG funds for a State Office of Rural Health pilot project.
2. Hear a report on the status of collection efforts by the OAG and ORCA staff related to grants and awards made by the agency.
3. Hear informational presentation from Pam Danner with the West Texas Area Health Education Center (AHEC).
4. Hear informational presentation from Connie Berry, Director of the Texas Primary Care Office.
5. Consider accepting the current SORH grant from the Department of Health and Human Services -- Health Resources and Services Administration (HRSA). (Action needed)

F. TEXAS CAPITAL FUND PROGRAM (TCF)

1. Hear report on TCF activities.

G. TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1. Hear an update on disaster declarations, applications received and approved, and priorities under the Disaster Relief Fund.
2. Proposed Use of Deobligated/Program Income Funds (Action needed)
3. Hear disaster recovery status report on TxCDBG non-housing Round 1 & 2 supplemental disaster funding.
4. Hear a report on HUD's CDBG entitlement county program rules.
5. Hear reports from Management - Supplements to the ORCA performance report.
6. Hear a report on housing activities.
7. Hear a report on the Regional Review Committee scoring process revisions for PY 2009/2010.

H. OLD BUSINESS AND OTHER ITEMS

1. Hear report on the third quarter performance measures for the agency.
2. Consider setting the date and location for future meetings.

I. EXECUTIVE SESSION

THE BOARD MAY GO INTO CLOSED SESSION ON ANY ITEM LISTED ON THE AGENDA WHERE AUTHORIZED BY THE TEXAS OPEN MEETINGS ACT, TEXAS GOVERNMENT CODE, CHAPTER 551.

1. Executive Session Pursuant to Government Code Section 551.071 to consult with the Board's attorney concerning contemplated litigation, and all matters identified in the agenda where the Board members seek the advice of their attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas and pursuant to Section

551.074(a)(1) for purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, compensation, reassignment, duties, discipline, or dismissal of the Executive Director.

2. Action, if any, in open session on items discussed in the Executive Session.

J. ADJOURN

AGENDA ITEMS MAY NOT NECESSARILY BE CONSIDERED IN THE ORDER THAT THEY APPEAR. TIME SPECIFIC ITEMS ARE SO NOTED ON THE AGENDA.

Persons with disabilities, who plan to attend this meeting and are in need of a reasonable accommodation in order to observe or participate, should contact Sandy Seng at 512-936-6706 at least four (4) working days prior to the meeting.

To access this agenda and details on each agenda item in the Board book, please visit our website at www.orca.state.tx.us.

NONE AT THE TIME OF THIS
POSTING

**OFFICE OF RURAL COMMUNITY AFFAIRS
GOVERNING BOARD MEETING**

June 12-13, 2008
Texas State Capitol Extension
100 Congress Avenue, Room E1.028
Austin, Texas 78701
1:00 PM

The Office of Rural Community Affairs Governing Board meeting convened at the Texas State Capitol Extension, 1100 Congress Avenue, Room E1.028, Austin, Texas at 1:00 PM on June 12, 2008. Chairman Wallace Klussmann recessed the meeting that same afternoon at 5:47 PM.

Chairman Klussmann called the meeting to order at 9:00 AM on Friday, June 13, 2008. Chairman Klussmann adjourned the meeting at 10:08 AM that same day.

Governing Board Members in Attendance

Present

Wallace Klussmann, Chairman
David Alders, Vice-Chairman
Mackie Bobo, Secretary
Woody Anderson
Remelle Farrar
Joaquin Rodriguez
Drew Deberry for TDA Commissioner Todd Staples
Patrick Wallace

Not Present

Charles Butts
Lydia Rangel Saenz

Others Registered in Attendance

Last Name	First Name	Organization Represented
Altamirano	Virgilio	PMB Helin & Donovan
King	Jackie	Office of the Governor
McPhee	Don	PMB Helin & Donovan
Rhodes	Rick	Texas Department of Agriculture
Scott	Carolyn	Lt. Governor's Office
Spitzengel	Bruce	Grant Works, Inc.
Wood	Robert	TX Comptroller of Public Accounts
Aguirre	Esperanza	
Aguirre	Linda	
Aguirre	Raul	
Horral	Ibarra	El Latino Newspaper
Rodriguez	Elma	

Agenda Item A

1. Chairman Klussmann called the meeting to order at 1:00 PM and asked Dr. Mackie Bobo, Secretary, to call the roll. A quorum was present.
2. Chairman Klussmann offered the motion to approve the minutes from the April 3 & 4, 2008 meeting as published. The minutes were approved as distributed.
3. The Honorable Nathan L. Hecht, member of the Supreme Court of Texas, performed the swearing in of the newly appointed members of the new ORCA Board. The oath of office was administered to Remelle Farrar and Joaquin L. Rodriguez.
4. b. Mr. Charlie Stone, ORCA Executive Director, made a presentation of a certificate of appreciation to Kevin Heyburn for services rendered as General Counsel with the certificate reading: "With Grateful Appreciation for Your Commitment to Rural Texas through Your Outstanding Service to the Governing Board and Staff of the Office of Rural Community Affairs, June 12, 2008".

c. Mr. Charlie Stone, ORCA Executive Director, introduced Anne O. Reynolds, the new General Counsel for the agency. Mr. Stone expressed that we are extremely pleased to have such an experienced and accomplished attorney join the Office of Rural Community Affairs' team.

Agenda Item B

1. Chairman Klussmann opened the meeting to public comment. The Board received comment from:
 - Mr. Bruce Spitzengel, President, Grant Works, Inc.
Mr. Spitzengel made comment regarding the agenda item on the Texas Capital Fund Program. Mr. Spitzengel informed the Board that there is some talk about trying to go back to the old rules for this current round of funding for the Main Street Improvement Program and the Downtown Revitalization Program and they think the old rules have just as many problems as to what is being proposed today. He wanted to encourage TDA to wait before going into an application round with this current funding until these new rules have had an opportunity to be developed. He suggested that the rules be sent out again for public comment and give the stakeholders an opportunity to participate in the process. Mr. Spitzengel stated that he thinks that the process really does work and it does serve the purpose in terms of trying to get the best possible program rules and to get the funds out to the people most needing those funds.

Chairman Klussmann closed the public comment period at 1:20 PM.

Agenda Item C

1. Chairman Klussmann gave an overview of the sub-committees of the ORCA Board. Chairman Klussmann presented a suggested membership for each committee. After a discussion, the appointments to the subcommittees were accepted as presented with the exception of Mr. Joaquin Rodriguez serving on both the Finance Advisory Committee and the Rural Health Advisory Committee.

Agenda Item F

1. Mr. Rick Rhodes, Assistant Commissioner, Texas Department of Agriculture, gave an overview of the 2008 Texas Capital Fund Programs. The Texas Capital Fund continues to be a very vital economic development tool for Texas and certainly for rural communities in Texas and they are off to a great start this year. Mr. Rhodes asked that the proposed rule changes for the 2008 Texas Capital Fund Programs, Main Street and Downtown Revitalization programs, be brought back to the ORCA Board as an action item at the August meeting to allow the opportunity to consider comments that had been received in the last few days on the proposed changes.

Agenda Item C

2. Mr. Eric Beverly and Ms. Kim White, ORCA's Intergovernmental Specialists, presented an overview to the ORCA Board on the activities related to the collection and development of rural policy recommendations for the 81st Legislature. HB 2542 narrowed the focus of the Office of Rural Community Affairs to four key areas: economic development, community development, healthcare, and housing. No action required.
4. Mr. Charlie Stone, ORCA Executive Director, made a presentation to the ORCA Board to consider the approval of the release and the posting of the Request for Proposal (RFP) to obtain Internal Auditor services. Mr. David Alders made a recommendation that the Internal Audit Committee be involved in the process of reviewing the Request for Proposals when they come back in.

Mr. Pat Wallace made the motion that the ORCA Board approve the release and posting of the RFP to obtain Internal Auditor services. Mr. David Alders seconded the motion. The motion passed unanimously.

3. Chairman Klussmann asked Mr. Don McPhee, with PMB Helin Donovan, to deliver a presentation on the Internal/External Assessment Report. No action required.

Chairman Klussmann called for a break. The time was 2:57 PM. Chairman Klussmann called the meeting to order at 3:12 PM.

5. Mr. Charlie Stone, ORCA Executive Director, presented an overview of the instructions given to all state agencies to develop the 2010-2011 Legislative Appropriations Request (LAR) and also gave a review to the ORCA Board on the Exceptional Item Requests that the agency will be requesting which provide for additional general revenue funds and FTE's to implement the programs.

Mr. Joaquin Rodriguez made the motion that the ORCA Board review the Exceptional Item Requests that it wishes to include in the LAR along with other items the Board may want to include for further discussion and possible approval at the August 7th meeting and to also include coordination on the development of the exceptional items between Mr. Charlie Stone, ORCA Executive Director, and TDA Deputy Commissioner Drew DeBerry. Mr. David Alders seconded the motion. The motion passed unanimously.

6. Mr. Jerry Walker, ORCA Director of Operations, presented a summary to the ORCA Board on the FY 2009-2013 Strategic Plan for the Office of Rural Community Affairs.

Ms. Remelle Farrar made the motion to approve the Draft Strategic Plan as presented with modifications to be made as directed by the Board for final submission. Mr. Joaquin Rodriguez seconded the motion. The motion passed unanimously.

Agenda Item D

1. Mr. David Flores, ORCA Chief Financial Officer, presented an update to the ORCA Board on the agency's Fiscal Year 2008 Operating Budget. No action required.

Agenda Item E

1. Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division, presented to the ORCA Board a progress report on the use of TxCDBG funds for a State Office of Rural Health (SORH) pilot project. The SORH understands that this is going to be a completely different procedure for the Rural Health Community and the SORH intends to have a work day where the rural communities will

be invited to come in and they will be provided assistance with the application process and advised to where they can find information regarding the project. No action required.

2. Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division, presented to the Board the information for consideration of the proposed changes needed in the language of the ORCA State Office of Rural Health Programs found in Title 10 Part 6 Chapter 257 of the Texas Administrative Code. Ms. Cruz indicated that the language needing the change is the phrase "Executive Committee" to "Executive Board". The definition of the prior Executive Committee required adjustment for the current definition of the Executive Board.

Mr. David Alders made the motion to approve the proposed changes as discussed and authorize publication in the *Texas Register* for public comment. Mr. Pat Wallace seconded. The motion passed unanimously.

3. Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division, presented a power point presentation on the upcoming HealthFind Conference. In response to a survey of the communities the event this year will be held in the Dallas area where there are at least four residency programs and/or schools of medicine. The event has been contracted with the Texas Organization of Rural and Community Hospitals (TORCH) to handle the majority of the event planning. The event is scheduled for August 23, 2008. No action required.

Agenda Item G

1. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented to the ORCA Board an overview on the disaster declarations and the applications received and approved under the Disaster Relief Fund. No action required.
2. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), asked the Board for consideration of the proposed uses of TxCDBG Deobligated Funds and Program income.

Mr. David Alders made the motion that the ORCA Board approve that deobligated and/or program income in the amount up to \$290,633 be allocated to the 2008 Community Development Fund/ Community Development Supplemental Fund applications to fully fund applicants that would have received a higher award had extra funds not been added previously to the 2008 CD/CDS Funds. Mr. Joaquin Rodriguez seconded. Ms. Remelle Farrar abstained. The motion passed.

Mr. David Alders made the motion that CD staff be able to allocate additional deobligated funds and/or program income to the 2008 CD/CDS marginal pool up to a limit of an additional \$709,637 and further that CD staff would be able to allocate additional future deobligated funds and program income for Disaster Relief assistance as needed up to a limit of an additional \$1,000,000. Mr. Joaquin Rodriguez seconded. The motion passed unanimously.

3. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented to the ORCA Board a disaster recovery status report on TxCDBG non-housing Round 1&2 supplemental disaster funding. No action required.
4. Ms. Susan Grosz, Manager, Texas Community Development Block Grant Program (TxCDBG), gave a summary to the ORCA Board on the TxCDBG Program reports from management. These reports supplement the ORCA Performance Report. No action required.
5. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), made a presentation to the ORCA Board to consider the adoption of Rules to Title 10, Chapter 255 of the Texas Administrative Code concerning the rules to administer the 2008 TxCDBG Action plan and other items.

Mr. David Alders made the motion to adopt the rule, as attached, under Title 10, Chapter 255 of the Texas Administrative Code and to authorize staff to provide notification in the *Texas Register*. Mr. Pat Wallace seconded. The motion passed unanimously.

6. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), asked the ORCA Board to consider the approval of the proposed rules to implement provisions of HB 2542, ORCA's re-authorization statute, related to the TxCDBG Program.

Mr. Woody Anderson made the motion to approve the publication of the proposed rule in the *Texas Register* for public comment. Mr. Pat Wallace seconded. The motion passed unanimously.

7. Ms. Heather Lagrone, Manager, Texas Community Development Block Grant Program (TxCDBG), presented to the ORCA Board a report related to the reduction of the page count and the streamlining of the CDBG application. The total page count of the application has been reduced from 47 pages to 12 pages and the supporting application guide and appendixes from 104 pages to 53 pages. No action required.

Chairman Klussmann recessed the meeting at 5:47 PM, Thursday, June 12, 2008, until 9:00 AM on Friday, June 13, 2008.

The Office of Rural Community Affairs Governing Board meeting reconvened at the Texas State Capitol Extension, 1100 Congress Avenue, Room E1.028, Austin, Texas at 9:00 AM on Friday, June 13, 2008. Chairman Klussmann adjourned the meeting that same morning at 10:08 AM.

Agenda Item H

2. Mr. Charlie Stone, ORCA Executive Director, reported to the ORCA Board on the status of the Texas Rural Foundation and asked the Board to authorize the review of two outside proposals to help organize a focused, dedicated effort to assist the ORCA Board with the selection, appointment, organization of a new TRF Board. Mr. David Alders asked that the cost stay close to the amount of \$12,000.

Ms. Remelle Farrar made the motion to authorize the review of the two outside proposals to begin the process to activate the Texas Rural Foundation. Mr. Joaquin Rodriguez seconded the motion. The motion passed unanimously.

3. Mr. Charlie Stone asked Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division to present an update on collection efforts by ORCA related to grants and awards made by the agency. Mr. Kevin Heyburn, Office of the Attorney General, presented an update on collection efforts by the Office of the Attorney General. No action required.
1. Robert Wood, Director, Local Government Assistance and Economic Development, Texas Comptroller of Public Accounts, made a presentation to the ORCA Board about the new one-stop Web portal for economic resources called Texas Ahead. Additional handouts were submitted to the ORCA Board.
4. Chairman Klussmann discussed future ORCA Board meeting locations and dates. It was discussed that the next two meetings, August 7th and 8th and October 2nd and 3rd, 2008, both to be held in Austin, are firm dates. The meeting date for December will be discussed at the August meeting.

The ORCA Board did not enter into Executive Session.

Chairman Klussmann adjourned the meeting at 10:08 AM on Friday, June 13, 2008.

NONE AT THE TIME OF THIS
POSTING

SUMMARY

Proposed Legislative Appropriations Request FY 2010-11

Presented by Charlie Stone

DISCUSSION

On May 5, 2008 State Agency Heads/Executive Directors were informed by letter from the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy that detailed instructions for Legislative Appropriations Requests (LAR) for FY 2010-11 were available. These instructions stated that the agency's baseline request for general revenue-related funds could not exceed the sum of amounts expended/budgeted in 2008-09 plus an amount equal to the 2 percent raises for 2008 & 2009. Also included were instructions that agencies needed to submit a supplemental schedule detailing how they would reduce their baseline request by 10 percent in general revenue-related funds.

Our Proposed LAR for FY 2010-11, submitted for your consideration and included as item C1 of your board books, complies with the instructions provided and exceeds the 10% reduction request by reducing general revenue-related funds by \$5,000,000 (29.7%). This is accomplished by the elimination of the Rural Technology Centers program created by HB 2235 during the 80th Legislative Session. The LAR requests \$171,941,267 in all funds, for the biennium.

Our LAR for FY 2010-11 reflects the impact of the multi-year cuts in our CDBG annual allocation. It also reflects the end of the Hurricane Disaster Relief funding which is expected to be exhausted by 2010. These two factors, along with increased costs for salaries, travel and other operating expenses will severely impact the agency's ability to sustain current program operations and staffing levels. As a result, our LAR baseline request shows that only 59 full-time equivalent (FTE) positions of the 72 authorized will be funded in 2010 and only 57 FTEs will be funded in 2011.

Our LAR includes eleven Exceptional Items (above baseline) totaling \$143,960,028 and requesting an additional 35 FTEs* for the biennium. These Exceptional Items are intended not only to recover the funding lost by

the reductions in the CDBG allocation, but also establish new programs and services.

*Clarification for the 35 FETs:

- Exceptional items 1,3,&4 = 15 FTEs
- Exceptional items 2,5 &10 = 5 FTEs
- Exceptional item 11 = 15 FTEs

Exceptional item 11 is a fall back item and only needed if items 1, 3 &4 are not approved and vice versa. Therefore we are really asking for 15 FTEs which will bring us back to 72 FTEs (57 FTE baseline for 2011 + 15). The 59 FTEs shown for 2010 includes 2 disaster positions that will be eliminated in 2010. We are growing the agency by 5 new FTEs for the new programs for the rural development fund, volunteer fire department program and veterinarian program.

ORCA's deadline for submitting LAR for FY 2010-11 is August 13, 2008 which is fast approaching. Staff must submit the LAR both in hard copy and on-line using the Legislative Budget Boards ABEST system. With the Board's positive action on this agenda item, staff will have just enough time to finalize the LAR, enter it on-line and get our vendor to print the hard copies required to comply with the LAR distribution instructions.

Enclosures

Legislative Appropriations Request for FY 2010-11

- Administrator's Statement
- Organizational Chart & Functional Overview
- Summary of Base Request by Strategy
- Summary of Base Request by Object of Expense
- Summary of Exceptional Items Request
- Strategy Requests
- Rider Revisions and Additions Request
- Exceptional Items Request Schedule
- 10 Percent Biennial Base Reduction Options Schedule

RECOMMENDATION

Staff recommends approval to submit the proposed Legislative Appropriations Request for FY 2010-11.

***Should any Governing Board member have any questions concerning this agenda item please contact Charlie Stone at (512) 936-6704 or cstone@orca.state.tx.us**

ADMINISTRATOR'S STATEMENT
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **7/31/2008**
TIME: **10:20:23AM**
PAGE: **1 of 5**

Agency code: **357**

Agency name: **Office of Rural Community Affairs**

ADMINISTRATOR'S STATEMENT

The Office of Rural Community Affairs (ORCA) respectfully submits for consideration its FY 2010-2011 Legislative Appropriations Request and 11 Exceptional Items

BACKGROUND

ORCA was created by the 77th Legislature (HB 7) to address community, economic, and quality of life issues affecting small and rural communities across Texas. ORCA administers programs supporting rural healthcare and the federal Community Development Block Grant (CDBG) non-entitlement program. ORCA also coordinates and monitors the state's effort to improve the results and cost-effectiveness of programs affecting rural communities, and provides an annual evaluation of the condition of rural Texas communities. Additional services provided include renewable energy outreach and assistance and emergency services district (ESD) program that includes training and technical assistance. Funding for the ESD and renewable energy programs were added during the 80th Legislature.

A new eleven-member Board governs ORCA as a result last session's HB 2542 which was the agency's Sunset reauthorization bill. Currently ten Board members are appointed by the Governor and one member, the Agriculture Commissioner, is statutorily appointed in ORCA's enabling legislation.

The goal of the Board is to guide the development of the agency and define its policy and philosophy. The Board is composed of the following 10 members with one vacancy remaining to be filled:

Wallace G. Klussmann (Chair)
Fredericksburg
Term Expires: 2/1/2013

David Richey Alders (Vice Chair)
Nacogdoches
Term Expires: 2/1/2013

Dr. Mackie Bobo (Secretary)
Bedias
Term Expires: 2/1/2013

Commissioner Todd Staples
Texas Department of Agriculture
Austin

Woody Anderson
Colorado City
Term Expires: 2/1/2009

ADMINISTRATOR'S STATEMENT
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **7/31/2008**
TIME: **10:20:23AM**
PAGE: **2 of 5**

Agency code: **357** Agency name: **Office of Rural Community Affairs**

Charles N. Butts
Lamesa
Term Expires: 2/1/2013

Remelle Farrar
Crowell
Term Expires: 2/1/2011

Joaquin L. Rodriguez
Eagle Pass
Term Expires: 2/1/2013

Lydia Rangel Saenz
Carrizo Springs
Term Expires: 2/1/2009

Patrick Wallace
Athens
Term Expires: 2/1/2011

EXECUTIVE DIRECTOR SALARY INCREASE

During the August 7-8, 2008, Governing Board meeting in Austin, the ORCA Board considered an increase to the Executive Directors salary. The Board recommended a salary of _____ per year. To implement the Boards wishes, the agency also requests that the Executive Director's position be reclassified from a Group 3 to a Group 4 Exempt Position. An organization's ability to effectively recruit and retain qualified staff and effective executive leadership, is, to a large degree, based on its ability to provide adequate compensation

SIGNIFICANT POLICY CHANGES

Prior to the 80th legislative session, ORCA was reviewed by the Sunset Advisory Commission. Under HB 2542 (Author: Representative Kolkhorst; Sponsor: Senator Estes), ORCA was continued for six years.

HB 2542 replaced an executive committee made up of nine members with a board made up of 11 members, as follows:

- four members who represent different geographic regions of the state appointed by the governor, including:
 - o two locally elected rural city or county officials or city or county employees involved with rural development; and
 - o two public members each of whom resides in a rural city or county;
- three public members appointed by the governor from a list of nominees submitted by the lieutenant governor;
- three public members appointed by the governor from a list of nominees submitted by the speaker of the house of representatives; and
- the commissioner of agriculture or the commissioner's designee.

ADMINISTRATOR'S STATEMENT
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
TIME: 10:20:23AM
PAGE: 3 of 5

Agency code: 357 Agency name: Office of Rural Community Affairs

The bill refined ORCA's powers and duties to include:

- assisting rural communities in the key areas of economic development, community development, rural health, and rural housing;
- serving as a clearinghouse for information and resources on all state and federal programs affecting rural communities;
- identifying and prioritizing policy issues and concerns affecting rural communities in the state; and
- making recommendations to the legislature to address the concerns affecting rural communities.

The bill modified the duties of the State Review Committee (SRC) related to the CDBG program by requiring the SRC, in consultation with the executive director and ORCA staff, to both review and approve grant and loan applications and associated funding awards of eligible counties and municipalities. Previously, the SRC reviewed funding applications of eligible counties and municipalities but did not make awards.

Consistent with changes to the award process, the bill modified the appellate process by authorizing an applicant for a grant, loan, or award under the CDBG program to appeal a decision of the SRC by filing a complaint with ORCA's board.

The bill required ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the CDBG program. The bill authorized ORCA to co-locate its field staff in the Department of Agriculture's offices and to work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities.

APPROPRIATIONS REQUEST AND EXCEPTIONAL ITEMS

ORCA's Legislative Appropriations Request calls for sufficient general revenue funding to again continue to draw down available federal funds. However, current general revenue funding and reduced administrative funds as a result of years of declining annual federal allocations, will not allow the agency to maintain current CDBG operations and staffing levels. Only with the approval of exception items #1, #3 and #4 will the agency be able to maintain current operations.

The agency has complied with the request from the Governor's Office and the Legislative Budget Board (LBB) by submitting a budget that is equivalent to the amounts expended and budgeted in 2008-09. In addition the agency is complying with LBB's request for the agency to show a 10% Biennial Base reduction amount. The 10% general revenue-related base reduction will be taken by eliminating the Rural Technology Center Grant Program which was a \$5 million dollar grant program. However, by eliminating this program rural Texas will not have the opportunity to develop rural technology centers which are designed to advance the computer skills and knowledge of students and adults in rural Texas. This will result in lost economic opportunities and hamper workforce skills development.

EXCEPTIONAL ITEMS:

EXCEPTIONAL ITEM #1 – Rural Sustainability Grant Fund -- Our highest priority request is needed to supply sufficient funding so that a constant and predicable source of basic infrastructure grant funding will be available to improve the sustainability of the smallest towns and most sparsely populated counties.

EXCEPTIONAL ITEM #2 – Rural Development Fund -- This exceptional item would fund several best-practice rural development programs under one integrated fund called the Texas Rural Development Fund. Activities of the fund would include rural capacity and leadership enhancement, rural community asset studies, rural area planning and

ADMINISTRATOR'S STATEMENT

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
TIME: 10:20:23AM
PAGE: 4 of 5

Agency code: 357

Agency name: Office of Rural Community Affairs

implementation studies, the Texas Rural Youth Corps, rural wealth creation and retention, and rural entrepreneurship and small business innovation.

EXCEPTIONAL ITEM #3 – Colonia Sustainability Fund -- This fund would provide the opportunity for the state to capitalize on the millions of dollars already spent in colonias and to accurately track and report historical and future colonia expenditures. This would be done by providing grants to colonias that have previously received grants to address water and wastewater issues and are at the final stages of becoming incorporated or annexed into an existing city. The ultimate goal is to convert colonias into incorporated cities or have them annexed into existing municipalities.

EXCEPTIONAL ITEM #4 -- Arsenic Remediation Program – This is designed to provide assistance for small rural water systems and would allow them to meet the US Environmental Protection Agency mandated standards for radiation and comply with the new arsenic level standards. These new EPA standards are unfunded mandates passed down from the federal government, to the state and now to local governments.

EXCEPTIONAL ITEM #5 – Rural Veterinarian Loan Repayment Program -- ORCA proposes to create a loan repayment program to address the large animal veterinarian needs in rural areas of Texas. The program guidelines would require large animal veterinarians to practice in rural areas as defined by State Office of Rural Health program rules as a condition for loan repayment.

EXCEPTIONAL ITEM #6 -- Disaster Response Fund --A separate Disaster Relief and Recovery Reserve primarily from general revenue funds would provide the crucial assistance needed for smaller communities to meet the federal FEMA match requirement, provide for loans and grants for long-term recovery. It also would not have all the federal requirements associated with CDBG funding and it would provide rapid financial assistance in stark contrast to the Rita and Katrina hurricane response.

EXCEPTIONAL ITEM #7 -- Health Information Technology Program – This request for funding is designed to cluster five small rural hospitals and procure services to connect them with each other via electronic health records. The goal is to maximize their service potential by clustering hospitals in the same area that could potentially serve the same or similar patients with a single service provider.

EXCEPTIONAL ITEM #8 -- Renewable Energy Program – This funding request would enable ORCA to expand its efforts to help rural communities develop renewable energy resources to promote economic development and to reduce energy costs, such as costs for operating water treatment and wastewater treatment plants. Funding would be used to provide for wind power/groundwater desalination projects in rural communities where wind resources are good and brackish groundwater is available.

EXCEPTIONAL ITEM #9 -- Outstanding Rural Scholars Program -- This is a very important current program that is under funded. For the first time in the program's history we do not have enough funding to enroll the next group of students into medical and /or health science related schools.

EXCEPTIONAL ITEM #10 -- Rural Fire Department Assistance Program – This program is currently funded through a partnership with the Pineywoods RC &D to assist with the recruitment and retention of volunteer fire fighters and implement a master fire protection program. This request is to replace Homeland Security funding that will not be available after Sept. 1 2009. The Meadows Foundation will provide funding for staffing at \$33,000 per year for each year of the biennium. This request is for the additional funding necessary to keep a full time FTE operating this program.

EXCEPTIONAL ITEM #11 -- CDBG Program Sustainability – The funding requested in this exceptional item is the amount of GR needed to offset the loss in CDBG administrative dollars that are needed to continue to adequately staff the program. Although the number of grants awarded annually are gradually reducing, many grants remain open beyond the two year contract period and the staff level in the agency must remain constant in order to effectively manage open contracts. After this biennium

ADMINISTRATOR'S STATEMENT
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **7/31/2008**
TIME: **10:19:40AM**
PAGE: **5 of 5**

Agency code: **357**

Agency name: **Office of Rural Community Affairs**

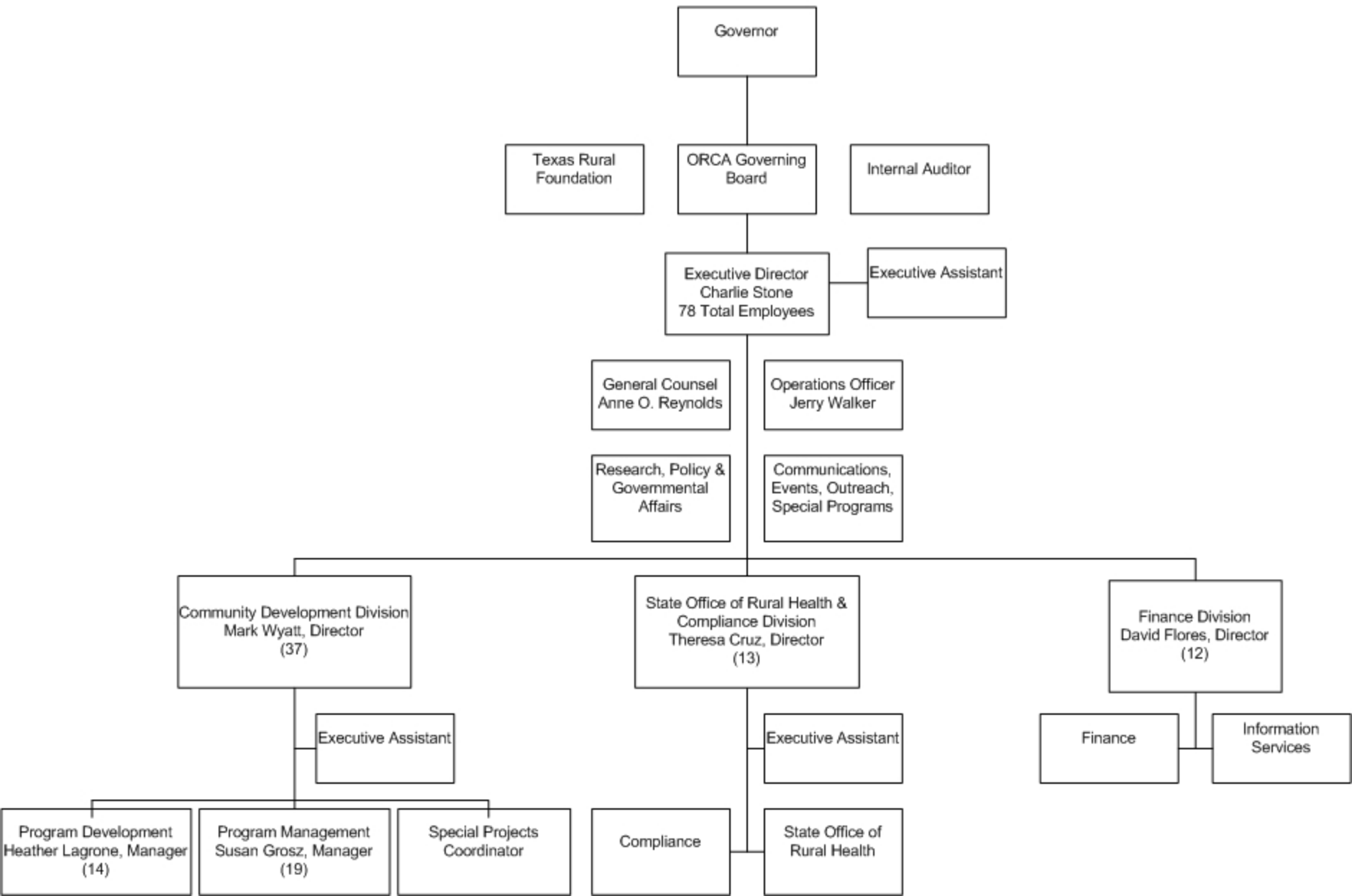
there would be the expectation that FTE's could be reduced if additional allocations or other funding sources are not received. If exceptional items 1, 3 and 4 are approved then this item would not be needed.

EXCEPTIONAL ITEM SUMMARY

All of the first 10 exceptional items are needed to respond to the ever growing needs of rural Texas and are within the scope and mission of the agency. Exceptional item #11 is a fall back request if items 1, 3 & 4 are not granted. It is imperative that the agency have sufficient administrative funds to maintain staffing levels for the biennium to adequately and effectively manage the open contracts in its current portfolio.

Office of Rural Community Affairs

Organizational Chart as of August 1, 2008



Organizational Chart Functional Overview

GOVERNING BOARD (11)

An eleven-member board governs the Office of Rural Community Affairs (ORCA). The board is composed of four members who are appointed by the Governor, three members appointed by the Governor from a list of nominees submitted by the Lieutenant Governor, three members appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives, and the Commissioner of Agriculture or the Commissioner's designee. ORCA's board guides the development of ORCA and defines its policy and philosophy. The Executive Director, selected by the board, administers the day to day operations of the agency in partnership with the leadership of the agency's governing board. Reporting to the Executive Director are the Division Directors and the agency's executive employees. The Division Directors are responsible for the day-to-day operations of the agency and the administration of its programs, services, and activities.

ADMINISTRATION

Executive Division (13)

ORCA's Executive Division, consisting of the **Governmental Relations, Research, and Policy** team, **Emergency Services Districts, Renewable Energy Services** and the **Communications team**, supports the above referenced functional divisions.

Descriptions of these support units are stated below: Governmental Relations, Research and Policy performs an ongoing examination of rural issues, monitors events impacting rural areas of Texas, and creates an annual report for the Texas Legislature on the status of rural Texas. Governmental Relations, Research and Policy also works to develop a rural policy for the state in consultation with local leaders representing all facets of rural community life, academic and industry experts, and state elected and appointed officials with interests in rural communities. The Emergency Services District (ESD) staff serves as the state's key ESD information resource for state, regional, and county officials, and those looking to create, coordinate and /or maintain as ESD. Renewable Energy staff serves as coordinator for the Rural Alliance for Renewable Energy (RARE), which brings together renewable energy industry experts and representatives from state and federal agencies. The Communications Team facilitates outreach by educating the public about ORCA's programs, services, and activities. ORCA's Communications team collects and distributes information to various entities, such as other state agencies, the media, and professional organizations and associations. The Communications team develops and maintains the agency's contacts database and agency's website, and develops brochures and the quarterly newsletter.

Finance Division (13)

ORCA's Finance Division supports agency program operations by providing support services in six different functional areas that include Accounting; Budget; Purchasing; Information Systems; Payroll; and Internal Audit contract management. Staff develop the agency's budget; manage its finances; procure its goods and services; process payments to agency vendors; process payroll and travel reimbursements for agency employees; manage the agency's assets; manage the agency's grant funds and federal lines-of-credit; maintain the agency's hardware and software; provide programming and systems development services; provide web administration and systems security services; and, operate a help desk for agency users.

PROGRAMS

Community Development Division (38)

Program Development Section includes Application Scoring and Awards Guides; Request for Proposal Development; Contracts Preparation; Development of Federal Grant Applications and the CDBG Action Plan; Development of New Funding Sources; Development of New Programs and Projects; Information Management; Development of Memoranda of Understanding and Contracts with State Agencies; Responses to HUD Requests for Proposals and Grant Announcements; and Training on Project Development.

Project Management Section includes project management such as Administration of Specific Projects Required by Federal Grant Applications and State Law; Approval of Funds Disbursements; Contract Oversight and Compliance Reviews; Grantee Communication; Liaison with Federal Agencies and Communities; Site Visits; Technical Assistance and Visits; and Training on Compliance.

State Office of Rural Health and Compliance Division (14)

ORCA's State Office of Rural Health works to ensure access to and quality of health care services in rural Texas. To achieve this goal, the division facilitates the growth of rural hospitals, establishes emergency medical care networks, and encourages and facilitates healthcare professionals to choose to practice in rural areas by use of scholarships, training support, rural hospital infrastructure and emergency medical support.

ORCA's Compliance function is responsible for analyzing performance of the ORCA programs and reviewing audits submitted by sub-recipients. The monitoring section conducts on-site reviews of communities and hospitals receiving CDBG and State Office of Rural Health funds. Contracts are considered programmatically closed when all activities have been completed and program issues resolved. The audit section employees are responsible for reviewing compliance with the requirements of the Single Audit Act and financial audit reports submitted on behalf of communities funded under the CDBG and applicable State Office of Rural Health programs.

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:22:52AM

Agency code: 357 Agency name: Office of Rural Community Affairs

Goal / Objective / STRATEGY	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
1 Support Community and Econ Development, Housing and Health Projects					
1 Fund Facility, Economic Development, Housing & Planning Projects					
1 PROVIDE GRANTS	83,153,310	127,119,375	79,364,887	79,581,967	79,405,591
TOTAL, GOAL 1	\$83,153,310	\$127,119,375	\$79,364,887	\$79,581,967	\$79,405,591
2 Promote Equitable Access to Medical Care and Eliminate Disparities					
1 Facilitate Health Care for Low-Income Texans in Rural Areas					
1 HEALTH CARE ACCESS PROGRAMS	3,659,840	5,089,948	3,629,028	3,444,670	3,437,628
2 RURAL PHYSICIAN RELIEF PROGRAM	1,116	166,176	166,176	166,176	166,176
2 Provide Grants & Loans to Rural Hospitals for Capital Improvements					
1 HEALTH FACILITY CAPITAL IMPROVEMENT	2,398,491	2,046,673	2,229,343	2,037,000	2,037,000
TOTAL, GOAL 2	\$6,059,447	\$7,302,797	\$6,024,547	\$5,647,846	\$5,640,804
3 Outreach and Assistance					
1 Policy and Research Assistance					
1 RURAL POLICY AND RESEARCH	156,692	161,590	164,483	165,928	163,036
2 EMERGENCY SERVICES DISTRICTS	71,405	79,466	84,466	104,545	104,545
3 RENEWABLE ENERGY OUTREACH	32,531	77,451	67,124	74,545	74,545
TOTAL, GOAL 3	\$260,628	\$318,507	\$316,073	\$345,018	\$342,126
4 Indirect Administration					

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:22:52AM

Agency code: 357 Agency name: Office of Rural Community Affairs

Goal / Objective / STRATEGY	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
<u>1</u> Indirect Administration					
1 CENTRAL ADMINISTRATION	318,292	408,064	410,297	411,510	409,180
2 INFORMATION RESOURCES	52,552	77,160	78,613	79,339	77,886
TOTAL, GOAL 4	\$370,844	\$485,224	\$488,910	\$490,849	\$487,066
TOTAL, AGENCY STRATEGY REQUEST	\$89,844,229	\$135,225,903	\$86,194,417	\$86,065,680	\$85,875,587
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$89,844,229	\$135,225,903	\$86,194,417	\$86,065,680	\$85,875,587

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:22:52AM

Agency code: 357 Agency name: Office of Rural Community Affairs

Goal / Objective / STRATEGY	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	1,511,026	6,988,519	2,007,239	2,011,596	1,997,879
888 Earned Federal Funds	168,942	0	0	0	0
8039 GR Match Cdbg	1,840,237	1,764,239	1,790,615	1,803,803	1,777,427
SUBTOTAL	\$3,520,205	\$8,752,758	\$3,797,854	\$3,815,399	\$3,775,306
General Revenue Dedicated Funds:					
5047 Perm Fund Rural Health Fac Cap Imp	2,402,511	2,106,630	2,298,292	2,100,000	2,100,000
SUBTOTAL	\$2,402,511	\$2,106,630	\$2,298,292	\$2,100,000	\$2,100,000
Federal Funds:					
555 Federal Funds	1,978,220	3,403,494	1,852,613	1,727,390	1,727,390
5091 ORCA Federal Funds	81,514,641	120,496,994	77,712,305	77,929,088	77,779,088
SUBTOTAL	\$83,492,861	\$123,900,488	\$79,564,918	\$79,656,478	\$79,506,478
Other Funds:					
364 Rural Communities Health Care End	162,163	127,781	201,709	145,000	145,000
666 Appropriated Receipts	228,899	259,353	259,253	289,303	289,303
777 Interagency Contracts	37,590	78,893	72,391	59,500	59,500
SUBTOTAL	\$428,652	\$466,027	\$533,353	\$493,803	\$493,803
TOTAL, METHOD OF FINANCING	\$89,844,229	\$135,225,903	\$86,194,417	\$86,065,680	\$85,875,587

*Rider appropriations for the historical years are included in the strategy amounts.

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **7/31/2008**
 TIME: **10:24:07AM**

Agency code: 357	Agency name: Office of Rural Community Affairs				
OBJECT OF EXPENSE	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
1001 SALARIES AND WAGES	\$3,994,432	\$4,434,277	\$4,411,508	\$3,492,206	\$3,340,077
1002 OTHER PERSONNEL COSTS	\$195,252	\$334,975	\$289,806	\$198,910	\$197,160
2001 PROFESSIONAL FEES AND SERVICES	\$269,509	\$1,933,689	\$571,155	\$482,826	\$481,826
2003 CONSUMABLE SUPPLIES	\$42,255	\$69,205	\$58,150	\$48,500	\$47,500
2004 UTILITIES	\$25,859	\$29,856	\$30,046	\$30,475	\$28,475
2005 TRAVEL	\$311,864	\$405,898	\$413,598	\$400,750	\$420,412
2006 RENT - BUILDING	\$17,931	\$31,888	\$33,550	\$33,950	\$33,950
2007 RENT - MACHINE AND OTHER	\$29,059	\$37,507	\$42,389	\$35,950	\$35,950
2009 OTHER OPERATING EXPENSE	\$384,201	\$472,966	\$660,748	\$534,504	\$428,071
3001 CLIENT SERVICES	\$351,325	\$527,028	\$516,906	\$516,906	\$516,906
4000 GRANTS	\$84,217,409	\$126,948,614	\$79,166,561	\$80,272,582	\$80,272,582
5000 CAPITAL EXPENDITURES	\$5,133	\$0	\$0	\$18,121	\$72,678
OOE Total (Excluding Riders)	\$89,844,229	\$135,225,903	\$86,194,417	\$86,065,680	\$85,875,587
OOE Total (Riders)					
Grand Total	\$89,844,229	\$135,225,903	\$86,194,417	\$86,065,680	\$85,875,587

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME : 10:25:22AM

Agency code: 357

Agency name: Office of Rural Community Affairs

Priority	Item	2010			2011			Biennium		
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	
1	Rural Sustainability Fund	\$28,363,550	\$28,363,550	11.0	\$28,363,550	\$28,363,550	11.0	\$56,727,100	\$56,727,100	
2	Rural Development Fund	\$2,000,000	\$2,000,000	3.0	\$2,000,000	\$2,000,000	3.0	\$4,000,000	\$4,000,000	
3	Colonias Sustainability Fund	\$4,080,050	\$4,080,050	1.0	\$4,080,050	\$4,080,050	1.0	\$8,160,100	\$8,160,100	
4	Arsenic and Radionuclides	\$9,715,025	\$9,715,025	3.0	\$9,715,025	\$9,715,025	3.0	\$19,430,050	\$19,430,050	
5	Rural Veterinarian Large Animal	\$839,139	\$839,139	1.0	\$839,139	\$839,139	1.0	\$1,678,278	\$1,678,278	
6	Disaster Relief and Recovery	\$23,750,000	\$23,750,000		\$23,750,000	\$23,750,000		\$47,500,000	\$47,500,000	
7	Small Rural Hospital Health	\$262,500	\$262,500		\$262,500	\$262,500		\$525,000	\$525,000	
8	Renewable Energy	\$1,500,000	\$1,500,000		\$1,500,000	\$1,500,000		\$3,000,000	\$3,000,000	
9	Outstanding Rural Scholarship	\$160,000	\$320,000		\$160,000	\$320,000		\$320,000	\$640,000	
10	Rural Fire Department Assistance	\$50,400	\$50,400	1.0	\$50,400	\$50,400	1.0	\$100,800	\$100,800	
11	Community Development Block Grant	\$1,099,350	\$1,099,350	15.0	\$1,099,350	\$1,099,350	15.0	\$2,198,700	\$2,198,700	
Total, Exceptional Items Request		\$71,820,014	\$71,980,014	35.0	\$71,820,014	\$71,980,014	35.0	\$143,640,028	\$143,960,028	
Method of Financing										
	General Revenue	\$71,820,014	\$71,820,014		\$71,820,014	\$71,820,014		\$143,640,028	\$143,640,028	
	General Revenue - Dedicated									
	Federal Funds									
	Other Funds		160,000			160,000			320,000	
		\$71,820,014	\$71,980,014		\$71,820,014	\$71,980,014		\$143,640,028	\$143,960,028	
Full Time Equivalent Positions				35.0				35.0		

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
TIME : 10:25:22AM

Agency code: 357

Agency name: **Office of Rural Community Affairs**

Priority	Item	2010			2011			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
	Number of 100% Federally Funded FTEs			0.0			0.0		

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 1 Support Community and Econ Development, Housing and Health Projects Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Fund Facility, Economic Development, Housing & Planning Projects Service Categories:
 STRATEGY: 1 Provide Grants for Community and Economic Development Projects Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Output Measures:						
KEY 1	# New Community/Economic Development Contracts Awarded	298.00	266.00	266.00	266.00	266.00
KEY 2	# of Projected Beneficiaries from New Contracts Awarded	898,581.00	483,000.00	483,000.00	483,000.00	483,000.00
3	# of Jobs Created/Retained through Contracts Awarded Annually	641.00	625.00	625.00	625.00	625.00
4	# of Projected Beneficiaries from Self-Help Center Contracts Funded	31,976.00	4,700.00	4,700.00	4,700.00	4,700.00
KEY 5	Number of Programmatic Monitoring Visits Conducted	307.00	300.00	300.00	230.00	230.00
6	Number of Single Audit Reviews Conducted Annually	171.00	175.00	175.00	175.00	175.00
Efficiency Measures:						
1	Average Agency Administrative Cost Per Contract Administered	3,525.00	3,927.00	4,377.00	3,747.00	3,747.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,894,179	\$3,306,544	\$3,268,566	\$2,308,430	\$2,170,018
1002	OTHER PERSONNEL COSTS	\$146,195	\$283,117	\$236,355	\$137,500	\$135,000
2001	PROFESSIONAL FEES AND SERVICES	\$116,508	\$200,993	\$202,800	\$165,000	\$165,000
2003	CONSUMABLE SUPPLIES	\$28,843	\$37,812	\$38,900	\$32,250	\$31,250
2004	UTILITIES	\$18,791	\$22,043	\$22,086	\$23,500	\$21,500
2005	TRAVEL	\$232,652	\$310,240	\$313,386	\$275,000	\$295,000
2006	RENT - BUILDING	\$4,261	\$8,492	\$12,200	\$8,500	\$8,500
2007	RENT - MACHINE AND OTHER	\$20,259	\$24,764	\$24,969	\$25,500	\$25,500
2009	OTHER OPERATING EXPENSE	\$181,867	\$280,376	\$452,301	\$316,376	\$224,645
4000	GRANTS	\$79,506,350	\$122,644,994	\$74,793,324	\$76,276,688	\$76,276,688
5000	CAPITAL EXPENDITURES	\$3,405	\$0	\$0	\$13,223	\$52,490

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 1 Support Community and Econ Development, Housing and Health Projects Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Fund Facility, Economic Development, Housing & Planning Projects Service Categories:
 STRATEGY: 1 Provide Grants for Community and Economic Development Projects Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
TOTAL, OBJECT OF EXPENSE		\$83,153,310	\$127,119,375	\$79,364,887	\$79,581,967	\$79,405,591
Method of Financing:						
1	General Revenue Fund	\$0	\$5,000,000	\$0	\$0	\$0
8039	GR Match Cdbg	\$1,768,832	\$1,764,239	\$1,790,615	\$1,803,803	\$1,777,427
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,768,832	\$6,764,239	\$1,790,615	\$1,803,803	\$1,777,427
Method of Financing:						
5091	ORCA Federal Funds					
	14.228.000 Community Development Blo	\$81,379,419	\$120,321,070	\$77,536,381	\$77,753,164	\$77,603,164
CFDA Subtotal, Fund	5091	\$81,379,419	\$120,321,070	\$77,536,381	\$77,753,164	\$77,603,164
SUBTOTAL, MOF (FEDERAL FUNDS)		\$81,379,419	\$120,321,070	\$77,536,381	\$77,753,164	\$77,603,164
Method of Financing:						
777	Interagency Contracts	\$5,059	\$34,066	\$37,891	\$25,000	\$25,000
SUBTOTAL, MOF (OTHER FUNDS)		\$5,059	\$34,066	\$37,891	\$25,000	\$25,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$79,581,967	\$79,405,591
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$83,153,310	\$127,119,375	\$79,364,887	\$79,581,967	\$79,405,591
FULL TIME EQUIVALENT POSITIONS:		53.5	59.0	59.0	40.0	38.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL:	1	Support Community and Econ Development, Housing and Health Projects	Statewide Goal/Benchmark:	4	0
OBJECTIVE:	1	Fund Facility, Economic Development, Housing & Planning Projects	Service Categories:		
STRATEGY:	1	Provide Grants for Community and Economic Development Projects	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
-------------	--------------------	-----------------	-----------------	-----------------	----------------	----------------

Chapter 487 of the Texas Government Code outlines the functions of the Office of Rural Community Affairs. The Texas Community Development Block Grant Program (TxCDBG) addresses community needs with funds provided by the U.S. Department of Housing and Urban Development. The goal of the Community Development Block Grant Program is to develop viable communities by providing decent housing and suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income. Each funded activity must meet one of the following national objectives: 1) principally benefit low and moderate income persons; or 2) aid in the elimination of slums or blight; or 3) meet other community development needs of a particular urgency.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External

- 1.Federal appropriation from HUD has a direct impact on the agency’s ability to provide grants for community and economic development projects. We anticipate the program level will stabilize at its current level. Based on recent Congressional action, it is not anticipated that the CDBG appropriations level will be reduced a significant degree. With a change in Administration, the funding level for the CDBG program is unknown, although the program has retained considerable bipartisan support. There is significant support from associations representing state and community development organizations who are advocating a substantial increase in CDBG budget levels; however, a major increase is unlikely given the current budget situation.
- 2.The hurricane disasters in the gulf resulted in ORCA administering \$76 million in additional CDBG funding for infrastructure recovery projects. This Supplemental Disaster Relief funding from HUD addresses needs in the 29-county area directly impacted by Hurricane Rita.

Internal

Executive Management has implemented a field office structure to help with the management of rural contracts. As a result of the Disaster Recovery funding, Management has re-allocated four FTEs to strategy 1-1-1 from strategy 2-1-1. These additional resources will be needed as the agency prepares to manage the Disaster recovery projects. The agency is also evaluating business processes to ensure efficient and effective deployment of human and technical resources.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 2 Promote Equitable Access to Medical Care and Eliminate Disparities Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Facilitate Health Care for Low-Income Texans in Rural Areas Service Categories:
 STRATEGY: 1 Develop Programs to Increase Access to Health Care in Rural Areas Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Output Measures:						
	1 # Individuals Who Received Forgiveness Loans, Grants, and Scholarships	46.00	55.00	55.00	55.00	55.00
KEY 2	# of Primary Care Practitioners Recruited/Retained in Rural Areas	39.00	42.00	42.00	42.00	42.00
	3 # of Non-Primary Healthcare Profs Recruited/Retained in Rural Areas	51.00	50.00	50.00	50.00	50.00
Efficiency Measures:						
	1 Average Cost Per PCP Recruited/Retained in Rural Areas	9,121.00	32,850.00	32,850.00	32,850.00	33,825.00
	2 Avg Cost Per Non-Primary Health Care Professional Recruited/Retained	6,912.00	6,500.00	6,500.00	6,500.00	6,500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$612,160	\$532,128	\$541,768	\$572,042	\$565,000
1002	OTHER PERSONNEL COSTS	\$37,892	\$30,256	\$32,643	\$38,750	\$39,500
2001	PROFESSIONAL FEES AND SERVICES	\$129,974	\$1,542,224	\$184,779	\$127,500	\$127,500
2003	CONSUMABLE SUPPLIES	\$7,662	\$24,317	\$11,850	\$11,850	\$11,850
2004	UTILITIES	\$2,256	\$1,863	\$2,060	\$2,300	\$2,300
2005	TRAVEL	\$34,750	\$35,471	\$41,146	\$42,500	\$44,500
2006	RENT - BUILDING	\$11,823	\$20,584	\$18,050	\$23,500	\$23,500
2007	RENT - MACHINE AND OTHER	\$4,463	\$5,714	\$5,888	\$6,100	\$6,100
2009	OTHER OPERATING EXPENSE	\$154,140	\$119,416	\$143,544	\$149,135	\$137,974
3001	CLIENT SERVICES	\$351,325	\$527,028	\$516,906	\$516,906	\$516,906
4000	GRANTS	\$2,312,568	\$2,250,947	\$2,130,394	\$1,951,394	\$1,951,394
5000	CAPITAL EXPENDITURES	\$827	\$0	\$0	\$2,693	\$11,104
TOTAL, OBJECT OF EXPENSE		\$3,659,840	\$5,089,948	\$3,629,028	\$3,444,670	\$3,437,628

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 2 Promote Equitable Access to Medical Care and Eliminate Disparities Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Facilitate Health Care for Low-Income Texans in Rural Areas Service Categories:
 STRATEGY: 1 Develop Programs to Increase Access to Health Care in Rural Areas Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Method of Financing:						
1	General Revenue Fund	\$1,286,538	\$1,240,263	\$1,247,304	\$1,250,827	\$1,243,785
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,286,538	\$1,240,263	\$1,247,304	\$1,250,827	\$1,243,785
Method of Financing:						
5047	Perm Fund Rural Health Fac Cap Imp	\$4,020	\$59,957	\$68,949	\$63,000	\$63,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,020	\$59,957	\$68,949	\$63,000	\$63,000
Method of Financing:						
555	Federal Funds					
	93.241.000 State Rural Hospital Program	\$622,876	\$2,122,306	\$630,439	\$609,120	\$609,120
	93.259.000 Rural Access to Emergency Devices	\$111,240	\$109,299	\$99,899	\$0	\$0
	93.301.000 Small Rural Hospital Program	\$1,114,901	\$1,040,514	\$993,000	\$986,895	\$986,895
	93.913.000 Grants to States for Ope	\$129,203	\$131,375	\$129,275	\$131,375	\$131,375
CFDA Subtotal, Fund	555	\$1,978,220	\$3,403,494	\$1,852,613	\$1,727,390	\$1,727,390
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,978,220	\$3,403,494	\$1,852,613	\$1,727,390	\$1,727,390
Method of Financing:						
364	Rural Communities Health Care End	\$162,163	\$127,781	\$201,709	\$145,000	\$145,000
666	Appropriated Receipts	\$228,899	\$258,453	\$258,453	\$258,453	\$258,453
SUBTOTAL, MOF (OTHER FUNDS)		\$391,062	\$386,234	\$460,162	\$403,453	\$403,453
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,444,670	\$3,437,628
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)					\$3,659,840	\$5,089,948
FULL TIME EQUIVALENT POSITIONS:		11.0	11.0	11.0	11.0	11.0

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 2 Promote Equitable Access to Medical Care and Eliminate Disparities Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Facilitate Health Care for Low-Income Texans in Rural Areas Service Categories:
 STRATEGY: 1 Develop Programs to Increase Access to Health Care in Rural Areas Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
------	-------------	----------	----------	----------	---------	---------

STRATEGY DESCRIPTION AND JUSTIFICATION:

Chapter 487 of the Texas Government Code outlines the functions of the Office of Rural Community Affairs. The charge of the State Office of Rural Health Unit is to ensure access to and quality of health care services in rural Texas. To achieve this goal, the Unit facilitates the growth of rural hospitals, establishes emergency medical care networks, and encourages and facilitates healthcare professionals to choose to practice in rural areas by use of scholarships, training support, rural hospital infrastructure and emergency medical support. The office qualifies as the state's Office of Rural Health for the purpose of receiving grants from the Office of Rural Health Policy of the United States Department of Health and Human Services under 42 U.S.C. Section 254r; and qualifies to manage the state's Medicare rural hospital flexibility program under 42 U.S.C. Section 1395i-4.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External

Federal grant awards from the Health Resources Services Administration (HRSA) have been reduced. Continued pressure on state and federal funding in this strategy will negatively impact programs and services. The need for these programs and services however, is not expected to diminish.

Internal

The size of the State Office of Rural Health has reduced from 7 in FY2007 to 6 in FY2008 to sustain program funding. General reductions in resources for rural facilities and healthcare professionals is causing an increase in demand for several grant programs.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 2 Promote Equitable Access to Medical Care and Eliminate Disparities Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Facilitate Health Care for Low-Income Texans in Rural Areas Service Categories:
 STRATEGY: 2 Rural Physician Relief Program. Nontransferable. Service: 15 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Objects of Expense:						
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$166,176	\$166,176	\$166,176	\$166,176
2009	OTHER OPERATING EXPENSE	\$1,116	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,116	\$166,176	\$166,176	\$166,176	\$166,176
Method of Financing:						
1	General Revenue Fund	\$1,116	\$166,176	\$166,176	\$166,176	\$166,176
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,116	\$166,176	\$166,176	\$166,176	\$166,176
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$166,176	\$166,176
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,116	\$166,176	\$166,176	\$166,176	\$166,176
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

As a result of staff working with the Rural Physician Relief Program Advisory Committee and obtaining input from stakeholders the agency has proceeded to establish a Rural Physician Relief Referral Service. In fiscal year 2006 the agency purchased software licenses to develop a data base of Rural Physicians wanting relief services and those willing to provide them. The data base, which includes necessary information for relief services decision making, has been created and is available to Physicians on the agency internet. To increase participation, agency staff have begun to market the referral service to stakeholders at conferences, seminars and program meetings.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External
 The needs of Rural Texas Physicians.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 2 Promote Equitable Access to Medical Care and Eliminate Disparities Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 2 Provide Grants & Loans to Rural Hospitals for Capital Improvements Service Categories:
 STRATEGY: 1 Rural Health Facility Capital Improvements Service: 15 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Output Measures:						
KEY 1	Number of Low Interest Loans and Grants Awarded	51.00	36.00	36.00	36.00	36.00
Efficiency Measures:						
1	Average Cost Per Low Interest Loan/Grant Awarded	47,220.00	46,750.00	46,750.00	46,750.00	46,700.00
Objects of Expense:						
4000	GRANTS	\$2,398,491	\$2,046,673	\$2,229,343	\$2,037,000	\$2,037,000
TOTAL, OBJECT OF EXPENSE		\$2,398,491	\$2,046,673	\$2,229,343	\$2,037,000	\$2,037,000
Method of Financing:						
5047	Perm Fund Rural Health Fac Cap Imp	\$2,398,491	\$2,046,673	\$2,229,343	\$2,037,000	\$2,037,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,398,491	\$2,046,673	\$2,229,343	\$2,037,000	\$2,037,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,037,000	\$2,037,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,398,491	\$2,046,673	\$2,229,343	\$2,037,000	\$2,037,000
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Chapter 487 of the Texas Government Code outlines the functions of the Office of Rural Community Affairs. The charge of the State Office of Rural Health Unit is to ensure access to and quality of health care services in rural Texas. To achieve this goal, the Unit facilitates the growth of rural hospitals, establishes emergency medical care networks, and encourages and facilitates healthcare professionals to choose to practice in rural areas by use of scholarships, training support, rural hospital infrastructure and emergency medical support. The office qualifies as the state's office of rural health for the purpose of receiving grants from the Office of Rural Health Policy of the United States Department of Health and Human Services under 42 U.S.C. Section 254r; and qualifies to manage the state's Medicare rural hospital flexibility program under 42 U.S.C. Section 1395i-4.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 2 Promote Equitable Access to Medical Care and Eliminate Disparities Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 2 Provide Grants & Loans to Rural Hospitals for Capital Improvements Service Categories:
 STRATEGY: 1 Rural Health Facility Capital Improvements Service: 15 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
-------------	--------------------	-----------------	-----------------	-----------------	----------------	----------------

External

The Permanent Fund for Rural Health Facility Capital Improvement program was created by House Bill 1676, Seventy-sixth Legislature and by Senate Bill 126, Seventy-seventh Legislature. The funds available to the Office of Rural Community Affairs are out of the available earnings of the fund.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 2 Promote Equitable Access to Medical Care and Eliminate Disparities Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 3 Enhance Sustainability of Hospitals through the Medicare CAH Program Service Categories:
 STRATEGY: 1 Critical Access Hospital Program Service: 15 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
------	-------------	----------	----------	----------	---------	---------

Explanatory/Input Measures:

1 # of Hospitals Designated as CAH	74.00	1.00	0.00	0.00	0.00
------------------------------------	-------	------	------	------	------

TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)

TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)

FULL TIME EQUIVALENT POSITIONS:	0.0	0.0	0.0	0.0	0.0
--	------------	------------	------------	------------	------------

STRATEGY DESCRIPTION AND JUSTIFICATION:

Financial activity associated with this strategy are included in goal/objective/strategy 3-1-1, Develop Programs to Increase Access to Health Care in Rural Areas.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The state's ability to waive certain criteria, which made a federal designation as a Critical Access Hospital less stringent, ended during 2006. As a result, the number of new conversions based solely on federal criteria is expected to decrease significantly.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 3 Outreach and Assistance Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Policy and Research Assistance Service Categories:
 STRATEGY: 1 Rural Policy and Research Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Objects of Expense:						
1001	SALARIES AND WAGES	\$139,406	\$133,730	\$134,785	\$141,642	\$138,750
1002	OTHER PERSONNEL COSTS	\$3,951	\$6,455	\$6,920	\$4,500	\$4,500
2001	PROFESSIONAL FEES AND SERVICES	\$1,734	\$4,587	\$4,600	\$2,750	\$2,750
2003	CONSUMABLE SUPPLIES	\$1,119	\$994	\$1,100	\$1,100	\$1,100
2004	UTILITIES	\$699	\$1,000	\$1,200	\$1,375	\$1,375
2005	TRAVEL	\$311	\$3,855	\$4,066	\$2,500	\$2,500
2006	RENT - BUILDING	\$386	\$686	\$1,100	\$750	\$750
2007	RENT - MACHINE AND OTHER	\$431	\$1,702	\$1,802	\$1,500	\$1,500
2009	OTHER OPERATING EXPENSE	\$8,516	\$8,581	\$8,910	\$9,321	\$7,792
3001	CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$139	\$0	\$0	\$490	\$2,019
TOTAL, OBJECT OF EXPENSE		\$156,692	\$161,590	\$164,483	\$165,928	\$163,036
Method of Financing:						
1	General Revenue Fund	\$156,692	\$161,590	\$164,483	\$165,928	\$163,036
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$156,692	\$161,590	\$164,483	\$165,928	\$163,036
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$165,928	\$163,036
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$156,692	\$161,590	\$164,483	\$165,928	\$163,036
FULL TIME EQUIVALENT POSITIONS:		2.0	2.0	2.0	2.0	2.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A. STRATEGY REQUEST
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 3 Outreach and Assistance Statewide Goal/Benchmark: 4 0
OBJECTIVE: 1 Policy and Research Assistance Service Categories:
STRATEGY: 1 Rural Policy and Research Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
-------------	--------------------	-----------------	-----------------	-----------------	----------------	----------------

This strategy addresses several duties assigned to the office under Section 487.051, Government Code, including: gathering rural policy recommendations; working with other state agencies and officials to improve programs affecting rural communities through coordinated efforts; monitoring developments affecting rural Texas communities; writing an annual report describing and evaluating the condition of rural communities; performing research on rural issues affecting agency customers; and identifying state and federal money available for economic development in rural areas. This strategy responds to legislative and constituent inquiries, provides support to the agency overall, and offers agency customers a clearinghouse for rural information. In the 79th legislative session, the legislature created this strategy to address the aforementioned requirements by transferring one FTE from Goal 1–Community Economic Development and one FTE from Goal 2 – Equitable Access to Medical Care.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

There are no external or internal factors impacting this strategy.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 3 Outreach and Assistance Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Policy and Research Assistance Service Categories:
 STRATEGY: 2 Emergency Services Districts Assistance Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Output Measures:						
1	# of Ind Trained on Emergency Services Districts by Staff	0.00	0.00	0.00	0.00	0.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$50,704	\$53,581	\$55,076	\$54,500	\$54,500
1002	OTHER PERSONNEL COSTS	\$232	\$1,320	\$720	\$480	\$480
2001	PROFESSIONAL FEES AND SERVICES	\$861	\$1,398	\$1,400	\$1,800	\$800
2003	CONSUMABLE SUPPLIES	\$536	\$771	\$800	\$550	\$550
2004	UTILITIES	\$2,196	\$2,042	\$1,650	\$550	\$550
2005	TRAVEL	\$11,041	\$14,585	\$14,700	\$27,500	\$25,162
2006	RENT - BUILDING	\$385	\$598	\$600	\$200	\$200
2007	RENT - MACHINE AND OTHER	\$1,750	\$1,630	\$5,920	\$475	\$475
2009	OTHER OPERATING EXPENSE	\$3,631	\$3,541	\$3,600	\$18,000	\$19,809
5000	CAPITAL EXPENDITURES	\$69	\$0	\$0	\$490	\$2,019
TOTAL, OBJECT OF EXPENSE		\$71,405	\$79,466	\$84,466	\$104,545	\$104,545
Method of Financing:						
1	General Revenue Fund	\$0	\$79,466	\$84,466	\$74,545	\$74,545
8039	GR Match Cdbg	\$71,405	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$71,405	\$79,466	\$84,466	\$74,545	\$74,545
Method of Financing:						
666	Appropriated Receipts	\$0	\$0	\$0	\$30,000	\$30,000
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$0	\$0	\$30,000	\$30,000

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 3 Outreach and Assistance Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Policy and Research Assistance Service Categories:
 STRATEGY: 2 Emergency Services Districts Assistance Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$104,545	\$104,545
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$71,405	\$79,466	\$84,466	\$104,545	\$104,545
FULL TIME EQUIVALENT POSITIONS:		1.0	1.0	1.0	1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

ORCA staff serves as the state's key Emergency Services Districts* (ESD) information resource for state, regional, and county officials, and those looking to create, coordinate and/or maintain an ESD. Staff also provides ESD technical assistance such as training for commissioners serving on ESD boards.

In 2005, ORCA began the development of the state's first comprehensive database of Texas' 250 established ESDs. Ongoing revisions to the list will provide the opportunity for the agency to communicate important, timely information to ESDs, including ESD-related legislation, available funding resources, training opportunities, and more. The list will also increase networking capabilities between districts.

* Emergency Services Districts are political subdivisions which may impose taxes to support area fire protection and/or emergency medical services.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 3 Outreach and Assistance Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Policy and Research Assistance Service Categories:
 STRATEGY: 3 Renewable Energy Outreach Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Output Measures:						
1	# of Ind Trained on Renewable Energy by Staff	0.00	0.00	0.00	0.00	0.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$26,322	\$51,137	\$52,509	\$53,500	\$53,500
1002	OTHER PERSONNEL COSTS	\$1,216	\$2,024	\$1,530	\$1,200	\$1,200
2001	PROFESSIONAL FEES AND SERVICES	\$3,603	\$2,794	\$2,300	\$2,300	\$2,300
2003	CONSUMABLE SUPPLIES	\$0	\$500	\$550	\$550	\$550
2004	UTILITIES	\$0	\$500	\$550	\$550	\$550
2005	TRAVEL	\$0	\$4,839	\$5,000	\$8,500	\$8,500
2006	RENT - BUILDING	\$0	\$190	\$200	\$200	\$200
2007	RENT - MACHINE AND OTHER	\$0	\$472	\$400	\$475	\$475
2009	OTHER OPERATING EXPENSE	\$1,390	\$14,995	\$4,085	\$7,025	\$6,261
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$245	\$1,009
TOTAL, OBJECT OF EXPENSE		\$32,531	\$77,451	\$67,124	\$74,545	\$74,545
Method of Financing:						
1	General Revenue Fund	\$0	\$32,624	\$32,624	\$40,045	\$40,045
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$32,624	\$32,624	\$40,045	\$40,045
Method of Financing:						
777	Interagency Contracts	\$32,531	\$44,827	\$34,500	\$34,500	\$34,500
SUBTOTAL, MOF (OTHER FUNDS)		\$32,531	\$44,827	\$34,500	\$34,500	\$34,500

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 3 Outreach and Assistance Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Policy and Research Assistance Service Categories:
 STRATEGY: 3 Renewable Energy Outreach Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$74,545	\$74,545
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$32,531	\$77,451	\$67,124	\$74,545	\$74,545
FULL TIME EQUIVALENT POSITIONS:		0.5	1.0	1.0	1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Texas has great potential to produce energy from wind, sun, biomass and other renewable resources. Most of this potential exists in rural Texas. With funding provided through a contract with the Comptroller of Public Accounts' State Energy Conservation Office, ORCA has taken a lead role in ensuring the state's rural communities reap maximum benefits from the identification and development of renewable energy resources.

ORCA serves as coordinator for the Rural Alliance for Renewable Energy (RARE), which brings together renewable energy industry experts, representatives from state and federal agencies, Texas agriculture producers and the state's universities in a collaborative effort to move renewable energy forward in Texas

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Statewide Goal/Benchmark: 4 0
 Service Categories:
 Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
------	-------------	----------	----------	----------	---------	---------

Objects of Expense:

1001	SALARIES AND WAGES	\$225,732	\$292,545	\$292,900	\$294,735	\$292,405
1002	OTHER PERSONNEL COSTS	\$5,285	\$10,420	\$10,220	\$14,700	\$14,700
2001	PROFESSIONAL FEES AND SERVICES	\$16,829	\$13,323	\$6,900	\$15,000	\$15,000
2003	CONSUMABLE SUPPLIES	\$4,091	\$4,372	\$4,500	\$1,650	\$1,650
2004	UTILITIES	\$1,600	\$1,918	\$2,000	\$1,650	\$1,650
2005	TRAVEL	\$32,981	\$35,677	\$34,000	\$43,500	\$43,500
2006	RENT - BUILDING	\$1,076	\$1,143	\$1,200	\$600	\$600
2007	RENT - MACHINE AND OTHER	\$2,156	\$2,339	\$2,509	\$1,425	\$1,425
2009	OTHER OPERATING EXPENSE	\$27,849	\$40,327	\$42,568	\$30,015	\$27,722
4000	GRANTS	\$0	\$6,000	\$13,500	\$7,500	\$7,500
5000	CAPITAL EXPENDITURES	\$693	\$0	\$0	\$735	\$3,028
TOTAL, OBJECT OF EXPENSE		\$318,292	\$408,064	\$410,297	\$411,510	\$409,180

Method of Financing:

1	General Revenue Fund	\$14,128	\$231,240	\$233,573	\$234,736	\$232,406
888	Earned Federal Funds	\$168,942	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$183,070	\$231,240	\$233,573	\$234,736	\$232,406

Method of Financing:

5091	ORCA Federal Funds					
	14.228.000 Community Development Blo	\$135,222	\$175,924	\$175,924	\$175,924	\$175,924
CFDA Subtotal, Fund	5091	\$135,222	\$175,924	\$175,924	\$175,924	\$175,924
SUBTOTAL, MOF (FEDERAL FUNDS)		\$135,222	\$175,924	\$175,924	\$175,924	\$175,924

Method of Financing:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 4 Indirect Administration Statewide Goal/Benchmark: 4 0
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 1 Central Administration Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
666	Appropriated Receipts	\$0	\$900	\$800	\$850	\$850
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$900	\$800	\$850	\$850
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$411,510	\$409,180
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$318,292	\$408,064	\$410,297	\$411,510	\$409,180
FULL TIME EQUIVALENT POSITIONS:		3.0	3.0	3.0	3.0	3.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 4 Indirect Administration

Statewide Goal/Benchmark: 4 0

OBJECTIVE: 1 Indirect Administration

Service Categories:

STRATEGY: 2 Information Resources

Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
Objects of Expense:						
1001	SALARIES AND WAGES	\$45,929	\$64,612	\$65,904	\$67,357	\$65,904
1002	OTHER PERSONNEL COSTS	\$481	\$1,383	\$1,418	\$1,780	\$1,780
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$2,194	\$2,200	\$2,300	\$2,300
2003	CONSUMABLE SUPPLIES	\$4	\$439	\$450	\$550	\$550
2004	UTILITIES	\$317	\$490	\$500	\$550	\$550
2005	TRAVEL	\$129	\$1,231	\$1,300	\$1,250	\$1,250
2006	RENT - BUILDING	\$0	\$195	\$200	\$200	\$200
2007	RENT - MACHINE AND OTHER	\$0	\$886	\$901	\$475	\$475
2009	OTHER OPERATING EXPENSE	\$5,692	\$5,730	\$5,740	\$4,632	\$3,868
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$245	\$1,009
TOTAL, OBJECT OF EXPENSE		\$52,552	\$77,160	\$78,613	\$79,339	\$77,886
Method of Financing:						
1	General Revenue Fund	\$52,552	\$77,160	\$78,613	\$79,339	\$77,886
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$52,552	\$77,160	\$78,613	\$79,339	\$77,886
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$79,339	\$77,886
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$52,552	\$77,160	\$78,613	\$79,339	\$77,886
FULL TIME EQUIVALENT POSITIONS:		1.0	1.0	1.0	1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:26:10AM

Agency code: **357** Agency name: **Office of Rural Community Affairs**

GOAL: 4 Indirect Administration

Statewide Goal/Benchmark: 4 0

OBJECTIVE: 1 Indirect Administration

Service Categories:

STRATEGY: 2 Information Resources

Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
-------------	--------------------	-----------------	-----------------	-----------------	----------------	----------------

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
TIME: 10:26:10AM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$89,844,229	\$135,225,903	\$86,194,417	\$86,065,680	\$85,875,587
METHODS OF FINANCE (INCLUDING RIDERS):				\$86,065,680	\$85,875,587
METHODS OF FINANCE (EXCLUDING RIDERS):	\$89,844,229	\$135,225,903	\$86,194,417	\$86,065,680	\$85,875,587
FULL TIME EQUIVALENT POSITIONS:	72.0	78.0	78.0	59.0	57.0

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:																																																																																															
357	Office of Rural Community Affairs	David Flores	08/13/08	Base																																																																																															
Current Rider Number	Page No. in 2008-09 GAA	Proposed Rider Language																																																																																																	
1	VII-13	<p>Performance Measure Targets The following is a listing of the key performance target levels for the Office of Rural Community Affairs. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Office of Rural Community Affairs. In order to achieve the objectives and service standards established by this Act, the Office of Rural Community Affairs shall make every effort to attain the following designated key performance target levels. associated with each item of appropriation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 10%; text-align: center;"><u>2010</u></th> <th style="width: 10%; text-align: center;"><u>2008</u></th> <th style="width: 10%; text-align: center;"><u>2011</u></th> <th style="width: 10%; text-align: center;"><u>2009</u></th> </tr> </thead> <tbody> <tr> <td colspan="5">A. Goal: COMMUNITY ECONOMIC DEVELOPMENT</td> </tr> <tr> <td colspan="5">Outcome (Results/Impact):</td> </tr> <tr> <td colspan="5">Percent of the Small Communities' Population</td> </tr> <tr> <td colspan="5">Benefitting from Public Facility, Economic Development, Housing Assistance and Planning Projects</td> </tr> <tr> <td colspan="5">A.1.1. Strategy: PROVIDE GRANTS</td> </tr> <tr> <td colspan="5">Output (Volume):</td> </tr> <tr> <td colspan="5">Number of New Community/Economic Development Contracts Awarded</td> </tr> <tr> <td colspan="5">Number of Projected Beneficiaries from New Community/Economic Development Contracts Awarded</td> </tr> <tr> <td colspan="5">Number of Programmatic Monitoring Visits Conducted</td> </tr> <tr> <td colspan="5">B. Goal: EQUITABLE ACCESS TO MEDICAL CARE</td> </tr> <tr> <td colspan="5">Outcome (Results/Impact):</td> </tr> <tr> <td colspan="5">Ratio of Rural County Population to Number of Health Care Professionals in Rural Counties</td> </tr> <tr> <td colspan="5">B.1.1. Strategy: HEALTH CARE ACCESS PROGRAMS</td> </tr> <tr> <td colspan="5">Output (Volume):</td> </tr> <tr> <td colspan="5">Number of Primary Care Practitioners Recruited to Rural Communities</td> </tr> <tr> <td colspan="5">B.2.1. Strategy: HEALTH FACILITY CAPITAL IMPROVEMENT</td> </tr> <tr> <td colspan="5">Output (Volume):</td> </tr> <tr> <td colspan="5">Number of Low Interest Loans and Grants Awarded</td> </tr> </tbody> </table>				<u>2010</u>	<u>2008</u>	<u>2011</u>	<u>2009</u>	A. Goal: COMMUNITY ECONOMIC DEVELOPMENT					Outcome (Results/Impact):					Percent of the Small Communities' Population					Benefitting from Public Facility, Economic Development, Housing Assistance and Planning Projects					A.1.1. Strategy: PROVIDE GRANTS					Output (Volume):					Number of New Community/Economic Development Contracts Awarded					Number of Projected Beneficiaries from New Community/Economic Development Contracts Awarded					Number of Programmatic Monitoring Visits Conducted					B. Goal: EQUITABLE ACCESS TO MEDICAL CARE					Outcome (Results/Impact):					Ratio of Rural County Population to Number of Health Care Professionals in Rural Counties					B.1.1. Strategy: HEALTH CARE ACCESS PROGRAMS					Output (Volume):					Number of Primary Care Practitioners Recruited to Rural Communities					B.2.1. Strategy: HEALTH FACILITY CAPITAL IMPROVEMENT					Output (Volume):					Number of Low Interest Loans and Grants Awarded				
	<u>2010</u>	<u>2008</u>	<u>2011</u>	<u>2009</u>																																																																																															
A. Goal: COMMUNITY ECONOMIC DEVELOPMENT																																																																																																			
Outcome (Results/Impact):																																																																																																			
Percent of the Small Communities' Population																																																																																																			
Benefitting from Public Facility, Economic Development, Housing Assistance and Planning Projects																																																																																																			
A.1.1. Strategy: PROVIDE GRANTS																																																																																																			
Output (Volume):																																																																																																			
Number of New Community/Economic Development Contracts Awarded																																																																																																			
Number of Projected Beneficiaries from New Community/Economic Development Contracts Awarded																																																																																																			
Number of Programmatic Monitoring Visits Conducted																																																																																																			
B. Goal: EQUITABLE ACCESS TO MEDICAL CARE																																																																																																			
Outcome (Results/Impact):																																																																																																			
Ratio of Rural County Population to Number of Health Care Professionals in Rural Counties																																																																																																			
B.1.1. Strategy: HEALTH CARE ACCESS PROGRAMS																																																																																																			
Output (Volume):																																																																																																			
Number of Primary Care Practitioners Recruited to Rural Communities																																																																																																			
B.2.1. Strategy: HEALTH FACILITY CAPITAL IMPROVEMENT																																																																																																			
Output (Volume):																																																																																																			
Number of Low Interest Loans and Grants Awarded																																																																																																			

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:																														
357	Office of Rural Community Affairs	David Flores	08/13/08	Base																														
Current Rider Number	Page No. in 2008-09 GAA	Proposed Rider Language																																
2	VII - 14	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease Payments to the Master Lease Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">a. Acquisition of Information Resource Technologies</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;"><u>2010</u></td> <td style="width: 10%; text-align: right;"><u>2011</u></td> <td style="width: 10%; text-align: right;"><u>2008</u></td> <td style="width: 10%; text-align: right;"><u>2009</u></td> </tr> <tr> <td> 1. Information System Improvements</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">18,120</td> <td style="text-align: right;">176,651</td> <td style="text-align: right;">48,000</td> <td style="text-align: right;">41,000</td> </tr> <tr> <td> 2. Daily Operations</td> <td></td> <td></td> <td></td> <td style="text-align: right;">50,443</td> <td style="text-align: right;">49,366</td> </tr> <tr> <td> 3. IT Infrastructure—Lease</td> <td></td> <td></td> <td></td> <td style="text-align: right;">29,834</td> <td style="text-align: right;">29,834</td> </tr> <tr> <td>Total Capital Budget</td> <td style="text-align: right;">\$</td> <td style="text-align: right;"><u>18,120</u></td> <td style="text-align: right;"><u>176,651</u></td> <td style="text-align: right;"><u>128,277</u></td> <td style="text-align: right;"><u>120,200</u></td> </tr> </table>			a. Acquisition of Information Resource Technologies		<u>2010</u>	<u>2011</u>	<u>2008</u>	<u>2009</u>	1. Information System Improvements	\$	18,120	176,651	48,000	41,000	2. Daily Operations				50,443	49,366	3. IT Infrastructure—Lease				29,834	29,834	Total Capital Budget	\$	<u>18,120</u>	<u>176,651</u>	<u>128,277</u>	<u>120,200</u>
a. Acquisition of Information Resource Technologies		<u>2010</u>	<u>2011</u>	<u>2008</u>	<u>2009</u>																													
1. Information System Improvements	\$	18,120	176,651	48,000	41,000																													
2. Daily Operations				50,443	49,366																													
3. IT Infrastructure—Lease				29,834	29,834																													
Total Capital Budget	\$	<u>18,120</u>	<u>176,651</u>	<u>128,277</u>	<u>120,200</u>																													
3	VII - 14	<p>Administrative Allocation: Councils of Governments. From the federal administrative monies made available to the Office of Rural Community Affairs under the Community Development Block Grant Program, an amount up to 19 percent of such monies shall be allocated for the councils of government, based upon agreements between the Office of Rural Community Affairs and each council of government, to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor and/or for other technical assistance services so long as the staff support activities comply with the rules, policies, and standards established by the U.S. Department of Housing and Urban Development.</p>																																

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:		Prepared By:	Date:	Request Level:
357	Office of Rural Community Affairs		David Flores	08/13/08	Base
Current Rider Number	Page No. in 2008-09 GAA	Proposed Rider Language			
4	VII - 14	<p>Estimated Appropriation and Unexpended Balance.</p> <p>a. The estimated amounts appropriated above out of the Permanent Endowment Fund for Rural Communities Healthcare Investment Program, are out of the amounts available for distribution or investment returns of the funds. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the Office of Rural Community Affairs. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference. Any unexpended appropriations made above as of August 31, 2010 2008, are hereby appropriated for the same purposes for fiscal year 2011 2009.</p> <p>b. The estimated amounts appropriated above out of the Permanent Fund for Rural Health Facility Capital Improvement are out of the available earnings of the fund. Available earnings in excess of the amounts estimated above are appropriated to the Office of Rural Community Affairs. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference. Any unexpended appropriations made above as of August 31, 2010 2008, are hereby appropriated for the same purposes for fiscal year 2011 2009.</p>			
5	VII - 15	<p>Limitation on Use of Funds.</p> <p>a. State agencies that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release, including distributions from funds, shall submit a budget my November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.</p> <p>b. Authorized managers of permanent funds and endowments whose earnings are appropriated to the Office of Rural Community Affairs shall provide a copy of year end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.</p>			

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:		Prepared By:	Date:	Request Level:
357	Office of Rural Community Affairs		David Flores	08/13/08	Base
Current Rider Number	Page No. in 2008-09 GAA	Proposed Rider Language			
6	VII - 15	<p>Coordination with Texas Water Development Board. The Office of Rural Community Affairs (ORCA) and the Texas Water Development Board (TWDB) shall continue to coordinate funds as outlined in a Memorandum of Understanding (MOU) so as to assure that none of the funds appropriated above are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB), and maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be amended, if necessary, prior to the distribution of the Colonia Fund in fiscal years 2010 2008 and 2011 2009. None of the funds appropriated above for Strategy A.1.1, Provide Grants, may be expended in EDAP-eligible counties that have not adopted, or not enforcing, the Model Subdivision Rules established pursuant to § 16.343 of the Water Code, except that this restriction would not apply to cities that have adopted and are enforcing ordinances comparable to such Model Subdivision Rules. No later than September 15, 2010 2008, ORCA and the TWDB shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts including an estimate of the amount each agency has saved by reduced duplication of efforts. If there is an insufficient number of TWDB EDAP projects ready for Colonia Economically Distressed Areas Program (CEDAP) connection funding within 12 months after ORCA receives the federal letter of credit, the CEDAP funds may be transferred at ORCA's discretion as stated within the current Community Development Block Grant action plan.</p>			
7	VII - 15	<p>Colonia Set-Aside Program Allocation. The Office of Rural Community Affairs (ORCA) shall continue the Community Development Block Grant (CDBG) Colonia Set-Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. From this 10 percent yearly allocation, \$2,000,000 shall be reserved to provide financial assistance to units of general local government located in economically distressed areas as defined by § 17.921, Water Code, to pay for residential service lines, hookups, and plumbing improvements associated with being connected to a water supply or sewer service system, any part of which is financed under the economically distressed areas program established under Subchapter J, Chapter 16, Water Code and Subchapter K, Chapter 17, Water Code or for use under ORCA's Colonia set-aside allocation for other colonia construction projects</p> <p>In addition, ORCA shall allocate 2.5 percent of the CDBG monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs.</p>			

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:				
357	Office of Rural Community Affairs	David Flores	08/13/08	Base				
Current Rider Number	Page No. in 2008-09 GAA	Proposed Rider Language						
8	VII - 15	<p>Administration of Public Health Funds. Funds are appropriated above out of the Permanent Fund for Rural Health Facility Capital Improvement for the purpose of implementing House Bill 1676, Seventy-sixth Legislature, 1999. In no event shall the administrative costs to implement the provisions of the bill exceed three percent. Grants and program costs must compose at least 97 percent of the expenditures to implement the provisions of the bill.</p>						
9	VII - 15	<p>Informational Listing - Permanent Funds and Endowments. The following is an informational list of the amounts used to capitalize certain Permanent Funds and Endowments created by House Bill 1676, Seventy-sixth Legislature and by Senate Bill 126, Seventy seventh Legislature, and does not make appropriations.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure)</td> <td style="text-align: right; width: 20%;">\$ 50,000,000</td> </tr> <tr> <td>Permanent Endowment Fund for the Rural Communities Healthcare Investment Program</td> <td style="text-align: right;">\$ 2,500,000</td> </tr> </table>			Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure)	\$ 50,000,000	Permanent Endowment Fund for the Rural Communities Healthcare Investment Program	\$ 2,500,000
Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure)	\$ 50,000,000							
Permanent Endowment Fund for the Rural Communities Healthcare Investment Program	\$ 2,500,000							
10	VII - 16	<p>Unexpended Balances, Grants, and Contracts. Any unexpended and unobligated general revenue balances remaining from amounts appropriated above as of August 31, 2010 2008 are hereby appropriated to the Office of Rural Community Affairs for the fiscal year beginning September 1, 2010 2008 for the same purposes.</p>						
11	VII - 16	<p>Appropriation of Loan Repayments. Loan repayments, interest, and reimbursements of expenses received by the Office of Rural Community Affairs pursuant to Government Code, Chapter 487, are hereby appropriated to the agency as Appropriated Receipts in the 2010-11 2008-09 biennium for the same purpose. The Office of Rural Community Affairs may also expend these funds for the purpose of reimbursing community matching fund contributions for forgivable educational loans made pursuant to Government Code, Section 487.154.</p>						

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:		Prepared By:	Date:	Request Level:
357	Office of Rural Community Affairs		David Flores	08/13/08	Base
Current Rider Number	Page No. in 2008-09 GAA	Proposed Rider Language			
12	VII - 16	<p>Sunset Contingency. Funds appropriated above for fiscal year 2009 for the Office of Rural Community Affairs are made contingent on the continuation of the Office of Rural Community Affairs by the Eightieth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2008 or as much thereof as may be necessary are to be used to provide for the phase out of the agency operations.</p>			
13	VII - 16	<p>Reimbursement of Advisory Committee Members. Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of amounts appropriated above, is limited to the following advisory committees: State Review Committee</p>			
14	VII - 16	<p>Rural Physician Relief Program. In addition to amounts appropriated above in Strategy B.1.2, Rural Physician Relief Program, the Office of Rural Community Affairs is hereby appropriated any fees collected pursuant to Government Code, Section 487.603 (estimated to be \$0), and other program contributions received by the Office of Rural Community Affairs pursuant to Government Code, Section 487.604, for the purposes of administering the Rural Physician Relief Program.</p>			
15	VII - 16	<p>Affordable Housing Research and Information Program. Out of funds appropriated above, the Office of Rural Community Affairs shall assist the Department of Housing and Community Affairs in conducting the Affordable Housing Research and Information Program, to the extent allowed by state law, in order to avoid any duplication of effort. It is the intent of the Legislature that no funds shall be transferred between the Department of Housing and Community Affairs and the Office of Rural Community Affairs for this purpose.</p>			

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:
357	Office of Rural Community Affairs	David Flores	08/13/08	Addition
701	<p>Travel Expenditures. Out of the funds appropriated, expenditures for out-of-state travel by the Office of Rural Community Affairs are limited to \$26,780 for fiscal year 2010 and \$26,780 for fiscal year 2011. Notwithstanding any other provisions in this act, travel associated with federal programs and paid from federal funds above the amounts appropriated are exempt from this limitation.</p>			

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Rural Sustainability Fund		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Provide Grants for Community and Economic Development Projects		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	638,000	638,000
1002	OTHER PERSONNEL COSTS	16,600	16,600
2001	PROFESSIONAL FEES AND SERVICES	22,500	22,500
2003	CONSUMABLE SUPPLIES	10,800	10,800
2004	UTILITIES	9,500	9,500
2005	TRAVEL	61,500	61,500
2006	RENT - BUILDING	4,500	4,500
2007	RENT - MACHINE AND OTHER	7,650	7,650
2009	OTHER OPERATING EXPENSE	42,500	42,500
4000	GRANTS	27,550,000	27,550,000
TOTAL, OBJECT OF EXPENSE		\$28,363,550	\$28,363,550

METHOD OF FINANCING:

1	General Revenue Fund	28,363,550	28,363,550
TOTAL, METHOD OF FINANCING		\$28,363,550	\$28,363,550

FULL-TIME EQUIVALENT POSITIONS (FTE):

11.00	11.00
-------	-------

DESCRIPTION / JUSTIFICATION:

This would create a CDBG Rural Sustainability Fund that would provide for constant CDBG program funding at \$100 million, with general revenue in a reserve fund supplying any annual shortfall. For FY 2010 and FY2011 this would require \$29,000,000 based on the current CDBG program level of \$71,000,000. This reserve fund targets investment into a program that utilizes a proven delivery mechanism targeted at low and moderate income persons. The volatility of CDBG funding and more recently diminishing amount of funding, has greatly impacted the ability of more rural jurisdictions to make long-term rural investments to sustain their infrastructure and make essential improvements. State administration would be set at 5 percent. A constant and predicable source of basic infrastructure grant funding will particularly improve the sustainability of the smallest towns and most sparsely populated counties with access affordable grant capital.

EXTERNAL/INTERNAL FACTORS:

If the amount of the federal appropriations for the CDBG program were to increase and Texas received more than \$71 Million, the extra amount appropriated at the state level would be retained in a reserve.

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Rural Development Fund□□		
	Item Priority: 2		
	Includes Funding for the Following Strategy or Strategies: 03-01-01 Rural Policy and Research		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	150,000	150,000
1002	OTHER PERSONNEL COSTS	3,600	3,600
2001	PROFESSIONAL FEES AND SERVICES	228,750	228,750
2003	CONSUMABLE SUPPLIES	1,650	1,650
2004	UTILITIES	4,680	4,680
2005	TRAVEL	30,000	35,000
2006	RENT - BUILDING	600	600
2007	RENT - MACHINE AND OTHER	4,560	4,560
2009	OTHER OPERATING EXPENSE	14,250	14,250
3001	CLIENT SERVICES	780,955	778,455
4000	GRANTS	780,955	778,455
TOTAL, OBJECT OF EXPENSE		\$2,000,000	\$2,000,000

METHOD OF FINANCING:

1	General Revenue Fund	2,000,000	2,000,000
TOTAL, METHOD OF FINANCING		\$2,000,000	\$2,000,000

FULL-TIME EQUIVALENT POSITIONS (FTE):

3.00 3.00

DESCRIPTION / JUSTIFICATION:

This exceptional item would fund several best-practice rural development programs under one integrated fund called the Texas Rural Development Fund. Activities of the fund would include rural capacity and leadership enhancement, rural community asset studies, rural area planning and implementation studies, the Texas Rural Youth Corps, rural wealth creation and retention, and rural entrepreneurship and small business innovation.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Colonias Sustainability Fund□□□		
	Item Priority: 3		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Provide Grants for Community and Economic Development Projects		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	58,000	58,000
1002	OTHER PERSONNEL COSTS	1,800	1,800
2001	PROFESSIONAL FEES AND SERVICES	3,500	3,500
2003	CONSUMABLE SUPPLIES	1,200	1,200
2004	UTILITIES	1,200	1,200
2005	TRAVEL	6,500	6,500
2006	RENT - BUILDING	500	500
2007	RENT - MACHINE AND OTHER	850	850
2009	OTHER OPERATING EXPENSE	6,500	6,500
4000	GRANTS	4,000,000	4,000,000
TOTAL, OBJECT OF EXPENSE		\$4,080,050	\$4,080,050

METHOD OF FINANCING:

1 General Revenue Fund

4,080,050 4,080,050

TOTAL, METHOD OF FINANCING

\$4,080,050 \$4,080,050

FULL-TIME EQUIVALENT POSITIONS (FTE):

1.00 1.00

DESCRIPTION / JUSTIFICATION:

The fund would provide the opportunity for the state to capitalize on the millions of dollars already spent in colonias and to accurately track and report historical and future colonia expenditures. This would be done by providing grants to colonias that have previously received grants to address water and wastewater issues and are at the final stages of becoming incorporated or annexed into an existing city. No other fund has ever had an outcome to eliminate colonias by moving them into self sufficiency and incorporated status as this one would. A key component would be to track all colonias in one statewide database for the benefit of policy makers and funding agencies. An additional factor would be that this grant would not be awarded unless proof of incorporation or annexation is provided to ORCA prior to distribution of funds.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name:

Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Arsenic and Radionuclides Remediation Program		
	Item Priority: 4		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Provide Grants for Community and Economic Development Projects		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	174,000	174,000
1002	OTHER PERSONNEL COSTS	4,800	4,800
2001	PROFESSIONAL FEES AND SERVICES	7,500	7,500
2003	CONSUMABLE SUPPLIES	1,850	1,850
2004	UTILITIES	1,850	1,850
2005	TRAVEL	12,500	12,500
2006	RENT - BUILDING	700	700
2007	RENT - MACHINE AND OTHER	1,325	1,325
2009	OTHER OPERATING EXPENSE	10,500	10,500
4000	GRANTS	9,500,000	9,500,000
TOTAL, OBJECT OF EXPENSE		\$9,715,025	\$9,715,025

METHOD OF FINANCING:

1	General Revenue Fund	9,715,025	9,715,025
TOTAL, METHOD OF FINANCING		\$9,715,025	\$9,715,025

FULL-TIME EQUIVALENT POSITIONS (FTE):

3.00	3.00
------	------

DESCRIPTION / JUSTIFICATION:

This would provide for funding for small rural water systems to meet the U.S. Environmental Protection Agency mandated standards for radiation and comply with the new arsenic level standards. As the federal EPA standards primarily related to drinking water are implemented and enforced, many small towns will not have the resources to construct the new treatment technologies or obtain alternate sources of water without considerable assistance. A number of towns and water providers in rural counties are seeking CDBG funds as a small portion of the total investment that will be needed to bring their water systems into regulatory compliance for standards related to radionuclides and arsenic. Given the low maximum application amounts in most regions of Texas under the CDBG program, the amount available cannot begin to meet the low-cost funding needed to be economically viable for many small systems. This would provide \$4.4 Million targeted at meeting radionuclide standards and \$5.6 Million for meeting the new EPA arsenic standards. Both radionuclides and arsenic present significant health concerns once the acceptable minimum standards are widely known within a community.

The treatment for radionuclides includes the expense of disposing of the radioactive material each year that is removed from the system. ORCA has demonstrated the ability to successfully manage thousands of water and other infrastructure projects across rural Texas.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
-------------	--------------------	------------------	------------------

Item Name: Rural Veterinarian Large Animal Loan Repayment Program

Item Priority: 5

Includes Funding for the Following Strategy or Strategies: 02-01-01 Develop Programs to Increase Access to Health Care in Rural Areas

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	48,500	48,500
1002	OTHER PERSONNEL COSTS	10,925	10,925
2001	PROFESSIONAL FEES AND SERVICES	6,786	6,786
2003	CONSUMABLE SUPPLIES	1,000	1,000
2004	UTILITIES	1,000	1,000
2005	TRAVEL	9,000	9,000
2006	RENT - BUILDING	2,418	2,418
2007	RENT - MACHINE AND OTHER	865	865
2009	OTHER OPERATING EXPENSE	8,645	8,645
3001	CLIENT SERVICES	750,000	750,000
TOTAL, OBJECT OF EXPENSE		839,139	839,139

METHOD OF FINANCING:

1	General Revenue Fund	839,139	839,139
TOTAL, METHOD OF FINANCING		839,139	839,139

FULL-TIME EQUIVALENT POSITIONS (FTE):

	1.00	1.00
--	------	------

DESCRIPTION / JUSTIFICATION:

ORCA proposes to create a loan repayment program to address the large animal veterinarian needs in the rural areas of Texas. The program guidelines would require large animal veterinarian services in rural areas as defined by State Office of Rural Health program rules as a condition for loan repayment. Cost estimates of attending a Veterinarian School range from \$120,000 to \$140,000. A combination of a lack of general veterinarian services in rural areas with a shortage of large animal veterinarian services has created a need for veterinarians to practice in rural areas and expand their services to include large animals. As a condition for receiving annual loan repayments of up to \$35,000 per year for up to four years, the professional would have to practice in a specified rural area on a year-for-year basis for assistance received.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name:

Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Disaster Relief and Recovery Reserve Fund <input type="checkbox"/>		
	Item Priority: 6		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Provide Grants for Community and Economic Development Projects		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	0	0
1002	OTHER PERSONNEL COSTS	0	0
2003	CONSUMABLE SUPPLIES	0	0
2004	UTILITIES	0	0
2005	TRAVEL	0	0
2006	RENT - BUILDING	0	0
2007	RENT - MACHINE AND OTHER	0	0
2009	OTHER OPERATING EXPENSE	0	0
4000	GRANTS	23,750,000	23,750,000
TOTAL, OBJECT OF EXPENSE		\$23,750,000	\$23,750,000

METHOD OF FINANCING:

1	General Revenue Fund	23,750,000	23,750,000
TOTAL, METHOD OF FINANCING		\$23,750,000	\$23,750,000

DESCRIPTION / JUSTIFICATION:

This would establish with ORCA a Disaster Relief and Recovery Reserve Fund. The increase in hurricanes, flooding, tornadoes, and drought have severely impacted the ability of the CDBG program to provide sufficient funding to meet local community federal matching needs and provide for complete recovery from major disasters. The CDBG program has devoted an increased amount of funding and staff commitment to supplement the regular Disaster Relief Fund allocation level. Yet this increased funding for disaster relief and recovery has meant fewer funds out of the annual CDBG allocation for infrastructure investment. A separate Disaster Relief and Recovery Reserve primarily from general revenue funds would provide the crucial assistance needed for smaller communities to meet the federal FEMA match requirement, provide for loans and grants for long-term recovery, and provide for local disaster planning. It also would not have all the federal requirements associated with CDBG funding. In federally declared areas, FEMA requires the applicant to provide the 25 percent match to receive both Public Assistance and Hazard Mitigation Grant Program funds. ORCA is the sole provider of the required match to communities. This allows them to receive three federal dollars for every ORCA dollar spent. For state declarations, ORCA has been the sole source of all disaster recovery funds throughout rural Texas. ORCA has demonstrated the ability to manage disaster recovery under its CDBG program and would be in a position to rapidly implement any disaster reserve fund established for the needs of rural Texas.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Small Rural Hospital Health Information Technology Program <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
	Item Priority: 7		
	Includes Funding for the Following Strategy or Strategies: 02-01-01 Develop Programs to Increase Access to Health Care in Rural Areas		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	5,000	5,000
1002	OTHER PERSONNEL COSTS	240	240
2001	PROFESSIONAL FEES AND SERVICES	1,070	1,070
2003	CONSUMABLE SUPPLIES	500	500
2004	UTILITIES	500	500
2005	TRAVEL	2,130	2,130
2006	RENT - BUILDING	750	750
2007	RENT - MACHINE AND OTHER	250	250
2009	OTHER OPERATING EXPENSE	2,060	2,060
4000	GRANTS	250,000	250,000
	TOTAL, OBJECT OF EXPENSE	\$262,500	\$262,500
METHOD OF FINANCING:			
1	General Revenue Fund	262,500	262,500
	TOTAL, METHOD OF FINANCING	\$262,500	\$262,500

DESCRIPTION / JUSTIFICATION:

Request funding for a Small Rural Hospital Health Information Technology Program designed to cluster five small rural hospitals and procure for services to connect them with each other via electronic health records. The goal is to maximize the service potential by clustering hospitals in the same area that could potentially serve the same or similar patients with a single service provider using a Request for Proposal. Approximately \$50,000 per hospital is considered for one cluster of five hospitals per year.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Renewable Energy ☐		
	Item Priority: 8		
	Includes Funding for the Following Strategy or Strategies: 03-01-03 Renewable Energy Outreach		
OBJECTS OF EXPENSE:			
4000	GRANTS	1,500,000	1,500,000
TOTAL, OBJECT OF EXPENSE		\$1,500,000	\$1,500,000
METHOD OF FINANCING:			
1	General Revenue Fund	1,500,000	1,500,000
TOTAL, METHOD OF FINANCING		\$1,500,000	\$1,500,000

DESCRIPTION / JUSTIFICATION:

Funding would enable ORCA to expand its efforts to help rural communities develop their renewable energy resources to promote local economic development and to reduce energy costs, such as costs for operating water treatment and wastewater treatment plants. In 2008, ORCA utilized \$500,000 in federal Community Development Block Grant funds to launch its Renewable Energy Demonstration Pilot Program. This first year of funding for this program was provided to the City of Seminole to help fund a \$1.7 million project using wind power to make desalination of brackish groundwater cost effective.

The \$1.5 million requested in this item would be used to help fund renewable energy projects in rural communities throughout the state and to help fund more wind power/groundwater desalination projects in rural communities where wind resources are good and brackish groundwater is available.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name:
Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
-------------	--------------------	------------------	------------------

Item Name: Outstanding Rural Scholarship Recognition Program

Item Priority: 9

Includes Funding for the Following Strategy or Strategies: 02-01-01 Develop Programs to Increase Access to Health Care in Rural Areas

OBJECTS OF EXPENSE:

3001	CLIENT SERVICES	320,000	320,000
TOTAL, OBJECT OF EXPENSE		\$320,000	\$320,000

METHOD OF FINANCING:

1	General Revenue Fund	160,000	160,000
666	Appropriated Receipts	160,000	160,000
TOTAL, METHOD OF FINANCING		\$320,000	\$320,000

DESCRIPTION / JUSTIFICATION:

Request is to increase funding for the Outstanding Rural Scholarship Recognition Program (ORSRP) based on increased demand. The program is a community involved "grow your own" concept in which the Office of Rural Community Affairs contributes 50% of the requested funds and the sponsoring community provides the remaining 50%. The scholars are then required to practice in the rural community on a year for year basis of funding. Rising costs and reduced funding opportunities has increased the demand for awards for this program. Increased funding would provide opportunities for students to pursue a profession in a healthcare profession they may not otherwise have.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Rural Fire Department Assistance Program <input type="checkbox"/>		
	Item Priority: 10		
	Includes Funding for the Following Strategy or Strategies: 03-01-02 Emergency Services Districts Assistance		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	48,000	48,000
1002	OTHER PERSONNEL COSTS	240	240
2003	CONSUMABLE SUPPLIES	550	550
2004	UTILITIES	550	550
2006	RENT - BUILDING	310	310
2007	RENT - MACHINE AND OTHER	750	750
TOTAL, OBJECT OF EXPENSE		\$50,400	\$50,400

METHOD OF FINANCING:

1	General Revenue Fund	50,400	50,400
TOTAL, METHOD OF FINANCING		\$50,400	\$50,400

FULL-TIME EQUIVALENT POSITIONS (FTE):

1.00	1.00
------	------

DESCRIPTION / JUSTIFICATION:

Rural Fire Department Assistance Program – This program is currently funded through a partnership with the Pineywoods RC &D to assist with the recruitment and retention of volunteer fire fighters and implement a master fire protection program. We received the authority to cooperate with them in this activity through the passage of SB 1440 (80th Session). The three goals of the program are: 1: To conduct 308 fire department assessments by May 31, 2010; 2: To conduct at least four regional ISO workshops by May 31, 2010; and 3: Implement the program in other Texas Resource Conservation and Development Areas by May 31, 2011. The Meadows Foundation is funding a portion of this program which has a goal of increasing the capacity and efficiency of rural fire departments in 39 East Texas counties. One full time person can operate the program and meet the 3rd goal of expanding the program to other parts of Texas. The Meadows Foundation funding for staffing would provide \$33,000 per year for each year of the biennium.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 7/31/2008
 TIME: 10:27:00AM

Agency code: 357

Agency name: Office of Rural Community Affairs

CODE	DESCRIPTION	Excp 2010	Excp 2011
	Item Name: Community Development Block Grant Program Sustainability <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
	Item Priority: 11		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Provide Grants for Community and Economic Development Projects		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	870,000	870,000
1002	OTHER PERSONNEL COSTS	35,500	35,500
2001	PROFESSIONAL FEES AND SERVICES	22,500	22,500
2003	CONSUMABLE SUPPLIES	5,700	5,700
2004	UTILITIES	8,700	8,700
2005	TRAVEL	70,500	70,500
2006	RENT - BUILDING	3,170	3,170
2007	RENT - MACHINE AND OTHER	5,530	5,530
2009	OTHER OPERATING EXPENSE	77,750	77,750
TOTAL, OBJECT OF EXPENSE		\$1,099,350	\$1,099,350

METHOD OF FINANCING:

1 General Revenue Fund

1,099,350 1,099,350

TOTAL, METHOD OF FINANCING

\$1,099,350 \$1,099,350

FULL-TIME EQUIVALENT POSITIONS (FTE):

15.00 15.00

DESCRIPTION / JUSTIFICATION:

The federal government has cut the Community Development Block Grant (CDBG) annual allocation for Texas Small Cities and Counties by \$14.9 million dollars (17.2%) from program year 2004-08. These reductions have severely impacted the agency's ability to sustain current program operations and staffing levels. From 2006-09 Texas raised state salaries by 11% while only providing funding for the general revenue portion of CDBG salaries. Employee travel costs have also significantly increased due to the rising costs of transportation. This increase is needed because the CDBG administration formula is based on a fixed percentage that does not reflect the cost of living increases over the last 6 years. Since the CDBG formula doesn't otherwise account for inflation costs, this adjustment will maintain the same level of grant management service as in past years. While the Hurricane Katrina and Rita disaster recovery efforts brought Texas additional CDBG funds in 2006 and 2007, these funds were for targeted areas of Texas and are expected to be spent by the 2010-11 biennium.

This exceptional item seeks to obtain the necessary funding to maintain the agency's current Community Development strategy staffing level. This proposal would ensure ORCA continues to meet our state CDBG program obligations and continues to provide the highest quality service to rural towns and counties in Texas.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **7/31/2008**
TIME: **10:27:00AM**

Agency code: **357**

Agency name:

Office of Rural Community Affairs

CODE DESCRIPTION

Excp 2010

Excp 2011

6.I. 10 Percent Biennial Base Reduction Options Schedule

Approved Reduction Amount

\$1,683,698

Agency Code: 357		Agency Name: Office of Rural Community Affairs								
Rank	Reduction Item		Biennial Application of 10% Percent Reduction				FTE Reductions (FY 2010-11 Base Request Compared to Budgeted 2009)		Revenue Impact? Y/N	Cumulative GR-related reduction as a % of Approved Base
							FY 08	FY 09		
	Strat	Name	GR	GR-Dedicated	Federal	Other	All Funds			
1	1-1-1	Provide Grants for Community and Economic Development	5,000,000				\$ 5,000,000	0	0	29.7%
2							\$ -			29.7%
3							\$ -			29.7%
4							\$ -			29.7%
5							\$ -			29.7%
6							\$ -			29.7%
7							\$ -			29.7%
8							\$ -			29.7%
9							\$ -			29.7%
10							\$ -			29.7%
11							\$ -			29.7%
12							\$ -			29.7%
Agency Biennial Total			\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000	0.0	0.0	29.7%
Agency Biennial Total (GR + GR-D)				\$ 5,000,000						

Rank / Name
Explanation of Impact to Programs and Revenue Collections

1 Provide Grants for Community and Economic Development
House Bill 2235, 80th Legislature, Regular Session, appropriated \$5,000,000 in General Revenue funds to the Office of Rural Community Affairs (Office) to provide grants for rural technology centers. These funds were appropriated in 2008. The Office developed a new Rural Technology Center program and awarded the funds appropriated to establish Rural Technology Centers in two counties. As established by HB 2235, this program was not intended to be funded in the 2010-11 biennium and therefore, is not included in our 2010-11 Legislative Appropriations Request.

2 0

3 0

4 0

SUMMARY

Proposed Rules to Implement Sections of HB 2542 Related to the Board and Negotiated Rulemaking and Alternative Dispute Resolution and For Other Reasons

Presented by Charlie Stone*

DISCUSSION

The attached proposed amendments would implement provisions of HB 2542, ORCA's reauthorization statute, related to the board of directors and negotiated rulemaking and alternative dispute resolution procedures; delegate additional authority to the executive director, propose a collections process; move the appeals process from the State Office of Rural Health to Chapter 256, and make corrections.

In general, the proposed amendments to the Texas Administrative Code provide for:

1. the global replacement of the Executive Committee with the Board;
2. authorizing the Board to delegate final approval of certain documents listed in Section 256.14 to the Executive Director during a public meeting of the Board;
3. adding Subchapter B, General Policies and Procedures, to propose new rules governing negotiated rulemaking, alternative dispute resolution, and collections, and moving the appeals process for all programs, except the TxCDBG program, from the State Office of Rural Health to this proposed new subchapter in Chapter 256; and
4. corrections where needed.

RECOMMENDATION

Staff recommends that the Board approve the publication of the proposed amendments and proposed new rules in the *Texas Register* for public comment.

***Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704, or cstone@orca.state.tx.us.**

SUBCHAPTER A. MANAGEMENT POLICIES OF BOARD EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR.

Sec. 256.1. EXECUTIVE DIRECTOR.

(a) The [Board Executive Committee](#), as defined in Chapter 487 of the Government Code, shall employ an Executive Director who will serve at the will of the [Board Executive Committee](#).

(b) The Executive Director shall be the administrator of the agency and shall employ the staff necessary to conduct the activities of the agency.

(c) The Executive Director shall also be responsible for the operation of the agency in accordance with [Board Executive Committee](#) policy, state and federal law, and duties established by the [Board Executive Committee](#).

(d) The Executive Director is empowered to make preliminary interpretations of the Act or of these sections, except that any interpretation by the Executive Director shall not be binding upon the [Board Executive Committee](#).

(e) The Executive Director may appoint advisory committees from outside the agency staff to advise the staff, as the Executive Director may deem necessary.

Sec. 256.3. [CHAIR PRESIDING OFFICER](#). ~~The Governor~~ Members of the ~~Executive Committee~~ shall [appoint](#) annually elect a presiding officer from among the members of the [Board Executive Committee](#). The [chair presiding officer](#) shall, when present, conduct all [Board Executive Committee](#) meetings. The [chair presiding officer](#) shall appoint such committees as authorized under §256.9 of this title (relating to Committees) and may delegate the signing of official documents. The [chair presiding officer](#) may sign orders on behalf of the [Board Executive Committee](#) after the [Board Executive Committee](#) has approved adoption of the order. The [chair presiding officer](#) shall sign the certified agenda required pursuant to §551.104 of the Open Meetings Act. The [chair presiding officer](#) shall serve as the official spokesman of the [Board Executive Committee](#) and shall have such other responsibilities as assigned and such other authority as conferred by the [Governor and the Board Executive Committee](#).

Sec. 256.4. [VICE-CHAIR ASSISTANT PRESIDING OFFICER](#). Members of the [Board Executive Committee](#) shall annually elect [a vice-chair](#) an assistant presiding officer from members of the [Board Executive Committee](#). The [vice-chair](#) assistant presiding officer, in the absence of the [chair presiding officer](#), shall perform the duties of the [chair presiding officer](#) as specified in §256.3 of this title (relating to [Chair Presiding Officer](#)), and shall perform such other duties, as the [Board Executive Committee](#) shall designate.

Sec. 256.5. SECRETARY.

(a) Members of the [Board Executive Committee](#) shall annually elect a secretary/~~treasurer~~ from among the members of the [Board Executive Committee](#).

(b) The secretary, in the absence of the [chair presiding officer](#) and [vice-chair assistant presiding officer](#), shall perform the duties of the [chair presiding officer](#) as specified in §256.3 of this title (relating to [Chair Presiding Officer](#)) and shall perform such other duties, as the [Board Executive Committee](#) shall designate.

(c) The secretary shall work with the [Board Executive Director](#) to assure the proper recording of minutes of the [Board Executive Committee](#) meetings and to assure

that a copy of the minutes is transmitted to each [Board Executive Committee](#) member before each ensuing meeting and have charge of all records, proceedings and documents of the [Board Executive Committee](#) and maintain documentation of the legally required notices of each [Board Executive Committee](#) meeting.

Sec. 256.6. VACANCIES IN THE [BOARD EXECUTIVE COMMITTEE](#). If for any reason a vacancy shall occur in the [Board Executive Committee](#), the presiding officer shall provide a notice to the [nominating](#) ~~appointing~~ authority for the position and ask for the [nomination or](#) appointment of a new member to fill the unexpired term. If the vacancy occurs in any of the officers of the [Board Executive Committee](#), the [Board Executive Committee](#) shall elect from its own membership at the first regular or special meeting following the vacancy a new officer to serve for the balance of the unexpired term.

Sec. 256.7. [BOARD EXECUTIVE COMMITTEE MEETINGS](#).

(a) [Board Executive Committee](#) meetings shall be open to the public. The presiding officer shall assure that proper notice of [Board Executive Committee](#) meetings is provided as required by law.

(b) [Board Executive Committee](#) meetings shall take place at the headquarters of the office or, if convenience of the public or the parties to a hearing will be better served, at such place as the [Board Executive Committee](#) may designate.

(c) [Board Executive Committee](#) meetings shall be held at least quarterly and written notice of at least 7 days shall be given to each member of the time and place of such meeting.

(d) Special meetings may be held upon the call of the [chair](#) ~~presiding officer~~ or upon call of a majority of the members of the [Board Executive Committee](#) after legally adequate notice.

(e) The Executive Director shall prepare and submit to each member of the [Board Executive Committee](#) prior to each meeting a copy of the proposed agenda, outlining the matters to be considered by the [Board Executive Committee](#). Attached to the agenda may be documents supplementing the matters to be discussed. The [chair](#) ~~presiding officer~~ shall approve the agenda prior to its distribution to the [Board Executive Committee](#) members and ~~its~~ ^{its} posting pursuant to the Open Meetings Act.

(f) ~~Six~~ Five members of the [Board Executive Committee](#) shall constitute a quorum.

(g) An individual member may not represent the [Board Executive Committee](#) by any statement or action except pursuant to the authority delegated to the individual member by the [Board Executive Committee](#) and recorded in the minutes of the [Board Executive Committee](#).

(h) Drafts of the minutes of each [Board Executive Committee](#) meeting will be forwarded to each [Board Executive Committee](#) member for their review prior to their consideration for adoption at [a Board](#) ~~an Executive Committee~~ meeting.

(i) The minutes of the [Board Executive Committee](#) shall be kept in the office of the Executive Director and available to the public to examine or to copy upon reimbursing the office for the cost to reproduce.

(j) No proxies, members authorized to act on behalf of another, at any [Board Executive Committee](#) meeting is permitted.

(k) All documents submitted to and created by the Board Executive Committee are subject to the provisions of the Public Information Act, Chapter 552 of the Government Code.

Sec. 256.8. ORDER OF BUSINESS.

(a) The Executive Director, working with the chair presiding officer, shall prepare a written agenda for each Board Executive Committee meeting and arrange to have a copy of the agenda distributed to each Board Executive Committee member.

(b) Any Board Executive Committee member may place an item on the Board's Executive Committee's agenda by written request to the chair presiding officer at least 10 days before the next Board Executive Committee meeting.

(c) Conduct of Board Executive Committee meetings shall be guided by Robert's Rules of Order, except that no Board Executive Committee action shall be invalidated by reason of failure to comply with those rules.

(d) Any person may request an appearance before the Board Executive Committee for the purpose of making a presentation on a matter on the agenda as posted in the *Texas Register*, provided that at least 3 days' prior to the posted meeting a written request to appear is made to the Executive Director who shall forward the request to the chair presiding officer; however, the chair presiding officer may waive the 3-day notice requirement if such action would best serve the public interest. The chair presiding officer may deny a request to appear based on time constraints or other reasons, which, in the chair presiding officer's opinion, warrant such denial. When practicable, the chair presiding officer shall set a specific date and time to appear, and a time limit may be imposed. The person requesting the appearance should state in writing in reasonable detail the request to be made of the Board Executive Committee.

(e) The Board Executive Committee will set aside a time on its agenda for the receipt of public comment on any matter within the jurisdiction of the agency. The chair Presiding Officer may limit the time for each commenter to speak and exclude repetitious comments and comments not within the jurisdiction of the agency.

Sec. 256.9. COMMITTEES.

(a) Appointments to subcommittees shall be considered annually by the Board's Executive Committee's chair presiding officer to assist in carrying out the functions of the office under the provisions of the office's enabling legislation. Subcommittee appointments shall be made by the chair presiding officer for a term of one year but may be terminated at any point by the chair presiding officer. Subcommittee members may be re-appointed at the discretion of the chair presiding officer. The office's chair presiding officer shall be an ex officio member of each subcommittee. All committees shall comply with the requirements of the Open Meetings Act, Chapter 551 of the Government Code.

(b) The actions of the subcommittees are recommendations only and are not binding until consideration and action by the Board Executive Committee at a regularly scheduled meeting.

(c) Subcommittee meetings shall be held at the call of the subcommittee chair, and another member serving on the subcommittee shall make, in the absence of the chair, a report to the Board Executive Committee at its next regularly scheduled meeting.

(d) If for any reason a vacancy occurs on a subcommittee, the Board's Executive Committee's chair presiding officer may appoint a replacement in accordance with subsection (a) of this section.

(e) An internal audit standing subcommittees shall be created.

(1) The office's internal audit subcommittee shall be comprised of at least two [Board Executive Committee](#) members, one of whom shall serve as chair.

(2) The subcommittee shall make recommendations to the [Board Executive Committee](#) regarding the hiring or appointment of the agency's internal auditor and the subject matter of the agency audit.

(3) The subcommittee shall make recommendations to the [Board Executive Committee](#) on how best to address any findings of the internal auditor.

(f) All advisory committees shall be created and function pursuant to the requirements of Chapter 2110 of the Government Code.

(g) All subcommittee members performing any duties utilizing office facilities and/or who have access to office records, shall conform and adhere to the office's personnel policies as described in its personnel manual, the Public Information Act, Chapter 552 of the Government Code and all other applicable laws of the State of Texas governing state employees.

Sec. 256.10. INDEPENDENT CONTRACTORS. The Executive Director may, from time to time, employ independent contractors, including investigators and auditors, to perform services prescribed by the [Board Executive Committee](#). The basis for compensation of independent contractors shall be stated in the contract of employment.

Sec. 256.11. CONFIDENTIALITY. Members of the [Board Executive Committee](#), the Executive Director, members of the office staff, and independent contractors retained by the [Board Executive Committee](#) shall not disclose any confidential information, which comes to their attention, except as may be required by law.

Sec. 256.12. DUTIES OF THE EXECUTIVE DIRECTOR.

(a) The Executive Director serves at the will of the [Board Executive Committee](#).

(b) The Executive Director may hire staff within the guidelines established by the [Board Executive Committee](#).

(c) The Executive Director ~~reports~~ will report to the [Board Executive Committee](#) and ~~keeps~~ keep it advised of the activities and responsibilities of the agency.

(d) The Executive Director ~~is~~ will be responsible for the day-to-day operations of the agency.

Sec. 256.13. INVALID PORTIONS. If any subcategory, section, subsection, sentence, clause, or phrase of these of these sections is for any reason held invalid, such decision shall not affect the validity of the remaining portions of these sections. The [Board Executive Committee](#) hereby declares that it would have adopted these subcategories, sections, subsections, sentences, clauses or phrases thereof irrespective of the fact that any one of more subcategories, sections, subsections, sentences, clauses or phrases be declared invalid.

Sec. 256.14. ACTIONS REQUIRING [BOARD EXECUTIVE COMMITTEE](#) APPROVAL.

(a) The following reports are subject to approval, adoption or ratification by the [Board Executive Committee](#) during a meeting of the [Board Executive Committee](#)

conducted pursuant to applicable state law:

- Code;
- (1) The Strategic Plan required by Chapter 2056 of the Government Code;
 - (2) Pursuant to §487.056 of the Government Code, the biennial report to the legislature regarding the activities of the office;
 - (3) Pursuant to §487.558 of the Government Code, the status of the permanent endowment fund for the rural communities health care investment program;
 - (4) Pursuant to §487.057 of the Government Code, the Rural Health Work Plan;
 - (5) The legislative appropriation request to the Governor's Office of Budget and Planning and the Legislative Budget Board;
 - (6) Proposed legislative changes [as time allows](#);
 - (7) The annual Biennial Operating Plan, Budget and Financial Report;
- and
- (8) The Consolidated State Plan and One-Year Action Plan pursuant to 24 Code of Federal Regulations §570.485.

(b) [The Board may delegate final approval of a document listed in Subsection \(a\)\(1\)-\(8\) to the Executive Director during a meeting of the Board conducted pursuant to applicable state law.](#)

~~(c)~~ Pursuant to §487.052 of the Government Code the [Board Executive Committee](#) has the exclusive authority to adopt rules for the implementation of the statutory responsibilities of the office.

~~(d)~~ The appointment or removal of the office's internal auditor is conducted by the [Board Executive Committee](#).

Sec. 256.15. PUBLIC HEARINGS.

(a) Public hearings may be conducted by the [Board Executive Committee](#) or by the Executive Director and office staff.

(b) At least one public hearing will be conducted annually to receive public comments from interested persons on the Consolidated Plan or One-Year Action Plan pursuant to 24 Code of Federal Regulations [§ 91.115](#) ~~§580.085~~ and each odd numbered year on the Rural Health Work Plan pursuant to §487.057 of the Government Code.

(c) Notice of the public hearings will be published in the *Texas Register* at least, seven days prior to the scheduled hearing date and mailed written notice will be provided to all interested persons providing a written request to the office to be: on a mailing list to receive notice of office public hearings and to any other persons the office believes to have an interest in the subject matter of the public hearing.

(d) Persons intending to offer comments at the public hearing must register by providing their name, mailing address and the person or organization they are representing.

(e) In order to accommodate all persons intending to comment the [chair](#) ~~presiding officer~~ may restrict the comments to a reasonable time limitation.

(f) Persons with disabilities who plan to attend and/or comment and require reasonable accommodations to observe, access or participate in the proceeding shall make a request for a reasonable accommodation at least two working days prior to the meeting.

(g) A record will be made of the proceedings and therefore all persons presenting comments will be recognized by the [chair](#) ~~presiding officer~~ and must offer their comments from a podium with electronic amplification where available.

(h) The [Board](#) ~~Executive Committee~~ will provide interested persons the opportunity to provide comments during a public comment period in accordance with the [Board's](#) ~~Executive Committee's~~ agenda and the provisions of §§256.1 - 256.15 of this Chapter.

(i) Persons registered to comment will be recognized in an order to be determined by the [chair](#) ~~presiding officer~~. The [chair](#) ~~presiding officer~~ may recognize the commenter's time limitations in assigning the order of appearance.

(j) Written statements in lieu of verbal comments may be submitted. It is preferred that written statements be included with verbal statements.

SUBCHAPTER B. GENERAL POLICIES AND PROCEDURES

Sec. 256.100. DEFINITIONS. The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(a) ADRC—means Alternative Dispute Resolution Coordinator

(b) Attorney General—means the Office of the Attorney General of Texas

(c) Board—means the board of directors of the Office of Rural Community Affairs

(d) Debtor—means any person or entity liable or potentially liable for an obligation owed to the Office or against whom a claim or demand for payment has been made.

(e) Delinquent—means payment is past due by law or by customary business practice, and all conditions precedent to payment have occurred or been performed.

(f) Entity—means an entity includes, but is not limited to, a person, individual, grantee, awardee, contractor, assignee, agent, consultant, corporation, organization, association, business trust, estate trust, partnership, individual proprietorship, government, or government subdivision or any other legal entity.

(g) Make demand—means to deliver or cause to be delivered by United States mail, first class, a writing setting forth the nature and amount of the obligation owed to the Office. A writing making demand is a "demand letter."

(h) Obligation—means a debt, judgment, claim, account, fee, fine, tax, penalty, interest, loan, charge, or grant.

(i) Office—means the Office of Rural Community Affairs.

(j) Security—Any right to have property owned by an entity with an obligation to the Office or the State of Texas sold or forfeited in satisfaction of the obligation; and any instrument granting a cause of action in favor of the Office or the State of Texas and/or the Office against another entity and/or that entity's property, such as a bond, letter of credit, or other collateral that has been pledged to the Office to secure an obligation.

Sec. 256.200. NEGOTIATED RULEMAKING.

(a) Policy. In accordance with Section 487.032, Texas Government Code, it is the policy of the Office to encourage the use of negotiated rulemaking when appropriate to assist the agency in the adoption of rules and to adopt procedures for its use that are in compliance with those required by Texas Government Code, Chapter 2008.

(b) Decision to Engage in Negotiated Rulemaking. The Executive Director, in consultation with the Board, may determine to "propose to engage" in negotiated rulemaking. If so, the Executive Director appoints a convener to assist the agency in determining whether it is advisable to proceed. The convener is an agency employee without a financial or other interest in the outcome of the rulemaking process that would interfere with their ability to be impartial and unbiased.

(1) The convener identifies individuals who are likely to be affected by the proposed rule, including those who oppose the issuance of a rule. The convener discusses the following with those individuals or their representatives:

(A) whether they are willing to participate in negotiated rulemaking;

(B) whether the agency should engage in negotiated rulemaking to develop the proposed rule;

(C) which issues that a negotiated rulemaking committee should address; and

(D) whether there are other individuals the convener needs to identify who may be affected by the proposed rule.

(2) The convener then prepares a report to the Executive Director with a recommendation as to whether negotiated rulemaking is a feasible method to develop the proposed rule. The report includes all relevant considerations, including:

(A) the number of identifiable interests that would be significantly affected by the proposed rule;

(B) the probability that those interests would be adequately represented in a negotiated rulemaking;

(C) the probable willingness and authority of the representatives of affected interests to negotiate in good faith;

(D) the probability that a negotiated rulemaking committee would reach a unanimous or a suitable general consensus on the proposed rule;

(E) the probability that negotiated rulemaking will not unreasonably delay notice and eventual adoption of the proposed rule;

(F) the adequacy of agency and citizen resources to participate in negotiated rulemaking;

(G) the probability that the negotiated rulemaking committee will provide a balanced representation between public and regulated interests; and

(H) the willingness of the agency to accept the consensus of a negotiated rulemaking committee as the basis for the proposed rule.

(3) After receipt of the convener's report, the Executive Director determines whether to proceed or not to proceed with negotiated rulemaking as a method for rule development. If the decision is to proceed with negotiated rulemaking, a notice of intent to do so is made.

(c) Notice of Intent to Engage in Negotiated Rulemaking. The Executive Director assigns the convener to assure that notice of the agency's intent to engage in negotiated rulemaking is published on the Office website and is filed with the Secretary of State for publication in the Texas Register.

(1) The notice includes the following:

(A) a statement that the agency intends to engage in negotiated rulemaking;

(B) a description of the subject and scope of the rule to be developed;

(C) a description of the known issues to be considered in developing the rule;

(D) a list of the interests that are likely to be affected by the proposed rule;

(E) a list of the individuals the agency proposes to appoint to the negotiated rulemaking committee to represent the agency and affected interests;

(F) a request for comments on the proposal to engage in negotiated rulemaking and on the proposed membership of the negotiated rulemaking committee; and

(G) a description of the procedure through which a person who will be significantly affected by the proposed rule may, before the agency establishes the negotiated rulemaking committee, apply to the agency for membership on the committee or nominate another to represent the person's interests on the committee.

(2) The convener collects all comments received and prepares a report to the Executive Director. After consideration of comments received, the Executive Director determines whether to proceed or not to proceed with negotiated rulemaking. If the decision is to proceed then the Executive Director appoints the negotiated rulemaking committee and assigns staff to provide administrative support.

(d) Negotiated Rulemaking Committee and Facilitator Appointments.

(1) The Executive Director appoints agency staff who are knowledgeable of the subject and issues related to the rule and individuals to represent the interests identified by the agency that are likely to be affected by the proposed rule. Appointments are made with consideration given to an appropriate balance between representatives of affected interests.

(2) The Executive Director assigns the Alternative Dispute Resolution Coordinator to select one or more individuals qualified to serve as facilitator. The ADRC provides information to the committee regarding the qualifications and duties of the facilitator and obtains the approval of the committee for a qualified individual to serve. When the committee approves an individual to act as facilitator, the Executive Director appoints the individual to that position.

(e) Duties of the Facilitator and Committee.

(1) The facilitator presides over the meetings of the committee and is responsible to:

(A) establish procedures for conducting negotiations;

(B) discuss, negotiate, mediate, and employ other appropriate alternative dispute resolution processes to arrive at a consensus on the proposed rule, as defined by the committee; and

(C) encourage the members of the committee to reach a consensus but may not compel or coerce the members to do so.

(2) At the conclusion of the negotiations, the committee sends a written report to the Executive Director that:

(A) contains the text of the proposed rule, if the committee reached a consensus on the proposed rule; or

(B) specifies the issues on the committee reached consensus, the issues that remain unsolved, and any other information, recommendations, or materials that the committee considers important, if the committee did not reach a consensus on the proposed rule.

(f) Rule Adoption. The Executive Director reviews the report of the negotiated rulemaking committee and determines if the rule must be published as a notice of proposed rule. If so, the Executive Director assigns staff to post the report on the Office website to publish a notice of proposed rule. The notice includes a statement that:

(1) negotiated rulemaking was used in developing the proposed rule; and

(2) the report of the negotiated rulemaking committee is public information and is available to the public on the Office website.

(g) Costs. The costs of facilitator services and support for the negotiated rulemaking committee are the responsibility of the Office. Expenses of committee members incurred as a member of the negotiated rulemaking committee are the responsibility of the member unless the Executive Director determines that an exception shall be made as provided for in Texas Government Code, Section 2008.003(b).

Sec. 256.300. ALTERNATIVE DISPUTE RESOLUTION.

(a) Policy. In accordance with Section 2306.082(b), Texas Government Code, it is the policy of the Office to pursue fair and prompt resolution of disputes that are under the agency's jurisdiction and to encourage the use of appropriate alternative dispute resolution procedures described under Texas Government Code, Chapter 2009. Agency procedures must conform, to the extent possible, with the model guidelines issued by the State Office of Administrative Hearings.

(b) Limitations. Procedures adopted pursuant to this section do not limit access to other administrative or legal remedies available to the Office for the resolution of disputes. ADR is intended to be used as a possible option in an effort to avoid the need for litigation and in cases where other procedures for resolution do not exist. ADR will not be used to resolve disputes in agency programs arising from contract awards, employee complaints or grievances, or for issues in which the Board exercises final decision making authority. Procedures will not be applied in a manner that denies a person a right granted under state or federal law.

(c) ADR processes that may be used include:

(1) Mediation, in which an impartial third-party facilitates a resolution to the dispute.

(2) Negotiated Rulemaking, in which a neutral facilitator promotes a consensus among representatives of those whose interests will be affected by a rule.

(3) Informal Exchange, in which ORCA staff meet with various parties to give or obtain information or to clarify issues. This may be done through meetings with individuals or groups.

(d) ADR Coordinator.

(1) The Executive Director designates a trained person to act as the agency Alternative Dispute Resolution Coordinator. The ADR Coordinator should have completed the minimum training required for an "Impartial Third Party" as set forth in Sec. 154.052 of the Texas Alternative Dispute Resolution Procedures Act, Tex. Civ. Prac. & Rem. Code.

(2) The ADR Coordinator shall:

(A) Maintain necessary agency records while maintaining the confidentiality of participants.

(B) Establish a method of choosing third-party neutrals that possess the minimum qualifications described in Sec. 154.052 of the Texas Alternative Dispute Resolution Procedures Act, Tex. Civ. Prac. & Rem. Code.

(C) Require third-party neutrals to adhere to Standards and Duties as set forth in Sec. 154.053 of the Texas Alternative Dispute Resolution Procedures Act, Tex. Civ. Prac. & Rem. Code.

(D) Serve as a resource for any training needed to implement this policy.

(E) Collect data concerning the effectiveness of agency procedures.

(F) Receive requests for ADR and assist the parties in determining if ADR is appropriate for the dispute and in selecting the appropriate process.

(G) As assigned by the Executive Director, assist the negotiated rulemaking committee in the selection of a qualified facilitator and inform the committee of the qualifications and duties of the facilitator.

(e) Requesting ADR.

(1) ADR may be requested by any party to a dispute. The request must be in writing to the ADR Coordinator with a copy provided to each of the parties involved and include the following:

- (A) A statement of the nature of the dispute.
- (B) A list of the parties involved.
- (C) Any pertinent deadlines.
- (D) Whether or not all parties agree to ADR.
- (E) Proposed times and location.
- (F) The preferred type of ADR process.

(2) The ADR Coordinator reviews the request and assists the parties in determining if ADR is appropriate, and if so, the type of ADR process to use. All parties to the dispute must agree that ADR is appropriate and on the type of ADR process to use in order to proceed under this policy.

(f) Mediation.

(1) If mediation is the selected ADR process, the ADR Coordinator selects a qualified "Impartial Third-Party" who is acceptable to both parties and arranges for a location and time that is acceptable to both parties. The ADR Coordinator advises the parties of the estimated costs of mediation and obtains the agreement of the parties to equally share those costs. The Executive Director may elect to pay all costs of mediation when it is determined to be in the best interest of the agency to do so. This is an informal process in which the parties to the dispute may directly represent their interest without presence of legal counsel. However, if any one of the parties requests to be represented by legal counsel, all parties must agree and also be represented by legal counsel.

(2) The "Impartial Third-Party" presides over the mediation process and facilitates communication between or among the parties to promote reconciliation, settlement, or understanding between them. Any resolution reached as a result of mediation must be through the voluntary agreement of all parties.

(3) At the close of mediation the facilitator prepares a report to the ADR Coordinator describing the outcome of the mediation process, including any agreement or settlement reached between the parties. Any agreement or settlement reached must be signed by both parties and provided to the ADR Coordinator. The ADR Coordinator collects all documents produced as a result of mediation and maintains the records according to confidentiality requirements and applicable state law including the Public Information Act. The ADR Coordinator provides the Executive Director with a copy of this report.

(g) Informal Exchange.

(1) If informal exchange is the selected ADR process, the ADR Coordinator assists the parties in scheduling a time and location for the exchange(s). At the close of the informal exchange process the ADR Coordinator collects all documents produced as a result of the exchange and maintains the records according to confidentiality requirements and applicable state law.

(2) Any resolution reached as a result of informal exchange must be through the voluntary agreement of all parties. The cost of this process, if any, is shared equally by both parties.

Sec. 256.400. COLLECTIONS.

(a) Policy. The Office determines the liability of each entity responsible for the obligation, whether that liability can be established by rule, statutory or common law. The records of the Office contain and reflect the identity of all entities liable on the

obligation or any part thereof. The procedures of the Office apply to every debtor, subject to reasonable tolerances established by the Office.

(b) Agreements. All agreements to pay or repay the Office for any grants, awards or contracts shall require the grantees, awardees or contractors of the Office to provide the Office with its correct physical address of the obligor's place of business or where applicable, place of residence and telephone number and shall advise the Office within 30 days of any change. The correct and up to date address and telephone number are maintained in the files of the Office. All agreements will provide that all grantees, awardees, and contractors that fail to provide the correct or up to date address and telephone number will be cause for the grantees, awardees or contractors to be in default of their obligation and while in default will be ineligible to receive any payments, grants, awards or contracts. A post office box address shall not be used unless it is impractical to obtain a physical address, or where the post office box address is in addition to a correct physical address maintained on the Office's books and records.

(c) Demand letters.

(1) Demand is made upon every debtor prior to referral of the account to the Attorney General. All demand letters are to be mailed in an envelope bearing the notation "address correction requested." If an address correction is provided by the United States Postal Service, the demand letter should be re-sent to that address prior to the referral procedures described herein.

(2) Prior to referral of the obligation to the Attorney General, the Office:

(A) where practical verifies the debtor's address and telephone number;

(B) transmits no more than two demand letters to the debtor at the debtor's verified address.

(i) The first demand letter is sent no later than 30 days after notification of the debt or the obligation becomes delinquent unless the debt accrued as an obligation of a predecessor agency of the Office or is not otherwise practical.

(ii) Where practical, the final demand letter is sent no sooner than 30 days, but not more than 60 days, after the first demand letter. The final demand letter includes a statement that the debt, if not paid, will be referred to the Attorney General.

(C) verifies that the obligation is not legally uncollectible or is not collectible as a practical matter.

(d) Collection histories. Where practical, the Office maintains individual collection histories of each account in order to document attempted contacts with the debtor, the substance of communications with the debtor, efforts to locate the debtor and his assets, and other information pertinent to collection of the delinquent account.

(e) Bankruptcy. The Office prepares and timely files a proof of claim, when appropriate, in the bankruptcy case of each debtor, subject to reasonable tolerances. Copies of all such proofs of claims filed are sent to the Attorney General upon referral. The Office maintains records of notices of bankruptcy filings, dismissals and discharge orders received from the United States bankruptcy courts to enable the Office to ascertain whether the collection of the claim is subject to the automatic stay provisions of the bankruptcy code or whether the debt has been discharged. The Office seeks the assistance of the Attorney General in bankruptcy collection matters where necessary, including the filing of a notice of appearance and preparation of a proof of claim.

(f) Referrals to the Attorney General.

(1) Limitations. If the obligation is subject to an applicable limitations provision that would prevent suit as a matter of law, the obligation is not be referred unless circumstances indicate that the limitation has been tolled or is otherwise inapplicable.

(2) Corporations. If a corporation has been dissolved; has been in liquidation under Chapter 7 of the United States Bankruptcy Code; has forfeited its corporate privileges or charter; in the case of a foreign corporation, had its certificate of authority revoked; or a city has been unincorporated, the obligation is referred unless circumstances indicate that the account is clearly uncollectible.

(3) Out-of-state debtors. If the debtor is an individual and is located out-of-state, or outside the United States, the matter is not be referred unless a determination is made that the domestication of a Texas judgment in the foreign forum would more likely than not result in collection of the obligation, or that the expenditure of Office funds to retain foreign counsel to domesticate the judgment and proceed with collection attempts is justified.

(4) Deceased debtors. If the debtor is deceased, the Office files a claim in each probate proceeding administering the decedent's estate. If such probate proceeding has concluded and there are no remaining assets of the decedent available for distribution, the delinquent obligation is classified as uncollectible and is not referred to the Attorney General. In cases where a probate administration is pending, or where no administration has been opened, all referred obligations include an explanation of any circumstances indicating that the decedent has assets available to apply toward satisfaction of the obligation.

(5) Not later than the 120th day after the date an obligation becomes delinquent, or as soon as practical, unless the debt accrued as an obligation of a predecessor agency of the Office, the Office reports the uncollected and delinquent obligation to the Attorney General for further collection efforts. The Office does not refer an uncollected debt to the Attorney General when the size of the amount owed is not cost effective for the state to pursue; the Office considers the existence of any security including a co-signor or property with a recorded lien in deciding whether to refer a matter for collection to the Attorney General; the Office considers the likelihood of collection through passive means such as the filing of a lien where applicable prior to referral to the Attorney General; and the Office considers the availability of resources both within the Office and within the Office of the Attorney General to devote to the collection of the obligation prior to referring a matter to the Attorney General for collection.

(h) Procedures for referral to the Attorney General.

(1) The Office explores the exchange of accounts with the Attorney General by computer tape or other electronic data transfer and to discuss any variances as may be appropriate. The Office and the Attorney General may agree upon an exchange of certain minimum account information necessary for collection efforts by the Attorney General.

(2) The Office may refer individual accounts to the Attorney General. Individual accounts referred to the Attorney General include the following:

(A) copies of all correspondence between the Office and the debtor;

(B) a log sheet documenting all attempted contacts with the debtor and the result of such attempts;

(C) a record of all payments made by the debtor and, where practicable, copies of all checks tendered as payment;

(D) any information pertaining to the debtor's residence and his assets; and

(E) copies of any application, security, final orders, contracts, grants, or instrument giving rise to the obligation.

(3) Delinquent accounts upon which a bond or other security is held are referred to the Attorney General no later than 60 days after becoming delinquent or as soon as practical. All such accounts where the principal has filed for relief under federal bankruptcy laws are referred immediately, since collection of the security may obviate the need to file a claim or to appear in the bankruptcy case.

Sec. 256.500. APPEALS PROCESS TO AWARD OF CONTRACT.

(a) Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a contract may formally protest to the Office of Rural Community Affairs, hereinafter referred to as the Office. Such protests must be in writing and received in the executive director's office within 10 working days after such aggrieved person knows, or should have known, of the occurrence of the action which is protested. Formal protests must conform to the requirements of this subsection and subsection (c) of this section, and shall be resolved in accordance with the procedure set forth in subsections (d) and (e) of this section. Copies of the protest must be mailed or delivered by the protesting party to the Office and other interested parties. For the purposes of this section, "interested parties" means all vendors who have submitted bids or proposals for the contract involved. This process does not apply to funds awarded pursuant to Chapter 255 of this title.

(b) In the event of a timely protest or appeal under this section, the Office shall not proceed further with the solicitation or with the award of the contract unless the executive director, makes a written determination that the award of the contract without delay is necessary to protect the best interests of the state.

(c) A formal protest must be sworn and contain:

(1) a specific identification of the statutory or regulatory provision(s) that the action complained of is alleged to have violated;

(2) a specific description of each act alleged to have violated the statutory or regulatory provision(s) identified in paragraph (1) of this subsection;

(3) a precise statement of the relevant facts;

(4) an identification of the issue or issues to be resolved;

(5) argument and authorities in support of the protest; and

(6) a statement that copies of the protest have been mailed or delivered to the Office and other identifiable interested parties.

(d) The staff of the Office, hereinafter referred to as the staff, shall have the authority, prior to appeal to the executive director, to settle and resolve the dispute concerning the solicitation or award of a contract. The staff may solicit written responses to the protest from other interested parties.

(e) If the protest is not resolved by mutual agreement, the staff will issue a written determination on the protest.

(1) If the staff determines that no violation of rules or statutes has occurred, it shall so inform the protesting party, and other interested parties by letter that sets forth the reasons for the determination.

(2) If the staff determines that a violation of the rules or statutes has occurred in a case where a contract has not been awarded, it shall so inform the protesting party, and other interested parties by letter which sets forth the reasons for the determination and the appropriate remedial action.

(3) If the staff determines that a violation of the rules or statutes has occurred in a case where a contract has been awarded, it shall so inform the protesting party, and other interested parties by letter which sets forth the reasons for the determination, which may include ordering the contract to be voided.

(f) The staff's determination on a protest may be appealed by the protesting party to the executive director. An appeal of the staff's determination must be in writing and must be received in the executive director's office no later than 10 working days after the date of the staff's determination. The appeal shall be limited to review of the staff's determination. Copies of the appeal must be mailed or delivered by the protesting party to the other interested parties and must contain a certified statement that such copies have been provided.

(g) The executive director may confer with the general counsel in the review of the matter appealed. The executive director may, in his/her discretion, refer the matter to the Board for its consideration at a regularly scheduled open meeting or issue a written decision on the protest.

(h) When a protest has been appealed to the executive director under subsection (f) of this section and has been referred to the Board by the executive director under subsection (g) of this section, the following requirements shall apply:

(1) Copies of the appeal and responses of interested parties, if any, shall be mailed to the Board.

(2) All interested parties who wish to make an oral presentation at the open meeting are requested to notify the general counsel at least 48 hours in advance of the open meeting.

(3) The Board may consider oral presentations and written documents presented by staff and interested parties. The chairman shall set the order and amount of time allowed for presentations.

(4) The Board's determination of the appeal shall be by duly adopted resolution reflected in the minutes of the open meeting, and shall be final.

(i) Unless good cause for delay is shown or the Board determines that a protest or appeal raises issues significant to procurement practices or procedures, a protest or appeal that is not filed timely will not be considered.

(j) A decision issued either by the Board in open meeting, or in writing by the executive director, shall be the final administrative action of the Office.

SUMMARY

Follow up on an Internal Audit Related to Contract Management

Presented by Charlie Stone*

DISCUSSION

In July 2005, the internal auditor performed an audit of the contract management activities within the agency. In a follow up audit in 2008 three of the recommendations had been implemented, two were in progress or partially implemented. While the report focuses on the contract management activities of CDBG, Rural Health and Compliance Divisions the responsibility for ensuring that an effective, appropriate and timely response rests with me. While we have not fully implemented responses to the recommendations of the internal auditor, their recommendations are important. It is my goal to develop additional reports that will give management the information needed to more effectively monitor and track contracts.

I have recognized the need for increasing the management and staff oversight of ORCA contracts and one long term goal in this regard is to implement the Rural Grants Management System (RGMS). This system, which is in the early development stages, will be an effective management tool that will be used on a day to day basis instead of relying on past tense reports to gather data and information. Hopefully RGMS will be able to be implemented by the fall of 2009.

In the meantime, additional reports will be developed and produced from our current ORACLE database that will be responsive to the recommendations of the internal auditor. These reports will focus on but will not be limited to the following areas: open contracts, program area, number of extensions, number of amendments, age, report submission, consultants, number of closeouts and other critical areas.

RECOMMENDATION

No action needed. For information only.

RURAL DEFINITION

N/A for this agenda item.

***Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704 or cstone@orca.state.tx.us**

**A Follow-Up Internal Audit Report
of Contract Management Division of
Office Rural Community Affairs**

May 30, 2008

Dear Board of Directors and Management of
The Office of Rural Community Affairs:

PMB Helin Donovan reviewed the implementation status of the recommendations from the internal audit performed on the operations of the Contract Management Division of the Office of Rural Community Affairs (ORCA) dated July 1, 2005. Our report made 10 recommendations to improve the framework to manage and report the contract management activity. As of May 30, 2008, ORCA has implemented 3 of the 10 recommendations, partially implemented 1 recommendation, in progress of implementing 1 recommendation, and have not implemented 5 of the 10 recommendations. Schedule A provides the status of the implementation of each of our recommendations.

Methodology

Our methodology consisted of conducting interviews, obtaining and analyzing documentation, performing selected tests and other procedures, and analyzing and evaluating the results of the procedures performed.

- Discussed the audit issues and the implementations of the audit recommendations
- Documented the status of implementing recommendations.

Other Information

Our internal audit procedures were conducted in accordance with generally accepted government auditing standards and the Standards for the Professional Practice of Internal Auditing.

Schedule A

Recommendation	Implementation Status	Auditor Comments
ORCA should periodically obtain, review, and reconcile reports from the Texas Department of Agriculture and to ORCA's records.	Partially Implemented	ORCA is obtaining and reviewing various reports from the Texas Department of Agriculture. However, there is not a documented reconciliation between the two systems.
ORCA should reconcile the disbursement activity between IDIS, the Oracle system, and ORCA's accounting system (MIP). The drawing of funds would be included in this reconciliation.	In Progress	ORCA is reconciling IDIS and the Oracle system. Although the reconciliation between IDIS and MIP Accounting System has been developed, ORCA is in the process of implementing the reconciliation.
ORCA should establish a process to capture and report the total population of projects containing a program income clause.	Implemented	ORCA has established a process to capture and report the total population of projects containing a program income clause.
ORCA should develop standard reports to be monitored and used by executive management and the Board in order to manage open projects.	Not Implemented	ORCA has developed reports that are voluminous and contain basic information. We recommend ORCA develop and implement periodic management reports containing condensed, concise and comprehensive information.
ORCA should include a standardized checklist in all project files to provide documentation of the requirements and existence of the necessary documents and also promote consistency in the structure of the files.	Implemented	ORCA has implemented a checklist for all project files.
ORCA's Rural Health Division should develop a report of all open projects regardless of their status.	Not Implemented	ORCA has not planned or developed the process to produce a consistent report for open contracts.

Recommendation	Implementation Status	Auditor Comments
<p>ORCA's Rural Health Division should keep better track of the beneficiary of the grant by requiring a periodic report from the beneficiary representing compliance with the contractual agreement.</p>	<p>Not Implemented</p>	<p>Although ORCA had not addressed this issue, a form was developed during the follow-up audit and will be implemented immediately pursuant to a discussion with the Director.</p>
<p>ORCA's Compliance Division should develop reports that represent the overall monitoring activity for the reporting period.</p>	<p>Not Implemented</p>	<p>ORCA has prepared some reports that are voluminous and contain basic information. We recommend ORCA develop and implement periodic management reports containing condensed, concise and comprehensive information.</p>
<p>ORCA's Compliance Division should enhance the file documentation of the disbursement of funds and the progress of the monitoring projects.</p>	<p>Implemented</p>	<p>ORCA has enhanced the file documentation of the disbursement of funds and the progress of monitoring projects.</p>
<p>ORCA should develop and implement a risk assessment to be used in determining and scheduling on-site monitoring visits of projects.</p>	<p>Implemented</p>	<p>ORCA has implemented additional criteria to assess the risks associated with open projects.</p>

SUMMARY

Selection of an Internal Auditor

Presented by David Alders*

DISCUSSION

In the June 12-13 ORCA Governing Board meeting, the board authorized the Executive Director to proceed with a Request for Proposal (RFP #357-8RFP-0003) to obtain Internal Audit services for fiscal year 2009. This RFP is necessary because our current contract with PMB Helin Donovan ends this August 31, 2008.

Under the authority of the Texas Government Code, Section 2156, ORCA solicited proposals from qualified entities to provide internal auditing services as described in the Texas Internal Auditing Act, Chapter 2102, Texas Government Code.

The agency received four proposals from qualified vendors and staff evaluated and scored the proposals for the best combination of price and quality. The results have been forwarded to the Chair of the Audit Committee. The Board has the option of [1] accepting the evaluation and scoring results of staff, [2] participating in the evaluation and scoring, or [3] rejecting the results and direct staff to modify the RFP and re-solicit proposals.

RECOMMENDATION

The internal audit committee will be meeting at 10:00 AM prior to the regular Board meeting and will bring a recommendation to the full Board for consideration. The internal auditor works directly for the Board and not for the Executive Director or staff.

RURAL DEFINITION

N/A for this agenda item.

***Should a Board member have questions concerning this agenda item, please contact David Alders at 936-569-1284 or dalders@hughes.net.**

SUMMARY
Rural Foundation
Presented by Charlie Stone*

DISCUSSION

The Board authorized staff at the last Board meeting to review the two outside proposals received from vendors interested in assisting the Board with matters related to the Texas Rural Foundation. The purpose of the RFP was to find a vendor that would be able to help organize a focused, dedicated effort to assist the ORCA Board with the selection, appointment, organization of a new TRF Board. Mr. David Alders asked that the cost stay close to the amount of \$12,000.

Greenlights was the successful vendor and has been retained by the agency to proceed with the review and recommendations for TRF. The assigned staff for this project is Katy Bourgeois and she will be at the meeting on Friday morning to give an initial report to the Board.

RECOMMENDATION

For information only – no action needed.

RURAL DEFINITION

N/A for this agenda item.

***Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704, or cstone@orca.state.tx.us.**

SUMMARY
Review of the Action Plan
Related to the Use of
Disaster Funds for Hazard Mitigation
Presented by Charlie Stone*

DISCUSSION

Wichita County suffered a flood disaster and applied to ORCA under our disaster funds for assistance to buy out three homes that were flooded. ORCA staff discovered that two of the homes were purchased by the current owners after they were mapped in a flood zone. It is our understanding that the owners were fully aware of the flood zone and that they had purchased flood insurance prior to the flood. The homeowners have received an insurance settlement and are requesting funds through FEMA's Hazard Mitigation Grant Program (HMGP) to buy out their property. The funding request submitted to ORCA was for the 25% match required by the HMGP program.

The agency took Wichita County's disaster application to the State Review committee on Friday July 18 and recommended only awarding \$160,556 to buy and demolish one of the three homes. I asked the SRC to preapprove the remaining balance requested by Wichita County (\$189,444) pending review of the Action Plan by the ORCA Board. The SRC voted not to preapprove the additional amount.

Subsequent to that action the agency received a letter from Senator Craig Estes requesting that the ORCA Board review and reconsider its current policy related to this matter.

The language in the Action Plan is as follows:

“Under Disaster Relief, funds will not be provided under FEMA's Hazard Mitigation Grant Program unless ORCA receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.”

This topic was first considered at an ORCA Executive Committee meeting in June 2003 and this language was offered for public comment twice in the summer and fall of 2003 and was adopted and placed in the 2004 Action Plan officially on Nov. 20, 2003. This identical language has not changed and has been included in each subsequent Action Plan through 2009.

RECOMMENDATION

The Board will hear testimony from Wichita County Judge Woody Gossom on Friday morning August 8th in opposition to this rule. The Board should take any action it feels appropriate.

RURAL DEFINITION

Cities under 50,000 population and counties under 200,000 population.

***Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704, or cstone@orca.state.tx.us.**



The Senate of The State of Texas

Senator Craig Estes
District 30

July 25, 2008

Mr. Charlie Stone
PO Box 12877
Austin, TX 78711

Subject: Request for Agenda Item

Re: Review of Flood "Buy Out" Policy

Dear Charlie:

I have been made aware that the Executive Board of ORCA has passed a policy restricting the use of CDBG mitigation funds that does not allow for the 25% grant funds to be given to local governments in a "buy out" situation. It appears from the action taken in your June 2003 Board meeting that you established policy that would make anyone purchasing a home within the flood plane ineligible for state approved mitigation funds.

While I do not have the background on your action, Wichita County Judge Woody Gossom has brought this to my attention as it directly impacts two Wichita County residents who had more than 51% flood damage. Judge Gossom had received FEMA approval for the 75% federal "buy out" program and was seeking the state's 25%. Both owners bought their homes in 1996 and were covered by the flood insurance program. No one was aware of your 2003 action.

I would appreciate your allowing review and reconsideration of this policy during the Friday, August 8, 2008, meeting of your board. These families have been in limbo since July 2007.

Sincerely,

Craig Estes

RECEIVED

JUL 28 2008

OFFICE OF RURAL
COMMUNITY AFFAIRS

CAPITOL OFFICE:
P.O. Box 12068
Austin, Texas 78711
512-463-0130
FAX: 512-463-8874
Dial 711 for Relay Calls

DENTON DISTRICT OFFICE:
4401 North I-35, Suite 202
Denton, Texas 76205
940-898-0331
Fax: 940-898-0926

SHERMAN DISTRICT OFFICE:
1117 Gallagher, Suite 340
Sherman, Texas 75090
903-868-2347
Fax: 903-868-9666

WICHITA FALLS DISTRICT OFFICE:
2716 Commerce St., Suite 101
Wichita Falls, Texas 76301
940-689-0191
Fax: 940-689-0194

SUMMARY

FY 2008 Operating Budget Update

(As of June 30, 2008)

Presented by David Flores

DISCUSSION

Budget Changes

The 2008 Agency Operating Budget has been increased by \$2,750,000 to \$134,145,582. The increase is the result of:

- Community Development staff adding the final \$1,000,000 of the \$4,000,000 authorized by the ORCA Governing Board for Disaster Relief at August 2007 meeting.
- Community Development staff adding \$1,000,000 authorized by the ORCA Governing Board for Disaster Relief purposes at the April 2008 meeting.
- Community Development staff adding \$750,000 of the \$1,000,000 authorized by the ORCA Governing Board for Disaster Relief at the June 2008 meeting.

Pending Budget Items

\$250,000 of the \$1,000,000 authorized by the ORCA Governing Board for Disaster Relief at the June 2008 meeting has not been added to the TxCDBG Fund Balance Report.

Budget Status

Utilization – The Agency Operating Budget schedule shows that ten months (83%) into the year, the:

- **Internal Administration** budget was at 77% expended/obligated
- **External Services** budget was 78% expended/obligated
- **Grants to Communities** budget was 95% expended/obligated

The **Internal Administration** and **External Services** (excluding Rural Physician Relief) percentages are on target with some savings accumulating in the Internal Administration budget due to vacant staff positions. The **Grants to Communities** percentage significantly increased during the last two months as Community Development staff obligated \$50.8 million for Community Development projects in rural Texas.

Disaster Recovery Funds \$74,523,000 - Status

		<u>Budget</u>	<u>Expended</u>	<u>Remaining</u>
ORCA	Grants	\$30,537,574	\$13,107,495	\$17,430,079
	Admin	\$ 1,607,241	\$ 1,076,104	\$ 531,137
	Total	\$32,144,815	\$14,183,599	\$17,961,216
TDHCA	Grants	\$40,259,276	\$10,073,134	\$30,186,141
	Admin	\$ 2,118,909	\$ 1,598,038	\$ 520,871
	Total	\$42,378,185	\$11,671,173	\$30,707,012

Hurricane Recovery Funds \$428,671,849 - Status

		<u>Budget</u>	<u>Expended</u>	<u>Remaining</u>
ORCA	Grants	\$42,000,000	\$ 2,413,899	\$39,586,101
	Admin	\$ 2,100,000	\$ 283,587	\$ 1,816,413
	Total	\$44,100,000	\$ 2,697,486	\$41,402,514
TDHCA	Grants	\$365,238,439	\$16,059,731	\$349,178,708
	Admin	\$ 19,333,410	\$ 2,224,783	\$ 17,108,627
	Total	\$384,571,849	\$18,284,514	\$366,287,335

TxCDBG Fund Balance Report

As of June 30, 2008 the TxCDBG Fund Balance Report shows that \$1,241,807 is available from prior year deobligated contracts and program income.

Additional Items

ORCA Board travel expenditures as of June 30, 2008: \$14,002

Staff travel to ORCA Board Meetings as of June 30, 2008: \$0

Enclosures

FY 2008 Agency Operating Budget

FY 2008 Departmental Budget

TxCDBG Fund Balance Report

RECOMMENDATION

The budget schedules and reports are presented for informational purposes.

***Should any ORCA Board member have any questions concerning this agenda item please contact Mr. Flores at (512) 936-6707 or dflores@orca.state.tx.us**

ORCA FY 2008 Agency Operating Budget Schedule
As of June 30, 2008

ORCA ADMINISTRATION	ORCA Operating Budget	Expended As of 06/30/08	Obligated As of 06/30/08	Amount Remaining 06/30/08	Expended 06/30/08	Expended & Obligated 06/30/08
INTERNAL ADMINISTRATION						
Salaries and Wages	4,434,277	3,528,055	0	906,222	80%	80%
Other Personnel Costs	155,000	110,629	0	44,371	71%	71%
<i>Travel</i>						
In State Travel	372,000	245,449	0	126,551	66%	66%
Out of State Travel	19,980	19,591	0	389	98%	98%
<i>Capital Outlay</i>						
Computer Equipment	0	0	0	0	0%	0%
Other Furniture/Equipment	0	0	0	0	0%	0%
<i>Consumable Supplies</i>	42,625	28,641	5,141	8,844	67%	79%
<i>Utilities</i>	42,625	16,709	5,233	20,683	39%	51%
<i>Rent - Building</i>	37,375	11,008	2,127	24,240	29%	35%
<i>Rent Machine and Other</i>	31,775	22,331	3,691	5,753	70%	82%
<i>Other Operating Expense</i>						
Computer - Expensed	122,627	75,684	3,163	43,780	62%	64%
Furniture & Equipment - Expensed	29,432	22,063	4,884	2,485	75%	92%
Postage	29,432	11,900	6,500	11,032	40%	63%
Other	196,204	113,485	31,135	51,584	58%	74%
Subtotal, Internal Administration	5,513,350	4,205,544	61,873	1,245,935	76%	77%
EXTERNAL SERVICES						
Dept of Agriculture	454,086	0	454,086	0	0%	100%
Dept of Housing & Community Affairs	84,868	35,362	49,506	0	42%	100%
Councils of Government	279,725	94,804	185,345	(424)	34%	100%
Rural Health Physician Relief	166,176	0	0	166,176	0%	0%
Professional/Contracted Services	220,875	22,634	103,343	94,898	10%	57%
Subtotal, External Services	1,205,730	152,799	792,281	260,650	13%	78%
TOTAL, ORCA ADMINISTRATION	6,719,080	4,358,343	854,154	1,506,585	65%	78%
GRANTS TO COMMUNITIES						
TxCDBG Grants	115,990,701	2,749,710	108,915,692	4,325,300	2%	96%
Rural Technology Centers	5,000,000	0	3,500,000	1,500,000	0%	70%
Rural Foundation	7,500	0	0	7,500	0%	0%
SORH Grants (Excluding Tobacco)	4,244,548	2,234,310	1,804,173	206,065	53%	95%
SORH Grants (Tobacco)	2,183,753	716,121	1,452,874	14,758	33%	99%
Subtotal, Grants to Communities	127,426,502	5,700,141	115,672,739	6,053,622	4%	95%
TOTAL, ORCA	134,145,582	10,058,484	116,526,893	7,560,205	7%	94%

CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE 1,241,807

ORCA FY 2008 Departmental Budget Schedule
As of June 30, 2008

ORCA ADMINISTRATION	Community Development	State Office of Rural Health	Compliance	Finance	Executive Director	Proposed Budget
INTERNAL ADMINISTRATION						
Personnel						
Salaries and Wages	2,121,443	326,929	444,934	812,578	728,393	4,434,276
Other Personnel Costs	78,000	14,000	14,000	26,000	23,000	155,000
Travel						
In State Travel	187,200	33,600	43,600	22,400	85,200	372,000
Out of State Travel	6,300	5,980	0	0	7,700	19,980
Capital Outlay						
Computer Equipment	0	0	0	0	0	0
Furniture & Equipment	0	0	0	0	0	0
Consumable Supplies	21,450	3,850	3,850	7,150	6,325	42,625
Utilities	21,450	3,350	3,350	5,150	9,325	42,625
Rent - Building	5,250	24,250	1,250	1,500	5,125	37,375
Rent Machine and Other	15,990	2,870	2,870	5,330	4,715	31,775
Other Operating Expense						
Computer Equipment Expensed	61,698	11,074	11,074	20,566	18,215	107,695
Furniture & Equipment Expensed	14,781	2,653	2,653	4,927	4,418	29,432
Postage	14,781	2,653	2,653	4,927	4,418	29,432
Other	94,209	17,717	17,717	32,903	33,658	196,204
Subtotal, Internal Administration	2,642,552	448,926	547,951	943,431	930,490	5,513,350
EXTERNAL SERVICES						
Dept of Agriculture	454,086					454,086
Dept of Housing & Community Affairs	84,868					84,868
Councils of Government	279,725					279,725
Rural Health Physician Relief		166,176				166,176
Professional/Contracted Services	111,150	19,950	19,950	37,050	32,775	220,875
Subtotal, External Services	929,829	186,126	19,950	37,050	32,775	1,205,730
TOTAL, ORCA ADMINISTRATION	3,572,381	635,052	567,901	980,481	963,265	6,719,080
GRANTS TO COMMUNITIES						
TxCDBG Grants	115,990,701					115,990,701
Rural Technology Centers	5,000,000					5,000,000
Rural Foundation					7,500	7,500
SORH Grants (Excluding Tobacco)		4,244,548				4,244,548
SORH Grants (Tobacco)		2,183,753				2,183,753
Subtotal, Grants to Communities	120,990,701	6,428,301	0	0	7,500	127,426,502
TOTAL, ORCA	124,563,083	7,063,352	567,901	980,481	970,765	134,145,582

TxCDBG Fund Balance Report
As of June 30, 2008

Program Year	Fund Balance	Amount needed to Obligate TCF	Amount needed to Obligate ORCA	Deobligated Funds Available for TxCDBG	Program Income Funds Available for TxCDBG
1993	0.00	0.00	0.00	0.00	\$0.00
1994	187,477.82	0.00	0.00	187,477.82	\$0.00
1995	0.00	0.00	0.00	0.00	\$0.00
1996	77,835.46	0.00	0.00	77,835.46	\$674.67
1997	113,224.88	0.00	0.00	113,224.88	\$0.00
1998	200,052.50	0.00	0.00	200,052.50	\$131,431.47
1999	73,879.04	0.00	0.00	73,879.04	\$10,562.00
2000	288,871.10	0.00	0.00	288,871.10	\$34,554.98
2001	46,974.19	0.00	0.00	46,974.19	\$20,279.87
2002	650,265.91	0.00	0.00	650,265.91	\$0.00
2003	344,208.45	0.00	0.00	344,208.45	\$31,488.29
2004	2,521,042.62	0.00	0.00	2,521,042.62	\$1,441,447.24
2005	686,684.85	0.00	0.00	686,684.85	\$0.00
2006	460,698.45	0.00	0.00	460,698.45	\$2,362,633.02
2007	1,681,191.00	0.00	1,312,517.00	368,674.00	\$2,189,904.31
2008	21,277,339.00	7,910,559.00	13,366,780.00	0.00	\$935,335.38
TOTAL	28,609,745.27	7,910,559.00	14,679,297.00	6,019,889.27	\$7,158,311.23

IDIS AVAILABLE BALANCE		
Deob Available to Obligate	\$6,019,889	
Program Income Funds (Excluding 2% Admin)	\$7,158,311	
Total IDIS Available Balance		\$13,178,201
Reconciliation Adjustments:		
* Deob Pending IDIS Close Out	(\$1,612,556)	
PI Deob Available	\$154,604	
Fund Balance Report Beginning Balance Adj	\$1,176,251	
Total Reconciliation Adjustments		(\$281,702)
ORCA Board Set-Asides:		
Set Aside - PI (Small Business)	(\$150,000)	
Set Aside - Small Business Potential DR	(\$500,000)	
Set Aside - PI (Microenterprise)	(\$607,848)	
STEP Fund	(\$3,277,789)	
**Additional Disaster Relief Fund - Reserve	(\$4,617,923)	
Urgent Need Fund	(\$500,000)	
Urgent Need Potential DR	(\$500,000)	
Additional CD/CDS	(\$290,633)	
Additional CD/CDS Marginal Pool	(\$709,637)	
State Office of Rural Health Project	(\$500,000)	
CSH Deob Reserve	(\$861)	
Total ORCA Board Set-Asides		(\$11,654,691)
CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE		\$1,241,807

* This balance reflects contracts that have been deobligated by ORCA staff in the internal Contract Management System, but not in HUD's Intergrated Disbursement & Information System (IDIS).

** Of the \$4,000,000 approved in the August, 2007 Board meeting for DR-Reserve, the remaining \$1,000,000 has now been added. An additional \$1,000,000 that was approved in the April, 2008 Board meeting has been added. Of the additional \$1,000,000 approved at the June, 2008 Board meeting, \$250,000 is still remaining.

SUMMARY

Proposed FY 2009 Operating Budget

Presented by David Flores

DISCUSSION

The FY 2009 Agency Operating Budget totaling \$81,350,576 is presented for ORCA Governing Board consideration.

The FY 2009 Operating Budget assumes the following:

- The 2009 CDBG annual allocation will be funded at the 2008 level of \$71.7 million.
- The Rural Health general revenue funded programs will be funded at 2008 levels.
- The four existing Rural Health federal grant programs will continue.
- There will be an additional field office in east Texas where the Master Fire Protection program staff will be located and the existing eight field offices will remain open.
- A Rural Grants Management System “Request for Offer” will be awarded and the implementation of a grant system will begin in 2009.
- Continued financial and administrative support for the Rural Foundation.

The FY 2009 Operating Budget includes:

- Funding for 77 staff (76.3 full-time equivalents) which includes 5 staff 100% dedicated to our Hurricane Disaster Relief projects.
- An additional \$1 million in Hurricane Disaster Supplemental administrative funds to continue to manage the Hurricane Disaster Relief grant projects.
- Growth in the salaries line-item of the budget to incorporate the state mandated 2% increase for state employees.
- Funds for our Rural Grants Management System implementation and the first year of subscription license costs, totaling \$99,800.
- The transfer of one position to the Executive Director Division to staff the Master Fire Protection program and \$80,400 in funds from Pineywood Resource Conservation & Development to fund the program.

The FY 2009 Operating Budget does not include:

- Prior year Deobligated and Program Income funds approved by the ORCA Board that have not been obligated. These will be added to the 2009 budget after the 2008 fiscal year is closed.

Enclosures

FY 2009 Agency Operating Budget
FY 2009 Departmental Operating Budget

RECOMMENDATION

Staff recommends approval of the proposed FY 2009 Agency Operating Budget.

***Should any ORCA Board member have any questions concerning this agenda item please contact Mr. Flores at (512) 936-6707 or dflores@orca.state.tx.us**

ORCA FY 2009 Proposed Agency Operating Budget Schedule
As of September 01, 2008

ORCA ADMINISTRATION	ORCA Operating Budget	Expended As of 09/01/08	Obligated As of 09/01/08	Amount Remaining 09/01/08	Expended 09/01/08	Expended & Obligated 09/01/08
INTERNAL ADMINISTRATION						
Salaries and Wages	4,411,508	0	0	4,411,508	0%	0%
Other Personnel Costs	152,600	0	0	152,600	0%	0%
<i>Travel</i>						
In State Travel	381,500	0	0	381,500	0%	0%
Out of State Travel	19,980	0	0	19,980	0%	0%
<i>Capital Outlay</i>						
Computer Equipment	0	0	0	0	0%	0%
Other Furniture/Equipment	0	0	0	0	0%	0%
<i>Consumable Supplies</i>	41,965	0	0	41,965	0%	0%
<i>Utilities</i>	41,965	0	0	41,965	0%	0%
<i>Rent - Building</i>	31,060	0	0	31,060	0%	0%
<i>Rent Machine and Other</i>	36,243	0	0	36,243	0%	0%
<i>Other Operating Expense</i>						
Computer - Expensed	114,450	0	0	114,450	0%	0%
Furniture & Equipment - Expensed	28,613	0	0	28,613	0%	0%
Postage	28,613	0	0	28,613	0%	0%
Other	254,550	0	0	254,550	0%	0%
Subtotal, Internal Administration	5,543,045	0	0	5,543,047	0%	0%
EXTERNAL SERVICES						
Dept of Agriculture	442,781	0	0	442,781	0%	0%
Dept of Housing & Community Affairs	82,755	0	0	82,755	0%	0%
Councils of Government	272,761	0	0	272,761	0%	0%
Rural Health Physician Relief	166,176	0	0	166,176	0%	0%
Professional/Contracted Services	231,490	0	0	231,490	0%	0%
Subtotal, External Services	1,195,963	0	0	1,195,963	0%	0%
TOTAL, ORCA ADMINISTRATION	6,739,008	0	0	6,739,010	0%	0%
GRANTS TO COMMUNITIES						
TxCDBG Grants	69,525,715	0	0	69,525,715	0%	0%
Rural Technology Centers	0	0	0	0	0%	0%
Rural Foundation	7,500	0	0	7,500	0%	0%
SORH Grants (Excluding Tobacco)	2,647,300	0	0	2,647,300	0%	0%
SORH Grants (Tobacco)	2,431,052	0	0	2,431,052	0%	0%
Subtotal, Grants to Communities	74,611,568	0	0	74,611,568	0%	0%
TOTAL, ORCA	81,350,576	0	0	81,350,576	0%	0%

CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE 0

ORCA FY 2009 Proposed Departmental Budget Schedule
As of September 01, 2008

ORCA ADMINISTRATION	Community Development	Rural Health Compliance	Finance	Executive Director	Proposed Budget
INTERNAL ADMINISTRATION					
Personnel					
Salaries and Wages	2,061,448	787,300	829,214	733,546	4,411,508
Other Personnel Costs	73,600	28,000	26,000	25,000	152,600
Travel					
In State Travel	204,000	70,000	25,000	82,500	381,500
Out of State Travel	6,000	5,780	1,200	7,000	19,980
Capital Outlay					
Computer Equipment	0	0	0	0	0
Furniture & Equipment	0	0	0	0	0
Consumable Supplies	20,240	7,700	7,150	6,875	41,965
Utilities	20,240	7,700	7,150	6,875	41,965
Rent - Building	7,360	18,600	2,600	2,500	31,060
Rent Machine and Other	17,480	6,650	6,175	5,938	36,243
Other Operating Expense					
Computer Equipment Expensed	55,200	21,000	19,500	18,750	114,450
Furniture & Equipment Expensed	13,800	5,250	4,875	4,688	28,613
Postage	13,800	5,250	4,875	4,688	28,613
Other	155,800	35,000	32,500	31,250	254,550
Subtotal, Internal Administration	2,648,968	998,230	966,239	929,609	5,543,045
EXTERNAL SERVICES					
Dept of Agriculture	442,781				442,781
Dept of Housing & Community Affairs	82,755				82,755
Councils of Government	272,761				272,761
Rural Health Physician Relief		166,176			166,176
Professional/Contracted Services	120,640	52,200	29,900	28,750	231,490
Subtotal, External Services	918,937	218,376	29,900	28,750	1,195,963
TOTAL, ORCA ADMINISTRATION	3,567,905	1,216,606	996,139	958,359	6,739,008
GRANTS TO COMMUNITIES					
TxCDBG Grants	69,525,715				69,525,715
Rural Technology Centers	0				0
Rural Foundation				7,500	7,500
SORH Grants (Excluding Tobacco)		2,647,300			2,647,300
SORH Grants (Tobacco)		2,431,052			2,431,052
Subtotal, Grants to Communities	69,525,715	5,078,352	0	7,500	74,611,567
TOTAL, ORCA	73,093,620	6,294,958	996,139	965,859	81,350,576

SUMMARY

Rural Health Demonstration Project using TxCDBG Funds

Presented by Theresa Cruz *

DISCUSSION

The State Office of Rural Health Division and the Texas Community Development Division of ORCA have collaborated to provide for the use of \$500,000 of do-obligated TxCDBG funds for a Rural Health Pilot Project. The Executive Committee voted to approve the proposed use of de-obligated TxCDBG funds for a Rural Health Project at the February 2008 meeting.

The Rural Health Pilot Project program guidance and application have been finalized and are now posted on the ORCA website. References in the draft copy of the guidance to TxCDBG work examples were removed and substitute examples pertaining to rural health projects were inserted. The scoring criteria were also adjusted to better address areas that more closely align with the rural health community. The application was developed as an automated process using an interactive tool for calculations and certain scoring criteria. Based on the criteria entered, some of the scores will be automatically calculated. Coordination between TxCDBG staff and rural health staff will be ongoing during the application process, and the scoring process. The project has an October 16th submission deadline.

RECOMMENDATION

This Summary has been submitted for informational purposes. No action is required.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

***Should an Executive Committee member have questions concerning this agenda item, please contact Theresa Cruz at 512-936-6719. (tcruz@orca.state.tx.us)**



OFFICE * OF * RURAL
COMMUNITY * AFFAIRS

Where rural Texas comes first.

**Texas Community Development Block Grant Program
Texas State Office of Rural Health**

2008

Rural Health Demonstration Pilot Project



TABLE OF CONTENTS

PROGRAM GOALS	4
APPLICATION DEADLINE AND SUBMITTAL REQUIREMENTS	4
GENERAL INFORMATION	5
INTRODUCTION.....	5
AUTHORITY	5
2008 ACTION PLAN	5
NATIONAL PROGRAM OBJECTIVES.....	5
ELIGIBLE APPLICANTS	5
CITIZEN PARTICIPATION REQUIREMENTS.....	6
LOCAL CERTIFICATIONS	8
MINORITY PARTICIPATION.....	9
PROJECT LENGTH.....	9
SELECTION AND REVIEW PROCESS.....	9
SCORING CRITERIA.....	10
COSTS INCURRED PRIOR TO EXECUTED CONTRACT	123
RIGHT TO AMEND OR WITHDRAW	12
FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)	12
CONFLICT OF INTEREST.....	12
FALSE INFORMATION.....	13
FINANCIAL AND ADMINISTRATIVE RESPONSIBILITIES	13
ELIGIBLE ACTIVITIES	13
INELIGIBLE ACTIVITIES	13
USE OF 2000 CENSUS DATA TO DETERMINE LOW-TO-MODERATE INCOME BENEFIT	14
TXCDBG SURVEY METHODOLOGY	16
APPLICATION INSTRUCTIONS	16
COVER SHEET	16
424 FORM	16
PROJECT APPROVAL INFORMATION	17
LIST OF ALL IDENTIFIED COMMUNITY NEEDS	17
THE NEEDS ADDRESSED IN THIS APPLICATION WERE DETERMINED BY	179
PROJECT SUMMARY	18
TABLE 1 – BENEFIT TO LOW-AND-MODERATE INCOME BENEFICIARIES	18
PROJECT BENEFICIARY INFORMATION.....	20
TABLE 2 – BUDGET JUSTIFICATION	21
PROJECT LOCATION FORM	22
NATIONAL PROGRAM OBJECTIVES	22
OBJECTIVES AND OUTCOMES	23
ANTICIPATED OUTCOME UNITS	23
ADDITIONAL ACTIVITY INFORMATION	23
APPLICANT DISCLOSURE / UPDATE REPORT	24
RURAL HEALTH QUESTIONNAIRE	26
RESOLUTIONS.....	26
<i>Sample Resolution.....</i>	<i>29</i>

PUBLISHED NOTICES OF PUBLIC HEARING AND APPLICATION ACTIVITIES290
 Sample Public Hearing Notice and Application Activities Notice 31
PROJECT MAPS31
LETTERS OF COMMITMENT (IF APPLICABLE)32
ACCEPTABILITY OF MATCH33

PROGRAM GOALS

Rural Health is an essential focus of the Office of Rural Community Affairs (ORCA). The purpose of this Rural Health Demonstration Pilot Project is to use Texas Community Development Block Grant funds to increase access to healthcare in rural areas of Texas, supplementing the programs offered by the State Office of Rural Health Division.

APPLICATION DEADLINE AND SUBMITTAL REQUIREMENTS

The application for the 2008 Texas Community Development Block Grant (TxCDBG) / State Office of Rural Health (SORH) Rural Health Demonstration Pilot Project (RHDPP) Fund is available on the agency website at www.orca.state.tx.us.

The application deadline for the RHDPP Fund is 5:00 p.m. on Thursday, October 16, 2008. Delivery of the applications must be in accordance with the following guidelines:

- If the application is hand-delivered to the office of the Office of Rural Community Affairs, the application must be delivered by 5:00 p.m. on October 16, 2008.
- Applications, if mailed, must be postmarked no later than midnight on October 16, 2008 and received at the Office of Rural Community Affairs within three (3) calendar days of the October 16, 2008 deadline.
- Applications, sent through carriers such as Federal Express, Airborne, etc., must be received by the carrier no later than midnight on October 16, 2008 and received at the Office of Rural Community Affairs no later than Friday, October 17, 2008.
- Two signed and completed copies (one with original signatures and one copy of the original) of the application must be sent or hand-delivered to the Office of Rural Community Affairs.

Applications are to be delivered to:

Office of Rural Community Affairs / State Office of Rural Health
Rural Health Demonstration Pilot Project
Mailing Address: Post Office Box 12877, Capitol Station
Austin, Texas 78711
Street Address: 1700 N. Congress, Suite 220 - Austin, Texas 78701
Telephone Number: 512-936-6701
Fax Number: 512-936-6776

Any application that is incomplete, does not meet program requirements, or is received after the deadline is subject to disqualification. Applications that lack information needed by ORCA staff to make a determination concerning the eligibility of the activity (e.g., data on low-to-moderate income benefits) or compliance with TxCDBG and Federal program requirements (e.g., citizen participation requirements) will automatically be disqualified. While the TxCDBG strongly encourages the submission of complete applications that include all of the forms and information shown on the checklist of each application, a substantially complete application must include all of the following information:

- A completed 424 Form signed with an original signature.
- A completed Application (All Sections)
 - A completed Table 1 – Benefit to Low-to-Moderate Income Persons
 - A completed Table 2 – Budget Justification (If Applicable)
- A passed/adopted Local Government Resolution authorizing submission of the application
- Information showing compliance with the TxCDBG Citizen Participation Plan (At a minimum the Public Hearing Notice)

Any application submitted without all of the application forms and documents listed here will be disqualified.

Applications, questions concerning the fund category included in this application package, requests for more information, or copies of the application forms and instructions for the other available TxCDBG fund categories should be directed to:

Office of Rural Community Affairs / State Office of Rural Health
Rural Health Demonstration Pilot Project

Mailing Address: Post Office Box 12877, Capitol Station
Austin, Texas 78711
Street Address: 1700 N. Congress, Suite 220 - Austin, Texas 78701
Telephone Number: 512-936-6701
Fax Number: 512-936-6776

Specific questions regarding this fund may be directed to David Darnell with the State Office of Rural Health at 512-936-6730 or toll free at 800-544-2042.

Additional restrictions and guidelines apply regarding the submittal of applications under this fund.

Eligible applicants cannot submit applications under the 2008 RHDPP Fund or any other available TxCDBG fund category (i.e. TxCDBG STEP Fund, Disaster Relief/Urgent Need Fund, etc...) for substantially the same project. However, applications submitted for RHDPP Funds that are not funded may be considered under other TxCDBG fund categories (i.e. TxCDBG STEP Fund, Disaster Relief/Urgent Need Fund, Community Development Fund, etc...) if the application meets the criteria and the priorities for each fund.

Eligible units of general local government (cities and counties) may submit one RHDPP application by the specified application deadline. Applicants cannot submit a single jurisdiction application and also be a participating jurisdiction in a multi-jurisdiction application submitted under this fund.

Applicants may submit applications for projects that include a single activity such as the construction of a health facility. A single activity project may include some ancillary activities and still be considered a single activity project.

Applicants may also submit multi-activity applications that include multiple activities addressing health facilities and health services.

GENERAL INFORMATION

Introduction

The Office of Rural Community Affairs (ORCA) seeks to award a maximum of two grants for a total of \$500,000 for successful requests for the use of Texas Community Development Block Grant (TxCDBG) funds in the Rural Health Demonstration Pilot Project (RHDPP).

Authority

The Office of Rural Community Affairs is federally designated as the Texas State Office of Rural Health by the Health Resources and Services Administration's (HRSA) Office of Rural Health Policy (ORHP). The Office of Rural Community Affairs also serves as the administering agency for the Texas Community Development Block Grant Program. The authority for this initiative is §487.051 (5-7), Texas Government Code.

2008 ACTION PLAN

The requirements and procedures specified in the 2008 Texas Community Development Grant Program Action Plan govern the 2008 RHDPP Fund application process. Thus, applicants are strongly encouraged to read the entire 2008 TxCDBG Action Plan prior to completing and submitting TxCDBG applications for funding assistance. A copy of the 2008 TxCDBG Action Plan may be obtained from the agency website (www.orca.state.tx.us) or requested from ORCA using the contact information provided in this guide.

Additional resources such as the most current Section 8 Income Limits, survey documents, and the Housing and Urban Development (HUD) - 2000 Census Based data file are also posted on the agency website (www.orca.state.tx.us).

NATIONAL PROGRAM OBJECTIVES

All proposed activities must meet the following national program objective:

Will principally benefit low and moderate income persons. (At least fifty-one percent (51%) of the identified beneficiaries must have an income of less than 80% of the area median family income.)

ELIGIBLE APPLICANTS

Eligible applicants for TxCDBG assistance are nonentitlement "units of general local government", incorporated cities and counties, which are not participating or designated as eligible to participate in the entitlement portion of the federal Community Development Block Grant Program.

Additionally, applicants must:

- be able to document the existence of an established network of collaborators to:
 - initiate direct patient care where it is otherwise not offered
 - enhance existing services for increased access to healthcare
- document other funding sources being used as a supplement to this program initiative
- be able to exhibit the capacity to complete the proposed project in accordance with all reporting requirements as explained in the 2008 TxCDBG Action Plan (i.e. threshold requirements)
- be able to exhibit the capacity to complete the proposed project within 24 months of the contract award date
- be able to exhibit sustainability of future services without reliance on future funding
- benefit at least 51% low-to-moderate income persons (See the National Objective section of this guide for more information regarding the low-to-moderate income requirement)
- be able to meet and comply with all guidelines and requirements in this application guide. Failure to comply with the requirements may result in disqualification of the application, annulment of the award contract, or denial of funding or reimbursement.
- produce a final report documenting outcomes, measures and the value of the project.

Applicants with hospitals benefitting from the RHDPP Fund, who also received funding under the 2008 Capital Improvement Loan Fund (CILF) will not be eligible to apply for the same CILF project under this pilot program.

CITIZEN PARTICIPATION REQUIREMENTS

Prior to submitting an application, the applicant must complete a citizen participation process that complies with the TxCDBG Citizen Participation Plan requirements as described within this guide.

A grant to a locality under the TxCDBG Program may be awarded only if the locality certifies that it is following a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the community development program.

TxCDBG applicants and funded localities are required to carry out citizen participation in accordance with the Citizen Participation Plan that has been adopted for the TxCDBG Program. Each applicant certifies, by signing the 424 Form that it has and will comply with the requirements of this Citizen Participation Plan.

Each applicant must maintain a citizen participation file which includes a copy of this Plan; the applicant's complaint procedures; any technical assistance provided by the applicant; and public notices, minutes, and attendance lists for public hearings.

Complaint Procedures:

The applicant/recipient must have written citizen complaint procedures that provide a timely written response to complaints and grievances. Citizens must be made aware of the location, days, and hours when the location is open for business so they may obtain a copy of these written procedures.

Technical Assistance:

When requested, the applicant/recipient shall provide technical assistance to groups representative of persons of low and moderate income in developing proposals for the use of TxCDBG funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.

Public Hearing Provisions:

For each public hearing scheduled and conducted by a TxCDBG applicant or recipient, the following public hearing provisions shall be observed:

1. Public notice of all hearings must be published at least seventy-two (72) hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice must include the date, time, location and topics to be considered at the public hearing. A published newspaper article may also be used to meet this requirement

so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.

2. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings. Furthermore, the applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to each hearing. The public hearing held prior to submission of an application must be held after 5:00 p.m. on a weekday or at a convenient time on a Saturday or Sunday.
3. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter will be present to accommodate the needs of the non-English speaking residents.

The applicant must comply with the following citizen participation requirements for the preparation and submission of an application to the Texas Community Development Block Grant Program:

1. At a minimum, the applicant must hold one public hearing prior to the development and submission of the application.
2. The locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the proposed use of funds for a period of one year or until the project, if funded, is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.
3. The first public hearing must meet the following TxCDBG notification requirements and include a discussion with citizens covering the following topics:
 - The identification of community health needs and the development of services to address those community needs.
 - The amount of funding available.
 - All eligible activities under the Texas Community Development Block Grant Program.
 - The applicant's use of past TxCDBG contract funds, if applicable.
 - The estimated amount of funds proposed for activities that will meet the national objective of benefit to low and moderate income persons.
 - The plans of the locality to minimize displacement of persons and to assist persons actually displaced as a result of activities assisted with TxCDBG funds, if applicable.
 - Citizens, with particular emphasis on persons of low-to-moderate income who are residents of slums or blighted areas, shall be encouraged to submit their views and proposals regarding community development and housing needs.
 - Local organizations that provide services or housing for low-to-moderate income persons, including but not limited to, the local Public Housing Authority, the local Health and Human Services office, and the local Mental Health and Mental Retardation office, must receive written notification concerning the date, time, location and topics to be covered at the public hearing.
 - Citizens shall be made aware of the location where they may submit their views and proposals should they be unable to attend the public hearing.
4. While more than one application for different TxCDBG fund categories may be discussed at the public hearing, a hearing held for the previous program year's submittal of the same application (under either fund) is not acceptable for meeting the requirements for any subsequent competition.
5. At least five (5) days prior to the submission of an application for TxCDBG funds, the applicant must publish a public notice in a local newspaper that includes the following information:
 - The TxCDBG fund categories for which applications will be submitted.
 - The amount of TxCDBG funds requested in each application.
 - A short description of the proposed project activities in each application.
 - The locations of the project activities included in each application.
 - The location and hours when the application will be available for public review.

The applicant must comply with the following citizen participation requirements in the event that the applicant receives funding from the Texas Community Development Block Grant Program:

1. The locality must hold a public hearing concerning any substantial change, as determined by ORCA, proposed to be made in the use of TxCDBG funds from one eligible activity to another.
2. Upon completion of the community development program activities, the locality shall hold a public hearing and review its program performance, including the actual use of TxCDBG funds.
3. The locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three years after the project is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.

The applicant certifies compliance with the TxCDBG Citizen Participation Plan requirements by signing the 424 form. Failure to comply with these requirements may result in disqualification of the application.

LOCAL CERTIFICATIONS

Each applicant for TxCDBG funding must certify by signing the 424 Form that Local Certifications included in this application guide have been followed in the preparation of any TxCDBG application and that they will continue to be followed in the event of TxCDBG funding.

With respect to the expenditure of funds provided under a Texas Community Development Block Grant contract, each TxCDBG contractor is required to certify that:

1. It will minimize displacement of persons as a result of activities assisted with such funds.
2. The program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and the Fair Housing Act (42 USC 3601-20), and that it will affirmatively further fair housing, as specified by ORCA.
3. It will provide opportunities for citizen participation, hearings and access to information with respect to its community development programs, and that it is following the TxCDBG Program Citizen Participation Plan.
4. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of low-to-moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (A) such funds are used to pay the proportion of such fee or assessment related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the contractor certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (A).
5. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Federal implementing regulation at 49 CFR Part 24, and the requirements of section 570.606 including the following of a residential anti-displacement and relocation assistance plan, as specified by ORCA, in the event that displacement of residential dwellings will occur in connection with a project assisted with TxCDBG funds.
6. It has adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
7. To the best of the TxCDBG contractor's knowledge and belief:
 - (A) No Federal appropriated funds have been paid or will be paid, by or on behalf of the TxCDBG Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (B) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative

agreement, the TxCDBG Contractor shall complete and submit Standard Form-LLL, "Disclosure Form To Report Lobbying", in accordance with its instructions.

(C) The TxCDBG contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

MINORITY PARTICIPATION

The Texas Community Development Block Grant Program will maintain the goal of encouraging minority participation and will assist communities in identifying potential minority contractors and subcontractors through the ongoing Minority Business Enterprise program.

PROJECT LENGTH

Rural Health Demonstration Pilot Project Fund projects must be completed within 24 months from the execution date of the contract agreement. Amendments to the contract period for TxCDBG contracts will only be granted when an amendment request is submitted in writing to ORCA, and ORCA finds that compelling circumstances exist outside of the control of the local government which justifies the approval of such an amendment.

Should the applicant fail to substantiate or maintain the claims and statements made in the application upon which the TxCDBG award is based within a period ending 90 days after the date of ORCA's award letter to the applicant, the award will be immediately withdrawn by ORCA.

Should the applicant fail to execute the ORCA' award contract within 60 days from the date of the letter transmitting the award contract to the applicant, the award will be withdrawn by ORCA.

Any TxCDBG contractor that has not begun project activities within the first six (6) months of the contract period will have its TxCDBG contract terminated. The project activities that TxCDBG contractors must begin to meet this requirement are included in Exhibit C, Project Implementation Schedule, of the TxCDBG contract (Procurement of Special Services, Environmental Review, Plans & Specifications, etc.).

In order to begin some of the contract activities as quickly as possible, ORCA strongly encourages applicants to consider the procurement of any professional services (engineering/architectural or administration services) needed for the preparation of the application and for contract management purposes (if the application is funded) prior to the submission of the application. The TxCDBG may reimburse funded applicants for any costs (except for application preparation costs) incurred prior to the TxCDBG contract start date. If any contract-related professional service costs are paid with local funds, these costs may be applied toward the applicant's local match contribution, if the application is funded. ORCA strongly recommends that applicants follow the professional services procurement guidelines included in the most recent TxCDBG Implementation Manual to contract for such services. Following those guidelines will ensure a competitive process and compliance with all applicable state and federal requirements.

To encourage a fair and open competitive process for procurement of professional services, ORCA will not recognize open-ended or multi-year retainer contracts or agreements for professional services that discourage fair and open competition for professional services. ORCA requires that the procurement process for professional services be done separately for each application/project that is submitted for and awarded TxCDBG funds.

SELECTION AND REVIEW PROCESS

Rural Health Demonstration Pilot Project grantees are selected through a competition between all eligible applicants. Applicants compete with one another without regard to regional location. Application scoring is completed by ORCA staff. Once scoring has been completed the applicants are notified of the funding recommendations.

The application and selection procedures consist of the following steps:

1. *Submission of Applications by Eligible Jurisdictions.*
Each eligible applicant may submit one application.

One original (with original signatures) and one copy of the application must be furnished to ORCA.

2. *Review of Applications for Completeness and Eligibility of Proposed Activities.*
Upon receipt of an application, the ORCA staff will perform a completeness and eligibility review to determine whether the application is complete and whether all proposed activities are program eligible.

If the application is not subject to disqualification, staff will contact the locality and explain the deficiencies that have been discovered and how they must be addressed. A response correcting the deficiencies must be submitted to ORCA within ten calendar days from the date of contact.
3. *ORCA Calculates Scores to Determine Competition Rankings.*
Scores on these factors are derived using information from the U.S. Census Bureau, Health Resources and Services Administration (HRSA), and from application information provided by the applicant which meets the requirements for such information as described in this application guide. Application scoring will be completed by ORCA staff and the applicants will be notified of the final scores and funding recommendations.
4. *Appeal Procedures.*
The appeals procedure for TxCDBG applicants is described in the Texas Administrative Code §255.1 (g).
5. *ORCA Staff Submits Funding Recommendations to the Executive Director of ORCA*
Following the final technical review, ORCA staff will make funding recommendations to the Executive Director of ORCA.
6. *The Executive Director of ORCA Reviews the Funding Recommendations and Submits Recommendations to the State Review Committee (SRC)*
7. *Upon SRC Approval the Executive Director of ORCA Announces the Applications Selected for Funding*
8. *ORCA Staff Works With Recipients To Execute Contract Agreements.*
Upon the announcement of awards, ORCA staff will begin working with the recipients to execute contract agreements. While the award must be based on the information included in the jurisdiction's application, ORCA may negotiate any element with the recipient so long as the award amount is not increased and the level of benefits described in the application is not decreased. (Level of benefits may be negotiated only when the application is partially funded.)

The selected applicants will receive grant award letters and the award contract from ORCA. The announcement of selection is not legally binding until an award contract is fully executed. All Rural Health Demonstration Pilot Project applications submitted will remain with ORCA and will not be returned. ORCA neither accepts any obligation nor commits to awarding any contract by the retention of these applications.

ORCA shall determine the final award amount and terms of the contract and reserves the right to adjust the funding allocation during the term of the contract, pursuant to its terms. Contingent upon available funds, the selected applicants may be requested to submit a revised budget and project summary to reflect available funding limits. The selected applicants will receive an original executed contract for its record.

SCORING CRITERIA

1. If your project area has a hospital, did your hospital receive the Capital Improvement Loan Fund during FY 2008?
Yes (5 pts)
No (10 pts)
2. What type of project are you requesting funding for?
New Construction or installation of health facilities that promote energy efficiency (solar panels, wind energy) (10 pts)
Building renovations/additions/replacement (increase capacity, expansion of services) (9 points)
Purchase of Mobile Health Unit(s)/ambulance (5 points)
Other (4 points)
3. What is the distance from the primary headquarters, or administrative offices of the project area to the next nearest hospital? (Mapquest.com will be the primary source for determining distance (addresses and/or intersections will be used); The Texas Comptroller's Mileage Guide will be used in any situation where information from Mapquest.com is not available.)

- Less than 16 miles (0 pts)
- 16.0-25.9 miles (5 pt)
- 26-35.9 miles (10 pts)
- 36 miles or greater (15 pts)

4. The proposed project is located in a:
 - Medically Underserved Area (MUA)?
 - Yes (10 pts) No (0 pts)
 - <http://www.dshs.state.tx.us/chs/hprc/mua.shtm>
 - Current Health Professional Shortage Area (HPSA) designated area?
 - Yes (10 pts) No (0 pts)
 - <http://www.dshs.state.tx.us/chs/hprc/hpsa.shtm>
5. The proposed project is located in a frontier county?
 - Yes (10 pts) No (0 pts)
6. What percent of the county population is under age 5? Data Source: U.S. Census Bureau
 - 0%-4.99% (5 pt)
 - Greater than or equal to 5% (10 pts)
 - <http://quickfacts.census.gov/qfd/states/48000.html>
7. What percent of the county population is 65 years and over? Data Source: U.S. Census Bureau
 - 0%-9.99% (5 pt)
 - Greater than or equal to 10% (10 pts)
 - <http://quickfacts.census.gov/qfd/states/48000.html>
8. What is the county per capita income? Data Source: U.S. Census Bureau
 - \$0.00 - \$24,000 (10 pts)
 - Greater than or equal to \$24,000 (5 pts)
 - <http://quickfacts.census.gov/qfd/states/48000.html>
9. What is the county uninsured rate? (Texas average = 24.5%)
 - Higher than 24.5% (5 points) Lower than 24.5% (0 points)
10. If the applicant is constructing a facility for a healthcare professional (physician, dentist, pharmacist), does the applicant have a plan for recruitment and retention of the healthcare professional?
 - Yes (5) No (0) If yes, the plan must be submitted with the application.
11. Does the project incorporate the use of a telemedicine component, or the electronic transmission of medical data?
 - Yes (5) No (0)
12. What is the applicant's poverty distress score? (15 pts)

Each applicant's poverty distress scores will be calculated using a base figure that is equal to 125 percent of the average of the rate for all applicants within the competition. All applicants with rates greater than or equal to the base figure will receive the maximum points. All other applicants will receive a proportional share of the maximum points.

For example:

Percentage Of Poverty Persons (Maximum Points 15)

<u>Applicant</u>	<u>Poverty Rate</u>	<u>Poverty Factor</u>	<u>Score</u>
Goodtime	.1960	0.5925	08.89
Waterslide	.4096	1.2382	15.00
Dry Bones	.2276	0.6880	10.32
Rationton	.3760	1.1366	15.00
Welloff	.1143	0.3455	05.18

Average = $1.3235 / 5 = .2647$
 Base Figure = $1.25 \times \text{Average} = .3308$

In the case of a tie, the highest total poverty distress score without capping the maximum points will be used. For example, if Rationton and Waterslide have the same total score, then Waterslide would receive the award based on the following information:

<u>Applicant</u>	<u>Poverty Rate</u>	<u>Poverty Factor</u>	<u>Score</u>
Goodtime	.1960	0.5925	08.89
Waterslide	.4096	1.2382	18.57
Dry Bones	.2276	0.6880	10.32
Rationton	.3760	1.1366	17.05
Welloff	.1143	0.3455	05.18

Average = $1.3235 / 5 = .2647$
 Base Figure = $1.25 \times \text{Average} = .3308$

13. Needs Assessment and Project Development Narrative (Maximum -25 points)

Document the community’s unmet healthcare needs in the service area. Does the project address the primary needs of the community? What are the community’s currently available resources within the service area? Is the project original and/or a creative initiative that has not been duplicated elsewhere? Does the project demonstrate innovative methods to deliver healthcare services, or new approaches to the access of healthcare services? If funded, why does the applicant think the project will succeed?

Identify potential barriers and challenges that may be encountered in the development and implementation of the project. Identify expected outcomes of the project. Describe a plan for ongoing sustainability of the project after the end of the project period.

COSTS INCURRED PRIOR TO EXECUTED CONTRACT

ORCA is not liable for costs incurred by applicants in the development, submission, or review of RHDPP applications; costs incurred by applicants prior to the effective date of the award contract; or costs incurred by applicants related to a change in the scope of work prior to an executed contract amendment.

RIGHT TO AMEND OR WITHDRAW

ORCA reserves the right to alter, amend, or clarify any provisions, terms or conditions of this fund or any contract awarded as a result thereof, or to withdraw this fund at any time prior to the execution of a contract, if ORCA deems any such action to be in the best interest of ORCA and of the State of Texas. ORCA’s decision will be administratively final in this regard.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

In September of 2006 the President signed the Federal Funding Accountability and Transparency Act (FFATA) requiring the Office of Management and Budget (OMB) to develop a publicly available, free-of-charge, searchable website on federal funding. Federal funding includes grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance.

The Office of Rural Community Affairs will be responsible for providing the name of entities receiving awards, the amount of the awards, transaction types (grant, loan, etc.), funding agency, Catalog of Federal Domestic Assistance (CFDA) number, program source, and a descriptive award title for all TxCDBG awards. Additional information deemed relevant by the OMB must also be provided. Furthermore, the Act requires that required data be made available within 30 days of the award.

CONFLICT OF INTEREST

Applicants are required to disclose any existing or potential conflicts of interest or relationship that might be perceived or represented as a conflict relative to the performance of any TxCDBG contract that may be awarded. Failure to disclose any such relationship may be cause for disqualification of proposal or termination of contract. If, following a review of the information provided by applicant, ORCA determines that a conflict of interest exists the applicant may be disqualified from further consideration for the award contract.

FALSE INFORMATION

The following actions may be taken, on a case-by-case basis where ORCA finds that an applicant provided false information in its application for TxCDBG funding.

If the applicant provides false information in a TxCDBG Fund application that has the effect of increasing the applicant's competitive advantage, or false beneficiary information that increases the number or percentage of potential beneficiaries, the ORCA staff shall make a recommendation for action to the Executive Director of ORCA.

Recommendations that the Executive Director may make include, but are not limited to:

1. Disqualification of the application and holding the locality ineligible to apply for TxCDBG funding for a period of at least one year not to exceed two program years.
2. Even if an award has been made, the locality may be liable for funds expended if adjustment to the scores would have resulted in a change in rankings for the purpose of funding.
3. Holding the locality ineligible to apply for TxCDBG funding for a period of two program years or until any issue of restitution is resolved, whichever is longer.

FINANCIAL AND ADMINISTRATIVE RESPONSIBILITIES

Applicants must certify that they have the administrative, technical, and accounting capabilities to manage the funds awarded, and that they are not in bankruptcy or pending bankruptcy status. The selected applicants are obligated to notify ORCA of any notable changes in legal, financial, or operational status, such as a change in ownership, reorganization, dissolution, or bankruptcy. With regards to bankruptcy, selected applicants must indicate whether it has been a debtor in a bankruptcy petition with the last three years prior to submission of the proposal, and to provide a statement of the cause of the petition of bankruptcy and applicant's current bankruptcy status and financial situation, and how the bankruptcy will affect its ability to perform under the contract. Selected applicants administering more than one award contract with ORCA are required to maintain integrity between the transactions affecting each award contract. The Selected applicants will be required to submit a copy of their audited financial statements. Also, at ORCA's request, selected applicants must disclose any information regarding subcontractors.

ELIGIBLE ACTIVITIES

- Activities conducted using RHDPP funds must benefit rural health facilities. The primary authority for determining eligibility of potential TxCDBG activities is section 105 (a) of the Housing and Community Development Act of 1974 as amended.
- The applicant cannot have received funds for the same project requested in this application within twelve months of the application deadline.
- Activities may include the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of healthcare facilities (except for buildings for the general conduct of government), and site or other improvements.

INELIGIBLE ACTIVITIES

In general, any type of activity not described or referred to in Section 105(a) of the Housing and Community Development Act of 1974, as amended, is ineligible for consideration for TxCDBG funding. Specific activities which are ineligible under the Texas Community Development Block Grant Program include:

- A. Construction of buildings and facilities used for the general conduct of government (e.g., city halls and courthouses). The only exception is improvement(s) made to these buildings solely to provide complete access for elderly persons and persons with severe disabilities.
- B. The financing of political activities.
- C. Purchase of construction equipment.
- D. Income payments, such as housing allowances.
- E. New housing construction, except under the following limited circumstances:

- The TxCDBG funds are used by a sub-recipient neighborhood-based nonprofit organization or nonprofit organizations that serve the development needs of a nonentitlement community or communities. These entities may be selected by the applying eligible applicant to carry out the construction of new housing which the eligible applicant has determined is necessary or appropriate to achieve its community development activities.
- Last resort replacement housing when individuals are displaced by TxCDBG-funded activities.
- Reconstruction of housing on the same site which is owned and occupied by low and moderate income persons where the need for reconstruction was not determinable until after TxCDBG-funded housing rehabilitation began on the structure.

F. The federal regulation states that the operation and general maintenance of public works or facilities are ineligible activities.

USE OF 2000 CENSUS DATA TO DETERMINE LOW-TO-MODERATE INCOME BENEFIT

When TxCDBG requirements are met, information contained in the HUD-2000 Census-based data file may be used to identify the number of beneficiaries, as well as the extent of benefit to low-to-moderate income persons for an applicant's proposed activities.

To qualify an application activity under the national program objective of principally benefiting low and moderate income persons, at least fifty-one percent (51%) of the beneficiaries of the activity must be low and moderate income persons.

HUD used 2000 Census SF 3 information to calculate the number and percentage of low and moderate income persons in each census geographic area in Texas. This information can be found on the ORCA website at www.orca.state.tx.us.

The HUD-2000 Census-based data file contains Summary File 3 (SF3) sample count number of persons and number and percentage of low and moderate income persons, as calculated by HUD, for census geographic areas in incorporated and unincorporated areas, by place (city or census designated place), census tract, and block group.

The TxCDBG will not accept any substitution for the HUD-2000 Census-based information. Any applicant considering the use of HUD-2000 Census-based data to document application activity beneficiaries may contact the TxCDBG staff for this information or obtain the information from the ORCA website.

Summary File 1 (SF 1) information is limited to population and housing information that is based on a 100% count of persons. The number of persons located in a 2000 Census block number is available from SF 1, but the low-to-moderate income percentage for these persons is not available by block number.

When an applicant activity will only benefit a portion of a 2000 Census block group, the applicant must use SF 1 population information (100% count population) by block number to document that a significant number of the persons in that block group (at least 60% of the persons) will benefit from the activity.

The TxCDBG will not allow an applicant to use the HUD-calculated low-to-moderate income percentage for a block group unless at least 60% of the persons located in that block group will benefit from the activity.

The TxCDBG will only allow the use of the HUD-2000 Census-based information to qualify an activity and to document the activity beneficiaries under the following conditions:

1. The project activity will benefit all of the persons within a census geographic area or a significant number of the persons (at least 60% of the persons) within a census geographic area. The census geographic area could be a county, place, census tract, or block group.
2. If only HUD-2000 Census-based information is used to document the beneficiaries of an application activity, the low-to-moderate income benefit percentage must be at least 51% (not 50.99%) for a single census geographic area or for combinations of two or more census geographic areas.
3. The HUD-2000 Census-based information may be used in combination with TxCDBG survey beneficiaries, income eligible beneficiaries, and condition eligible beneficiaries to document the beneficiaries of an application activity. Again, the activity must benefit at least 51% low-to-moderate income persons.

In the event that an application activity does not benefit an entire census geographic area, or a significant number of the persons within a census geographic area, then the applicant must use another method to document the beneficiaries. The applicant should then consider conducting a local TxCDBG survey to document the beneficiaries and the low-to-moderate income benefit percentage for the activity. A local survey is usually the best way to document the beneficiaries of direct benefit activities.

Different combinations of 2000 census geographic areas can be used to maximize the low-to-moderate income percentage.

As an example, a city proposing a citywide benefit activity has 2 census tracts with 5 block groups in each census tract. Two different types of census geographic areas (place or block group data) can be used to calculate the low-to-moderate income percentage:

- The place data low-to-moderate income percentage is 59.68%.
- The low-to-moderate income percentage when adding the 10 block groups together is 60.10%.
- The city may use the 60.10% low-to-moderate income percentage for the activity.

The following examples illustrate when census data can and cannot be used to qualify projects through a combination of census geographic areas.

EXAMPLE #1 - City B wants to apply for a citywide benefit project to construct a community center that also serves as a wellness center. City B boundaries include 4 census geographic areas (census tracts):

- The low-to-moderate income percentage based on citywide (place) census data is 50.07% (1,012 low-to-moderate income persons and 2,021 total citywide beneficiaries).
- The low-to-moderate income percentage based on the block group data within the 4 census tracts is 50.62% (1,023 low-to-moderate income persons and 2,021 total citywide beneficiaries).
- City B cannot qualify the project using HUD-2000 Census-based data because the project will not benefit at least 51% low-to-moderate income persons.

EXAMPLE #2 - County A wants to apply for a direct benefit project to construct an office for a primary care physician in a county that has no access to healthcare services.

- The project will benefit 35% of the residents of BG 5 and BG 5 is 80% low-to-moderate income persons (376 low-to-moderate income persons and 470 total residents)
- The project will benefit 20% of the residents of BG 6 and BG 6 is 55% low-to-moderate income (341 low-to-moderate income persons and 620 total residents)
- Can City A use 2000 Census data to qualify this project? No.
- The TxCDBG could not allow the use of HUD-2000 Census-based data to qualify this project because the project will not benefit a significant number of BG 5 or BG 6 residents.

EXAMPLE #3 – County D wants to apply for an area benefit (multi-county) project to construct a healthcare facility. The project will benefit a **significant number** of BG 3 residents (approximately 70% of BG 3 residents) and a **significant number** of BG 4 residents (about 80% of BG 4 residents) according to the following SF 1 block number information (**block numbers benefitting from the activity are underlined**).

<u>BG 3</u>		<u>BG 4</u>	
<u>Block Number</u>	<u>Population</u>	<u>Block Number</u>	<u>Population</u>
<u>3101</u>	<u>87</u>	<u>4101</u>	<u>89</u>
<u>3102</u>	<u>63</u>	<u>4102</u>	<u>109</u>
<u>3103</u>	<u>77</u>	<u>4103</u>	<u>77</u>
3104A	95	<u>4104</u>	<u>66</u>
3105	52	4106	97
<u>3107</u>	<u>107</u>	<u>4107A</u>	<u>124</u>
<u>3109</u>	<u>46</u>	4108	93
<u>3110</u>	<u>47</u>	<u>4109</u>	<u>78</u>
3111	53	<u>4110</u>	<u>92</u>
<u>3112</u>	<u>23</u>	<u>4112</u>	<u>75</u>

- BG 3 is 70% low-to-moderate income (455 low-to-moderate income persons and 650 total residents) according to HUD-2000 Census-based data.
- BG 4 is 60% low-to-moderate income (540 low-to-moderate income persons and 900 total residents) according to HUD-2000 Census-based data.
- Can City D use 2000 Census data to qualify this project? Yes.
- The TxCDBG would allow the use of 2000 Census data for BG 3 and BG 4.
- The number of beneficiaries in BG 3 (about 70% of BG 3 residents) is 450 total and 315 low-to-moderate income persons.
- The number of beneficiaries in BG 4 (about 80% of BG 4 residents) is 710 total and 426 low-to-moderate income persons.
- The beneficiaries for the activity are 1,160 total and 741 low-to-moderate income persons.

Applicants using HUD-2000 Census-based data to document activity beneficiaries must submit the following information with the application:

- A copy of the information from the HUD-2000 Census-based data file for the applicant.
- A copy of the methodology and the supporting documentation (SF 1 information if applicable) used to determine the total number and number of low-to-moderate income beneficiaries for a census geographic area where only a portion of the census geographic area is receiving benefit from an application activity.
- For target area activities that do not benefit the entire city or county, a census map which contains the numbers for each census geographic area, the boundaries of each census geographic area, and the locations of the project activities within each census geographic area receiving project benefit.

When trying to obtain information or maps, first check with your local Council of Governments, as most have these materials for their respective regions. You may also contact TxCDBG staff for information concerning the availability of the HUD-2000 Census-based information. Census maps can be found on the Census Bureau website at <http://factfinder.census.gov/home/saff/main.html> or on the Texas State Data Center website at <http://txsdc.utsa.edu>.

TxCDBG SURVEY METHODOLOGY

The new TxCDBG survey methodology manual and forms are available on the agency website (www.orca.state.tx.us).

APPLICATION INSTRUCTIONS

Cover Sheet

Checking the box in the upper right corner of the computer screen titled “Highlight fields” will highlight all active fields.

424 Form

The numbered sections in these instructions coincide with the numbered areas on the 424 Form. Since the TxCDBG does not need all of the information requested on the 424 FORM, these instructions only address the mandatory sections and sections where the information is optional.

1. **TYPE OF SUBMISSION** - Under the Application column, place a mark on the line for Construction or Non-Construction. The majority of TxCDBG applications, except for Planning-only applications, include some construction activities.
5. **APPLICANT INFORMATION** - Provide the Legal Name (e.g., County of ABC, ABC County) and the Organizational Unit (can be the same as the Legal Name). Please provide the applicant's Address including the mailing address, city, state, zip code, and the county or counties in which the applicant's jurisdiction is/are located. Also, please provide the name (including agency or company name), address, and telephone number of the application preparer.
6. **EMPLOYER IDENTIFICATION NUMBER** – This information is not optional and must be provided.

- 6a. **DUNS NUMBER** – All applicant organizations are required to have a Data Universal Numbering System number in order to apply for a grant from the Federal Government. The DUNS number is a unique nine-character identification number provided by the commercial company, Dun and Bradstreet. There is no charge to obtain a DUNS number.
7. **TYPE OF APPLICANT** – County or City
8. **TYPE OF APPLICATION** – Check the appropriate box.
9. **ALREADY COMPLETED FOR THE APPLICANT.**
10. **ALREADY COMPLETED FOR THE APPLICANT.**
11. **DESCRIPTIVE TITLE OF APPLICANT'S PROJECT** - Provide a short description of the activities included in the application such as: “Construction of New Health Facility”, “Providing Health Services via Mobile Health Unit”, “Increasing Access to Healthcare”, “Expansion of Existing Health Facility”, etc.
- 11a. **TYPE OF APPLICATION** - Rural Health Demonstration Pilot Project (RHDPP)
12. **TARGET AREA(S) AFFECTED BY THE PROJECT** - Provide a description of the areas of the county affected by the project. For a county, an acceptable description would be: "The ABC Community In Southeast XYZ County", "The ABC Community and LMN Community In XYZ County".
13. **APPLICANT'S FISCAL YEAR** - Indicate the beginning and end dates of the applicant's fiscal year.
14. **CONGRESSIONAL DISTRICTS OF** – This information is not optional and must be provided.
15. **ESTIMATED FUNDING** - The applicant's TxCDBG request goes next to a. TxCDBG Request. Any funds committed from federal resources such as RUS or RD go next to b. Federal. Any funds committed from state resources such as TWDB go next to c. State. Any funds committed by the applicant go next to d. Applicant. Any funds committed from local resources such as a WSC, WCID, MUD, or any other local group go next to e. Local. Any funds committed from resources other than a, b, c, d, or e above go next to f. Other. Total the amounts shown in a, b, c, d, e, and f and enter the Total next to G. TOTAL.
16. **IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?** - NO. But if the applicant is providing a copy to the Regional Planning Commission, estimate the DATE when the application will be submitted to the Regional Planning Commission for Texas Review And Comment System (TRACS) review.
17. **IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?** - We hope the answer is No (X). A Yes (X), answer must include an explanation concerning the nature, amount and date when payment of the debt became delinquent.
18. The authorized signatory for the application should read the bold print carefully and review the LOCAL CERTIFICATIONS and CITIZEN PARTICIPATION PLAN sections of this TxCDBG Application Guide prior to signing the 424 FORM. Provide a Typed Name of Authorized Representative (This person must be authorized in the attached Local Government Resolution), b Title, c Telephone Number (Including Area Code), d Signature of Authorized Representative (One of the two required copies of the application must contain original, not copied, signatures), and e Date Signed.

Project Approval Information

Provide a response for each question. If a question does not apply, be sure to select “N/A”. Any questions not answered will be considered incomplete and may result in a deficiency notice for the application.

List of All Identified Community Needs

Provide a list of all identified local priority community development and housing needs and not just the needs addressed in the application. The most important need must be listed first, and decrease in priority from that point forward. It is important to note that there are “+” and “x” boxes throughout the application. The “+” boxes add additional spaces for entry, and the “x” boxes will remove those entries if chosen.

The Needs Addressed In This Application Were Determined By

Choose the method(s) used to determine the needs addressed in this application. The date(s) of each method/assessment should also be provided. If the exact date is not known, choose the first day of the appropriate month and year.

Project Summary

Provide a narrative regarding the impact this project will have on the beneficiaries and community. This summary must include enough information to clearly depict the extent of need in each of the proposed project areas and how this project will meet each of those needs. Be sure to include standards of performance (what is required to bring the facilities to minimum standards system into compliance, etc...). Provide a description of what facilities currently exist in each of the areas receiving benefit from this project. What are the anticipated outcomes directly resulting from the proposed project(s)? Also, identify any additional benefits to the residents of the county or target area that may result from the CDBG investment (i.e. Business, Revenue, Investments, Cost Savings, Regulatory, Health/Safety, and/or Residential).

Table 1 – Benefit to Low-and-Moderate Income Beneficiaries

On Table 1, the applicant provides the following information for each proposed application activity: Please follow closely the instructions provided below.

Activity Column:

The application preparer will choose the appropriate number of each activity included in this application from the drop-down list. A description for the activity numbers is available in this guide as well as in a pop-up window in the application. To view the pop-up window click on the header titled “Activity”. Eligible activities should be chosen from the following list:

<u>TxCDBG PROJECT ACTIVITIES</u>	
<u>Activity Number</u>	<u>Activity Name</u>
1a	Water Facilities
1b	Sewer Facilities
2	Solid Waste Disposal Facilities
3	Other Public Utilities (gas, et al)
4	Street Improvements
5	Flood and Drainage Improvements
6	Neighborhood Facilities/Community Centers
7	Senior Centers
8	Centers for the Handicapped/Sheltered Workshops
10	Fire Protection Facilities and Equipment (includes Ambulances)
11	Parking Facilities
13	Specially Authorized Assistance to Privately Owned Utilities
14	Specially Authorized Public Facilities and Improvements
14a	Access to Healthcare
15	Public Services (limited to 15% of Total TxCDBG Request)
16	Interim Assistance
17	Rehabilitation of Private Properties
17a	Housing Activity - Water Service Connections
17b	Housing Activity - Sewer Service Connections
18	Rehabilitation of Public Residential Structures
19	Affordable New Housing or Homeownership Assistance or Public Housing Modernization
20	Clearance/Demolition Activities
21	Historic Preservation
22	Removal of Architectural Barriers
23	Code Enforcement
24	Acquisition
30	Engineering/Architectural Services
31	Planning and Urban Environmental Design
32	General Administration

Generally, a minimum of three activities will be shown. At least one construction item and General Administration are mandatory. For most public works/facilities projects, engineering/architectural services should also be included even when paid with local or other funds.

In some cases, more than three activities apply, even if the application is for a single purpose. Examples include most projects requiring acquisition of real property. In this case, acquisition (Activity Number 24) must be shown as a separate activity. Another example would be a housing program including multiple aspects, such as Rehabilitation of Private Properties (Activity 17), Clearance and Demolition (Activity 20), and Relocation Payments and Assistance (Activity 25). Included with this example would be General Administration (Activity 32), but not Engineering/Architectural Services, since most housing programs do not require those services.

Each specific activity name and number should be shown only once unless there are different beneficiary groups for different portions of the same activity. If different beneficiary groups exist, letters should be used to subdivide the activity numbers.

Completion Method Column:

For each activity, identify how the proposed activity will be accomplished by providing the appropriate number.

- choose one (1) for those activities that will be accomplished through the bid/contract process
- choose two (2) for force account labor
- choose three (3) for a combination of both the bid/contract process and force account labor.

This information must be provided for administration and engineering activities as well as construction items.

Til Benes (Total Beneficiaries) Column:

Beneficiaries may be determined through the use of the HUD-2000 Census-based data file, through the use of information obtained from a TxCDBG-approved survey, and based on TxCDBG-accepted limited clientele information.

Regardless of the method chosen, this column should reflect all persons to benefit from the project, irrespective of income status.

For applications with multiple activities, each separate activity (with a different activity number) should show separate beneficiary counts. This is true when activities are proposed in different sectors of the jurisdiction, but also may be true when the activities are proposed in the same general vicinity.

There should be two separate sub-tabulations shown when a multiple activity project (or a project with two different sub-activities under the same activity number) includes area benefit activities that benefit different residents in the same general area. Overlap of the beneficiaries from two or more area benefit activities can happen when multiple activities are concentrated in the same general target area. The total given at the bottom of Table 1 should not double-count the beneficiaries that are receiving benefit from two or more area benefit activities.

LMI Benes (Total Low-to-Moderate Income Beneficiaries) Column:

This column should reflect only those persons identified in the *Til Benes* column whose income falls below 80% of the county, statewide non-metropolitan, or metropolitan statistical area (MSA) median family income (low-to-moderate income persons).

% LMI Benes (Percentage of Low-to-Moderate Income Beneficiaries) Column:

Calculate the low-to-moderate income percentage by dividing the *LMI Benes* by the *Til Benes* for each activity and sub-activity.

TxCDBG Funds Column:

Show the amount of TxCDBG funds requested for each activity or sub-activity.

For construction items, this figure must be substantiated on Table 2 – Budget Justification.

Other Funds Column:

Show the amount of local or other matching funds for each activity or sub-activity in this column. Then provide the source of all other funds in the field provided at the bottom of the form.

Each outside source of match funding must be documented by a firm letter of commitment.

Any local match funds must be documented in the Resolution, passed by the locality's governing body, firmly committing the funds.

Please note that any commitment of other funds for project-related activities must be documented as funds that would not be expended on that particular activity if the project is not funded by the TxCDBG.

Total Funds Column:

Adding across, provide the sum of the TxCDBG Funds and the Other Funds for each activity or sub-activity.

Note: The amount requested for general administration cannot exceed 16% of the combined TxCDBG amounts requested for construction and acquisition/relocation activities. It should also be noted that the locality will be responsible for any cost incurred for General Administration (Program Administration, Compliance, Audit, etc.) that is over the TxCDBG-funded amount.

Project Beneficiary Information

This information must be broken down by activity number (excluding administration and engineering). Choose one activity number and identify the beneficiaries benefiting from that activity. The gender, race, and ethnicity data of beneficiaries for each activity must also be provided. For example, if a project contains water and sewer activities, this section of the project beneficiary information would be displayed as:

PROJECT BENEFICIARY INFORMATION				
<i>MUST BE COMPLETED FOR EACH ACTIVITY</i>				
ACTIVITY	TOTAL MALE BENEFICIARIES	TOTAL FEMALE BENEFICIARIES	TOTAL BENEFICIARIES	
1a	100	100	200	
Race		# Non-Hispanic Beneficiaries	# Hispanic Beneficiaries	Total Beneficiaries
Black/African American		25	25	50
White		25	25	50
Activity Total:				100
ACTIVITY	TOTAL MALE BENEFICIARIES	TOTAL FEMALE BENEFICIARIES	TOTAL BENEFICIARIES	
1b	40	40	80	
Race		# Non-Hispanic Beneficiaries	# Hispanic Beneficiaries	Total Beneficiaries
Black/African American		25	25	50
White		20	10	30
Activity Total:				80

According to this example there are 200 beneficiaries for activity 1a and 80 beneficiaries for activity 1b. *Note: This does not indicate that the total number of beneficiaries is 280. Some beneficiaries may be benefiting from both activities.*

Activity:

Provide the activity number

Total Male Beneficiaries:

Provide the total number of male beneficiaries for the proposed project.

Total Female Beneficiaries:

Provide the total number of female beneficiaries for the proposed project.

Total Beneficiaries:

Total Male Beneficiaries + Total Female Beneficiaries

Race:

Identify the race(s) for each activity. This data is available for census geographic areas in the TxMA05 file located on the agency website.

White

Black/African American

Asian

American Indian/Alaskan Native Other Or Multi-Racial	Native Hawaiian/ Other Pacific Islander Black/African American and White	Asian and White
American Indian/ Alaskan Native and White	American Indian/Alaskan Native and American	Black/African American

of Non-Hispanic Beneficiaries:

Provide the number of Non-Hispanic beneficiaries

of Hispanic Beneficiaries:

Provide the number of Hispanic beneficiaries

Total Beneficiaries:

Sum of # of Non-Hispanic Beneficiaries and # of Hispanic Beneficiaries for all activities

According to a requirement promulgated by the Office of Management and Budget (OMB) and the Department of Housing and Urban Development (HUD), beneficiaries for the Community Development Block Grant Program (CDBG) must now consider persons of Hispanic or Latino origin as an ethnic group. Therefore, persons of Hispanic or Latino origin must also be included under one or more of the single race or multi-race categories. The number of persons shown in the single race or multi-race categories, not including the persons shown as Hispanic or Latino origin, should equal the total number of project beneficiaries when added together.

Answers must be provided for all questions relating to the method(s) of beneficiary identification (questions 1 through 4).

Table 2 – Budget Justification

The completion of Table 2 is required for all public works activities.

For projects involving more than one activity, this form should be prepared to reflect each separate activity and the applicable costs for each separate activity.

Cost categories such as contingency funds, profit, overhead, and bonding should not be reflected here as separate costs (i.e., they should be built into the estimated construction costs).

Act. (Activity) Column:

Activities shown on this form must be the same as those shown on Table 1.

Each activity cost and the total activity costs shown here must be consistent with those shown on Table 1.

If the project includes separate budgets for area benefit and direct benefit activities, it should be reflected on this form.

Materials/Facilities/Services Column:

In determining actual construction costs, two different methods may be used.

1. The construction costs may be broken into labor and materials components for each activity (this method must be used on activities for which the use of force account labor is proposed).
2. The other method involves the use of unit price **(\$/Unit)** and the number of units **(Qty)** for each activity. The units used (e.g., linear feet (lf), square feet (sf), etc.) must be priced to include all proposed improvements related to and necessary for the major construction activity.

Please keep in mind that localities are prohibited from levying special assessments, fees and service connection/tap-on costs on low-to-moderate income persons to recover the Tx-CDBG-financed portion of a public improvement when Tx-CDBG funds are used to pay all or part of the cost of the public improvement. Localities can however, levy special assessments, fees and service connection/tap-on costs on low-to-moderate income persons to recover the portion of a public improvement financed from other funding sources provided that Tx-CDBG funds are used to pay these costs for the low-to-moderate income beneficiaries.

For public improvements that were not initially assisted with Tx-CDBG funds, Tx-CDBG funds may be used to pay special assessments and fees for low and moderate income persons when certain conditions exist. The payment of special assessments/fees constitutes Tx-CDBG assistance to the public improvement. Therefore, Tx-CDBG funds may be used to pay the assessments/fees on behalf of low and moderate income persons provided that: 1) the installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under the Tx-CDBG, including labor, environmental, and citizen participation; 2) the installation of the public improvement meets a Tx-CDBG

national program objective; and, 3) TxCDBG funds are used to pay the assessment/fees on behalf of low and moderate income persons.

Force account labor costs, whether to be paid with TxCDBG funds or included as local match, must be based on the estimated TxCDBG contract-related construction hours to be worked by force account workers and the hourly wages to be paid, and cannot be based on labor costs estimated through the bid/contract method.

The value of materials/supplies to be provided by the applicant, and already owned by the applicant, must be based on the purchase price of the materials and supplies at the time of purchase and cannot be based on the current purchase price of such materials/supplies.

Equipment costs for equipment owned by the locality, whether to be paid with TxCDBG funds or included as local match, must be based on a use allowance or depreciation (only if the equipment is not already fully depreciated and based on acquisition cost).

Construction\$ Column:

Construction cost will be computed by multiplying the \$/Unit column by the Qty column.

Acquisition\$ Column:

Any proposed activity involving acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition broken out by the activity for which the acquisition is needed. In developing these costs, compliance with the requirements of the Uniform Real Property Acquisition and Relocation Policies Act of 1970 must be taken into consideration.

Eng./Arch.\$ (Engineering and Architectural Costs) Column:

Engineering/architectural costs must be broken out by each construction activity and by basic and special services (special services and their costs must be itemized on Table 2).

To determine if these costs are reasonable, the TxCDBG will evaluate these costs in accordance with guidelines available from the Consulting Engineers Council of Texas.

Applicants can contact the TxCDBG Procurement Specialist, or other TxCDBG staff, for information on engineering/architectural services costs for various TxCDBG eligible activities.

Ttl.Act.\$ (Total Activity Cost) Column:

Figures for this column are obtained by adding together the Construction\$ Column, Acquisition\$ Column, and the Eng./Arch.\$ Column to get the total costs for each activity.

Operations and Maintenance Costs:

The source of funding and the projected annual cost for operations and maintenance expenses must be identified within this field. Figures for this field are based on projections of operations and maintenance costs for five years after the completion of the project activity. Divide the projected five year costs by 5 to arrive at a yearly operations and maintenance cost. These costs are not made a part of the TxCDBG contract, but applicant localities should be aware of the future costs of operating and maintaining facilities financed with TxCDBG funds.

Signature of Registered Engineer/Architect Responsible For Budget Justification and Seal:

For public facilities projects, this form must be completed by a professional engineer or architect, licensed to practice in the State of Texas. The engineer's or architect's signature and registration seal must be on the form.

Please also provide the date this form is completed and the engineer's or architect's telephone number.

When the professional seal is a pressure (non-ink) seal, please ensure that a penciled-over image of the seal is visible on the duplicate copy.

Project Location Form

Identify each activity its location. This section offers the flexibility of using either the "On-To-From" format, or a descriptive narrative format. Do not combine multiple activities or multiple target (project) areas into one table – provide a separate table for each.

National Program Objectives

Each proposed activity included in an application for TxCDBG funds must meet one of the three national program objectives. These three national program objectives are:

1. Principally benefit low and moderate income persons.
 - a) *LMI Area Benefit* is an activity that is available to benefit all the residents of an area that is primarily residential. In order to qualify as addressing the national objective of benefit to low-and-moderate income persons on an area basis, an activity must meet the identified needs of low-to-moderate income persons residing in an area where at least 51% of the residents are low-to-moderate income persons. The benefits of this type of activity are available to all residents in the area regardless of income.
 - b) *LMI Limited Clientele* is an activity that provides benefits to a specific group of persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in which they reside, or it may be an activity that provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be low-to-moderate income persons.
 - c) *LMI Housing* is an activity which assists in the acquisition, construction, or improvement of permanent, residential structures that is occupied by low-to-moderate income persons.
 - d) *LMI Jobs* is an activity which creates or retains permanent jobs, at least 51% of which, on a full time equivalent (FTE) basis, are either held by low-to-moderate income persons or considered to be available to low-to-moderate income persons.
2. Aid in the prevention or elimination of slums and blight.
3. Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.

The applicant must provide the method, or methods, used to identify the beneficiaries for each application activity (with the exception of the engineering and administration activities) and provide a response to all applicable questions.

Objectives and Outcomes

Activity:

Identify each activity proposed within the application.

Choose one objective and one anticipated outcome for each activity in the application (excluding engineering and administration):

Objective:

- Create a suitable living environment.
- Provide decent affordable housing.
- Create economic opportunities.

Outcome:

- Availability / Accessibility
- Affordability
- Sustainability

Only one set of objectives and outcomes is required for each activity. If multiple objectives and outcomes are provided for each activity, the responses listed first for each activity will be used for reporting purposes by TxCDBG.

Anticipated Outcome Units

Provide the anticipated number of persons assisted for each of the questions pertaining to this project. Applicants should only check the “Planning” box if applying for one of the TxCDBG planning grants.

Additional Activity Information

Choose only those that apply.

- *One-for-One Replacement* – requires that a grantee replace occupied and vacant units that are demolished or converted.
- *Revolving Loan Fund* – established to make loans whereby principal repayments of loans are re-paid into the fund and re-lent to other borrowers.
- *Brownfield Activity* – any activity designed to treat a piece of industrial or commercial property that is abandoned or underused and often environmentally contaminated, especially one considered as a potential site for redevelopment.

- *Special Assessment* – means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or on-time charge made as a condition of access to public improvement.
- *Favored Activity* – certain activities specifically related to economic development.
- *Colonia* – Any identifiable unincorporated community that is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia prior to the date of enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990).
- *Presidentially Declared Disaster Area* – any area that is listed as an active disaster area on the Federal Emergency Management Agency website (www.fema.gov).
- *Historic Preservation Area* – any area that has been identified in accordance with the standards for the treatment of historic properties as set by the Secretary of the Interior.
- *Displacement* – a displaced person is any lower income family or individual that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of the conversion of an occupied or vacant occupiable low-to-moderate income dwelling unit, or the demolition of any dwelling unit, in connection with an assisted activity.
- *Float Funded* – process by which a state’s CDBG funds are already under contract to grant recipient, yet the state awards the same funds to another grant recipient providing that the state is repaid before the initial grant recipient needs the funds to meet their obligation(s) for their CDBG funded activities.
- *None*.

Applicant Disclosure / Update Report

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531, P.L. 101-235 approved 12-15-89) and HUD implementing regulations at 24 CFR Part 4, contain disclosure requirements for TxCDBG applicants and recipients.

The TxCDBG Applicant Disclosure / Update Report section must be completed by every TxCDBG applicant.

Provisions at Subpart C of 24 CFR Part 4 require a TxCDBG applicant requesting assistance for a specific project or activity to make a number of disclosures. Each TxCDBG applicant must disclose the following information:

- Assistance from other government sources in connection with the TxCDBG project.
- The financial interests of persons in the TxCDBG project.
- The sources of funds to be made available for the project.
- The uses for which the funds are to be utilized.

TxCDBG applicants and recipients must submit updates to reflect substantial changes to the information required on the disclosure report. The period during which updates are required begins when the application is submitted and ends when the applicant is denied funding, or when a TxCDBG recipient has discharged all of its obligations under the terms of the TxCDBG contract including the submission of all required reports. Updates must be submitted within 30 days of the change requiring the update.

Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Texas Community Development Block Grant Program (TxCDBG) is authorized to collect all information required by this section under Section 102(b) and (c) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. Disclosure of SSNs and EINs is optional. The TxCDBG will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Texas Open Records Act (Texas Civil Statutes, Art. 6252-17a). You must provide all the required information. Failure to provide any required information may delay the processing of your application and may result in sanctions and penalties, including imposition of the administrative and civil penalties specified under 24 CFR Section 4.38.

Part 1 – Applicant Recipient Information:

All TxCDBG applicants must indicate whether this is an initial or update report

Part 2 – Other Government Assistance Provided / Requested:

Applicants must report any other government assistance involved in the project or activity for which TxCDBG assistance is sought.

"Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit or any other form of direct or indirect assistance from the Federal government, a State (other than the TxCDBG assistance requested in the application), or a unit of general local government, or any agency or instrumentality thereof, that is available, or is expected to be made available with respect to the project or activities for which TxCDBG assistance is sought. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, it is reasonable to anticipate that the assistance will be forthcoming.

Applicant disclosures must include all other government assistance involved with the TxCDBG assistance, as well as any other government assistance that was made available before the request, but that has a continuing presence at the time of the assistance request.

- If the applicant has *No Other Government Assistance to Disclose*, then place a mark in the box and proceed to PART III.

Otherwise,

- Enter the name of the government agency making the assistance available. If applicable, include at least one organizational level below the agency name. For example, U.S. Department of Commerce, Economic Development Administration; Texas Department of Housing and Community Affairs, HOME.
- Enter the address, city, state, and zip code of the government agency making the assistance available.
- Enter the program name and any relevant identifying numbers, or other means of identification, for the other government assistance.
- State the type of other government assistance (e.g., applicant contribution, loan, grant, loan insurance).
- Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project of activities for which TxCDBG assistance is sought (applicants) or has been provided (recipients).

Part 3 – Interested Parties:

1. Applicants must provide information on all developers, contractors, or consultants involved in the application for TxCDBG assistance or in the planning, development, or implementation of the project or activity; and
 2. Any other person who has a financial interest in the project or activity for which TxCDBG assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower). "A financial interest" means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.
- If the applicant has *No Persons With A Reportable Financial Interest To Disclose*, then place a mark in the box and proceed to PART IV.
 - Enter the full names and addresses of all persons referred to in paragraph 1 or 2 of this part. If the person is an entity, the listing must include the full name of each officer, director, and principal stockholder of the entity.
 - Enter the type of participation in the project or activity for each person listed; i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
 - Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of TxCDBG funds involved.

Part 4 – Report on Expected Sources and Uses of Funds:

The applicant disclosure report must specify all expected sources of funds from the TxCDBG and from any other source that have been, or are to be, made available for the project or activity. Non-TxCDBG sources of funds typically include (but are not limited to) the applicant's local contribution, other government assistance referred to in PART II, equity and amounts from foundations and private contributions. The report must also specify all expected uses for which the funds are to be utilized. All sources and uses of funds must be listed if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the source or use will be forthcoming.

If any of the source/use information required by this report has been provided elsewhere in the application, the applicant need not repeat the information, but should refer to the application form and location to incorporate the information into this

section. Applicants may cite application documents which contain some of this information such as the 424 Form, Project Summary, Table 1, Table 2, Letters of Commitment, etc.

For the source of funds, indicate that the information can be found on the Cover Sheet, 424 Form, Table 1, the Local Resolution, and Letters of Commitment.

Otherwise each reportable source of funds must indicate:

- The name and address, city, state, and zip code of the individual or entity making the assistance available. If applicable, include at least one organizational level below the agency name. For example, U.S. Department of Transportation, U.S. Coast Guard; Department of Safety, Highway Patrol.
- The program name and any relevant identifying numbers, or other means of identification, for the assistance.
- The type of assistance (e.g., applicant contribution, loan, grant, loan insurance).

For the use of funds, indicate where in the application the information can be found.

Otherwise, each reportable use of funds must clearly identify the purpose for which the funds will be utilized.

Additional disclosures apply if it is not an initial report, but rather an update report. During the period in which a TxCDBG application is pending, the applicant must make the following additional disclosures:

1. Any information that should have been disclosed in connection with the application, but was omitted.
2. Any information that would have been subject to disclosure in connection with the application, but that arose at a later time, including information concerning an interested party that now meets the applicable disclosure threshold referred to in PART 2 above.
3. For changes in previously disclosed Other Government Assistance that exceeds the amount that was previously disclosed.
4. For changes in previously disclosed financial interests, any change in the amount of the financial interest of a person that exceeds the amount of the previously disclosed interests by \$50,000 or by 10 percent of such interests (whichever is lower).
5. For changes to previously disclosed sources of funds, any change in a source of funds that exceeds the lower of:
 - The amount previously disclosed for that source of funds by \$250,000 or by 10 percent of the amount previously disclosed for that source, whichever is lower; or
 - The amount previously disclosed for all sources of funds by \$250,000 or by 10 percent of the amount previously disclosed for all sources of funds, whichever is lower.

For changes to previously disclosed uses of funds, any change in a use of funds that exceeds the lower of:

- The amount previously disclosed for that use of funds by \$250,000 or by 10 percent of the amount previously disclosed for that use, whichever is lower; or
- The amount previously disclosed for all uses of funds by \$250,000 or by 10 percent of the amount previously disclosed for all uses of funds, whichever is lower.

Rural Health Questionnaire

Provide a response to each of the questions that apply. *Note that some of the fields will not work properly until the remainder of the application has been accurately completed.*

Resolutions

The Rural Health Demonstration Pilot Project Fund application for Texas Community Development Block Grant Program assistance must be submitted with a resolution from the local governing body (i.e. County Commissioners Court) authorizing the submission of that application.

The resolution must be adopted / passed prior to the submission of the TxCDBG application.

The resolution must be adopted / passed after the first application public hearing has been held.

Failure to comply with these resolution requirements may result in disqualification of the application.

This resolution must, at a minimum:

1. Authorize the submission of an application for funding under the Texas Community Development Block Grant Program.
2. Designate the RHDPP Fund as the fund category under which the application is to be considered.
3. Designate the activities addressed in the application.
4. Designate dollar amount being requested.
5. Designate a person (e.g., County Judge, County Commissioner, Mayor,...) who will be authorized to execute documents in conjunction with the application.
6. Commit to the provision of resources by source and use (if applicable) in support of the proposed project activities, including the specific source (e.g., General Fund, Water/Sewer Fund, General Obligation Bonds) and use of those resources.

In a multi-jurisdiction application, a cooperation agreement must also be included and signed by all participating local governments, and must state which participant will serve as the lead administrative entity if the project is funded. Additionally, each locality participating in a multi-jurisdiction application must submit a resolution as outlined above.

A SAMPLE RESOLUTION IS PROVIDED ON THE FOLLOWING PAGE:

Sample Resolution

RESOLUTION

A RESOLUTION OF THE COMMISSIONER’S COURT OF (XYZ) COUNTY, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE OFFICE OF RURAL COMMUNITY AFFAIRS FOR THE (RURAL HEALTH DEMONSTRATION PILOT PROJECT FUND); AND AUTHORIZING (THE COUNTY JUDGE) TO ACT AS THE COUNTY’S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE COUNTY’S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the Commissioner’s Court of (XYZ) County desires to develop a viable urban community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interests of (XYZ) County to apply for funding under the Texas Community Development Block Grant Program;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONER’S COURT OF (XYZ) COUNTY, TEXAS:

1. That a Texas Community Development Block Grant Program application for the (Rural Health Demonstration Pilot Project Fund) is hereby authorized to be filed on behalf of the County with the Office of Rural Community Affairs.
2. That the County's application be placed in competition for funding under the (Rural Health Demonstration Pilot Project Fund).
3. That the application be for (\$500,000.00) of grant funds to provide (first-time water service).
4. That the Commissioner’s Court directs and designates (the County Judge) as the County's Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the County's participation in the Texas Community Development Block Grant Program.
5. That it further be stated that (XYZ) County is committing (\$25,000.00) from its (General Fund) as a cash contribution toward the administration activities of this (first-time water service) project.

Passed and approved this (24th) day of (September, 2008).

John Doe, County Judge
(XYZ) County, Texas

Mary Smith, County Clerk
(XYZ) County, Texas

Published Notices of Public Hearing and Application Activities

Prior to the preparation and submission of an application for TxCDBG funds, each applicant must hold one public hearing and publish a notice that describes the application activities and the availability of the application(s) for public review.

The public hearing gives citizens information about the Texas Community Development Block Grant Program, eligible program activities, opportunity to participate in the development of the applicant's community development and housing needs, and opportunity to participate in the development of TxCDBG applications.

The public notice concerning the activities and activity locations that are included in TxCDBG applications gives citizens information on proposed uses for the funds and an opportunity to review and comment on the application(s) prior to submission.

Other requirements that must be followed include:

- Public notices should be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community service providers.
- Persons with disabilities must be able to attend the hearing and an applicant must make arrangements for individuals who require auxiliary aids or services, if contacted at least two days prior to the hearing.
- Local organizations that provide services or housing for low-to-moderate income persons, including but not limited to, the local Public Housing Authority, the local Health and Human Services office, and the local Mental Health and Mental Retardation office, must receive written notification concerning the date, time, location and topics to be covered at the public hearing.

The written notification sent to local service providers for the public hearing must include the date, time, location and topics to be considered at the public hearing (a copy of the notice to be published for the public hearing will suffice if the notice includes all of the required information). An applicant should send this notification to service providers serving the jurisdiction's residents. If a local office is located in the community, then the notification should be sent to that office. If a local office is not located in the community, then the notification should be sent to the local or regional office location that serves the jurisdiction's residents.

To show that proper notice of the public hearing and application activities was given to citizens, each applicant, including participating jurisdictions in a multi-jurisdiction application, must submit with the TxCDBG application:

- A copy of the actual published public hearing notice (full page of the newspaper with publication title and date or publisher's affidavit and a copy of the notice) for the required public hearing. The notice must conform to the requirements of the Citizen Participation Plan including specifics such as the date, time, location of the hearing and the topics to be discussed.
- A copy of the actual published notice of the application(s) activities and availability of the application(s) for public review (full page of the newspaper with publication title and date or publisher's affidavit and a copy of the notice). The notice must conform to the requirements of the Citizen Participation Plan including the timing of the published notice and the information included in the notice.
- A listing of the local service providers that were sent the written notification of the public hearing. Copies of the written notifications must be kept by the applicant and will be reviewed by TxCDBG staff during site visits. Again, the written notification must conform to the requirements of the Citizen Participation Plan including specifying the date, time, location of the hearing and the topics to be discussed.

Details such as checking to see if the public notices are published on the correct days are recommended. Waiting until a few days before the application deadline to go to the newspaper for the publisher's affidavit is not recommended. At that point, it could be too late to fix a public hearing problem.

Sample Public Hearing Notice and Application Activities Notice

SAMPLE PUBLIC HEARING NOTICE:

Published on (September 1, 2008):

PUBLIC NOTICE
(XYZ) COUNTY
TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County will hold a public hearing at 7:00 p.m. on September 15, 2008, at (XYZ) County Courthouse in regard to the submission of an application to the Office of Rural Community Affairs for a Texas Community Development Block Grant Program (TxCDBG) grant. The purpose of this meeting is to allow citizens an opportunity to discuss the citizen participation plan, the development of local housing and community development needs, the amount of TxCDBG funding available, all eligible TxCDBG activities, and the use of past TxCDBG funds. The County encourages citizens to participate in the development of this TxCDBG application and to make their views known at this public hearing. Citizens unable to attend this meeting may submit their views and proposals to (John Doe), County Judge at the County Courthouse. Persons with disabilities that wish to attend this meeting should contact the County Courthouse to arrange for assistance. Individuals who require auxiliary aids or services for this meeting should contact the County Courthouse at least two days before the meeting so that appropriate arrangements can be made.

SAMPLE APPLICATION ACTIVITIES NOTICES:

Published on (September 16, 2008):

PUBLIC NOTICE
(XYZ) COUNTY
TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(XYZ) County is giving notice of the county's intent to submit Texas Community Development Block Grant Program grant applications for a (Rural Health Demonstration Pilot Project Fund) grant request of (\$250,000) for (the installation of a sewer system) in the (community of XX). The application is available for review at the (XYZ) County Courthouse during regular business hours.

Project Maps

Each application for TxCDBG funding must be accompanied by a project map, or maps, which clearly show the following information:

- The boundaries of the applicant's jurisdiction
- the boundaries of the county
- the locations of the target area community or communities
- the location(s) of all proposed project activities within the target areas (e.g., sewer/water lines, lift stations, street pavement, water storage tanks, water wells, wastewater treatment plants, public facility improvements, etc.)

Applicants using HUD-2000 Census-based data to document project beneficiaries must provide maps which clearly show:

- all of the Census geographic areas (e.g., census tracts, block numbering areas, block groups) within the applicant's jurisdiction where census data is used to document project beneficiaries
- locations of the project activities on the same census maps
- the census tract numbers, block numbering area numbers, and block group numbers must be legible on these census maps

If project beneficiaries are determined on the basis of area benefit, the project area or service area boundaries must also be delineated on the map.

(Note: Maps must be reproducible. Care should be taken in copying maps so that project activities which may have been designated by a colored mark are still identifiable.)

Letters of Commitment (If Applicable)

There are several ways in which cities and counties can use other resources in support of TxCDBG funded activities. This support can include:

- In-kind Services
- Force Account Labor and Equipment (salaries/equipment for project construction)
- Local Volunteer Labor (salaries/hourly wages earned, but not paid)
- City or County Owned Land (to be specifically used or donated to the project)
- City or County Owned Materials (either construction or administration materials)
- Force Account Administration (administrative salaries)
- Applicant General Revenue Funds
- Local, State, or Federal Funds.

While other resources are strongly encouraged, the commitments for these matching funds must be fully documented as to source, type, use, and minimum dollar amount before they can be considered in the scoring of an application.

Local government resource commitments must be made in the form of a Resolution from the City Council or County Commissioners Court. This resolution must, at a minimum, indicate the type of resource (e.g., land, labor, materials, money, etc.) and the source, a minimum dollar value to be provided, and for what purpose(s) this resource will be used. Please note here that local match can only be counted for expenditures that would not occur (with the exception of local funds expended for consultant engineering and administrative services) if the proposed application is not funded.

Resource commitments provided by other local entities (e.g., public housing authority, special utility districts, private financial institutions or other similar sources leveraging loan funds with a local housing rehabilitation program or other TxCDBG-eligible activity) must be documented in a letter signed by a person authorized by that entity to make such a commitment. This letter should identify the resource to be provided, a minimum dollar value to be provided, and for what purpose this resource will be used. Applicants who are unsure about the eligibility of a commitment from other local entities should contact TxCDBG staff.

Commitments for other State or Federal funds (e.g., Texas Water Development Board, Rural Utility Service) must be supported by a grant/loan offer, contract award letter, etc., signed by a person authorized to make such a commitment for that agency for an activity directly related to activities included in the TxCDBG funding request. This evidence must include identification of the resource, a minimum dollar value, and the purpose for which this resource will be used. Also, these resources cannot have been expended before the application is submitted.

All resources committed in an application and considered in the scoring of that application must be provided in the event that the project is selected for funding. If these resources are not made available, the locality may be subject to the sanctions set forth in the “*False Information*” section of this guide.

Additionally, the use of other funds (e.g., federal, state, or local), in conjunction with TxCDBG funds, generally triggers a series of compliance requirements on those other funds that might not be applicable if those funds were to be used independently as a separate project. These requirements include but are not limited to: environmental review, labor standards, real property acquisition (including easements), prohibition of special assessments, and financial management procedures.

Acceptability of Match

The following guidelines serve to clarify the type of match acceptable under the Texas Community Development Block Grant Program. Acceptable types of match can be any of the following:

1. Cash Only
2. In-kind Services/Equipment Use
3. Materials or Supplies
4. Land
5. Any Combination Of The Above

The TxCDBG will not accept matching funds from the United States Department of Agriculture Rural Development Programs for TxCDBG applications unless the applicant has submitted the preliminary application for the Rural Development grant or loan matching funds to Rural Development prior to the TxCDBG application deadline. Applicants planning to use Rural Development funds as match for TxCDBG funds cannot submit a TxCDBG application for the Community Development Fund, Colonia Construction Fund, or Non-Border Colonia Fund unless the applicant has submitted the application for Rural Development funds prior to the TxCDBG application deadline.

The TxCDBG will not accept matching funds from the Texas Water Development Board Programs for TxCDBG applications unless the applicant has submitted the preliminary application or the required questionnaire for the Texas Water Development Board grant or loan matching funds to the Texas Water Development Board prior to the TxCDBG application deadline. Applicants planning to use Texas Water Development Board funds as match for TxCDBG funds cannot submit a TxCDBG application for the Community Development Fund, Colonia Construction Fund, or Non-Border Colonia Fund unless the applicant has submitted the application or completed the required questionnaire for Texas Water Development Board funds prior to the TxCDBG application deadline.

Funds expended prior to the application deadline shall not be counted as matching funds under the TxCDBG Project Design scoring factor.

The only exceptions to this policy are local/other funds expended for engineering/architectural services and local/other funds expended for consultant administrative services.

Prior to submission of the application, an applicant may procure professional services to assist in the preparation of the application and/or to provide the professional engineering/architectural or administration services needed for contract management purposes if the application is funded.

The TxCDBG may reimburse funded applicants for any costs (except for application preparation costs) incurred prior to the TxCDBG Contract Start Date. If any contract-related professional service costs are paid with local funds, these costs may be applied toward the applicant's local match contribution, if the application is funded.

The TxCDBG strongly recommends that applicants follow the professional services procurement guidelines included in the most recent TxCDBG Implementation Manual to contract for such services. Following those guidelines will ensure a competitive process and compliance with all applicable state federal requirements.

Match can be considered only if committed for activities proposed for funding with TxCDBG funds and the match will be used in the same target areas as the TxCDBG funds, or the match will be used for activities that are directly related to supporting the activities proposed for TxCDBG funding.

Match can be considered only if the applicant has used an acceptable and reasonable method to document the value of the match.

Except for cash match, the applicant must provide an attachment/schedule to Table 2, Budget Justification, which shows how the value of each type of match was determined. The following documentation is acceptable to the TxCDBG for the different types of match:

Cash:

Acceptable documentation for cash match is described in “*Letter(s) of Commitment*” section (e.g., local government resolution, letters of commitment from other local entities, state/federal agency contract award letter, etc.).

Force Account Labor (in-kind service):

The value of force account labor match must be based on the estimated TxCDBG contract-related construction hours to be worked by force account workers and the hourly wages to be paid and cannot be based on labor costs estimated through the bid/contract method.

The applicant must provide an attachment/schedule which shows how the value of the match was determined (number of estimated contract-related construction hours multiplied by the hourly wage rates paid for each worker). Documentation regarding this information should be included within attachment section 8, Miscellaneous Attachments.

Local Volunteer Labor (STEP Projects):

ORCA, TCEQ, and other state entities are participants in a collaborative approach to address local needs through the Texas Small Towns Environment Program (Texas STEP). The STEP approach is a way for communities to solve water and wastewater problems through self-help.

Local volunteer labor, labor provided by persons that are not employed by the applicant or working on the project activity in their capacity as an employee of the applicant or as an employee of a construction contractor on the project, can be counted as match.

The value of volunteer labor match must be based on the estimated TxCDBG contract-related construction hours to be worked by volunteer workers and the hourly wages that would be earned if the volunteer workers were actually paid.

Administration/Engineering (in-kind service):

The value of in-kind administration and engineering match must be based on the estimated TxCDBG contract-related hours to be worked by administrative/engineering staff and the hourly wages or salary to be paid and cannot be based on a percentage of the project cost method or on an estimated cost of the service(s) if an administrative/engineering consultant(s) were hired.

The applicant must provide an attachment/schedule which shows how the value of the match was determined. The schedule should include the estimated contract-related staff-work hours multiplied by the hourly wages or salary to be paid and the estimated value of other TxCDBG-eligible administration/engineering costs (e.g., materials, supplies, bonding, postage, audits, plans/specifications, construction mapping, etc.). If you are unsure about the eligibility of any administrative or engineering costs, please contact TxCDBG staff for a determination.

Equipment Use (in-kind):

The value of in-kind equipment use match for equipment owned by the locality must be based on a use allowance or depreciation (both cannot be used for the same piece of equipment) and cannot be based on the estimated rental cost of such equipment if already owned by the locality.

To document the value of estimated in-kind equipment use match based on a use allowance, the applicant may use equipment hourly rates and mileage rates established by the Federal Emergency Management Agency (available from the TxCDBG under separate cover).

Depreciation value may be used only if the equipment is not already fully depreciated and the schedule is based on acquisition cost. The applicant must provide an attachment/schedule which shows how the value of the match was determined.

If determining value by use allowance, the schedule must include a list of the equipment (including the capacity or size of the equipment), the hourly use rate or mileage rate, and the number of estimated hours or miles that each piece of equipment will be used on project related activities.

If determining value based on depreciation, the schedule must include a list of the equipment, the depreciation schedule, and the acquisition cost of each piece of equipment.

Materials and Supplies:

The value of materials/supplies to be provided by the applicant, and already owned by the applicant, must be based on the purchase price of the materials/supplies at the time of purchase and cannot be based on the current purchase price of such materials and supplies.

The applicant must provide an attachment/schedule which shows how the value of the match was determined. The schedule must include a list of the materials/supplies to be provided by the applicant, the number of units and the unit price acquisition cost of each material/supply.

Land:

The value of land donations of public or private property must be based on an independent appraisal report establishing the fair market value or on the purchase price of the property at the time of purchase.

Either way, the value claimed must be based on the amount of property actually needed for the TxCDBG project (e.g., the applicant cannot claim the value for a 200 acre tract of land if only one acre is needed for the TxCDBG project).

The applicant must provide the appraisal report or deed of purchase establishing the value of the property needed for the TxCDBG project.

SUMMARY
Collection Efforts by
The Office of the Attorney General
and ORCA
Presented by Theresa Cruz*

DISCUSSION

As part of our continuing effort to keep the Board up to date on collections, Kevin Heyburn will be present to explain the collection efforts and answer any questions you may have about the collection efforts by the OAG. I will answer other questions you may have about collections being handled within the agency.

A report on the collections both by the OAG and by ORCA staff is attached behind this brief.

RECOMMENDATION

No action needed. For informational purposes only.

RURAL DEFINITION

N/A for this agenda item.

***Should an Executive Committee member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6719 or at tcruz@orca.state.tx.us.**

ORCA Rural Health - Outstanding Debt Collections
As of June 30, 2008

Collections by ORCA									
	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program		Balance as of 09/01/07	FY 2008 Collections	Comment
1	Brandon Pshigoda	ORS	Pharmacy	49,601	1999		8,251	8,251	paid in full 06/23/08
2	Annette Ybarra	ORS	Pharmacy	76,500	2000		31,840	12,750	
3	Sarah Doss	ORS	Medicine	59,197	1997		27,625	9,866	
4	Ted Chaka	ORS	Physician Asst.	33,933	2001		28,649	3,845	
5	Deborah Ginbey	ORS	Nursing	70,357	1995		68,907	600	
6	Joseph Munroe	THSC	Medicine	11,257	2006		11,257	0	
7	Renee Castillo	ORS	Nursing	18,629	2003		18,629	310	
Total, ORCA				319,474			195,158	35,623	

Collections by the Office of Attorney General (OAG)									
	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program		Balance as of 9/1/2007	FY 2008 Collections	Comment
1	Phillip Cochran	ORS	Medicine	133,939	1994		133,939	78,955	partial settlement judgement filed
2	Jessica Fulcher	ORS	Nursing	38,751	2002		38,751	0	
3	Robert Zube	ORS	Medicine	221,634	1999		218,634	9,746	lawsuit filed
4	Maragret Taylor	ORS	Physician Asst.	7,824	1998		7,824	0	
5	Tabbatha Rizer	ORS	Nursing	86,203	2005		86,203	1,325	
Total, Attorney General				488,351			485,351	90,026	

	Original Amount Owed		Balance as of 9/1/2007	FY 2008 Collections
Total	807,826		680,509	125,649

* ORS - Outstanding Rural Scholar Program
THSC - Texas Health Services Corps Program

SUMMARY
Presentation on West Texas AHEC
Presented by Theresa Cruz *

DISCUSSION

The State Office of Rural Health has the opportunity to collaborate with many partners throughout the state. Pam Danner with the West Texas AHEC will provide an informative presentation on the efforts of their organization and how they interact with ORCA.

RECOMMENDATION

No action needed. For informational purposes only.

RURAL DEFINITION

For purposes of the Rural Health grants, “Rural” is defined as counties that are not designated as “Metropolitan Statistical Areas”, as determined by the Office of Management and Budget.

***Should an Executive Committee member have questions concerning this agenda item, please contact Theresa Cruz at 512-936-6719. (tcruz@orca.state.tx.us)**

SUMMARY
Presentation on the Texas Primary Care Office
Presented by Theresa Cruz *

DISCUSSION

The State Office of Rural Health has the opportunity to collaborate with many partners throughout the state. Connie Berry with the Texas Primary Care Office will provide an informative presentation on the efforts of their organization and how they interact with ORCA.

RECOMMENDATION

No action needed. For informational purposes only.

RURAL DEFINITION

For purposes of the Rural Health grants, “Rural” is defined as counties that are not designated as “Metropolitan Statistical Areas”, as determined by the Office of Management and Budget.

***Should an Executive Committee member have questions concerning this agenda item, please contact Theresa Cruz at 512-936-6719. (tcruz@orca.state.tx.us)**

SUMMARY

Award of Funding for the State Office of Rural Health Grant Presented by Theresa Cruz

DISCUSSION

The purpose of the State Office of Rural Health (SORH) grant program is to assist States in strengthening rural health care delivery systems by maintaining a focal point for rural health within each State. The program provides funding for an institutional framework that links small rural communities with State and Federal resources to help develop long term solutions to rural health problems.

The SORH must conduct the following activities:

- (1) Establish and maintain within the State a clearinghouse for collecting and disseminating information on rural health issues; research findings relating to rural health care; and develop innovative approaches to the delivery of health care in rural areas;
- (2) Coordinate the activities carried out in the State that relate to rural health care, including providing coordination for the purpose of avoiding duplication in such activities; and
- (3) Identify Federal, State, and nongovernmental programs regarding rural health, and provide technical assistance to public and nonprofit private entities regarding participation in such programs
- (4) Encourage, but not directly fund, the recruitment and retention of health professionals in rural areas; and
- (5) Participate in strengthening State, local and Federal partnerships in rural health.

Additional information will be provided to the Board during a brief presentation to be given during this agenda item.

Funding: The source of funding comes from the U.S. Department of Health and Human Services, Health Resources Services Administration. Texas received an award amount of \$147,700.00 for FY 2008.

RECOMMENDATION

It is recommended that the Executive Committee accept the award of \$147,700.00 from the Health Resources and Services Administration, Office of Rural Health Policy.

RURAL DEFINITION

A hospital is considered “rural” if it is located in a county that is not designated as a “Metropolitan Statistical Area” as defined by the Office of Management and Budget (OMB).

***Should an Executive Committee member have questions concerning this agenda item, please contact Ms. Cruz at 512-936-6719 (tcruz@orca.state.tx.us).**

1. DATE ISSUED: 06/26/2008		2. PROGRAM CFDA: 93.913		DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTH RESOURCES AND SERVICES ADMINISTRATION  NOTICE OF GRANT AWARD AUTHORIZATION (Legislation/Regulation) Public Health Service Act, Title III, Section 338J											
3. SUPERCEDES AWARD NOTICE dated: except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.															
4a. AWARD NO.: 2 H95RH00152-07-00		4b. GRANT NO.: H95RH00152	5. FORMER GRANT NO.: H95RH00128												
6. PROJECT PERIOD: FROM: 07/01/2002 THROUGH: 06/30/2013															
7. BUDGET PERIOD: FROM: 07/01/2008 THROUGH: 06/30/2009															
8. TITLE OF PROJECT (OR PROGRAM): STATE OFFICES OF RH															
9. GRANTEE NAME AND ADDRESS: OFFICE OF RURAL COMMUNITY AFFAIRS PO BOX 12877 Austin, TX 78711-2877			10. DIRECTOR: (PROGRAM DIRECTOR/PRINCIPAL INVESTIGATOR) Theresa K. Cruz OFFICE OF RURAL COMMUNITY AFFAIRS PO BOX 12877 Austin, TX 78711-2877												
11. APPROVED BUDGET: (Excludes Direct Assistance) [] Grant Funds Only [X] Total project costs including grant funds and all other financial participation a. Salaries and Wages: \$ 240,000.00 b. Fringe Benefits: \$ 68,500.00 c. Total Personnel Costs: \$ 308,500.00 d. Consultant Costs: \$ 0.00 e. Equipment: \$ 0.00 f. Supplies: \$ 12,500.00 g. Travel: \$ 24,000.00 h. Construction/Alteration and Renovation: \$ 0.00 i. Other: \$ 0.00 j. Consortium/Contractual Costs: \$ 245,800.00 k. Trainee Related Expenses: \$ 0.00 l. Trainee Stipends: \$ 0.00 m. Trainee Tuition and Fees: \$ 0.00 n. Trainee Travel: \$ 0.00 o. TOTAL DIRECT COSTS: \$ 590,800.00 p. INDIRECT COSTS: (Rate: % of S&W/TADC) \$ 0.00 q. TOTAL APPROVED BUDGET: \$ 590,800.00 i. Less Non-Federal Resources: \$ 443,100.00 ii. Federal Share: \$ 147,700.00			12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE a. Authorized Financial Assistance This Period \$ 147,700.00 b. Less Unobligated Balance from Prior Budget Periods i. Additional Authority \$ 0.00 ii. Offset \$ 0.00 c. Unawarded Balance of Current Year's Funds \$ 0.00 d. Less Cumulative Prior Award(s) This Budget Period \$ 0.00 e. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION \$ 147,700.00												
13. RECOMMENDED FUTURE SUPPORT: (Subject to the availability of funds and satisfactory progress of project)															
<table border="1"> <thead> <tr> <th>YEAR</th> <th>TOTAL COSTS</th> </tr> </thead> <tbody> <tr> <td>08</td> <td>\$ 150,000.00</td> </tr> <tr> <td>09</td> <td>\$ 150,000.00</td> </tr> <tr> <td>10</td> <td>\$ 150,000.00</td> </tr> <tr> <td>11</td> <td>\$ 150,000.00</td> </tr> </tbody> </table>						YEAR	TOTAL COSTS	08	\$ 150,000.00	09	\$ 150,000.00	10	\$ 150,000.00	11	\$ 150,000.00
YEAR	TOTAL COSTS														
08	\$ 150,000.00														
09	\$ 150,000.00														
10	\$ 150,000.00														
11	\$ 150,000.00														
14. APPROVED DIRECT ASSISTANCE BUDGET: (In lieu of cash)															
a. Amount of Direct Assistance \$ 0.00															
b. Less Unawarded Balance of Current Year's Funds \$ 0.00															
c. Less Cumulative Prior Awards(s) This Budget Period \$ 0.00															
d. AMOUNT OF DIRECT ASSISTANCE THIS ACTION \$ 0.00															
15. PROGRAM INCOME SUBJECT TO 45 CFR Part 74.24 OR 45 CFR 92.25 SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES: A=Addition B=Deduction C=Cost Sharing or Matching D=Other [C] Estimated Program Income: \$ 0.00															
16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY HRSA, IS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING: a. The grant program legislation cited above. b. The grant program regulation cited above. c. This award notice including terms and conditions, if any, noted below under REMARKS. d. 45 CFR Part 74 or 45 CFR Part 92 as applicable. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.															
REMARKS: (Other Terms and Conditions Attached [X] Yes [] No) <i>Electronically signed by Dorothy M. Kelley, Grants Management Officer on: 06/26/2008</i>															
17. OBJ. CLASS: 41.51		18. CRS-EIN: 1743024533A1		19. FUTURE RECOMMENDED FUNDING:											
FY-CAN	CFDA	DOCUMENT NO.	AMT. FIN. ASST.	AMT. DIR. ASST.	SUBPROGRAM CODE										
08-3704111	93.913	H95RH00152C0	\$ 147,700.00	\$ 0.00	N/A										

HRSA Electronic Handbooks (EHBs) Registration Requirements

The Project Director of the grant (listed on this NGA) and the Authorizing Official of the grantee organization are required to register (if not already registered) within HRSA's Electronic Handbooks (EHBs). Registration within HRSA EHBs is required only once for each user for each organization they represent. To complete the registration quickly and efficiently we recommend that you note the 10-digit grant number from box 4b of this NGA. After you have completed the initial registration steps (i.e., created an individual account and associated it with the correct grantee organization record), be sure to add this grant to your portfolio. This registration in HRSA EHBs is required for submission of noncompeting continuation applications. In addition, you can also use HRSA EHBs to perform other activities such as updating addresses, updating email addresses and submitting certain deliverables electronically. Visit <https://grants.hrsa.gov/webexternal/login.asp> to use the system. Additional help is available online and/or from the HRSA Call Center at 1-877-464-4772.

Terms and Conditions

Failure to comply with the special remarks and condition(s) may result in a draw down restriction being placed on your Payment Management System account or denial of future funding.

Grant Specific Terms:

1. SORH is required to attend the following four meetings that will occur within the budget period: 1) SORH Grantee Annual meeting, 2) NOSORH Annual meeting, 3) SORH Regional meeting, and 4) the NRHA Annual meeting. Dates for all meetings will be provided by SORH Grant Coordinator. Budgets for these meetings were included in SORH grant application.

Program Terms:

1. On a regularly scheduled basis, HRSA grantees are required during their project period to participate in a performance review of their HRSA funded program(s) by a review team from HRSA's Office of Performance Review. If your organization has been selected for a performance review, you will be contacted at least twelve weeks before your performance review begins in order to provide you with additional information about the scope and process for your review, and to schedule the dates for the on-site phase. Upon completion of the performance review, grantees are expected to prepare an Action Plan that identifies key actions to improve program performance as well as addresses any identified program requirement issues.

Standard Terms:

1. All discretionary awards issued by HRSA on or after October 1, 2006, are subject to the HHS Grants Policy Statement (HHS GPS) unless otherwise noted in the Notice of Award (NoA). Parts I through III of the HHS GPS are currently available at <ftp://ftp.hrsa.gov/grants/hhsgrantspolicystatement.pdf> and it is anticipated that Part IV, HRSA program-specific guidance will be available at the website in the near future. In addition, HRSA-specific contacts will be appended to Part III of the GPS which identifies Department-wide points of contact.

Please note that the Terms and Conditions explicitly noted in the award and the HHS GPS are in effect. Once available, Part IV, HRSA program-specific guidance will take precedence over Parts I and II in situations where there are conflicting or otherwise inconsistent policies.

2. The HHS Appropriations Act requires that when issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state the percentage of the total costs of the program or project which will be financed with Federal money, the dollar amount of Federal funds for the project or program, and percentage and a dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.
3. Recipients and sub-recipients of Federal funds are subject to the strictures of the Medicare and Medicaid anti-kickback statute (42 U.S.C. 1320a - 7b(b)) and should be cognizant of the risk of criminal and administrative liability under this

statute, specifically under 42 U.S.C. 1320 7b(b) Illegal remunerations which states, in part, that whoever knowingly and willfully:

(A) Solicits or receives (or offers or pays) any remuneration (including kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, in return for referring (or to induce such person to refer) an individual to a person for the furnishing or arranging for the furnishing of any item or service, OR

(B) In return for purchasing, leasing, ordering, or recommending purchasing, leasing, or ordering, or to purchase, lease, or order, any goods, facility, services, or item

....For which payment may be made in whole or in part under subchapter XIII of this chapter or a State health care program, shall be guilty of a felony and upon conviction thereof, shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.

4. The HHS Appropriations Act requires that to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made.
5. Items that require prior approval from the awarding office as indicated in 45 CFR Part 74.25 [Note: 74.25 (d) HRSA has not waived cost-related or administrative prior approvals for recipients unless specifically stated on this Notice of Grant Award] or 45 CFR Part 92.30 must be submitted in writing to the Grants Management Officer (GMO). Only responses to prior approval requests signed by the GMO are considered valid. Grantees who take action on the basis of responses from other officials do so at their own risk. Such responses will not be considered binding by or upon the HRSA.

In addition to the prior approval requirements identified in Part 74.25, HRSA requires grantees to seek prior approval for significant rebudgeting of project costs. Significant rebudgeting occurs when, under a grant where the Federal share exceeds \$100,000, cumulative transfers among direct cost budget categories for the current budget period exceed 25 percent of the total approved budget (inclusive of direct and indirect costs and Federal funds and required matching or cost sharing) for that budget period or \$250,000, whichever is less. For example, under a grant in which the Federal share for a budget period is \$200,000, if the total approved budget is \$300,000, cumulative changes within that budget period exceeding \$75,000 would require prior approval). For recipients subject to 45 CFR Part 92, this requirement is in lieu of that in 45 CFR 92.30(c)(1)(ii) which permits an agency to require prior approval for specified cumulative transfers within a grantee's approved budget. [Note, even if a grantee's proposed rebudgeting of costs falls below the significant rebudgeting threshold identified above, grantees are still required to request prior approval, if some or all of the rebudgeting reflects either a change in scope, a proposed purchase of a unit of equipment exceeding \$25,000 (if not included in the approved application) or other prior approval action identified in Parts 74.25 and 92.30 unless HRSA has specifically exempted the grantee from the requirement(s).]

6. Payments under this award will be made available through the DHHS Payment Management System (PMS). PMS is administered by the Division of Payment Management, Financial Management Services, Program Support Center, which will forward instructions for obtaining payments. Inquiries regarding payment should be directed to: Payment Management, DHHS, P.O. Box 6021, Rockville, MD 20852, <http://www.dpm.psc.gov/> or Telephone Number: 1-877-614-5533.
7. The DHHS Inspector General maintains a toll-free hotline for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Such reports are kept confidential and callers may decline to give their names if they choose to remain anonymous. Contact: Office of Inspector General, Department of Health and Human Services, Attention: HOTLINE, 330 Independence Avenue Southwest, Cohen Building, Room 5140, Washington, D. C. 20201, Email: Htips@os.dhhs.gov or Telephone: 1-800-447-8477 (1-800-HHS-TIPS).
8. Submit audits, if required, in accordance with OMB Circular A-133, to: Federal Audit Clearinghouse Bureau of the Census 1201 East 10th Street Jefferson, IN 47132 PHONE: (310) 457-1551, (800)253-0696 toll free <http://harvester.census.gov/sac/facconta.htm>
9. EO 13166, August 11, 2000, requires recipients receiving Federal financial assistance to take steps to ensure that people with limited English proficiency can meaningfully access health and social services. A program of language assistance should provide for effective communication between the service provider and the person with limited English proficiency to facilitate participation in, and meaningful access to, services. The obligations of recipients are explained on the OCR website at <http://www.hhs.gov/ocr/lep/reviselep.html>.

10. This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.hrsa.gov/grants/trafficking.htm>. If you are unable to access this link, please contact the Grants Management Specialist identified in this Notice of Grant Award to obtain a copy of the Term.

Reporting Requirements:

1. Due Date: Within 90 days of Budget End Date

The grantee must submit a Financial Status Report SF-269A/Short Form (<http://www.psc.gov/forms/sf>) within 90 days after the budget period end date. This report should NOT reflect cumulative reporting from budget period to budget period and must be submitted to the HRSA, Division of Grants Management Operations, 5600 Fishers Lane, Room 11A-02, Rockville, MD 20857-0001.

Failure to comply with these reporting requirements will result in deferral or additional restrictions of future funding decisions.

Contacts:

Program Contact: For assistance on programmatic issues, please contact Elizabeth Rezai-zadeh at:
5600 Fishers Ln
Rockville, MD 20852-1750
Phone: (301)443-4107
Email: Erezai@hrsa.gov

Division of Grants Management Operations: For assistance on grants administration issues, please contact Phyllis Lawson at:
1400-13
DGMO/OFAM
5600 Fishers Ln
Rockville, MD 20852-1750
Phone: (301)443-6381
Email: plawson@hrsa.gov

Responses to reporting requirements, conditions, and requests for post award amendments must be mailed to the attention of the Office of Grants Management contact indicated above. All correspondence should include the Federal grant number (item 4 on the award document) and program title (item 8 on the award document). Failure to follow this guidance will result in a delay in responding to your request.

TEXAS DEPARTMENT OF AGRICULTURE

Texas Capital Fund (TCF)

IMPACTS AND SUCCESS STORIES

- Since September 1, 2001, Texas Capital Fund has executed 184 contracts totaling \$86,151,317, creating 6,149 jobs and retaining 1,794 (a total 7,943 jobs at \$10,846/job). Matching funds for these projects totaled \$271,028,606.
- In 2006, TCF's Downtown Revitalization Program increased the allocation for this program to a total of \$1,200,000 and doubled the number of awards to 8. These awards are made to small cities.
- TDA administers the Texas Capital Fund Main Street Improvements program in partnership with the Texas Historical Commission (THC). THC estimates that the Texas Main Street Program has resulted in over \$1 billion in investment in Main Street cities since 1981.

OVERVIEW

The Texas Capital Fund (TCF) program is administered by the Texas Department of Agriculture through an interagency agreement with the Office of Rural Community Affairs (ORCA). The TCF program encourages business development, retention, or expansion by providing funds to eligible applicants. Funds will be awarded for the express purpose of assisting in the creation of new permanent jobs or retention of existing permanent jobs, primarily for low and moderate income (LMI) persons. In order to comply with the national goal of expanding economic opportunities for LMI persons, a minimum of 51 percent or more of all the jobs created or retained by the business must benefit persons who qualify as LMI.

These funds are a part of the U. S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program and is known as the Texas Community Development Program (TCDP) in our state. The program is only available to non-entitlement city or county governments. Non-entitlement cities/counties do not receive direct funding from HUD and typically include cities with a population of less than 50,000 and counties of less than 200,000. There are over 1,200 eligible cities and counties in the state. Awarded cities and counties receive funds to make public infrastructure and/or real estate improvements to support a specific business that is expanding or beginning operations in the applicant's jurisdiction and are contingent upon the business making a capital investment and creating/retaining jobs for Texans.

Currently, TCF has four program areas:

- Main Street Improvements
- Real Estate Development
- Infrastructure Development
- Downtown Revitalization Program

Deadlines for the 2008 Infrastructure and Real Estate Programs are March 31st, June 9th, September 9th and December 2nd, 2008. The deadline for the Main Street program applications is September 9, 2008. The deadline for the 2008 Downtown Revitalization Program was July 28, 2008. For more information, please visit our website at http://www.agr.state.tx.us/agr/program_render/0,1987,1848_6050_0_0,00.html?channel=6050 or call us at (512) 936-0273.

TEXAS CAPITAL FUND 2008 PROJECTS

Infrastructure/Real Estate 1st Round 2008										
Type	Rank	Contractor	Pov. Rate	Business	Jobs Cr	Job Ret	Tot Jobs	\$ Req	\$ Match	Total \$
RE	1	Olney	15.68	Air Tractor	51	0	51	\$750,000	\$750,000	\$1,500,000
INF	2	Alvarado	8	Sabre Communications	51	0	51	\$750,000	\$750,000	\$1,500,000
INF	3	Little Elm	6	Retractable Technologies	51	0	51	\$750,000	\$750,000	\$1,500,000
INF	4	Culberson County	22	Royal Farms	3	0	3	\$75,000	\$160,000	\$235,000
INF	5	Driscoll	18.2	Zeba, Inc.	14	0	14	\$209,900	\$209,900	\$419,800
INF	6	Sunnyvale	13.43	Millard Refrigerated Svcs.	70	0	70	\$750,000	\$750,000	\$1,500,000
Total					240	0	240	\$3,284,900	\$3,369,900	\$6,654,800

Infrastructure/Real Estate 2nd Round 2008										
Applications currently under review										
Type	Rank	Contractor	Pov. Rate	Business	Jobs Cr	Job Ret	Tot Jobs	\$ Req	\$ Match	Total \$
INF	1	Hillsboro	15.6	DW Distribution, Inc.	52	0	52	\$750,000	\$750,000	\$1,500,000
INF	2	Ingleside	14.6	Calixas Holdings, LLC	100	0	100	\$750,000	\$750,000	\$1,500,000
INF	3	Nixon	13.8	Holmes Foods, Inc.	38	0	38	\$750,000	\$750,000	\$1,500,000
Total					190		190	\$2,250,000	\$2,250,000	\$4,500,000

TEXAS CAPITAL FUND
DRP ROUND 2008
Applications Received

	APPLICANT	Field Staff	PROGRAM	REQ. \$
1	City of Crosbyton	Nancy	DRP	\$150,000
2	City of Floydada	Nancy	DRP	\$150,000
3	City of Plains	Nancy	DRP	\$163,860
4	City of Bogota	Linda	DRP	\$150,000
5	City of Daingerfield	Linda	DRP	\$150,000
6	City of Lorena	Judy	DRP	\$150,000
7	City of Dimmitt	Nancy	DRP	\$150,000
8	City of Jefferson	Linda	DRP	\$150,000
9	City of Sulphur Springs	Linda	DRP	\$150,000
10	City of Slaton	Nancy	DRP	\$145,600
11	City of Krum	Amy	DRP	\$150,000
12	City of Copperas Cove	Judy	DRP	\$150,000
13	City of Wharton	Judy	DRP	\$150,000
14	City of Midlothian	Amy	DRP	\$150,000
15	City of Dripping Springs	Judy	DRP	\$150,000

Total Requested Funds **\$2,259,460**

Total funds available **\$1,200,000**

Applications received 7/28/08 in process of scoring as of 7/30/08

s:Texas Capital Fund/contract pre award coordinator/apps recd scored/2008 DRP

SUMMARY

Disaster Relief Fund

Commitment for PY 2008 and Status Report

Presented by Mark Wyatt*

DISCUSSION

For Program Year 2008, ORCA has made available up to \$14,210,228 in funds to provide assistance under the Texas CDBG Disaster Relief Fund. This amount includes up to \$11,267,285 of Deobligated Funds and/or Program Income. This would be the highest total Program Year commitment level since the Disaster Relief Fund began in 1992. (These are funds provided under the regular TxCDBG program and not the special Rita Disaster Recovery CDBG funding.)

2008 Allocation & Deobligated Funds and/or Program Income

Deobligated Funds / Program Income PY 2008	\$10,017,285	
Plus Additional Potential for DR - as Needed (based on prior ORCA Executive Committee decisions) Remainder from \$6 Million-Forward Funded/Transfer - Potential DR	\$250,000	
Small Business - Potential DR	\$500,000	As Needed
Urgent Need - Potential DR	\$500,000	As Needed
<hr/>		
Total Deobligated Funds / Program Income - PY 2008	\$11,267,285	
<hr/>		
Plus Disaster Relief Funds - from Allocation - PY 2008	\$2,942,943	
<hr/>		
Total Disaster Relief Fund - Commitment - PY 2008	\$14,210,228	
<hr/>		
Less Amount Obligated - PY 2008 (since 2/1/2008) – 42 awards	\$9,873,067	
<hr/>		
Amount Remaining - as of 7/28/2008	\$4,337,161	<=====

History of Disaster Relief Awards – TxCDBG

Program Year	Number of Awards	Amount Approved	Committed
1992	3	\$437,575	
1993	6	\$1,453,698	
1994	6	\$1,652,392	
1995	15	\$3,647,042	
1996	16	\$4,252,348	
1997	20	\$5,302,143	
1998	15	\$4,111,025	
1999	20	\$4,984,330	
2000	21	\$6,112,549	
2001	25	\$5,655,011	
2002	36	\$9,605,000	
2003	19	\$3,679,063	
2004	17	\$5,076,847	
2005	34	\$7,128,666	
2006	1	\$350,000	
2007	37	\$10,768,252	
2008*	42	\$9,873,067*	\$14,210,228*
TOTAL	333	\$84,089,008	

Highest 2007 \$10,768,252

Lowest 2006 \$350,000

**Average
1992 to
2007 \$4,638,496**

* PY 2008 – as of 7/28/2008 - Total commitment of \$14,210,228 as of 7/28/2008.

As shown above, the highest amount awarded was \$10,768,252 in PY 2007 and the lowest amount was \$350,000 in PY 2006.

Current Status Report

Current Federal and State Disaster Declarations

Federal Declarations

July 24, 2008 – Federal Declaration (DR-1780-TX) – Hurricane Dolly - Federal disaster aid has been made available on a cost-sharing basis in 15 Counties struck by Hurricane Dolly beginning on July 22, 2008 for emergency protective measures (Category B) and Hazard Mitigation Grant Program measures statewide. Additional designations may be made at a later date if requested by the State and warranted by the results of further damage assessments. The counties included thus far are: Aransas, Bexar, Brooks, Calhoun, Cameron, Hidalgo, Jim Wells, Kenedy, Kleberg, Nueces, Refugio, San Patricio, Starr, Victoria, and Willacy.

ORCA is providing four options for financial assistance:

- a. Cities or counties that recently received an award may request converting that award to disaster relief activities;
- b. Consider revising the project being developed for the upcoming Community Development Fund to a Disaster Relief project;
- c. Consider revising the project being developed for the upcoming Colonia Construction Fund to a Disaster Relief project benefiting an impacted colonia;
- d. Application for the Disaster Relief Fund.

Basically, the most rapid approach is converting any new contracts. The other three options involve a longer period and require State Review Committee review and approval.

ORCA sent three staff members down with DEM / FEMA staff conducting the damage assessments. We anticipate providing staff at the McAllen DEM/FEMA field office once it is established.

DR-1709-TX: From June 16 through August 3, 2007, a Federal disaster declaration was issued for 72 counties across the state. In a Federal declaration, the declared counties and affected cities within these counties are eligible to apply for assistance under ORCA's Disaster Relief Fund. In federally declared areas, FEMA requires the applicant to provide the 25 percent match to receive both Public Assistance (PA) and Hazard Mitigation Grant Program (HMGP) funds. Rural communities look to ORCA to provide this match. Due to the size of this disaster, communities in the affected areas are encouraged to apply only for the match funds needed to secure the FEMA funding, rather than automatically applying for the maximum amount of \$350,000. Applicants have until 12 months from the event to submit their

applications, therefore, the eligible time period for submitting an application is nearly over.

The following is a breakdown of the 72 counties included in the federal declaration:

- thirty (30) counties and fifteen (15) cities have submitted applications thus far;
- nineteen (19) counties did not have much damage and were able to meet their own match with force account;
- three (3) counties are entitlement (Denton, Tarrant, Williamson) and do not qualify for ORCA assistance; and
- Only a handful of counties remain that are likely to submit an application before the period expires in July for some and August for a few others.

State Declarations

There are currently nine (9) active State declarations as described below:

October 18, 2007 State Declaration I – The counties of Chambers, Galveston, Jefferson and Orange received a state declaration for damages from Hurricane Humberto that occurred on September 13, 2007. Galveston County has received an award and Jefferson County is in the process of preparing an application for **\$350,000. (No other applications are expected).**

October 18, 2007 State Declaration II – The counties of Fisher, Gillespie, Haskell, Jones, Kendall, Medina, Stonewall, Taylor and Val Verde requested assistance to recover from Tropical Storm Erin that occurred on August 14-20, 2007. Jones County, Kendall County, Medina County and Val Verde County have received grant awards and Haskell County will be submitting an application the week this is being prepared for **\$350,000. (No applications are expected from the remaining counties).**

October 18, 2007 State Declaration III - The counties of Bosque, Lampasas, Lipscomb and Ochiltree received a State declaration for flood damages on May 21, 2007. **None of these counties have applied for disaster assistance.**

April 29, 2008 – State Declaration IV - The Governor issued a State Declaration on April 29, 2008 for the counties of Sabine, San Augustine, and Shelby for flood damages on March 30, 2008. Applications were received this week from Shelby County and the city of San Augustine (each for \$350,000) and consultants are

working on the applications for Sabine County and San Augustine County. The four requests for assistance will equal **\$1,400,000**. **No other applications are expected.**

May 9, 2008 - State Declaration V - A State declaration was issued by the Governor for Red River County for floods sustained on April 8-10. The county's application will in all likelihood request **\$350,000**. No other applications were identified from this declaration.

May 13, 2008 – State Declaration VI - The Governor issued a State Declaration for Stephens County for tornado damage that occurred on April 9, 2008. The County Judge is not expected to submit an application from this county. His main concern was for housing and he was encouraged to contact TDHCA.

June 23, 2008 – State Declaration VII - The Governor issued State Declarations for Delta County for May 10-11, 2008 storms and for Wood County for high winds and severe storms on May 15, 2008. The two counties and one city are expected to submit applications, for a total of **\$1,050,000**.

June 25, 2008 – State Declaration VIII – The Governor issued a State Declaration for Childress County due to straight-line winds and hail that occurred on June 15, 2008. Two applications are expected from this storm for a total of **\$700,000**.

July 18, 2008 – State Declaration IX – The Governor issued a State Declaration for Concho County due to excessive winds and a tornado in the city of Eden on May 14, 2008. Only one application is expected from the city of Eden for **\$350,000**.

The total from the nine State Declarations would total **\$4,550,000**.

State Declaration Threshold compared to Federal Declaration Threshold

There have been nine (9) “state declarations” issued since October 2007 for circumstances where the level of damage did not reach the \$26 Million level of damage necessary to receive a federal (FEMA) state-wide declaration. Hurricane Dolly may ultimately likewise be a “state declaration” for public assistance, which is eligible under the TxCDBG program. The damage threshold for a state declaration of \$3.11 per person in a county is considerably lower than the federal declaration threshold. Some examples of recent state declarations illustrate the county damage thresholds. For Hill County, the damage threshold for the state declaration was \$100,518 (\$3.11 multiplied by its population of 32,321). For Jones County, the damage threshold was \$64,641 (\$3.11 multiplied by its population of

20,785). For each separate state declaration, ORCA provides assistance for actual damage up to \$350,000 for each county or city applicant.

Priority:

The PY 2008 Action Plan provides the option for the TxCDBG program to establish priorities for the Disaster Relief Fund based on the type of assistance or activity. It says: *“Tx CDBG may prioritize throughout the program year the use of Disaster Relief assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Depending on the nature and extent of the damage caused by the natural disaster, priority for the use of Tx CDBG funds is the restoration of basic human needs such as water and sewer facilities, housing, and roads.”*

The program has not established a formal priority system for the Disaster Relief Fund. Currently, applications are considered “first come, first served”. (The current DR application guide says “funds are available as needed until funds are depleted.”)

Award Limit:

The limit per year for a count or city is one award of up to \$350,000 for each Federal or State natural disaster declaration (not one award in total per year). For example, a county may receive an award for a Federal disaster declaration and another award for a separate State disaster declaration that occurred later in the year.

RECOMMENDATION

No action is required. This is provided to inform the ORCA Board.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

***Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

SUMMARY

Proposed Uses of CDBG Deobligated Funds and Program Income and Priority for the Use of Disaster Relief Funds

Presented by Mark Wyatt *

DISCUSSION

CD/CDS Marginal Pool - Timely Expenditure of Funds for Projects Ready to Proceed and State-wide Benefit: We believe additional funds should be added to the 2008 CD/CDS marginal pool competition, which is a statewide competition available to applicants that were not fully funded yet are scheduled to receive a minimum award of at least \$75,000. The 2008 CD /CDS applications have been reviewed, scored, and ranked in all 24 Council of Government regions of the state. The Board approved the use of funds at the June 2008 meeting and we recommend additional deobligated funds/program income for the CD/CDS marginal pool. This action would fund projects ready to proceed and thereby increase the Texas CDBG expenditure rate, which is an important issue with HUD and the Congress. (Staff would the use the initial CD/CDS marginal pool eligibility list regardless of the eligible applicant's decision during the initial pool competition to enter the pool, give up funds to the pool, or retain their existing funds.)

Disaster Relief Fund – As discussed in another section, the demand for the Disaster Relief Fund continues. At this time additional funds will be needed to meet demand. Concurrently, staff offers for Board consideration a proposal that would prioritize funding for federal declarations and providing the required federal 25 percent match portion of the federal project covering approved repair and restoration activities. In federal declarations, the applicant must provide one dollar in match to receive three dollars of federal funds. Rural communities use the Disaster Relief Fund to provide this match. FEMA Public Assistance and NRCS projects would be prioritized. Funding for state declarations and other federal projects currently eligible, such as FEMA's Hazard Mitigation Grant Program, would still remain eligible and subject to funding availability.

Renewable Energy Demonstration Pilot Program – ORCA received five excellent applications under this new innovative program. This ORCA effort has as its priority those renewable energy projects that are connected with providing public

facilities to meet basic human needs such as water or waste water. The priority is for proposals that employ innovative technology or methods.

The initial project funded under this program was Seminole, Texas, for a renewable project that was the first of its kind in the U.S. The City of Seminole received \$500,000 in CDBG funds to help finance a \$1,075,000 pilot project that will utilize wind power to help provide electricity for a groundwater desalinization plant.

The next project in the ranking is Lometa, which requested \$488,715. This project uses a different energy technology than the Seminole project, solar panels rather than wind power as the renewable energy source, and would assist a sewer plant rather than water treatment plant. We believe it would be beneficial to fund alternative technologies under this new program that has potential to improve the energy cost-effectiveness of small water and sewer systems across rural Texas.

Project Details - City of Lometa – Requested \$488,714 in CDBG funds for a \$540,452 project to install 50 kilowatts in solar panels to help power the LCRA-owned wastewater treatment plant that serves the city. City estimates it will cut electricity costs for plant by 50 percent and reduce plant’s energy bill by \$6,000 to \$10,000 annually. LCRA will contribute \$51,738 to design and construct the structure that will house the solar array.

Non-Border Colonia (NBC) Fund – The last remaining NBC application, which was received from Parmer County, is \$40,551 short of full funding and we recommend using deobligated funds/program income to provide the remaining amount needed.

Removing existing allocations of deobligated funds/program income - To increase timely expenditure of funds, staff is recommending the following amounts be removed from existing deobligated funds/program income allocations and be made available for other uses:

Microenterprise Loan Fund	\$ 407,848
Small Business loan Fund	\$ 150,000
<u>STEP</u>	<u>\$1,250,000</u>
Total	\$1,807,848

RECOMMENDATION

Staff recommends approval of the following motion:

“CD staff would be able to allocate additional deobligated funds and/or program income to the:

2008 CD/CDS marginal pool for selection using the initial pool eligibility list in the amount of \$1,000,000;

Renewable Energy Demonstration Pilot Program for the city of Lometa in the amount of \$488,714;

2008 Non-Border Colonia Fund for Parmer County in the amount of \$40,551; and further

CD staff would be able to allocate additional future deobligated funds and program income for Disaster Relief assistance as needed up to a limit of an additional \$1,500,000.”

Further, staff recommends approval of the following motion:

“The following amounts are removed from existing deobligated funds/program income allocations:

<i>Microenterprise Loan Fund</i>	<i>\$ 407,848</i>
<i>Small Business loan Fund</i>	<i>\$ 150,000</i>
<i>STEP(provided CD staff may re-allocate these funds back as needed)</i>	<i><u>\$1,250,000</u></i>
<i>Total</i>	<i><u>\$1,807,848”</u></i>

Staff recommends consideration of the following motion:

“The TxCDBG program shall prioritize the use of the Disaster Relief Fund for federal declarations and providing the required federal 25 percent match portion of the federal project covering approved repair and restoration activities.”

The combined recommended action would result in a commitment to use a total of \$3,029,265 of deobligated funds and/or program income.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

***Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

SUMMARY

Status Report - Supplemental CDBG Disaster Recovery Funds for Round 1 & Round 2 – Non-Housing & Infrastructure Funds

Presented by Mark Wyatt*

DISCUSSION

Overview:

This status report covers the portion of the Supplemental CDBG funds provided to Texas that were allocated to non-housing or infrastructure projects that ORCA is managing. The Texas Department of Housing and Community Affairs (TDHCA) was designated by the Governor as the lead agency in Texas. It is currently managing the delivery of the vast majority of the disaster recovery funds, which were allocated to housing. A breakdown by purpose and agency staff managing the funds is below:

Hurricane Rita Funds - Round 1:

Housing (TDHCA):	\$41,795,655	
Non-housing (ORCA):	\$31,933,946	<=====
Unallocated Housing/Non-housing:	\$ 793,399	
<hr/>		
Total:	\$74,523,000	

Hurricane Rita Funds - Round 2: Total:

Housing (TDHCA):	\$384,461,323	
Infrastructure (ORCA):	\$ 44,100,000	<=====
Unallocated Non-housing:	\$ 110,526	
<hr/>		
Total:	\$428,671,849	

Current Status Reports

Hurricane Rita Funds - Round 1:

94 Contracts with Communities (excludes COG contracts)

Amount Awarded: \$30,294,362.00
Amount Disbursed: \$15,685,703.44
Percentage Disbursed: **51.78%**

Hurricane Rita Funds - Round 2:

8 Contracts with Communities

Amount Awarded to Communities: \$42,000,000
Amount Disbursed: \$2,638,675.41
Percentage Disbursed: **6.28%**

TDHCA and ORCA have executed an amendment to the Supplemental Disaster Recovery Interagency Agreements covering both Round 1 and Round 2 funding that provided for ORCA management to handle of all non-housing / infrastructure funds.

RECOMMENDATION

These reports are provided for information only. The attached detailed reports are posted on the ORCA web for public benefit.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

***Should a Board member have questions concerning this agenda item, please contact Mark Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us).**

RITA 1 - SPENDING REPORT -

7/23/08

Total amount of draws received to date (June 23) - \$15,685,703.44

Total % of draws received to date - 51.78%

Not all grants have the same deadlines - here are the numbers by cutoff dates:

Grants Maturing August 31, 2008			Amount funded	Amount spent	% spent
		# grants			
	HGAC	(16)	\$3,616,156.00	\$1,152,934.97	31.88%
	SETRPC	(23)	\$12,450,000.00	\$6,253,242.57	50.23%
	DETCOG	(23)	\$1,247,336.00	\$593,400.11	47.57%
	ETCOG	(7)	\$2,049,997.00	\$463,960.88	22.63%
Aug. 31 Grant Totals:		(69)	\$19,363,489.00	\$8,463,538.53	43.71%

Grants Maturing September 15, 2008			Amount funded	Amount spent	% spent
		# grants			
	DETCOG	(4)	\$1,250,426.00	\$834,701.75	66.75%

Grants Maturing November 29, 2008			Amount funded	Amount spent	% spent
		# grants			
	DETCOG	(21)	\$9,680,447.00	\$6,387,463.16	65.98%

Grand totals:	\$30,294,362.00	\$15,685,703.44	51.78%
# grants: (94)	Total Grants	total spent	% spent

RITA 2 - SPENDING REPORT -

7/23/08

Total amount of draws received to date (June 23) - \$2,638,675.41

Total % of draws received to date - 6.28%

NOTE: Not all grants have the same deadlines.

	Cutoff Dates	Amount Funded	Amount Spent	% spent
DRS0701 Memorial Herman Hospital	10/10/2009	\$6,000,000.00	\$1,547,030.17	25.78%
DRS0702 Hardin County	10/10/2009	\$10,000,000.00	\$408,505.49	4.09%
DRS0703 Bridge City	11/7/2009	\$3,800,000.00	\$240,716.95	6.33%
DRS0704 Jefferson County	3/23/2010	\$4,750,000.00	\$0.00	0.00%
DRS0705 Tyler County	3/23/2010	\$4,994,540.00	\$121,400.00	2.43%
DRS0706 Lumberton	3/23/2010	\$5,000,000.00	\$113,720.00	2.27%
DRS0707 Silsbee	3/23/2010	\$4,895,000.00	\$165,302.80	3.38%
DRS0708 Jasper County	3/23/2010	\$2,560,460.00	\$42,000.00	1.64%
Totals		\$42,000,000.00	\$2,638,675.41	6.28%

AUGUST 2008 BOARD STATUS REPORT

<u>CONTRACTOR/ MATURITY DATE REGION - DETCOG</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>AMOUNT FUNDED</u>	<u>AMOUNT SPENT</u>	<u>PERCENT SPENT</u>	<u>SHORT DESCRIPTION</u>	<u>STATUS/NEXT STEP</u>	<u>FEMA/USDA PROJECTS</u>	<u>LOCAL ISSUES</u>	<u>ORCA ACTION PENDING</u>	<u>PROJECT COMPLETE</u>	
HUXLEY August 31, 2008	DRS060038	Waxman	\$4,340.00	\$4,340.00	100.00%	Water Facilities - relay control & surge protector for water supply system.	Project Complete.				COMPLETE	X
ALABAMA-COUSHATA August 31, 2008	DRS060001	Waxman	\$9,512.00	\$9,512.00	100.00%	Neighborhood Facilities - purchase/install commercial cooler, freezer & ice machine	Project Complete.				COMPLETE DRAW PENDING	X
ONALASKA November 29, 2008	DRS060063	Vann	\$28,050.00	\$27,795.00	99.09%	Fire Protection - purchase/install generator.	Project Complete.				COMPLETE	X
						Neighborhood Facilities - renovate Fire Station to create shelter area.	Project Complete.				COMPLETE	X
HUNTINGTON August 31, 2008	DRS060036	Waxman	\$21,583.00	\$21,375.00	99.04%	Water Facilities - install generator	Project Complete.				COMPLETE	X
TIMPSON August 31, 2008	DRS060087	Waxman	\$14,173.00	\$13,678.00	96.51%	Sewer Facilities - purchase/install 68kW generator	Project Complete.				COMPLETE	X
TRINITY COUNTY November 29, 2008	DRS060088	Vann	\$267,300.00	\$251,666.00	94.15%	Water Facilities - purchase/install 8 generators	Project Complete.				COMPLETE	X
						Sewer Facilities - purchase/install 250kW generator.	Project Complete.				COMPLETE	X
KIRBYVILLE November 29, 2008	DRS060046	Waxman	\$188,890.00	\$173,337.23	91.77%	Water Facilities - repairs to water lines damaged by uprooted/fallen trees	City doing additional repairs not covered by FEMA. Project substantially complete.	FEMA Match			UNDERWAY	
						Sewer Facilities - repairs to sewer lines damaged by uprooted/fallen trees	City doing additional repairs not covered by FEMA. Project substantially complete.	FEMA Match			UNDERWAY	
						Debris Removal - remove downed power lines & other debris	Project Complete.				COMPLETE	X
COLMESNEIL August 31, 2008	DRS060016	Waxman	\$70,006.00	\$62,320.00	89.02%	Water - purchase/install 1 - 50kW generator and 1 - 35kW generator.	Project Complete.				COMPLETE	X
HEMPHILL August 31, 2008	DRS060032	Waxman	\$63,017.00	\$55,489.00	88.05%	Water Facilities - purchase/install 2 generators	Generators ordered through HGAC. One unit damaged after delivery - being replaced by insurance. Final installation pending receipt of replacement generator.				DELIVERY PENDING	
POINT BLANK November 29, 2008	DRS060070	Waxman	\$12,504.00	\$10,850.00	86.77%	Neighborhood Facilities - purchase and install generator for Community Center/Shelter, with enclosure and install handrails to improve shelter accessibility.	Project Complete.				COMPLETE	X
						Neighborhood Facilities - additional repairs and installation of ice machine.	Quote for ice machine due. Need to amend in new activity.				PURCHASE SCHEDULED	

CONTRACTOR/ CONTR.# ADMIN. AMOUNT AMOUNT PERCENT SHORT DESCRIPTION STATUS/NEXT STEP FEMA/USDA LOCAL ORCA ACTION PROJECT
MATURITY DATE FUNDED SPENT SPENT PROJECTS ISSUES PENDING COMPLETE
REGION - DETCOG

JASPER COUNTY November 29, 2008	DRS060040	Waxman	\$2,270,118.00	\$1,960,588.92	86.37%	Flood/Drainage Facilities	Drainage Facilities - NRCS project. Project underway. Project due to be completed by Aug. 30.	NRCS Match	UNDERWAY		
						Debris - NRCS match for debris removal throughout County.	Project Complete.	NRCS Match	COMPLETE		X
						Public Services-health and safety needs.	Project Complete.		COMPLETE		X
SAN AUGUSTINE COUNTY November 29, 2008	DRS060078	Waxman	\$236,765.00	\$196,667.43	83.06%	Streets - County to bid materials & use force account labor	Materials have been bid / force account labor to be used for Street Repairs. Scheduled for completion July 30.		UNDERWAY		
JASPER September 15, 2008	DRS060039	Waxman	\$747,133.00	\$612,434.15	81.97%	Water Facilities - purchase/install generators	Generator ordered/received. Installation underway.		INSTALLATION UNDERWAY		
						Sewer Facilities - purchase/install generators	Generator ordered/received. Installation underway.		INSTALLATION UNDERWAY		
LUFKIN November 29, 2008	DRS060052	Traylor	\$485,000.00	\$396,540.30	81.76%	Water Facilities - purchase/install 2 - 600kW generators	Generator ordered/received. Pad construction underway. Project completion scheduled for July 23.		INSTALLATION UNDERWAY		
						Neighborhood Facilities - purchase/install 600 kW generator	Generator ordered/received. Pad construction underway. Project completion scheduled for July 23.		INSTALLATION UNDERWAY		
SABINE COUNTY November 29, 2008	DRS060076	Waxman	\$473,140.00	\$383,658.98	81.09%	Water Facilities - purchase/install 8 generators	Generator bid awarded. Ordered/delivered. Installation underway.		INSTALLATION UNDERWAY		
						Fire Protection - purchase/install 9 - 25kW generators	Generator bid awarded. Ordered/delivered. Installation underway.		INSTALLATION UNDERWAY		
WOODVILLE September 15, 2008	DRS060094	Waxman	\$264,993.00	\$214,147.60	80.81%	Water Facilities - purchase/install 300 kW & 150kW generators	Project Complete.		COMPLETE		X
NEWTON August 31, 2008	DRS060060	Waxman	\$172,729.00	\$133,163.52	77.09%	Street Repairs - repair various streets not covered by FEMA and damaged during debris removal efforts.	Bid awarded. Project underway - scheduled for completion Aug. 30.		UNDERWAY		
						Drainage Facilities - NRCS match	Drainage Facilities - NRCS Project. Project is complete.	NRCS Match	COMPLETE		X
						Debris Removal - NRCS match	NRCS Debris Removal project - project complete.	NRCS Match	COMPLETE		X
NACOGDOCHES COUNTY November 29, 2008	DRS060057	Waxman	\$436,065.00	\$325,950.25	74.75%	Water Facilities - purchase/install 7 generators	Generator ordered/delivered. Installation underway.		INSTALLATION UNDERWAY DRAW PENDING		
						Neighborhood Facilities - purchase/install generators	Generator ordered/delivered. Installation underway.		INSTALLATION UNDERWAY		
DIBOLL August 31, 2008	DRS060022	Vann	\$69,300.00	\$51,257.09	73.96%	Water - generator	Project Complete.		COMPLETE		X
						Sewer Facilities - purchase & install generator.	Generator ordered.		DELIVERY PENDING		
NACOGDOCHES August 31, 2008	DRS060056	Self	\$158,371.00	\$114,307.50	72.18%	Facilities/Comm.Center - new a/c, power grid & generator	Project Complete.		COMPLETE		X
						Facilities/Comm. Center - additional repairs: floors, doors.	Project underway.		UNDERWAY		

CONTRACTOR/ CONTR.# ADMIN. AMOUNT AMOUNT PERCENT SHORT DESCRIPTION STATUS/NEXT STEP FEMA/USDA LOCAL ORCA ACTION PROJECT
MATURITY DATE FUNDED SPENT SPENT PROJECTS ISSUES PENDING COMPLETE
REGION - DETCOG

TYLER COUNTY November 29, 2008	DRS060089	Waxman	\$1,918,920.00	\$1,386,330.75	72.25%	Water Facilities - purchase/install 15 generators	Generator bid awarded/ordered/received. Installation underway.		INSTALLATION UNDERWAY		
						Flood & Drainage Facilities - match funds for USDA/NRCS project to improve drainage facilities.	Project substantially underway.	NRCS Match	USDA/NRCS PROJECT UNDERWAY		
						Neighborhood Facilities - purchase/install 2 generators	Generator bid awarded/ordered/received. Installation underway.		INSTALLATION UNDERWAY		
						Public Facilities - purchase/install 900 kW generator	Generator bid awarded/ordered/received. Installation underway.		INSTALLATION UNDERWAY		
NEWTON COUNTY November 29, 2008	DRS060061	Waxman	\$877,654.00	\$581,907.15	66.30%	Water Facilities - purchase/install 9 generators	Project Complete.		COMPLETE		X
						Drainage Facilities - USDA drainage improvements project	NRCS Projects complete.	NRCS PROJECT	COMPLETE		X
						Debris Removal - USDA debris removal & other debris.	Project Complete.	NRCS PROJECT	COMPLETE		X
						Neighborhood Facilities - repairs to shelter	Project Complete.		COMPLETE		X
						Acquisitions - buyout 41 homes (FEMA match)	Project Complete.	HMGP	COMPLETE		X
CROCKETT August 31, 2008	DRS060019	Self	\$189,946.00	\$111,090.00	58.49%	Water Facilities - install 350 kW generator	Generator ordered/delivered. Installation scheduled for Aug. 15.		INSTALLATION PENDING		
						Sewer Facilities - install 3 generators	Generator ordered/delivered. Installation scheduled for Aug. 15.		INSTALLATION PENDING		
						Neighborhood Facilities - purchase/install refrigerator/freezer and range	Complete		COMPLETE		X
						Fire Protection - purchase/install 40 kW generator	Generator ordered/delivered. Installation scheduled for Aug. 15.		INSTALLATION PENDING		
						Specially Authorized Public Facilities - purchase/ install 40 kW generator @ Police Dept.	Generator ordered/delivered. Installation scheduled for Aug. 15.		INSTALLATION PENDING		
PINELAND November 29, 2008	DRS060069	Vann	\$56,100.00	\$32,565.90	58.05%	Water Facilities - purchase/install 50 kW generator	Generator ordered & received. Installation underway.		INSTALLATION UNDERWAY		
						Sewer Facilities - purchase/install 15 kW generator	Generator ordered & received. Installation underway.		INSTALLATION UNDERWAY		
POLK COUNTY November 29, 2008	DRS060071	Waxman	\$886,854.00	\$430,405.90	48.53%	Water Facilities - purchase/install 12 generators	Generator Bid Awarded - delivery underway.		DELIVERY UNDERWAY DRAW PENDING		
						Sewer Facilities - purchase/install 3 generators	Generator Bid Awarded - delivery underway.		DELIVERY UNDERWAY DRAW PENDING		
						Fire Protection - purchase/install 11 - 25kW generators	Generator Bid Awarded - delivery scheduled for July 30.		DELIVERY UNDERWAY DRAW PENDING		
SAN JACINTO COUNTY November 29, 2008	DRS060079	Waxman	\$478,669.00	\$159,272.30	33.27%	Water Facilities - purchase/install 4 - 80kW generators	Generators ordered/received. Installation underway.		INSTALLATION SCHEDULED DRAW PENDING		
						Sewer Facilities - purchase/install 80 kW generator	Generators ordered/received. Installation underway.		INSTALLATION SCHEDULED		

CONTRACTOR/ CONTR.# ADMIN. AMOUNT AMOUNT PERCENT SHORT DESCRIPTION STATUS/NEXT STEP FEMA/USDA LOCAL ORCA ACTION PROJECT
MATURITY DATE FUNDED SPENT SPENT PROJECTS ISSUES PENDING COMPLETE
REGION - DETCOG

						Street Improvements - repairs to County Roads	County using Force Acct. Labor for street repairs. Project underway - scheduled for completion July 31.			UNDERWAY		
						Neighborhood Facilities - purchase/install 40 kW generator	Generators ordered/received. Installation underway.			INSTALLATION SCHEDULED		
						Fire Protection - purchase/repair Rural Fire Station	Project Complete			COMPLETE		X
						Acquisition - Purchase building for Activity above.	Project Complete			COMPLETE		X
ZAVALLA August 31, 2008	DRS060095	Vann	\$52,600.00	\$6,140.00	11.67%	Water Facilities - purchase/install 100kW generator	Generator ordered.			DELIVERY PENDING		
SHEPHERD November 29, 2008	DRS060081	Vann	\$48,300.00	\$5,420.00	11.22%	Water Facilities - purchase/install 40 kW generator	Generator ordered.			DELIVERY PENDING		
SHELBY COUNTY November 29, 2008	DRS060080	Vann	\$221,699.00	\$24,234.40	10.93%	Water Facilities - purchase/install 5 generators	Generators ordered. Construction for site preparation (pads) underway.			DELIVERY PENDING		
ANGELINA COUNTY November 29, 2008	DRS060003	Vann	\$379,816.00	\$37,748.25	9.94%	Water Facilities - purchase/install 4 generators	Generator bid awarded. Pre-construction meeting held June 18 - delivery scheduled for Aug. 15.			DELIVERY PENDING		
BROADDUS August 31, 2008	DRS060007	Vann	\$21,403.00	\$778.40	3.64%	Water Facilities - purchase/install 60kW generator @ city water plant.	Generator ordered/received. Installation procured.			INSTALLATION PENDING		
GRAPELAND September 15, 2008	DRS060028	Vann	\$19,800.00	\$720.00	3.64%	Sewer Facilities - purchase/install 15 kW generator	Generator ordered and installation procured.			DELIVERY PENDING		
GROVETON August 31, 2008	DRS060030	Vann	\$28,314.00	\$1,029.60	3.64%	Sewer Facilities - purchase/install generator	Purchase/installation through small purchase. Generator ordered.			DELIVERY PENDING		
JOAQUIN August 31, 2008	DRS060043	Vann	\$35,200.00	\$1,280.00	3.64%	Water Facilities - purchase/install generator	Purchase/installation through small purchase. Generator ordered.			DELIVERY PENDING		
LOVELADY August 31, 2008	DRS060051	Vann	\$27,500.00	\$1,000.00	3.64%	Water Facilities - purchase/install 25kW generator	Purchase/installation through small purchase. Generator ordered.			DELIVERY PENDING		
SAN AUGUSTINE August 31, 2008	DRS060077	Vann	\$111,100.00	\$4,040.00	3.64%	Water Facilities - purchase/install 1 generator.	Quotes received - small purchase contract awarded.			DELIVERY PENDING		
HUDSON November 29, 2008	DRS060035	Vann	\$72,044.00	\$2,524.40	3.50%	Sewer Facilities - purchase/install 40kW generator	Generator bid award scheduled for July.			BID SCHEDULED		
HOUSTON COUNTY September 15, 2008	DRS060034	Vann	\$218,500.00	\$7,400.00	3.39%	Water Facilities - purchase/install 150 kW generator	Generator bid awarded. Installation procured.			DELIVERY PENDING		
KENNARD August 31, 2008	DRS060044	Vann	\$38,400.00	\$1,160.00	3.02%	Water Facilities - purchase/install 60 kW generator	Generator ordered.			DELIVERY PENDING		
BROWNEDELL August 31, 2008	DRS060008	Vann	\$47,900.00	\$1,440.00	3.01%	Water Facilities - install 80 kW generator	Generator ordered.			DELIVERY PENDING		
CENTER November 29, 2008	DRS060010	Traylor	\$184,287.00	\$0.00	0.00%	Neighborhood Facilities - engineering costs for Shelter Construction (FEMA/HMGP funding construction costs.)	DEM Authorization letter received by community. Engineering service bid awarded Feb. 25 - work underway.	FEMA Match HMGP Project		UNDERWAY		

CONTRACTOR/ CONTR.# ADMIN. AMOUNT AMOUNT PERCENT SHORT DESCRIPTION STATUS/NEXT STEP FEMA/USDA LOCAL ORCA ACTION PROJECT
MATURITY DATE FUNDED SPENT SPENT PROJECTS ISSUES PENDING COMPLETE
REGION - DETCOG

CHESTER November 29, 2008	DRS060012	Waxman	\$29,078.00	\$0.00	0.00%	Water Facilities - purchase/install 45 kW generator	City will rebid project.			REBID SCHEDULED		
COLDSPRING August 31, 2008	DRS060015	Waxman	\$15,457.00	\$0.00	0.00%	Sewer Facilities - install 80 kW generator. (Generator to be purchased by San Jacinto County - through their DRS grant.)	Generator ordered/received by San Jacinto County. Installation scheduled for July 20.			INSTALLATION SCHEDULED		
CORRIGAN August 31, 2008	DRS060017	Waxman	\$40,924.00	\$0.00	0.00%	Sewer Facilities - purchase/install 180 kW generator. (Generator to be purchased by Polk County.)	Generator ordered (Polk County) / received. Installation contract awarded by City.			INSTALLATION PENDING		
CUSHING August 31, 2008	DRS060020	Waxman	\$9,919.00	\$0.00	0.00%	Water Facilities - installation of 100kW generator. (Generator to be purchased by Nacogdoches County.)	Generator ordered (Nacogdoches County) / received. Installation bid awarded by City.			INSTALLATION PENDING		
GARRISON August 31, 2008	DRS060026	Waxman	\$13,142.00	\$0.00	0.00%	Fire Protection - purchase/install generator	Cost estimates exceed budget. Grant declined.			GRANT DECLINED		
GOODRICH August 31, 2008	DRS060027	Vann	\$32,500.00	\$0.00	0.00%	Water Facilities - purchase/install 150 kW generator. (Will change project description to "installation only" -generator to be provided by Polk County.)	Generator ordered (Polk County) / received. Installation contract awarded by City.			INSTALLATION PENDING		
LIVINGSTON November 29, 2008	DRS060049	Waxman	\$129,194.00	\$0.00	0.00%	Water Facilities - purchase/install 200 kW generator	Generator Bid Awarded - Polk County. Installation scheduled for Nov. 10.			DELIVERY PENDING		
			\$12,178,209.00	\$7,815,565.02	64.18%							
*Total Spent to Date reflects all draw requests submitted through the end of the previous month.			Total Grant Awards for Region	*Total Spent To Date for Region	Total % Spent To Date for Region							

AUGUST 2008 BOARD STATUS REPORT

<u>CONTRACTOR/ MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>AMOUNT FUNDED</u>	<u>AMOUNT SPENT</u>	<u>PERCENT SPENT</u>	<u>SHORT DESCRIPTION</u>	<u>STATUS/NEXT STEP</u>	<u>FEMA/USDA PROJECTS</u>	<u>LOCAL ISSUES</u>	<u>ORCA ACTION PENDING</u>	<u>PROJECT COMPLETE</u>
<u>REGION - ETCOG</u>											

JEFFERSON August 31, 2008	DRS060041	Traylor	\$316,600.00	\$147,398.80	46.56%	Neighborhood Facilities - shelter improvements	TxDOT Lead Agency. Shelter Improvements Bid Awarded. Project underway - scheduled for completion by Aug. 15.				
						Neighborhood Facilities - purchase/install generator	Generator ordered/delivered. Installation underway.				
LONGVIEW August 31, 2008	DRS060050	Self	\$388,997.00	\$121,273.00	31.18%	Water Facilities - Purchase/Install generator - Sabine Plant.	Project complete.				X
						Water Facilities - Purchase/Install generator - Dundee Station.	Project complete.				X
						Neighborhood Facilities - Improvements to shelter.	Shelter Improvements Bid Awarded May 8. Repairs underway.				
						Special Public Facilities - Purchase/Install generator @ city data center.	Generator ordered.				
HENDERSON August 31, 2008	DRS060033	Traylor	\$338,600.00	\$103,956.90	30.70%	Neighborhood Facilities - purchase/installation of 80kW generator at new shelter facility.	City having funding issues. Total construction project coming in \$500K over budgeted/available funds.	FEMA Match HMGP Project			
						Neighborhood Facilities - engineering costs for Shelter Construction (FEMA/HMGP funding construction costs.)	City received DEM letter authorizing FEMA/HMGP funding on Feb. 26. Contract for architectural services awarded April 29.	FEMA Match HMGP Project			
ALTO August 31, 2008	DRS060002	Grantworks	\$316,600.00	\$77,516.18	24.48%	Water Facilities - purchase/install 3 generators	Generator ordered/received. Installation underway.				
						Sewer Facilities - purchase/install 1 generator	Generator ordered. Delivery scheduled for July 31.				
GALLATIN August 31, 2008	DRS060023	Traylor	\$58,800.00	\$2,940.00	5.00%	Neighborhood Facilities - Repairs to Civic Center/Shelter	Contract for engineering services awarded April 1. Engineering underway.				
CARTHAGE August 31, 2008	DRS060009	Traylor	\$338,600.00	\$10,876.00	3.21%	Neighborhood Facilities - engineering costs for Shelter Construction (FEMA/HMGP funding construction costs.)	Contract for engineering services awarded April 28. Engineering underway.	FEMA Match HMGP Project			
RUSK August 31, 2008	DRS060075	Self	\$291,800.00	\$0.00	0.00%	Water Facilities - Purchase/Install 3 generators	Generators ordered.				
						Neighborhood Facilities - Shelter renovation	Bid awarded. Construction to begin July 30.				

*Total Spent to Date reflects all draw requests submitted through the end of the previous month.

\$2,049,997.00	\$463,960.88	22.63%
Total Grant Awards for Region	*Total Spent To Date for Region	Total % Spent To Date for Region

AUGUST 2008 BOARD STATUS REPORT

<u>CONTRACTOR/ MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>AMOUNT FUNDED</u>	<u>AMOUNT SPENT</u>	<u>PERCENT SPENT</u>	<u>SHORT DESCRIPTION</u>	<u>STATUS/NEXT STEP</u>	<u>FEMA/USDA PROJECTS</u>	<u>LOCAL ISSUES</u>	<u>ORCA ACTION PENDING</u>	<u>PROJECT COMPLETE</u>
--------------------------------------	----------------	---------------	--------------------------	-------------------------	--------------------------	--------------------------	-------------------------	-------------------------------	-------------------------	--------------------------------	-----------------------------

REGION - SETRPC

PORT ARTHUR August 31, 2008	DRS060072	Self	\$1,500,000.00	\$1,500,000.00	100.00%	Streets - Repair bridge.	Project Complete.	TxDOT Match	COMPLETE		X
						Debris - Remove debris.	Project Complete.	NRCS Match	COMPLETE		X
WEST ORANGE August 31, 2008	DRS060092	Self	\$200,000.00	\$200,000.00	100.00%	Fire Protection - Repair damages to Fire Dept. Building.	Project Complete.		COMPLETE		X
						Specially Authorized Public Facilities - Repair damages to Police Dept. Building.	Project Complete.		COMPLETE		X
LUMBERTON August 31, 2008	DRS060053	Waxman	\$315,000.00	\$280,517.87	89.05%	Water Facilities - purchase/install 600 kW generator	Project Complete.		COMPLETE		X
						Drainage Facilities - install culvert boxes.	Project Complete		COMPLETE		X
						Clearance/Demolition - remove 30 homes	Project Complete		COMPLETE		X
SILSBEE August 31, 2008	DRS060082	Waxman	\$315,000.00	\$272,901.90	86.64%	Water Facilities - purchase/install 175kW generator	Generator ordered and delivered. Installation underway.		INSTALLATION UNDERWAY		
						Sewer Facilities - purchase/install 650kW & 75kW generators	Generator ordered and delivered. Installation underway.		INSTALLATION UNDERWAY		
GROVES August 31, 2008	DRS060029	Waxman	\$500,000.00	\$412,751.03	82.55%	Water Facilities - repair elevated water storage facility	Project Complete.		COMPLETE		X
						Street Improvements - FEMA match - replace street signs.	Project Complete.	FEMA Match	COMPLETE		X
						Debris Removal - FEMA match - debris removal	Debris Removal Bids Contract executed Jan. 31. Underway.(NOTE: Activity scheduled for update. Updated status not available from consultant.)	FEMA Match	UNDERWAY		
						Fire Protection - FEMA match - repairs to fire station & equipment - purchase/install generator	Project Complete.	FEMA Match	COMPLETE		X
KOUNTZE August 31, 2008	DRS060047	Vann	\$210,000.00	\$167,993.01	80.00%	Water Facilities- purchase/install 100kW generator	Generator ordered and received. Installation underway.		INSTALLATION UNDERWAY		
						Sewer Facilities - purchase/install 100kW ; 60kW & 4-45 kW generators	Generator ordered and received. Installation underway.		INSTALLATION UNDERWAY		
HARDIN COUNTY August 31, 2008	DRS060031	Waxman	\$1,050,000.00	\$858,856.16	81.80%	Streets - Repairs to streets not covered by FEMA.	Project Complete. (Possible Amendment to add to scope of work - funding from balance of Debris Removal funds.)		COMPLETE		X
						Debris - Clear & dispose of debris.	Bid awarded - contractor may not be able to meet grant deadline. County may cancel - use force acct. for portion of project - and amend portion of funding into Streets/Drainage for additional repairs.		UNDERWAY AMENDMENT PENDING		
						Neighborhood Facilities - Purchase/install 2 350kW generators.	Project Complete.		COMPLETE		X
PORT NECHES August 31, 2008	DRS060073	Waxman	\$500,000.00	\$407,276.20	81.46%	Water Facilities - repair water facilities building & modify Water Tower #2.	Project complete.	FEMA Match	COMPLETE		X
						Sewer Facilities - Repairs to treatment plant	Project complete.	FEMA Match	COMPLETE		X
						Sewer Facilities - Purchase/install 3 - 40kW generators	Project complete.		COMPLETE		X
						Neighborhood Facilities - repair Community Center	Project complete.	FEMA Match	COMPLETE		X

<u>CONTRACTOR/ MATURITY DATE REGION - SETRPC</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>AMOUNT FUNDED</u>	<u>AMOUNT SPENT</u>	<u>PERCENT SPENT</u>	<u>SHORT DESCRIPTION</u>	<u>STATUS/NEXT STEP</u>	<u>FEMA/USDA PROJECTS</u>	<u>LOCAL ISSUES</u>	<u>ORCA ACTION PENDING</u>	<u>PROJECT COMPLETE</u>
--	----------------	---------------	--------------------------	-------------------------	--------------------------	--------------------------	-------------------------	-------------------------------	-------------------------	--------------------------------	-----------------------------

						Senior Center - building repairs.	Project complete.	FEMA Match	COMPLETE		X
						Senior Center - purchase/install 100kW generator	Project complete.		COMPLETE		X
						Specially Authorized Public Facilities - repairs to Police Station	Project complete.	FEMA Match	COMPLETE		X
BRIDGE CITY August 31, 2008	DRS060006	Self	\$300,000.00	\$237,724.01	79.24%	Streets - Repair street & traffic signals	Project Complete		COMPLETE		X
						Debris Removal - provide dumpsters for cleanup	Project Complete	FEMA Match	COMPLETE		X
						Clearance/Demolition - Demolish & clear 16 homes (increased to 30 homes)	Project Complete		COMPLETE		X
ORANGE August 31, 2008	DRS060064	Self	\$750,000.00	\$583,347.67	77.78%	Water Facilities - replace building for Water/Sewer Plant	Project Complete		COMPLETE		X
						Streets - curb repairs along damaged streets	Project Complete		COMPLETE		X
						Debris Removal - debris removal	Project Complete		COMPLETE		X
						Neighborhood Facilities - construct Community Center building	Project Complete		COMPLETE		X
						Clearance/Demolition-demolition of structures throughout the city destroyed by hurricane.	Project Underway.		UNDERWAY		
PINEHURST August 31, 2008	DRS060068	Waxman	\$200,000.00	\$148,165.96	74.08%	Water Facilities - purchase/install 230kW generator	Project complete.		COMPLETE		X
						Sewer Facilities - purchase/install 40kW generator	Project complete.		COMPLETE		X
						Streets - Repair damaged shoulders and ditches	Project complete.		COMPLETE		X
						Fire Protection - repair aluminum siding & hose covers @ fire station	Project complete.		COMPLETE		X
BEVIL OAKS August 31, 2008	DRS060005	Waxman	\$200,000.00	\$126,856.10	63.43%	Water Facilities - purchase/install 60kW generator	Generator ordered. Installation contract awarded. (NOTE: Activity scheduled for update. Updated status not available from consultant.)		DELIVERY PENDING		
						Sewer Facilities - purchase/install 150kW generator	Generator ordered. Installation contract awarded. (NOTE: Activity scheduled for update. Updated status not available from consultant.)		DELIVERY PENDING		
						Streets - repair street damage	Street Repairs bid awarded. Project underway.		UNDERWAY		
						Fire Protection - Replace repeater	Project Complete		COMPLETE		X
TAYLOR LANDING August 31, 2008	DRS060086	Self	\$50,000.00	\$30,755.57	61.51%	Sewer Facilities - purchase/install 125kW generator	Project complete.		COMPLETE		X
						Streets - Repair to damages streets	Project complete.		COMPLETE		X
VIDOR August 31, 2008	DRS060090	Publ.Mgmt.	\$500,000.00	\$281,840.00	56.37%	Drainage Facilities - improvements to drainage system / drainage boxes	Bid awarded - project underway.		UNDERWAY		
						Debris - removal of flood debris	NRCS Project Complete.	NRCS Match	COMPLETE		X
						Clearance/Demolition - demolish 12 structures	Demolition bid awarded - project underway.	HMGP match	UNDERWAY		
						Acquisition - acquire 12 properties for demolition	Project Complete.	HMGP Match	COMPLETE		X
SOUR LAKE August 31, 2008	DRS060083	Waxman	\$210,000.00	\$80,380.00	38.28%	Sewer Facilities - purchase/install 250kW generator	Project complete.		COMPLETE		X
						Debris Removal - remove and dispose of debris	Debris Removal Project Bid Awarded. Project underway. Scheduled for completion - July 31.		UNDERWAY		

CONTRACTOR/
MATURITY DATE
REGION - SETRPC

CONTR.# ADMIN. AMOUNT FUNDED AMOUNT SPENT PERCENT SPENT SHORT DESCRIPTION STATUS/NEXT STEP FEMA/USDA PROJECTS LOCAL ISSUES ORCA ACTION PENDING PROJECT COMPLETE

						Street Repairs - amended into project.	Schedule due.			SCHEDULE DUE		
NEDERLAND August 31, 2008	DRS060058	Waxman	\$500,000.00	\$189,698.40	37.94%	Water Facilities - purchase/install 500kW generator @ pump station & 275kW generator @ water treatment plant.	Generators ordered/received. Installation bid awarded. Preliminary installation underway.			INSTALLATION UNDERWAY		
						Fire Protection - purchase/install 2 (two) 125kW generators at Fire Station..	Generators ordered/received. Installation bid awarded. Preliminary installation underway.			INSTALLATION UNDERWAY		
ORANGE COUNTY August 31, 2008	DRS060065	Waxman	\$1,200,000.00	\$259,647.60	21.64%	Streets - Repair damaged County Roads & raise elevation of one road.	Force Account Labor - scheduled to be complete July 31.			UNDERWAY		
						Debris - NRCS match - force acct.labor.	NRCS Project Complete.	NRCS Match		COMPLETE		X
						Debris - additional work not related to NRCS project.	Additional debris removal scheduled for completion July 30.			UNDERWAY		
						Clearance/Demolition - demolish & remove County owned structures.	Clearance/Demolition bid awarded - project underway.			UNDERWAY		
						Acquisition - FEMA/HMGP-purchase one property.	Acquisition for Road Right of Way is complete.	HMGP Match		COMPLETE		X
ROSE CITY August 31, 2008	DRS060074	Waxman	\$100,000.00	\$10,600.00	10.60%	Water Facilities - purchase/install 100kW & 30kW generators	Generator bids received/rejected. Scheduled to rebid by July 17.			BID SCHEDULED		
JEFFERSON COUNTY August 31, 2008	DRS060042	Waxman	\$1,500,000.00	\$144,602.84	9.64%	Streets - Repair damaged county roads & bridges	Contracted project - Old Sour Lake Road - complete.	FEMA Match		COMPLETE		X
						Streets - Repair damaged county roads & bridges	Force Account Labor - Underway.	FEMA Match		UNDERWAY		
						Public Services - reimbursement for emergency medical costs and other support to evacuees	Project Complete			COMPLETE		X
PINE FOREST August 31, 2008	DRS060067	Waxman	\$100,000.00	\$7,225.75	7.23%	Streets - Repair damaged roads & ditches	Materials/labor to be provided by Orange County through interlocal agreement. Plans being finalized - underway. Scheduled for completion July 15.			UNDERWAY		
NOME August 31, 2008	DRS060062	Waxman	\$100,000.00	\$6,052.50	6.05%	Water Facilities - purchase/install 100kW generator	Generator ordered. Preliminary installation underway.			INSTALLATION UNDERWAY		
						Sewer Facilities - purchase/install 30kW generator	Generator ordered. Preliminary installation underway.			INSTALLATION UNDERWAY		
BEAUMONT August 31, 2008	DRS060004	Publ.Mgmt.	\$1,950,000.00	\$46,050.00	2.36%	Drainage Facilities - repairs to drainage system	Drainage bid awarded.	HMGP Match		UNDERWAY		
CHINA August 31, 2008	DRS060013	Waxman	\$200,000.00	\$0.00	0.00%	Water Facilities - purchase/install 150kW generator	Generator bid awarded - ordered.			DELIVERY PENDING		
						Sewer Facilities - purchase/install 100kW & 40kW generator	Generator bid awarded - ordered.			DELIVERY PENDING		

*Total Spent to Date reflects all draw requests submitted through the end of the previous month.

\$12,450,000.00	\$6,253,242.57	50.23%
Total Grant Awards for Region	*Total Spent To Date for Region	Total % Spent To Date for Region

CURRENT PROGRESS/ACTION SCHEDULE REPORT

RITA 1-DETCOG

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>ACTION PENDING/SCHEDULED TO TAKE PLACE:</u>			
					<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
ALABAMA-COUSHATA August 31, 2008	DRS060001	Waxman	Neighborhood Facilities - purchase/install commercial cooler, freezer & ice machine	Project complete.				
ANGELINA COUNTY November 29, 2008	DRS060003	Vann	Water Facilities - purchase/install 4 generators	Generator bid awarded. Pre-constructin conference held June 18.			Delivery - Aug. 30	Installation - Oct. 15
BROADDUS August 31, 2008	DRS060007	Vann	Water Facilities - purchase/install 60kW generator @ city water plant.	Generator has been ordered and received.			Installation - Aug 15	
BROWDELL August 31, 2008	DRS060008	Vann	Water Facilities - install 80 kW generator	Generator has been ordered.			Installation - Aug. 15	
CENTER November 29, 2008	DRS060010	Traylor	Neighborhood Facilities - engineering costs for Shelter Construction (FEMA/HMGP funding construction costs.)	ORCA funding moved to Engineering Dec. 20. DEM authorization letter received by community Feb. 6,2008. Engineering service bid awarded Feb. 25. Engineering underway.				
CHESTER November 29, 2008	DRS060012	Waxman	Water Facilities - purchase/install 45 kW generator	Project to be rebid. Schedule to be updated following award.				
COLDSRING August 31, 2008	DRS060015	Waxman	Sewer Facilities - install 80 kW generator. (Generator purchased/received by San Jacinto County - through their DRS grant.)	Generator ordered through San Jancinto County - and delivered.			Installation - July 20	
COLMESNEIL August 31, 2008	DRS060016	Waxman	Water Facilities - purchase/install 1 - 50kW and 1 - 35kW generators.	Project complete.				
CORRIGAN August 31, 2008	DRS060017	Waxman	Sewer Facilities - purchase/install 180 kW generator. (Generator to be purchased through Polk County.)	Generator ordered (Polk Co.) and received. Installation contract awarded by City.			Installation - July 31	
CROCKETT August 31, 2008	DRS060019	Self	Water Facilities - install 350 kW generator	Generator ordered/received. Installation underway.			Installation - Aug. 15	
			Sewer Facilities - install 3 generators	Generator ordered/received. Installation underway.			Installation - Aug. 15	
			Neighborhood Facilities - purchase/install refrigerator/freezer and range	Project Complete.				
			Fire Protection - purchase/install 40 kW generator	Generator ordered/received. Installation underway.			Installation - Aug. 15	

RITA 1-DETCOG

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
<u>MATURITY DATE</u>								
			Specially Authorized Public Facilities - purchase/ install 40 kW generator @ Police Dept.	Generator ordered/received. Installation underway.			Installation - Aug. 15	
CUSHING August 31, 2008	DRS060020	Waxman	Water Facilities - installation of 100kW generator. (Generator to be purchased by Nacogdoches County.)	Generator bid awarded (Nacogdoches County) - and delivered. Installation underway.			Installation - Aug. 20	
DIBOLL August 31, 2008	DRS060022	Vann	Water Facilities - purchase/install generator.	Project Complete				
			Sewer Facilities - purchase/install generator.	Generator has been ordered.			Delivery/Installation- Aug 30	
GARRISON August 31, 2008	DRS060026	Waxman	Fire Protection Facilities - purchase/install generator	Cost estimates received for generator. Costs over budget - community will not contract activity. Funds will be declined.				
GOODRICH August 31, 2008	DRS060027	Vann	Water Facilities - purchase/install 150 kW generator. Additional generator to be amended in. (Generators to be purchased by Polk County.)	Generator ordered/received. Installation contract awarded by City.			Installation - July 31	
GRAPELAND September 15, 2008	DRS060028	Vann	Sewer Facilities - purchase/install 15 kW generator	Generator ordered and installation procured.			Delivery - July 20 Installation - Aug. 15	
GROVETON August 31, 2008	DRS060030	Vann	Sewer Facilities - purchase/install generator	Generator purchase/installation contract awarded.			Delivery - July 20 Installation - Aug. 15	
HEMPHILL August 31, 2008	DRS060032	Waxman	Water Facilities - purchase/install 2 generators	Generator ordered through HGAC. Delivery underway - one generator damaged upon delivery - to be replaced by insurance.			Replacement generator delivery - July 1 Installation complete - Aug 1	
HOUSTON COUNTY September 15, 2008	DRS060034	Vann	Water Facilities - purchase/install 150 kW generator	Generator ordered and installation procured.			Delivery/Installation- Aug 30	
HUDSON November 29, 2008	DRS060035	Vann	Sewer Facilities - purchase/install 40kW generator	Bids received - scheduled for award in July.			Delivery/Installation - Sept. 15	
HUNTINGTON August 31, 2008	DRS060036	Waxman	Water Facilities - install generator	Project Complete.				

RITA 1-DETCOG

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>ACTION PENDING/SCHEDULED TO TAKE PLACE:</u>			
					<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
HUXLEY August 31, 2008	DRS060038	Waxman	Water Facilities - relay control & surge protector for water supply system.	Project Complete.				
JASPER September 15, 2008	DRS060039	Waxman	Water Facilities - purchase/install generators	Generators ordered and delivered. Installation underway.			Installation complete - July 30	
			Sewer Facilities - purchase/install generators	Generators ordered and delivered. Installation underway.			Installation complete - July 30	
JASPER COUNTY November 29,2008	DRS060040	Waxman	Flood/Drainage Facilities - NRCS match for drainage project.	Bid awarded. Project site showing - Feb. 19 & 20. Project underway.			Project complete - Aug.30	
			Debris - NRCS match for debris removal throughout County.	Project Complete				
			Public Services-health and safety needs.	Project Complete				
JOAQUIN August 31, 2008	DRS060043	Vann	Water Facilities - purchase/install generator	Generator purchase/installation contract awarded.			Delivery - July 20 Installation - Aug. 15	
KENNARD August 31, 2008	DRS060044	Vann	Water Facilities - purchase/install 60 kW generator	Generator ordered.			Delivery/Installation - Aug. 30	
KIRBYVILLE November 29, 2008	DRS060046	Waxman	Water Facilities - repairs to water lines damaged by uprooted/fallen trees	Project substantially complete.				
			Sewer Facilities - repairs to sewer lines damaged by uprooted/fallen trees	Project substantially complete.				
			Debris Removal - remove downed power lines & other debris	Project complete.				
LIVINGSTON November 29, 2008	DRS060049	Waxman	Water Facilities - purchase/install 200 kW generator. Additional generators to be amended in. (Generators to be purchased through Polk County.)	Generators ordered/delivered.				Installation complete - Nov. 10
LOVELADY August 31, 2008	DRS060051	Vann	Water Facilities - purchase/install 25kW generator	Generator bid awarded. Generator ordered.			Delivery/Installation - July 31	
LUFKIN November 29, 2008	DRS060052	Traylor	Water Facilities - purchase/install 2 - 600kW generators	Generator ordered & received. Pad construction underway			Installation - July 23	
			Neighborhood Facilities - purchase/install 600 kW generator	Generator ordered & received. Pad construction underway			Installation - July 23	
NACOGDOCHES August 31, 2008	DRS060056	Self	Facilities/Comm.Center - new a/c, power grid & generator	Project complete.				

RITA 1-DETCOG

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

CONTRACTOR/ Maturity Date	CONTR.#	ADMIN.	SHORT DESCRIPTION	THROUGH REPORT DATE	ACTION PENDING/SCHEDULED TO TAKE PLACE:			
					Jan-March08	April-June08	July-Sept08	Oct-Dec08
			Facilities/Comm. Center - additional repairs - floors, hand rails, doors.	Project underway / substantially complete.			Repairs complete - Aug. 15	
NACOGDOCHES COUNTY November 29, 2008	DRS060057	Waxman	Water Facilities - purchase/install 7 generators	Generators ordered & delivered. Installation underway.				Complete - Nov. 17
			Neighborhood Facilities - purchase/install generators	Generators ordered & delivered. Installation underway.				Complete - Nov. 17
NEWTON August 31, 2008	DRS060060	Waxman	Drainage Facilities - NRCS match	Project Complete				
			Debris Removal - NRCS match	Project complete				
			Street Repairs.	Bid awarded for street repairs. Project underway.			Repairs complete - Aug. 30	
NEWTON COUNTY November 29, 2008	DRS060061	Waxman	Water Facilities - purchase/install 9 generators	Project complete.				
			Drainage Facilities - USDA drainage improvements project	NRCS Projects compete.				
			Debris Removal - USDA debris removal & other debris.	Project complete				
			Neighborhood Facilities - repairs to shelter	Project complete				
			Acquisitions - buyout 41 homes (FEMA match)	Project complete				
ONALASKA November 29, 2008	DRS060063	Vann	Fire Protection - purchase/install generator.	Project complete				
			Neighborhood Facilities - renovate Fire Station to create shelter area.	Project complete				
PINELAND November 29, 2008	DRS060069	Vann	Water Facilities - purchase/install 50 kW generator	Generator ordered/received and installed. Developed problems - will be replaced - mid August.			Installation complete - Aug. 15	
			Sewer Facilities - purchase/install 15 kW generator	Project complete.				
POINT BLANK November 29, 2008	DRS060070	Waxman	Neighborhood Facilities - purchase/install generator for shelter.	Project Complete				
			Neighborhood Facilities - additional repairs and purchase/install ice machine at shelter.	Amendment due to add repairs & ice machine.			Final repairs/ice machine complete - Aug. 30	
POLK COUNTY November 29, 2008	DRS060071	Waxman	Water Facilities - purchase/install 12 generators	Generators ordered/delivery underway.			Final Delivery - July 30 Installation complete - Sept. 15	

RITA 1-DETCOG

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>ACTION PENDING/SCHEDULED TO TAKE PLACE:</u>			
					<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
			Sewer Facilities - purchase/install 3 generators	Generators ordered/delivery underway.			Final Delivery - July 30 Installation complete - Sept. 15	
			Fire Protection - purchase/install 11 - 25kW generators	Generators ordered.			Delivery - July 30 Installation complete - Sept. 15	
SABINE COUNTY November 29, 2008	DRS060076	Waxman	Water Facilities - purchase/install 8 generators	Generators ordered & delivered.Installation underway.				Installation complete - Nov. 17
			Fire Protection - purchase/install 9 - 25kW generators	Generators ordered & delivered.Installation underway.				Installation complete - Nov. 17
SAN AUGUSTINE August 31, 2008	DRS060077	Vann	Water Facilities - purchase/install 1 generator	Generator has been ordered.			Delivery/Installation - Aug. 30	
SAN AUGUSTINE COUNTY November 29, 2008	DRS060078	Waxman	Streets - County to bid materials & use force account labor	Project underway - substantially complete as of June 30.			Force Acct. Labor - complete July 30	
SAN JACINTO COUNTY November 29, 2008	DRS060079	Waxman	Water Facilities - purchase/install 4 - 80kW generators	Generator bid awarded/received. Installation underway.			Installation - July 31	
			Sewer Facilities - purchase/install 80 kW generator	Generator bid awarded/received. Installation underway.			Installation - July 31	
			Street Improvements - repairs to County Roads	Force Acct. Labor - underway			Completion - July 31	
			Neighborhood Facilities - purchase/install 40 kW generator	Generator bid awarded/received. Installation underway.			Installation - July 31	
			Fire Protection - purchase/repair Rural Fire Station	Project Complete				
			Acquisition - Purchase building for Activity above.	Project Complete				
SHELBY COUNTY November 29, 2008	DRS060080	Vann	Water Facilities - purchase/install 5 generators	Generator ordered. Pad site underway.			Installation complete - Aug. 15	
SHEPHERD November 29, 2008	DRS060081	Vann	Water Facilities - purchase/install 40 kW generator	Generator ordered.			Delivery/Installation - Aug. 30	
TIMPSON August 31, 2008	DRS060087	Waxman	Sewer Facilities - purchase/install 68kW generator	Project Complete.				

RITA 1-DETCOG

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
TRINITY COUNTY November 29, 2008	DRS060088	Vann	Water Facilities - purchase/install 8 generators	Project Complete.				
			Sewer Facilities - purchase/install 250kW generator.	Project Complete.				
TYLER COUNTY November 29, 2008	DRS060089	Waxman	Water Facilities - purchase/install 15 generators	Generator bid awarded/ ordered/ received. Installatin underway.				Installation - Oct.24
			Flood & Drainage Facilities - match funds for USDA/NRCS project to improve drainage facilities.	Project substantially underway.				
			Neighborhood Facilities - purchase/install 2 generators	Generator bid awarded/ ordered/ received. Installatin underway.				Installation - Oct.24
			Public Facilities - purchase/install 900 kW generator	Generator bid awarded/ ordered/ received. Installatin underway.				Installation - Oct.24
WOODVILLE September 15, 2008	DRS060094	Waxman	Water Facilities - purchase/install 250 kW & 150kW generators	Project complete.				
ZAVALLA August 31, 2008	DRS060095	Vann	Water Facilities - purchase/install 100kW generator	Generator ordered.			Delivery - July 20 Installation - Aug. 15	

CURRENT PROGRESS/ACTION SCHEDULE REPORT

RITA 1-ETCOG

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
ALTO August 31, 2008	DRS060002	Grantworks	Water Facilities - purchase/install 3 generators	Generator ordered/delivered. Installation underway.			Installation - Aug. 15	
			Sewer Facilities - purchase/install 1 generator	Generator bid awarded. Generator ordered.			Delivery - July 31 Installation - Aug.15	
CARTHAGE August 31, 2008	DRS060009	Traylor	Neighborhood Facilities - engineering costs for Shelter Construction (FEMA/HMGP funding construction costs.)	ORCA funding moved to Engineering Dec. 20. FEMA FUNDING ISSUES - DEM authorization letter received April 4, 2008. City Awarded Engineering Contract April 28, 2008.				
GALLATIN August 31, 2008	DRS060023	Traylor	Neighborhood Facilities - Repairs to Civic Center/Shelter	Engineering underway. Construction bid awarded.			Construction Start - July 23	
HENDERSON August 31, 2008	DRS060033	Traylor	Neighborhood Facilities - engineering costs for Shelter Construction (FEMA/HMGP funding construction costs.)	FEMA FUNDING ISSUES - DEM authorization letter received Feb. 26. Architecture contract awarded Apr. 29. Underway.				
JEFFERSON August 31, 2008	DRS060041	Traylor	Neighborhood Facilities - shelter improvements	TxDOT Lead Agency. Shelter Improvements Bid Awarded.			Project complete - Aug. 15	
			Neighborhood Facilities - purchase/install generator	Generator ordered/delivered. Installation underway.			Installation complete - Aug. 15	
LONGVIEW August 31, 2008	DRS060050	Self	Water Facilities - Purchase/Install generator - Sabine Water Treatment Plant.	Project complete.				
			Water Facilities - Purchase/Install generator - Dundee Booster Station	Project complete.				
			Neighborhood Facilities - Improvements to shelter.	Bid awarded May 8. Repairs underway.			Construction complete - Aug 30	
			Special Public Facilities - Purchase/Install generator @ city data center.	Generator ordered.			Installation - July 30	
RUSK August 31, 2008	DRS060075	Self	Water Facilities - Purchase/Install 3 generators	Bid awarded. Generators ordered.				
			Neighborhood Facilities - Shelter renovation	Bid awarded for shelter work.			Construction Start - July 30 Construction complete - Aug. 30	

CURRENT PROGRESS/ACTION SCHEDULE REPORT

RITA 1-HGAC

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
AMES August 31, 2008	DRS060096	Publ.Mgmt.	Water Facilities - purchase and install generator at City Water Plant.	Generators ordered through HGAC. Community seeking installation quotes.			Delivery - Aug. 1	
CHAMBERS COUNTY August 31, 2008	DRS060011	Publ.Mgmt.	Neighborhood Facilities - purchase/install 3 generators for shelters throughout County.	Project significantly changed Dec 20. Generator purchases through HGAC Buy Program.			Delivery - July 30 Installation - Aug.15	
CLEVELAND August 31, 2008	DRS060014	Publ.Mgmt.	Flood & Drainage Facilities - improvements include box culverts/pipe/channel excavation.	Project significantly changed Dec 20. Drainage Project Bid awarded - project underway.			Complete - July 31	
			Acquisition - for Drainage Facilities Right of Way access.	Project complete.				
COVE August 31, 2008	DRS060018	Publ.Mgmt.	Flood & Drainage Facilities - construct culverts & headwall @ 3 locations.	Drainage bid awarded. Project underway.			Construction start - July 1 Construction complete - Aug.15	
DAYTON August 31, 2008	DRS060021	Publ.Mgmt.	Flood & Drainage Facilities - including driveway culverts & roadway ditch cleaning.	Project significantly changed Dec 20. Construction bid awarded - project underway.			Construction complete - Aug. 15	
DEVERS August 31, 2008	DRS060097	Publ.Mgmt.	Water Facilities - purchase and install generator at City Water Plant.	Generators ordered through HGAC. Community seeking installation quotes.			Delivery - Aug. 1	
GALVESTON COUNTY August 31, 2008	DRS060024	Self	Flood/Drainage Facilities -repair dune system	Project complete.				
HUNTSVILLE August 31, 2008	DRS060037	Self	Water Facilities - install 250kW generator	Generator ordered/received. Preliminary installation underway.			Installation complete - Aug. 15	
			Sewer Facilities - install 7 generators	Generator ordered/received. Preliminary installation underway.			Installation complete - Aug. 15	
LIBERTY COUNTY August 31, 2008	DRS060048	Publ.Mgmt.	Clearance/Demolition - demolish approx. 30 structures	FEMA Lead Agency. Project underway.			Completion - Aug.28	
			Acquisitions - Acquire approx. 30 structures	FEMA Lead Agency. Project underway.			Completion - Aug.28	
MONTGOMERY COUNTY August 31, 2008	DRS060054	Self	Neighborhood Facilities - purchase/install 3 generators	Generators ordered/received. Installation underway.				

RITA 1-HGAC

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
NEW WAVERLY August 31, 2008	DRS060059	Publ.Mgmt.	Water Facilities - purchase/install 350 kW generator	Project Complete.				
			Water Facilities - repairs to Chlorination Building.	New Activity added in April, 2008. Building ordered and scheduled for complete installation by July, 2008. (Community reviewing status - may drop project. (7/15/08))				
PANORAMA VILLAGE August 31, 2008	DRS060066	Publ.Mgmt.	Flood & Drainage Facilities - regrade/resod ditches & replace 4 culverts.	Project complete.				
SPLENDORA August 31, 2008	DRS060084	Publ.Mgmt.	Flood & Drainage Facilities - box culverts & ditch excavation.	Project significantly changed Dec 20. Engineering bid awarded Jan. 20. City considering status/continuation of project (7/15/08) - 404 Permitting issues.				
			Acquisitions - as needed for Drainage System Right of Way access.	Project significantly changed Dec 20. Acquisitions started - Feb. 1. Delayed due to City Elections in May,08.City considering status/continuation of project (7/15/08) - 404 Permitting issues.				
SURFSIDE BEACH August 31, 2008	DRS060085	Self	Acquisition - Acquire & demolish 9 structures	Project complete.				
WALKER COUNTY August 31, 2008	DRS060091	Self	Water Facilities - purchase/install generator	Project complete.				
			Neighborhood Facilities - construction of parking area for shelter facility.	Project underway. Shelter scheduled to be 85% complet by end of June. Parking lot construction to follow. Should meet Aug. 31 deadline.			Underway - Aug. 31 completion.	
WILLIS August 31, 2008	DRS060093	Publ.Mgmt.	Flood & Drainage Facilities - Phase 1 - remove/replace 6 culverts.	Original Project scope complete. Community deciding whether to enhance/add to original scope or move to Phase 2 (below).				
			Flood & Drainage Facilities - Phase 2 - enlarge portion of Crystal Creek.	Bid awarded.Community deciding whether to enhance/add to original project - Phase I (above) or betgin Phase 2.				

CURRENT PROGRESS/ACTION SCHEDULE REPORT

RITA 1-SETRPC

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
<u>MATURITY DATE</u>								
BEAUMONT August 31, 2008	DRS060004	Publ.Mgmt.	Drainage Facilities - repairs to drainage system	Drainage project bid awarded. Work underway.	FEMA Match			
BEVIL OAKS August 31, 2008	DRS060005	Waxman	Water Facilities - purchase/install 60kW generator	Generator ordered. Installation contract awarded.(NOTE: Status of generator deliveries not provided by consultant. Assumed date: Aug.22)			Delivery / Installation - Aug 22	
			Sewer Facilities - purchase/install 150kW generator	Generator ordered. Installation contract awarded.(NOTE: Status of generator deliveries not provided by consultant. Assumed date: Aug.22)			Delivery / Installation - Aug 22	
			Streets - repair street damage	Street Repairs bid awarded. Work underway.			Complete - Aug. 1	
			Fire Protection - Replace repeater	Project Complete				
BRIDGE CITY August 31, 2008	DRS060006	Self	Streets - Repair street & traffic signals	Project Complete				
			Debris Removal - provide dumpsters for cleanup	Project Complete				
			Clearance/Demolition - Demolish & clear 16 homes. (increased to 30 homes)	Project Complete				
CHINA August 31, 2008	DRS060013	Waxman	Water Facilities - purchase/install 150kW generator	Bid awarded - generator ordered.			Delivery - July 31 Installation - Aug.31	
			Sewer Facilities - purchase/install 100kW & 40kW generator	Bid awarded - generator ordered.			Delivery - July 31 Installation - Aug.31	
GROVES August 31, 2008	DRS060029	Waxman	Water Facilities - repair elevated water storage facility	Project Complete.				
			Street Improvements - FEMA match - replace street signs.	Project Complete.				
			Debris Removal - FEMA match - debris removal	Debris Removal contract awarded Jan. 31. Project underway. (NOTE: Status of Debris Removal not provided by consultant. Assumed completion date: Aug. 30)			Completion - Aug. 30	

RITA 1-SETRPC

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
			Fire Protection - FEMA match - repairs to fire station & equipment - purchase/install 2 generators	Project Complete.				
HARDIN COUNTY August 31, 2008	DRS060031	Waxman	Streets - Repairs to streets not covered by FEMA.	Project Complete.				
			Streets / Drainage Facilities - additional streets & culvert repairs to be amended in - July.	Streets/Drainage Project to be added in - July.			Amendment - July	
			Debris - Clear & dispose of debris.	Project Complete.				
			Neighborhood Facilities - Purchase/install 2 350kW generators.	Project Complete.				
JEFFERSON COUNTY August 31, 2008	DRS060042	Waxman	Streets - Repair damaged county roads & bridges	Contract work - Old Sour Lkae road - complete.				
			Streets - Repair damaged county roads & bridges	Force Acct. Labor - underway				
			Public Services - reimbursement for emergency medical costs and other support to evacuees	Project Complete				
KOUNTZE August 31, 2008	DRS060047	Vann	Water Facilities- purchase/install 100kW generator	Generator ordered/received. Installation underway.			Installation complete - July 30	
	DRS060047		Sewer Facilities - purchase/install 100kW & 60kW & 4 - 45kW generators	Generator ordered/received. Installation underway.			Installation complete - July 30	
LUMBERTON August 31, 2008	DRS060053	Waxman	Water Facilities - purchase/install 600 kW generator	Project Complete				
			Drainage Facilities - new project requested Jan.31 - repairs not covered by FEMA - install box culverts.	Project Complete				
			Clearance/Demolition - remove 30 homes	Project Complete				
NEDERLAND August 31, 2008	DRS060058	Waxman	Water Facilities - purchase/install 500kW generator @ pump station & 275kW generator @ water treatment plant.	Generators ordered/received. Preliminary installation underway.			Installation complete - July 30	
			Fire Protection - purchase/install 2 (two) 125kW generators at Fire Station..	Generators ordered/received. Preliminary installation underway.			Installation complete - July 30	
NOME August 31, 2008	DRS060062	Waxman	Water Facilities - purchase/install 100kW generator	Generator ordered. Preliminary installation underway.			Installation complete - July 30	

RITA 1-SETRPC

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
			Sewer Facilities - purchase/install 30kW generator	Generator ordered. Preliminary installation underway.			Installation complete - July 30	
ORANGE August 31, 2008	DRS060064	Self	Water Facilities - replace building for Water/Sewer Plant	Project Complete				
			Streets - curb repairs along damaged streets	Project Complete				
			Debris Removal - debris removal	Project Complete				
			Neighborhood Facilities - construct Community Center building	Project Complete				
			Clearance/Demolition-demolition of structures throughout the city destroyed by hurricane.	Demolition project underway.			Complete - Aug.30	
ORANGE COUNTY August 31, 2008	DRS060065	Waxman	Streets - Repair damaged County Roads & raise elevation of one road - Force Account Labor.	Street repairs underway.			Force Acct. Labor - complete July 31	
			Debris - NRCS match - force acct.labor & additional debris removal, not related to NRCS project.	NRCS Project Complete. Additional Debris Removal underway.			Complete - July 30	
			Clearance/Demolition - demolish & remove County owned structures.	Bid awarded - project underway.			Complete - July 30	
			Acquisition - FEMA/HMGP-purchase one property.	Project Complete.				
PINE FOREST August 31, 2008	DRS060067	Waxman	Streets - Repair damaged roads & ditches	Materials/labor to be provided by Orange County by interlocal agreement.			Repairs complete - July 15	
PINEHURST August 31, 2008	DRS060068	Waxman	Water Facilities - purchase/install 230kW generator	Project complete.				
			Sewer Facilities - purchase/install 40kW generator	Project complete.				
			Streets - Repair damaged shoulders and ditches	Project complete.				
			Fire Protection - repair aluminum siding & hose covers @ fire station	Project complete.				
PORT ARTHUR August 31, 2008	DRS060072	Self	Streets - Repair bridge.	Project complete.				
			Debris - Remove debris.	Project complete.				

RITA 1-SETRPC

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u> <u>MATURITY DATE</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
PORT NECHES August 31, 2008	DRS060073	Waxman	Water Facilities - repair water facilities building & modify Water Tower #2.	Project Complete.				
			Sewer Facilities - Repairs to treatment plant	Project Complete.				
			Sewer Facilities - Purchase/install 3 - 40kW generators	Project Complete.				
			Neighborhood Facilities - repair Community Center	Project Complete.				
			Senior Center - building repairs.	Project Complete.				
			Senior Center - purchase/install 100kW generator	Project Complete.				
			Specially Authorized Public Facilities - repairs to Police Station	Project Complete.				
ROSE CITY August 31, 2008	DRS060074	Waxman	Water Facilities - purchase/install 100kW & 30kW generators	Bids received - all rejected. Will rebid and award July 17- change in equipment.			Bid Award - July 17 Delivery - July 25 Installation - Aug 29	
SILSBEE August 31, 2008	DRS060082	Waxman	Water Facilities - purchase/install 175kW generator	Generator bid/ordered. Installation bid awarded - pad site prepared. Installation underway.				
			Sewer Facilities - purchase/install 650kW & 75kW generators	Generator bid/ordered. Installation bid awarded - pad site prepared. Installation underway.				
SOUR LAKE August 31, 2008	DRS060083	Waxman	Sewer Facilities - purchase/install 250kW generator	Project Complete				
			Debris Removal - remove and dispose of debris	Bid awarded. Project underway.			Complete - July 31	
			Street Repairs- amended in - July.	Street Repairs to be amended in - July. Schedule to be provided.				
TAYLOR LANDING August 31, 2008	DRS060086	Self	Sewer Facilities - purchase/install 125kW generator	Project Complete.				
			Streets - Repair to damages streets	Project Complete.				
VIDOR August 31, 2008	DRS060090	Publ.Mgmt.	Drainage Facilities - improvements to drainage system / drainage boxes	Bid awarded - project underway.			Complete - Aug. 1	
			Debris - removal of flood debris	Project Complete				
			Clearance/Demolition - demolish 12 structures	Demolition Bid awarded - project underway.			Complete - July 15	
			Acquisition - acquire 12 properties for demolition.	Project Complete				

RITA 1-SETRPC

PROGRESS CUTOFF - 06/30/08

ACTION COMPLETED

ACTION PENDING/SCHEDULED TO TAKE PLACE:

<u>CONTRACTOR/</u>	<u>CONTR.#</u>	<u>ADMIN.</u>	<u>SHORT DESCRIPTION</u>	<u>THROUGH REPORT DATE</u>	<u>Jan-March08</u>	<u>April-June08</u>	<u>July-Sept08</u>	<u>Oct-Dec08</u>
<u>MATURITY DATE</u>								
WEST ORANGE August 31, 2008	DRS060092	Self	Fire Protection - Repair damages to Fire Dept. Building.	Project complete.				
			Specially Authorized Public Facilities - Repair damages to Police Dept. Building.	Project complete.				

SUMMARY

Report on HUD's CDBG Entitlement County Program Rules

Presented by Mark Wyatt *

DISCUSSION

The Board requested a report on the qualifications and rules for a county to participate as a HUD entitlement county and the rules for cities within the urban county to enter and exit the urban county program. Attached is a summary of the program rules. The details for participation are extremely detailed, with the HUD instructions alone numbering 40 pages, and even this summary to be accurate has to be more lengthy than preferred.

There are currently 10 urban counties within Texas that receive funds directly from HUD, as follows: Bexar County, Brazoria County, Dallas County, Fort Bend County, Harris County, Hidalgo County, Montgomery County, Tarrant County, Travis County, and Williamson County.

Cities within these urban counties may opt into the county's entitlement program or out of the county's program based on HUD rules summarized in the attachment. An urban county may qualify for entitlement status for a three-year period and the current HUD approval cycle is for receiving funds in PY 2009 through 2011.

RECOMMENDATION

This report is provided at the request of the Board and is for informational purposes only.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

***Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

HUD Urban Entitlement County - Qualifications

A. Urban Counties in Texas:

Bexar County
Brazoria County
Dallas County
Fort Bend County
Harris County,
Hidalgo County
Montgomery County
Tarrant County
Travis County
Williamson County

B. Urban County Thresholds:

- In order to be entitled to receive CDBG funds directly as an urban county, the county generally qualifies by having a total combined population of 200,000 or more (excluding metropolitan cities) from the unincorporated areas and participating incorporated areas.
- The county must have submitted an approved Consolidated Plan to HUD.

C. Actions the urban county must take:

1. Urban counties that must enter into cooperation agreements with the units of general local government (i.e., cities) located within the county.
2. Units of general local government in which counties have authority to carry out essential community development and housing activities without the consent of the local governing body are automatically included in the urban county unless they elect to be excluded at the time of qualification or requalification.
3. Any county that has such units of general local government must notify each such unit that it may elect to be excluded from the urban county. If it chooses to be excluded from the urban county, it must notify both the county and HUD of its election to be excluded.
4. The unit of government must be notified that if it chooses to remain with the urban county, it is ineligible to apply for grants under the State CDBG program while it is part of the urban county.
5. Such election to be excluded will be effective for the entire three-year period for which the urban county qualifies, unless the excluded unit specifically elects to be included in a subsequent year for the remainder of the urban county's three-year qualification period.
6. Where urban counties do not have the authority to carry out essential community development

and housing activities without the consent of the unit(s) of general local government located therein, urban counties are required to have executed cooperation agreements with these units of government.

D. Notification of Opportunity to be Included

1. If a currently qualified urban county has one or more nonparticipating units of general local government, the county may notify, in writing, any such unit of local government during the second or third year of the qualification period that the local government has the opportunity to be included for the remaining period of urban county qualification. If cooperation agreements are necessary, the unit electing to be included in the county for the remainder of the qualification period must also execute, with the county, a cooperation agreement.

E. Notification of Opportunity to Terminate Agreement

1. Urban counties that have agreements that will be automatically renewed at the end of the current qualification period unless action is taken by the unit of government to terminate the agreement, must such units that they can terminate the agreement and not participate during the 2009-2011 qualification period.

F. Period of Qualification: There is a three-year qualification cycle and the current cycle is for PY 2009-2011.

1. Any county that qualifies as an urban county will be entitled to receive funds as an urban county for three consecutive fiscal years regardless of changes in its population or boundary or population changes in any communities contained within the urban county during that period, provided funds are appropriated by Congress.

2. However, during the period of qualification, no included unit of general local government may withdraw from the urban county unless the urban county does not receive a grant for any year during such period.

3. The urban county's grant amount is calculated annually and will reflect the addition of any new units of general local government during the second and third years of the period of qualification.

4. Any unincorporated portion of the county that incorporates during the urban county qualification period will remain part of the urban county through the end of the three-year period.

SUMMARY

TxCDBG - Reports from Management (Supplements to the ORCA Performance Report)

Presented by Mark Wyatt*

DISCUSSION

Attached for your review are reports that supplement ORCA's official Performance Measures Report.

For this meeting, we are submitting reports that cover three areas:

1. Use of CDBG funds by fund category;
2. Use of CDBG funds by type of project (water/sewer, streets, economic development, rehabilitation, neighborhood facilities, etc.) using HUD's activity groups;
3. An excerpt from the annual report to HUD on TxCDBG program evaluation.

RECOMMENDATION

These reports are provided for information only. Staff would welcome guidance on the nature of reporting on the TxCDBG that would be beneficial to the Board.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

*** Should a Board member have questions concerning this agenda item, please contact Mark Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us).**

Use of CDBG Funds by Program Fund Category - PY 2007

Fund Category	# of Awards	Award Amount	Total Beneficiaries	Total Low/Mod Beneficiaries
Community Development	106	\$ 29,481,164	147,162	93,145
Community Development Supplemental	55	\$ 15,382,155	84,760	51,988
Colonia EDAP	2	\$ 439,614	1,135	1,135
Colonia Construction Fund	11	\$ 5,129,037	1,905	1,782
Colonia Planning Fund	4	\$ 177,750	9,060	5,295
Colonia Self-Help Centers	5	\$ 2,860,216	31,976	31,976
Disaster Relief	17	\$ 5,702,541	173,203	73,373
Disaster Relief - Deob	15	\$ 4,585,061	96,635	37,750
Disaster Relief - Program Inco	5	\$ 800,729	81,572	27,835
Texas Capital Fund	23	\$ 10,261,900	611	365
Microenterprise Loan-PI	1	\$ 100,000	4	3
Non-Border Colonia	2	\$ 500,000	276	276
Planning	17	\$ 664,000	62,241	36,257
STEP	8	\$ 2,324,232	3,376	2,611
STEP-Deob	9	\$ 2,604,462	1,978	1,316
Urgent Need	1	\$ 117,000	332	218
Urgent Need-Deob	2	\$ 400,325	437	332

TOTAL	283	\$ 81,530,186	696,663	365,657
--------------	------------	----------------------	----------------	----------------

Use of CDBG Funds by Program Fund Category - PY 2008 (through July 15th)

Fund Category	# of Awards	Award Amount	Total Beneficiaries	Total Low/Mod Beneficiaries
Community Development	95	\$ 26,310,478	119,848	78,876
Community Development-Deob	1	\$ 350,000	244	192
Community Development Supplemental	46	\$ 11,819,454	39,059	26,301
Community Development Supplemental-Deob	1	\$ 250,000	903	595
Colonia EDAP	4	\$ 1,905,000	1,760	1,760
Colonia Construction Fund	10	\$ 4,770,000	782	730
Colonia Self-Help Centers	1	\$ 1,200,000	3,573	3,215
Disaster Relief	12	\$ 2,934,983	98,360	35,452
Disaster Relief - Deob	11	\$ 2,449,720	93,190	49,461
Disaster Relief - Program Income	19	\$ 4,488,364	230,273	78,889
Texas Capital Fund	14	\$ 5,162,050	281	150
Non-Border Colonia-Deob	2	\$ 500,000	97	93
Planning	20	\$ 654,920	41,192	26,635
Renewable Energy	1	\$ 500,000	6,021	3,156
TOTAL	237	\$ 63,294,969	635,583	305,505

Tx CDBG
PY 2007 - 2/1/2007 through 1/31/2008

Project Activity Type	Number of Activities	Percent of Total	Award-Less Deobligations
Water/Sewer Improvements	171	62.7%	\$41,771,527
Street Improvements	34	11.5%	\$7,653,857
Economic Development-Direct Financial Assistance to For-Profits	13	11.1%	\$7,414,800
Rehabilitation; Single-Unit Residential	40	5.6%	\$3,755,420
Neighborhood Facilities	5	3.5%	\$2,311,658
Sidewalks	9	1.9%	\$1,261,800
Planning	22	1.3%	\$841,750
Interim Assistance	3	1.0%	\$686,583
Flood Drain Improvements	3	1.0%	\$685,839
Micro-Enterprise Assistance	1	0.2%	\$100,000
Public Services (General)	2	0.1%	\$66,429
Public Facilities and Improvements (General)	1	0.1%	\$59,025
Total			\$66,608,688

State Performance Evaluation Report CDBG Narrative Requirement

Report Period: February 1, 2007 to January 31, 2008

The objective of the Community Development Block Grant Program (CDBG) is “the development of viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income (0-80 percent of Area Median Family Income (AMFI)).” ORCA administers the “non-entitlement” or “states and small cities program.” Under this program, HUD allocates CDBG funds directly to the State, which, in turn, allocates funds to small, non-metropolitan cities (populations of less than 50,000) and rural counties. Large metropolitan communities (populations of 50,000 or more), known as “entitlement areas,” receive their CDBG funding directly from HUD.

The demographics and rural character of Texas have shaped a state CDBG program that focuses on providing basic sanitary infrastructure to small rural communities in outlying areas. Eligible activities include sanitary sewer systems, water treatment improvements, disaster relief and urgent needs projects, housing, drainage and flood control, street improvements, and economic development.

DESCRIPTION OF RESOURCES

This section describes CDBG funding that was available for PY 2007.

PY 2007 Funding

The following table lists the amount of funds available for PY 2007 through the HUD allocation, distributed according to the CDBG 2007 Action Plan.

PY 2007 CDBG State Allocation

Fund	Percent	Amount Available
Community Development Fund	40.00%	\$29,444,695
Community Development Supplemental Fund	21.10%	15,532,077
Texas Capital Fund	14.51%	10,681,063
Colonia Fund		
Colonia Construction Fund	6.84%	5,037,282
Colonia EDAP Fund	2.72%	2,000,000
Colonia Planning Fund	0.44%	323,892
Colonia Self-Help Centers Fund	2.50%	1,840,293
Non-Border Colonia Fund	0.61%	449,032
Planning And Capacity Building Fund	0.90%	662,506
Disaster Relief Fund	4.10%	3,018,081
Urgent Need Fund	0.0%*	
STEP Fund	3.14%	2,314,464
Microenterprise Loan Fund	0.0%*	
Small Business Loan Fund	0.0%*	
Section 108 Loan Guarantee Pilot Program	0.0%*	
Administration – 2%	2.00%	1,472,235
Administration Funds – \$100,000	0.14%	100,000
Technical Assistance – 1%	1.00%	736,117
Total	100.00%	\$73,611,737

PY 2007 Funding Commitments

For PY 2007, the CDBG program committed \$82,705,801 through 286 grants.

Total Amount of Funds Committed during PY 2007

Fund	No. of Contracts	2007 Allocation	Prior Year - Allocation	Prior Year - Deobligated	Program Income	2007 Total Obligation
Community Development	107	29,401,548	375,000			29,776,548
Community Development Supplemental Fund	55	15,382,155				15,382,155
Texas Capital Fund	25	8,023,600	3,088,300	300,000		11,411,900
Colonia Construction Fund	11	5,037,282	60,386			5,097,668
Colonia EDAP Fund	2		439,614			439,614
Colonia Planning Fund	4	177,750				177,750
Colonia Self-Help Centers	5	1,027,776	1,832,440			2,860,216
Non-Border Colonia	2	449,032	50,968			500,000
Planning / Capacity Building Fund	17	661,454	2,546			664,000
Disaster Relief/Urgent Need Fund	40	3,018,081	2,888,236	4,908,495	790,844	11,605,656
STEP Fund	17	2,314,464		2,614,230		4,928,694
Micro-Enterprise Loan Fund	1				100,000	100,000
Total	286	\$65,493,142	\$8,737,490	\$7,822,725	\$ 890,844	\$82,944,201

Matching Requirements

CDBG requires matching funds to be contributed by grant recipients toward certain CDBG funded projects. Applicants' willingness to provide matching funds, in relation to the size of the community, is taken into account when scoring applications for funding. Match requirements vary by funding category and are not required for the STEP Fund, Colonia Planning Fund, or Colonia Self-Help Centers Fund. For PY 2007, the \$82,944,201 in CDBG funds was matched by 54%, or \$45,090,093 in local commitments.

Matching Funds Committed by Grantees, Contracts Awarded in PY 2007

Fund	No. of Contracts	2007 Total Obligation	Match
Community Development Fund	107	29,776,548	8,599,244
Community Development Supplemental Fund	55	15,382,155	3,889,526
Texas Capital Fund	25	11,411,900	20,582,236
Colonia Construction Fund	11	5,097,668	696,023
Colonia EDAP Fund	2	439,614	0
Colonia Planning Fund	4	177,750	0
Colonia Self-Help Centers	5	2,860,216	0
Non-Border Colonia	2	500,000	25,000
Planning and Capacity Building Fund	17	664,000	145,068
Disaster Relief/Urgent Need Fund	40	11,605,656	11,222,612
STEP Fund	17	4,928,694	3,300
Micro-Enterprise Loan Fund	1	100,000	10,000
Total	286	\$ 82,944,201	\$ 45,090,093

The CDBG staff continues to work with the Texas Department of Agriculture and Texas Water Development Board on projects that leverage funds from multiple agencies to take full advantage of the available resources.

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2007 funds were distributed and the location of CDBG awards.

Allocation Formula

The CDBG program distributes funds using both statewide competitions and regional competitions. The Community Development and Community Development Supplemental Funds each use a specific formula to distribute funds on a biennial basis to each of the 24 Council of Government regions across the state; the CD funds are allocated according to a formula based on population, poverty, and unemployment, while the CDS distributes funds using same formula used by HUD to allocate funds to the state CDBG programs. Applicants compete within each region for the funds allocated to that area. Regional competitions ensure that funds are distributed across the state and allow each region to establish its own priorities for selecting applications for funding within the scope of the program.

All other CDBG funds are available to eligible cities and counties through statewide competitive processes. A statewide competition in the smaller funding categories provides for standardized consideration and funding of the most competitive applications regardless of the project location.

SUMMARY OF BENEFIT

This section describes the individuals assisted with CDBG funds.

For contracts that were awarded with PY 2007 funds, there are 696,863 total anticipated beneficiaries, of which 52 percent were low- and moderate-income persons.

Estimated Beneficiaries, Contracts Awarded in PY 2007

Fund	Total Beneficiaries	Low/Mod Beneficiaries
Community Development Fund	147,209	93,192
Community Development Supplemental Funds	84,760	51,988
STEP Fund	5,354	3,927
Colonia EDAP Fund	1,135	1,135
Colonia Construction Fund	1,905	1,782
Colonia Planning Fund	9,060	5,295
Colonia Self-Help Centers	31,976	31,976
Non-Border Colonia	276	276
Disaster Relief/Urgent Need Funds	352,179	139,508
Planning Fund	62,241	36,257
Texas Capital Fund	764	452
Micro-Enterprise Loan Fund	4	3
Total	696,863	365,791

Actual Persons Served in PY 2007

For contracts closed during PY 2007, 625,955 persons actually received service through CDBG contracts, of which 58 percent were low- and moderate-income persons.

Actual Beneficiaries, Contracts Closed in PY 2007

Fund	Total Beneficiaries	Low/Mod Beneficiaries
Community Development Fund	263,887	181,687
Community Development Supplemental Fund	19,624	13,265
Colonia Construction Fund	2,955	2,854
Colonia EDAP Fund	1,983	1,983
Colonia Planning Fund	6,051	3,135
Colonia Self-Help Centers	5,184	5,184
Texas Capital Fund	45,239	21,914
Disaster Relief/Urgent Need Funds	245,263	112,871
Planning Fund	27,799	16,211
Housing Infrastructure Fund	304	192
Housing Rehabilitation Fund	24	24
STEP Fund	7,515	4,503
Young v Martinez Fund	127	127
Total	625,955	363,950

Racial and Ethnic Status of Persons Assisted

The table below reports racial and ethnic status of persons assisted through contracts closed in PY 2007.

Racial and Ethnic Status of Beneficiaries, Contracts Closed in PY 2007

Race / Ethnicity	Persons Assisted	Percent
White	298,455	47.7%
Black / African American	58,737	9.4%
Asian	1,822	0.3%
American Indian/Alaska Native	4,005	0.6%
Native Hawaiian/Other Pacific Islander	387	<0.1%
Black/African American and White	306	<0.1%
Asian and White	196	<0.1%
Asian and Native Hawaiian/Other Pacific Islander		
American Indian and White	1,292	0.2%
American Indian/Alaska Native and Black/African American	28	<0.1%
Other Multi-Race	26,930	4.3%
Hispanic and White	222,941	35.6%
Hispanic and Black /African American	360	<0.1%
Hispanic and Asian	60	<0.1%
Hispanic and American Indian/Alaska Native	322	<0.1%
Hispanic and Native Hawaiian/Other Pacific Islander	33	<0.1%
Hispanic and Other Race or Multiracial	10,081	1.6%
Total	625,955	

Income Status of Persons Assisted

The CDBG program collects information on beneficiaries according to low/moderate income status. Most funding categories require successful applications to benefit a minimum of 51% low- or moderate-income persons. Colonia Planning Fund applicants may qualify for funding under the slum and blight national objective. While the Colonia Planning grant does not require a low/moderate income threshold, the strategies that result from the grant, if implemented, will benefit primarily low- to moderate-income persons. Similarly, Disaster Relief/Urgent Need Fund applicants may qualify under the urgent need national objective without a

low/moderate income benefit; however many of these projects do benefit primarily low- to moderate-income persons and only those contracts are included in the CDBG low/moderate income national objective reporting and are included below.

The table below reflects contracts closed during PY 2007 that meet the low/moderate income national objective. Twenty five contracts met the urgent need or slum/blight national objectives, including the Downtown Revitalization and Main Street Program contracts in the Texas Capital Fund, certain Disaster Relief contracts, and a Colonia Planning Fund contract, and are not included in the table below.

**Income Status of Beneficiaries,
Contracts Closed in PY2007 under the LMI National Objective**

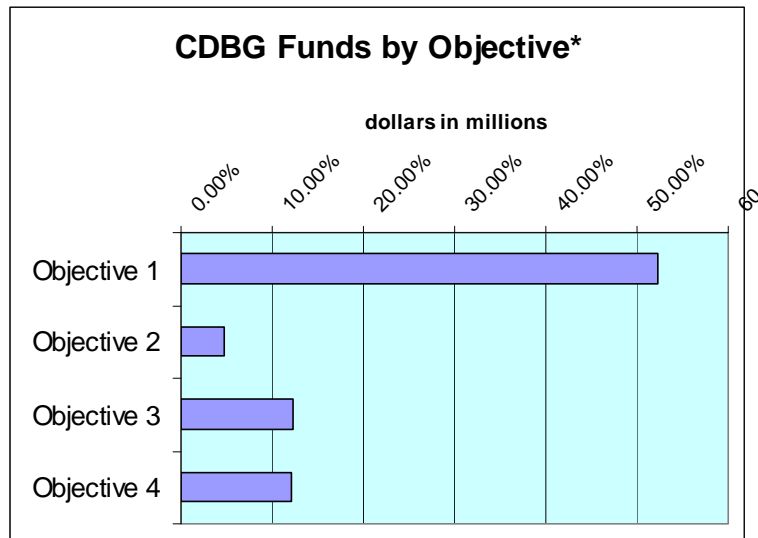
Fund	Total Beneficiaries	Low/Mod Beneficiaries	% Low/Mod
Community Development Fund	263,887	181,687	68.85%
Community Development Supplemental Fund	19,624	13,265	67.60%
STEP Fund	7,515	4,503	59.92%
Colonia Construction Fund	2,955	2,854	96.58%
Colonia EDAP Fund	1,983	1,983	100.00%
Colonia Planning Fund	5,532	2,875	51.97%
Colonia Self-Help Centers	5,184	5,184	100.00%
Disaster Relief/Urgent Need Fund	39,085	22,846	58.45%
Planning Fund	27,799	16,211	58.32%
Texas Capital Fund	589	423	71.82%
Housing Infrastructure Fund	304	192	68.30%
Housing Rehabilitation Fund	24	24	100.00%
Young V. Martinez Fund	127	127	100.00%
Total	374,608	252,174	67.32%

* Reported beneficiaries include only contracts meeting the low/moderate income national objective.

RELATIONSHIP BETWEEN USE OF FUNDS AND PROGRAM OBJECTIVES

The purpose of the Texas Community Development Block Grant Program (CDBG) continues to be the development of viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. The funding allocations among the CDBG programs and the activities funded within those programs reflect the following state development objectives and priorities:

- Objective 1: To improve public facilities to meet basic human needs, principally for low and moderate income persons.
- Objective 2: To improve housing conditions, principally for persons of low and moderate income.
- Objective 3: To expand economic opportunities by creating or retaining jobs, principally for low and moderate income persons.
- Objective 4: To provide assistance and public facilities to eliminate conditions hazardous to the public health and of an emergency nature.



* Activities may meet more than one objective.

The largest percentage of the funds obligated during this period will be used to address Objective 1, the *basic human needs* of water, sewer, and housing. Objective 2 *housing conditions* are addressed through the Housing Infrastructure Fund, which provides infrastructure to support new housing, and other program funds that provide improvements in public services according to local priorities. Objective 3 *job creation and retention* are addressed under the Texas Capital Fund and the two new economic development funds. Through the Disaster Relief/Urgent Need Fund, the State continues to address Objective 4 *disaster relief* to provide assistance to meet the needs resulting from the disaster situations that impact Texas during each program year. The graph above charts CDBG funds according to the objective(s) met by funded activities.

Specific Accomplishments

The following goals address the objectives identified above. Activities awarded during the PY 2007 period that accomplish these goals are described.

INFRASTRUCTURE IMPROVEMENTS

Encourage projects that address basic human needs such as water, sewer and housing; projects that provide a first-time public facility or service; and projects designed to bring existing services up to at least state minimum standards as set by the applicable regulatory agency.

CDBG received 666 applications for assistance under the 2007/2008 Community Development Fund and Community Development Supplemental Fund competition and funded 107 projects under the CD Fund and 55 projects under the CDS Fund. Together these two funds receive just over 60% of the total annual CDBG allocation.

- The vast majority of applications for 2007/2008 CD/CDS funds requested assistance with basic human needs (water, sewer, and housing).
- About 75% of funds awarded by CDBG address basic human needs.
- 90% of awarded construction funds address basic needs.
- Some 23 contracts totaling \$6,910,244 that included funds for first time public water or public sewer facilities, benefiting 1,741 of which 1,636 were low- to moderate income persons.

The STEP Fund is designed to make a large impact by leveraging local resources and self-help volunteer labor to install needed water and sewer facilities at a cost that is affordable for the assisted communities. During this reporting period, 17 grants were awarded obligating \$4,928,694 for projects to benefit 5,851 persons of which 4,179 are low- and moderate-income persons.

- Over 70% of STEP funds awarded in 2007 address basic human needs, and 99% of construction funds address such needs.
- Five of the 17 STEP projects using \$1,486,650 in CDBG funds provide first time public water or public sewer facilities benefiting 397 persons, of which 253 are low- to moderate income persons.

Contracts Awarded in PY 2007 by Activity – Selected Funds

Activity	CD/CDS	% of CD/CDS Total	STEP	% of STEP Total
Water Facilities *	17,213,854	38.1%	3,209,815	65.1%
Sewer Facilities *	14,692,757	32.5%	236,000	4.8%
Housing Rehabilitation *	1,883,820	4.2%	65,168	1.3%
Drainage	113,533	0.3%		
Streets	2,956,246	6.6%		
Other Facilities	521,078	1.2%		
Acquisition	161,675	0.4%	20,436	0.4%
Administration	2,996,455	6.6%	526,174	10.7%
Engineering	4,619,285	10.2%	871,101	17.7%
Total Funds	\$45,158,703		\$4,928,694	
*Basic Needs Dollars	\$33,790,431	74.8 %	\$3,510,983	71.2%

ECONOMIC DEVELOPMENT

Provide funds for economic development and business expansion in rural communities. Fund economic development projects that create or retain jobs.

Texas CDBG administered two relatively new programs during PY 2007 to promote economic development. Both programs provide grant funds to communities, which in turn make loans to small businesses: the Micro-enterprise Loan Fund is targeted toward businesses with five or fewer employees, while the Small Business Loan Fund benefits businesses with 100 or fewer employees. The loan recipients commit to creating or retaining jobs in rural communities and to making 51% or more of those jobs to be filled by low- or moderate-income persons. The CDBG funded one new Micro-enterprise Loan Fund grant for \$100,000 in PY 2007, and continued administration of twelve grants previously awarded under both funds.

In PY 2007, CDBG funded twenty-five grants under the Texas Capital Fund. The \$11,173,500 in CDBG assistance is expected to create 639 new jobs and retain 113 jobs in rural communities, with at least 51% of those jobs to be filled by low- and moderate-income workers. The estimated cost per job created or retained through these contracts is \$14,989.

For existing contracts that were closed during the reporting period, CDBG provided economic development assistance to eighteen communities through the Texas Capital Fund expending \$5,977,141.50 in CDBG funds and \$9,538,638 in matching funds. Eleven contracts provided \$4,949,627 for infrastructure or real estate to create 536 new jobs and retain 53 existing jobs, with 383 of the new jobs and 40 of the retained jobs filled by low- or moderate-income workers. Contracts funded under CDBG economic development are required to create or retain one job for every \$25,000 in CDBG funds expended. The eleven contracts closed during PY 2007 averaged \$14,723.25 expended for each job created or retained. In addition to job creation activities,

the Texas Capital Fund expended \$577,514 in four communities under the Main Street Program, and \$450,000 in three communities under the Downtown Revitalization Program.

OTHER ACCOMPLISHMENTS

Provide support for colonia communities, including funding for public improvements through a Colonia Construction Fund, funding for planning through a Colonia Planning Fund, and Self-Help Centers established in border counties.

The Colonia Construction Fund is the second largest program administered by Texas CDBG and the largest targeting colonias. In 2007 CDBG funded 11 projects totaling \$5,097,668. Nearly 85% of CFC funds awarded in PY 2007 address basic human needs, and 99% of construction funds address such needs. All 11 of the 11 CFC projects fund first time public water or public sewer facilities, which will benefit 1,932 persons, of which 1,832 are low- to moderate income persons.

Four Colonia Planning Fund grants were awarded that have the potential to benefit 9,060 persons of which an estimated 5,295 are low and moderate income persons. The \$177,750 obligated will be used to assess county-wide comprehensive needs in colonia areas and for an in-depth study/plan covering individual colonia communities.

A rider to ORCA's state appropriation retains 2.5% of the total CDBG appropriation for the operation of colonia self-help centers in seven border counties, in addition to the 10% federally mandated colonia set-aside. The activities of the self-help centers are overseen by the TDHCA Office of Colonia Initiatives. Separately, three border field offices, operated by TDHCA-OCI staff and supported in part by CDBG funds, are located in El Paso, Edinburg and Laredo to provide technical assistance to area residents and other interested parties. The TDHCA-OCI staff continues to provide technical assistance and disseminate information regarding available programs administered by TDHCA that could assist in addressing colonia issues and other local priority needs. During the reporting period, \$2,860,216 was awarded to support the colonia self-help centers.

Colonia Fund Activities, Contracts Awarded in PY 2007

Activity	CEDAP	CFC	CFP	Colonia Fund Total	% of Colonia Fund Total
Water Facilities *		859,060		859,060	15.0%
Sewer Facilities *		2,194,004		2,194,004	38.4%
Housing Rehabilitation *	394,950	1,271,604		1,666,554	29.2%
Acquisition		41,500		41,500	0.7%
Planning			177,750	177,750	3.1%
Administration	44,664	295,000		339,664	5.9%
Engineering		436,500		436,500	7.6%
Total Funds	439,614	5,097,668	177,750	5,715,032	
*Basic Needs Dollars	394,950	4,324,668		4,719,618	82.6%

** Colonia Self Help Centers are not included in this table.

Provide assistance for the recovery from natural disasters and fund projects that resolve threats to the public health and/or safety of local residents in rural areas.

During this reporting period, 40 grants were awarded for Disaster Relief/Urgent Need Fund projects. The \$11,605,656 obligated for these contracts will provide urgently needed assistance or alleviate the impacts of natural disasters for 352,179 Texans. An estimated 139,508 of the total beneficiaries for these projects are persons with low and moderate income.

Provide assistance to local governments in rural areas, emphasizing planning activities that primarily address problems in the areas of public works and housing assistance.

Texas CDBG awarded 17 grants totaling \$664,000 for planning and capacity building projects. These projects are expected to benefit 62,241 persons including 36,257 low- and moderate-income persons. The 2007 planning projects primarily address public works and housing planning elements and leverage an estimated \$145,068 in other funding.

Provide assistance to address the needs of persons with disabilities, including removal of architectural barriers.

TxCDBG did not award any contracts in PY 2007 to remove barriers in public buildings or individual homes. However, Texas CDBG and all grantee are required to comply with federal and state non-discrimination regulations and monitored for Section 504 compliance.

Developing Affordable Housing

Texas CDBG encourages affordable housing projects using several methods in the allocation of CDBG funds to the eligible communities that can participate in its programs, including favorable state scoring and regional prerogative to prioritize funding for housing infrastructure and rehabilitation. Each region is encouraged to set aside a percentage of the regional allocation for housing improvement projects, and housing applications are scored as high priority projects at the state level. Housing projects continue to be funded through the Colonia Self-Help Centers as well.

Currently, the primary method of promoting and supporting affordable housing is by providing the water and wastewater infrastructure for residential housing. The CDBG funding provides a cost savings for housing when CDBG funds are used to provide first-time water and wastewater services by installing water and sewer yardlines and paying impact and connection fees for qualifying residents. During PY 2007 CDBG funded 43 contracts through five different grant programs to provide water or sewer services on private property, obligating contracts totaling \$14,934,176 of which \$3,371,722 will be directly used for work on private property, including installing water and sewer yardlines, to benefit 5,481 persons, of which 5,132 or 94% are low- to moderate-income. Private property improvements installed to benefit persons that are not low- to moderate-income may be included in the project but must be funded through local or other private funds.

Texas CDBG also funds housing activities such as rehabilitation, acquisition, clearance, new construction, and provision of other facilities through several grant programs. These contracts included a maximum cost of \$25,000 for each rehabilitated housing unit or \$55,000 for each reconstructed unit, according to TxCDBG program requirements. Displacement for these contracts is limited to voluntary participants and displacement costs are not eligible for reimbursement or included in project narratives. All households, businesses, or other entities impacted by a CDBG-assisted housing project, along with their needs and preferences, were identified by the locality during the homeowner application process; and only those homeowners choosing to participate were displaced in any way.

For existing contracts closed during the reporting period, CDBG assistance was used by five grantees to rehabilitate or reconstruct 22 housing units. The 5 grantees expended \$935,951 in CDBG funds for housing rehabilitation and reconstruction assistance to 44 low- to moderate-income persons. In addition, CDBG assistance provided \$1,979,843 to construct infrastructure supporting new affordable housing developments

through the Housing Infrastructure Fund and the Housing Demonstration Fund. Five grantees used these funds to provide 113 new housing units, benefiting 304 persons of which 192 were of low- to moderate-income. The following table provides information on the households assisted through CDBG contracts closed in PY 2007:

Housing Assistance by Household, Contracts Closed in PY 2007

	Housing Rehab/Reconstruction (HR and CFC Funds)		New Housing (HIF and HDF Funds)	
	Units	Persons	Units	Persons
Owner Occupied	19	32	113	304
Renter Occupied	3	12	0	0
Moderate Income	2	6	56	160
Low Income	15	32	9	27
Very Low Income	5	6	3	5
Non-LMI	0	0	45	112
Total Assisted	22	44	113	304

CDBG funding also helps cities and counties study affordable housing conditions. The plans produced through a CDBG planning contracts provide both valuable data concerning a city’s or county’s affordable housing stock and planning tools for expanding their affordable housing. In PY 2007, CDBG funded 17 Planning/Capacity Building grants throughout the state, obligating \$664,000 to benefit 62,241 persons, of which 36,257 are low- to moderate-income. The Colonia Fund also awarded four Colonia Planning grants totaling \$177,750 to benefit 9,060 persons, of which 5,295 are low- to moderate-income.

SUMMARY OF CITIZEN COMMENTS

As part of its commitment to consultation with local governments on the method of distributing available grant funding, Texas CDBG held public hearings across the State during PY 2007. Four public hearings for the proposed 2008 CDBG Action Plan were held in April and May 2007, and six public hearings for the 2008 Consolidated Plan (including the 2008 CDBG Action Plan) were held in September and October 2007. In addition, nine public hearings for the proposed 2009 CDBG Action Plan and revised 2008 CDBG Action Plan were held in October and November 2008.

Attached to this report are:

- copies of notices regarding these public hearings sent to eligible cities and counties and other interested organizations and individuals (Attachment 3);
- summary of the comments received during these public hearings (Attachment 4);
- 2008 One-Year Action Plan in its final adopted form (Attachment 5);
- 2007 One-Year Action Plan previously adopted and implemented in PY 2007 (Attachment 6); and
- Regional Review Committee Guidebook adopted and implemented in PY 2007 (Attachment 7).

CHANGES IN PROGRAM OBJECTIVES

The Office of Rural Community Affairs (ORCA) does not intend to make any changes to the program objectives discussed above. The changes in funding categories implemented in PY 2007 which relate to the program objectives are discussed in the next section.

PROGRAM CHANGES BASED ON EXPERIENCES

The following changes were implemented during the program year to further improve the program:

- Scoring criteria were revised for several funds:
 - Community Development/Community Development Supplemental Funds: new criteria were added to address long term reinvestment in infrastructure systems and water conservation issues.
 - Regional Review Committee scoring for Community Development/Community Development Supplemental Funds: scoring was revised based on concepts presented during the 2005/2006 scoring cycle.
 - Colonia Fund and Non-Border Colonia Fund: criteria now include local unemployment rate, and priorities were clarified for on-site wastewater disposal systems to distinguish first time service project from failing septic system projects.
 - Planning and Capacity Building Fund: a 20% matching requirement was applied to communities of all sizes, water conservation measures were required for all applicants, and telecommunications and broadband needs were added as activities.
 - Micro-enterprise Loan Fund and Small Business Loan Fund: a minimum number of points for project design or feasibility was required to be considered for funding.
- Disaster Relief funding was prioritized by the type of activity or assistance requested. In addition, applicants and CDBG were expected to consider the use of funds awarded under an existing contract to the community before awarding Disaster Relief funds.
- Texas CDBG supplemented the funding structure that supports certain funds by obligating program income and deobligated funds in addition to the PY 2007 allocation:
 - Objective 2: *improve housing conditions* was supplemented with \$2.6 million in previously deobligated funds for the STEP Fund.
 - Objective 4: *provide assistance of an emergency nature* was supplemented with \$5.7 million in program income and deobligated funds for disaster relief in PY 2007.
- Local Revolving Loan Funds were required to limit the amount of funds held in reserve, and communities retaining additional funds were required to make loans until the reserve balance complied with the new requirement.
- ORCA released the 2007 Project Implementation Manual in September 2007. The new manual clarifies project requirements, adopts certain forms provided by HUD, and provides guidance on other project-related issues.
- Housing Infrastructure Fund contracts funded prior to Program Year 2003 were a high priority for closeout. ORCA developed a new procedure to review HIF projects not completed within five years, accounting for due diligence by grant recipients, changes in local housing markets, national economic conditions, and other factors impacting successful housing development. Using this process, CDBG closed five contracts and terminated three HIF projects in PY 2007. An additional seven HIF contracts are in the closeout process and five are under review.
- Closeout of Program Years:

- Tracking: ORCA focused considerable effort in PY 2007 on tracking and closing contracts funded through Program Years 1993 to 1997. The ORCA Executive Committee heard reports on these contracts on several occasions.
- Fund Substitution: ORCA proposed to HUD, and received approval, to expend available funds from older Program Years by substituting those funds for funds obligated to existing contracts that are tied to more recent program years. ORCA successfully used this process to expend all remaining PY 1995 funds through contracts nearing closeout.
- Conditional Closure: ORCA informally proposed to HUD a method of conditionally closing program years that are complete except for repayment agreements. Certain grant recipients have been required to return some or all grant funds, which must then be re-obligated and expended to close the program year; in some cases such repayment requirements are the only actions preventing Program Year closeout for up to five years after all other activities have been closed. ORCA will submit a formal proposal for HUD consideration in PY 2008. If the proposal is accepted, ORCA will conditionally close several program years when submitting PER 2008. Attachment 8 to this report details the contracts that have currently been asked to repay funds associated with PY 1993 to PY 2002.

The following changes are underway or represent potential changes from existing initiatives:

- ORCA Executive Committee:
 - The Executive Committee continued to meet outside the state office for one half of its regularly scheduled meetings. Rural communities throughout the state host the Executive Board's rural meetings, offering an opportunity for citizens to gain access to the board members and for the members to obtain greater local input.
 - The Executive Committee retained the Regional Allocation Task Force Subcommittee as a standing committee that includes representatives from the ORCA Executive Committee, State Planning Region Executive Directors, State Review Committee members, and Regional Review Committee members. This committee meets periodically to consider any changes to the regional allocation formula and to discuss other issues that could result in recommendations to the ORCA Executive Committee.
- Texas CDBG staff continue to establish positive working relationships with program stakeholders:
 - CDBG staff is part of an interagency workgroup with a focus on infrastructure improvement grants across Texas. The group is working toward greater cooperation among the funding agencies on complex projects requiring funding or approval from two or more sources.
 - The program continued to provide comprehensive training to the Regional Review Committees that score the CD/CDS applications, while working with the RRCs and HUD to develop a revised method of local scoring that meets all HUD requirements.

HUD PERFORMANCE MEASURES

Texas CDBG implemented the HUD Performance Outcome Measurement System in PY 2007. Applications submitted in PY 2007 and closeout documents submitted under the Program Implementation Manual released in PY 2007 were required to identify the Objective (1. Creating Suitable Living Environments; 2. Providing Decent Affordable Housing; or 3. Creating Economic Opportunities) and the Outcome (1. Availability/Accessibility; 2. Affordability; or 3. Sustainability) addressed by the project.

The table below shows the performance measures identified for activities awarded in PY 2007:

Performance Measures, Activities Awarded in PY 2007

Performance Measure Identified	Proportion of Activities - Projected	Proportion of Activities - Actual
Activities to create Suitable Living Environments		
through Availability/Accessibility	42.2%	69.3%
through Affordability	16.8%	3.2%
through Sustainability	29.9%	18.8%
	88.8%	91.4%
Activities to provide Decent Housing		
through Availability/Accessibility	0.4%	0.3%
	0.4%	0.3%
Activities to create Economic Opportunities		
through Availability/Accessibility	4.5%	0.3%
through Affordability	1.9%	-
through Sustainability	4.5%	8.0%
	10.8%	8.3%

SUMMARY OF ACTIVITIES AND RESULTS FROM TECHNICAL ASSISTANCE FUNDING

The Housing and Community Development Act of 1974, as amended, and the 2007 CDBG Action Plan permit up to one percent of the total annual state allocation from HUD to be used to provide technical assistance to local governments and grant recipients. This section of the Performance and Evaluation Report accounts for the use of these funds during PY 2007.

Summary of Activities that Utilize 1% Technical Assistance Funding

Texas CDBG use of the 1% Technical Assistance set-aside includes the following:

- To provide a portion of staff salaries, which allows CDBG staff to provide greater one-on-one technical assistance to small communities throughout the contract period as described below;
- To support the operations of ORCA technical assistance field offices as described below;
- To provide outreach information regarding the CDBG program to local officials of non-entitlement cities and counties, including information on the application process, program administration, and strategies to improve local capacity to implement a CDBG program;
- To introduce, facilitate, and provide community access to the Texas Small Towns Environment Program (STEP), allowing staff to visit localities that are interested in utilizing the STEP method of self-help and provide technical assistance on the development of a financial framework, managing a self-help project and building capacity within a community through self-help;
- To support an Engineering Specialist position to provide specific engineering technical assistance to the communities and to assess project appropriateness, feasibility, and costs;
- To support CDBG activities related to ORCA disaster relief efforts, which require considerable resources for prompt state response and mitigation of the consequences of disasters.
- To provide non-project specific technical assistance to cities and counties that are eligible for CDBG funds in each region, expended through contracts with each of the 24 state planning region Councils of Government;
- To provide on-site technical assistance for the Texas Capital Fund program, expended through contract with the Texas Department of Agriculture;

- To provide on-site technical assistance for the Colonia Self-Helps Centers program, expended through contract with Texas Department of Housing and Community Affairs – Office of Colonia Initiatives; and
- To support the operations of the border colonia technical assistance field offices, expended through contract with Texas Department of Housing and Community Affairs – Office of Colonia Initiatives.

TECHNICAL ASSISTANCE SITE VISITS

Texas CDBG staff provided technical assistance through approximately 500 on-site visits during PY 2007. CDBG staff visited localities that were preliminarily recommended for funding to verify information provided in the applications, to view the project sites, to distribute Project Implementation Manuals, and to provide technical assistance regarding the initial CDBG project implementation procedures. Other visits were conducted with 1% TA funds for special cases to provide technical assistance and to help grant recipients comply with all program requirements.

TECHNICAL ASSISTANCE CENTERS

TxCDBG operates seven field offices in the following locations through the state: Alice, Bedias, Kountze, La Grange, Levelland, Nacogdoches, and Sweetwater. Field staff provide assistance to local communities, engage in outreach efforts, and work closely with local communities and other agencies to benefit rural Texas. Field offices allow CDBG to better meet the needs of local communities by assessing local needs in communication with local officials and by providing on-site technical assistance for current CDBG projects.

Field staff provide ongoing technical assistance, including conducting technical assistance visits and answering a variety of questions on a daily basis from individuals seeking information by phone and in person. As part of ORCA efforts in local capacity building and outreach, the staff of each Technical Assistance Center conduct individual meetings with newly appointed or elected rural community officials to provide education and training on ORCA programs as well as other state and federal funding programs. Field staff also participate in meetings with local organizations such as city and county economic development corporations, city and county chambers of commerce, local water development councils, city and county commissioner's courts, local workforce development boards, and others. Field staff members work with staff members of other state and federal agencies to improve the results and cost-effectiveness of state programs affecting rural communities through coordination of efforts, including participating in joint presentations to city and county elected officials, community organizations, and individuals seeking information on state and federal funding programs.

APPLICATION AND IMPLEMENTATION WORKSHOPS

During the reporting period, CDBG held workshops across the State to provide technical assistance for application to the CDBG program and for implementation of CDBG contracts. The workshops were available to all parties involved in CDBG grants. Copies of the notices regarding these workshops sent to eligible cities and counties and other interested parties are included as Attachment 9 to this report.

Workshops offered in PY 2007 included:

- *Project Implementation Workshops* based on the 2007 Project Implementation Manual;
- *Meeting a National Objective Workshops* using beneficiaries and Census data; and
- Application workshops for the Colonia Planning Fund.

MEETING UNDERSERVED NEEDS

The most commonly cited obstacle to meeting the underserved community development needs of Texas cities (aside from inadequate funding) is the limited administrative capacity of the small rural towns and counties the CDBG program serves. Rural areas may also have difficulty finding interested contractors who have the financial stability to wait a minimum of two weeks for payment after the work is complete. Contractors can earn more working in metropolitan areas with larger projects and without the location costs required to transport materials and equipment to rural communities. Texas CDBG staff offers technical assistance to communities to promote successful CDBG projects.

The physical size and the diversity of the State of Texas can present challenges to understanding and meeting underserved needs in local communities. The CDBG Field Offices have been established to better serve these communities by providing technical assistance and support as discussed above. The Colonia Self-Help Centers continue to address affordable housing needs in border counties by assisting qualifying colonia residents to finance, refinance, construct, improve or maintain a safe, suitable home in suitable areas.

Another obstacle to meeting underserved needs applies to colonias projects. There have been cases when a county applies to provide water service to an area, but more than one water supply corporation or city may have a Certificate of Convenience and Necessity (CCN) in that territory (CCNs have been issued which have overlapping territories). In these cases, a dispute over which water supply corporation/city has the right to serve the territory (and therefore collect the revenues) may arise. A public hearing process may be necessary to resolve this issue, which can then delay projects for months. Texas CDBG works with regulatory agencies as appropriate to resolve issues in project areas in a timely manner.

SUMMARY

Report on Housing Activities

Presented by Susan Grosz *

DISCUSSION

Attached is a comprehensive summary report of the housing activities under the TxCDBG program as requested. The report covers the previous fund categories of the Housing Infrastructure Fund and Housing Rehabilitation Fund along with all housing rehabilitation activities conducted under the existing Community Development, Colonia Construction, and Disaster Relief Funds.

Summary:

A. Housing Infrastructure Fund (& Housing Demonstration Fund):

Housing Infrastructure Fund (and Demont. Fund)	Number	Amount Expended	Months to Close	Proposed Housing units	Actual Housing units	Actual Beneficiaries	Actual LMI Beneficiaries
Contracts Closed through Standard Procedures	27	\$9,656,043	61	1,301	1,213	3,118	2,200
Contracts Closed After Due Diligence Review	10	\$3,850,449	89	305	208	526	346
All Closed Contracts		\$13,506,492	68	1,606	1,421	3,644	2,546
All Contracts In Progress	13	\$4,771,720		371			
Contracts Terminated - Unable to Document Low/Mod Benefit	6	\$2,279,500		169	82		
Contracts Terminated - No Infrastructure Construction	6	\$2,135,895		218			

B. Housing Rehabilitation

Housing Rehabilitation Activities	Amount Expended - Rehab Activity	Months to Close	Proposed Housing units	Actual Housing units	Actual Beneficiaries	Actual LMI Beneficiaries
All Closed Contracts	\$ 24,140,830	37	1,599	1,228	4,286	4,070
All Contracts In Progress	\$ 2,885,850		124			
All Terminated Contracts	\$ 976,122		30			

C. Low Income Housing Tax Credits (HTC) – ORCA has an interagency contract with TDHCA to jointly administer the rural regional allocation under the HTC program.

RECOMMENDATION

This report is provided at the request of the Board and is for informational purposes only.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

***Should a Board member have questions concerning this agenda item, please contact Susan Grosz at 512-936-0232 (sgrosz@orca.state.tx.us).**

TxCDBG Housing Demonstration Fund and Housing Infrastructure Fund Contracts

	Amount Expended	Award Date	Close Date	Months to Close	Proposed Housing units	Actual Housing units	Proposed Beneficiaries	Actual Beneficiaries	Proposed LMI Beneficiaries	Actual LMI Beneficiaries
Contracts Closed through Standard Procedures										
Jourdanton	\$ 269,668	2/10/97	9/24/04	91	40	40	40	60	40	60
Commerce	\$ 492,135	3/21/97	1/30/02	58	43	43	96	118	87	117
Marble Falls	\$ 434,769	3/21/97	6/13/03	75	24	24	60	68	31	60
San Patricio Co	\$ 151,285	3/21/97	10/7/03	79	20	17	62	60	32	40
Colorado City	\$ 372,136	3/21/97	8/11/06	113	72	8	185	29	95	29
Venus	\$ 399,614	4/9/97	10/24/01	54	88	88	240	215	123	117
Henrietta	\$ 491,503	4/9/97	2/8/02	58	30	30	72	88	37	76
Manor	\$ 135,318	4/9/97	6/30/04	86	10	10	30	32	16	25
Kilgore	\$ 168,126	5/23/97	6/2/03	73	22	21	63	53	33	46
Nash	\$ 424,400	7/2/97	1/16/02	54	69	69	173	156	173	89
Hughes Springs	\$ 278,000	5/29/98	11/30/04	78	24	24	90	64	46	40
Elgin	\$ 500,000	9/29/98	11/1/01	38	74	74	205	198	105	122
Taylor	\$ 500,000	9/29/98	3/3/03	54	58	58	156	147	80	89
Terrell	\$ 480,000	9/29/98	6/23/03	57	40	39	112	99	58	56
Cameron Co	\$ 500,000	9/29/98	8/17/05	83	69	62	240	213	123	166
Springtown	\$ 500,000	9/29/98	12/12/06	99	56	49	98	128	50	75
Marble Falls	\$ 200,000	1/26/99	8/24/00	19	54	54	135	104	69	104
Carrizo Springs	\$ 200,000	1/26/99	9/18/00	20	60	60	203	183	104	183
Seguin	\$ 275,000	9/10/99	4/3/03	43	50	50	140	182	72	142
New Waverly	\$ 269,339	9/10/99	3/1/04	54	9	9	24	18	13	15
Tolar	\$ 397,000	9/10/99	3/10/04	54	24	24	66	76	34	51
Corsicana	\$ 400,000	9/10/99	9/28/05	72	51	51	130	158	67	98
Daingerfield	\$ 312,500	9/5/00	3/17/06	66	24	19	75	51	39	32
Waxahachie	\$ 400,000	9/27/00	9/29/04	48	28	28	91	68	47	51
Nash	\$ 400,000	2/28/02	11/30/04	33	30	30	92	69	47	38
Boerne	\$ 305,250	1/8/03	2/16/06	37	172	172	547	283	279	149
Bastrop	\$ 400,000	1/8/03	2/2/08	61	60	60	184	198	94	130
All Standard Closeouts	\$ 9,656,043			61	1,301	1,213	3,609	3,118	1,994	2,200

TxCDBG Housing Demonstration Fund and Housing Infrastructure Fund Contracts

Contracts Closed After Due Diligence Review											
San Saba	\$	487,696	4/1/97	8/31/07	124	35	17	84	49	43	31
Hamilton	\$	362,147	9/29/98	8/31/07	107	19	10	48	23	25	17
De Kalb	\$	330,000	9/5/00	10/12/07	85	24	13	74	35	38	26
Lockhart	\$	400,000	9/5/00	11/5/07	86	43	36	148	86	76	45
Commerce	\$	400,000	9/5/00	6/18/08	93	21	15	64	42	33	35
Elgin	\$	400,000	2/28/02	11/5/07	69	61	61	174	111	89	73
Navasota	\$	378,106	2/28/02	3/14/08	73	15	10	42	26	22	21
Woodville	\$	400,000	2/28/02	3/24/08	73	14	7	35	16	18	9
Mount Pleasant	\$	292,500	9/29/98	Cond. Closed		32	18	87	69	58	48
Raymondville	\$	400,000	9/10/99	Cond. Closed		41	21	144	69	74	41
All "Due Diligence" Closeouts	\$	3,850,449			89	305	208	900	526	476	346
All Closed Contracts	\$	13,506,492			68	1,606	1,421	4,509	3,644	2,470	2,546
Contracts In Progress											
Hondo	\$	400,000	1/8/03			18		62		32	
Brenham	\$	400,000	1/8/03			50		157		81	
Manor	\$	336,260	8/31/04			33		50		26	
Wake Village	\$	400,000	8/31/04			37		93		48	
Caddo Mills	\$	400,000	8/31/04			25		63		33	
Queen City	\$	310,000	8/31/04			21		51		27	
Whitney	\$	400,000	8/31/04			30		74		38	
Waxahachie	\$	400,000	4/13/05			20		55		29	
Center	\$	400,000	6/27/05			40		104		54	
Cleveland	\$	298,960	6/27/05			26		69		36	
Madisonville	\$	226,500	6/27/05			12		33		17	
Hillsboro	\$	400,000	6/27/05			30		81		42	
Combes	\$	400,000	6/27/05			29		96		49	
All Contracts In Progress	\$	4,771,720				371		988		512	

Contracts Terminated - Unable to Document Low/Mod Benefit										
Paris	\$	399,500	9/10/99	4/2/08		38	35	92		55
Pittsburg	\$	280,000	9/5/00	10/31/07		18	18	44		23
Lufkin	\$	400,000	2/28/02	4/15/08		23	13	60		31
Pecos	\$	400,000	2/28/02	11/15/07		20	1	64		33
Bay City	\$	400,000	1/8/03	7/11/08		30	7	98		50
Greenville	\$	400,000	1/8/03	2/20/08		40	8	126		65
All Terminated (LMI) Contracts	\$	2,279,500				169	82	484		257
Contracts Terminated - No Infrastructure Construction										
Mathis	\$	400,000	6/27/05	6/27/08		32		106		55
Willis	\$	492,135	4/1/97	4/1/99		24		67		35
Lamesa	\$	200,000	1/26/99	6/30/99		72		202		103
Hillsboro	\$	400,000	8/31/04	2/9/05		54		145		74
Wharton	\$	243,760	8/31/04	4/12/05		14		35		18
Burnet	\$	400,000	6/27/05	2/3/06		22		54		28
All Terminated (pre-Constr) Contracts	\$	2,135,895				218		609		313

7/28/2008

TxCDBG Contracts with Housing Rehabilitation Activities

	Amount Expended - Rehab Activity	Award Date	Close Date	Months to Close	Proposed Housing units	Actual Housing units	Proposed Beneficiaries	Actual Beneficiaries	Proposed LMI Beneficiaries	Actual LMI Beneficiaries	
Closed Contracts											
Housing Rehabilitation Fund											
Falls Co	\$ 230,000	10/3/97	10/14/99	24	9	9	23	23	23	23	
Goodrich	\$ 18,759	10/3/97	3/28/00	29	1	1	1	1	1	1	
Paris	\$ 224,286	10/3/97	9/26/00	35	15	18	33	33	33	33	
Sunset	\$ 234,024	10/3/97	10/27/00	36	11	11	24	24	24	24	
Yoakum	\$ 212,233	10/3/97	11/17/00	37	20	14	63	31	63	31	
Jasper	\$ 158,940	10/3/97	12/18/00	38	18	12	44	21	44	21	
Nolanville	\$ 217,840	10/3/97	2/8/01	40	9	9	24	17	24	17	
Bailey	\$ 236,328	10/3/97	5/11/01	43	11	10	22	20	22	20	
Iredell	\$ 249,200	10/3/97	10/18/01	48	14	14	41	22	41	22	
Crane Co	\$ 229,986	11/30/98	4/10/00	17	9	9	27	13	27	13	
Rains Co	\$ 225,411	11/30/98	11/6/01	36	9	9	23	11	23	11	
Anderson Co	\$ 230,000	11/30/98	8/26/02	45	9	9	24	24	24	24	
Jefferson Co	\$ 227,247	11/30/98	7/24/03	56	29	8	61	12	61	12	
Coldspring	\$ 94,430	11/30/98	9/30/03	58	5	4	12	7	12	7	
San Saba Co	\$ 228,000	9/10/99	12/8/00	15	9	9	27	20	27	20	
Orange Grove	\$ 228,000	9/10/99	5/31/01	20	9	11	25	18	25	18	
Mason Co	\$ 228,000	9/10/99	9/9/01	24	9	9	21	12	21	12	
Plainview	\$ 248,496	9/10/99	8/27/02	35	16	16	54	29	54	29	
Timpson	\$ 217,009	9/10/99	3/26/03	42	14	9	30	15	30	15	
San Augustine Co	\$ 225,451	9/10/99	4/22/03	43	13	9	29	14	29	14	
Lampasas Co	\$ 228,000	4/19/00	5/29/01	13	9	9	28	17	28	17	
Mills Co	\$ 228,000	4/19/00	4/19/02	24	9	9	26	11	26	11	
Rains Co	\$ 228,000	4/19/00	5/10/02	25	9	9	23	10	23	10	
Crane Co	\$ 227,960	4/19/00	7/12/02	27	9	8	27	15	27	15	
Browndell	\$ 217,881	4/19/00	8/2/02	28	9	9	24	14	24	14	
Mason Co	\$ 225,300	5/8/01	7/19/02	14	9	8	21	12	21	12	
Mingus	\$ 223,500	5/8/01	10/8/02	17	5	5	18	9	18	9	
Milano	\$ 225,300	5/8/01	12/11/02	19	9	5	25	11	25	11	
Paris	\$ 248,000	5/8/01	6/12/03	25	12	12	26	17	26	17	
Brookshire	\$ 225,000	5/8/01	4/22/04	35	9	6	27	12	27	12	
Robstown	\$ 211,560	5/8/01	11/8/04	42	13	10	47	36	47	36	
Mills Co	\$ 224,700	3/19/02	3/27/03	12	5	7	21	9	21	9	
Asherton	\$ 189,126	3/19/02	10/5/04	31	9	9	36	36	36	36	
San Diego	\$ 249,946	3/19/02	11/3/04	32	18	21	43	21	43	21	
Hawley	\$ 220,500	3/19/02	11/4/04	32	8	5	16	5	16	5	
Seguin	\$ 215,600	3/19/02	12/3/04	33	13	11	44	13	44	13	
Monahans	\$ 221,988	3/19/02	3/7/05	36	5	5	26	5	26	5	
Crane Co	\$ 60,690	5/20/02	7/7/04	26	2	3	6	7	6	7	4

7/28/2008

TxCDBG Contracts with Housing Rehabilitation Activities

	Amount Expended - Rehab Activity	Award Date	Close Date	Months to Close	Proposed Housing units	Actual Housing units	Proposed Beneficiaries	Actual Beneficiaries	Proposed LMI Beneficiaries	Actual LMI Beneficiaries	
Domino	\$ 224,800	6/10/03	8/5/05	26	10	5	28	8	28	8	
Plainview	\$ 240,891	6/10/03	11/3/05	29	10	10	16	23	16	23	
Avinger	\$ 185,900	6/10/03	3/31/06	33	10	4	28	7	28	7	
Rice	\$ 214,885	6/10/03	7/18/06	37	9	4	27	10	27	10	
Paris	\$ 250,000	6/10/03	10/13/06	40	10	13	22	13	22	13	
Brownwood	\$ 219,048	6/10/03	11/9/06	41	9	4	22	6	22	6	
Ames	\$ 232,610	5/7/04	8/31/06	27	7	4	19	15	19	15	
San Saba Co	\$ 221,636	5/7/04	3/7/07	34	9	4	22	4	22	4	
Mineola	\$ 200,000	5/7/04	8/31/07	39	10	4	25	5	25	5	
Delta Co	\$ 200,400	5/7/04	10/26/07	41	10	4	35	8	35	8	
Monahans	\$ 220,965	5/7/04	1/8/08	44	9	5	24	7	24	7	
CD / CDS Fund											
Post	\$ 207,998	4/11/94	3/19/97	35	18	9	50	14	50	14	
Cooper	\$ 215,155	4/11/94	4/3/98	48	12	10	29	24	29	24	
Brooks Co	\$ 170,343	4/11/94	7/13/99	63	17	15	132	145	126	139	
Kyle	\$ 99,860	4/11/94	9/22/00	77	4	12	27	57	27	57	
Caldwell Co	\$ 218,860	5/1/95	7/20/99	50	14	10	47	28	47	28	
Premont	\$ 258,560	5/1/95	3/6/00	58	22	17	78	59	78	59	
Benavides	\$ 282,900	5/1/95	8/10/04	111	23	20	66	58	66	58	
McLennan Co	\$ 234,480	6/30/95	11/1/99	53	13	11	47	16	47	16	
Reeves Co	\$ 326,052	6/30/95	3/30/00	57	20	15	60	44	60	44	
Mertzon	\$ 3,500	8/23/96	6/21/99	34	1	1	1	2	1	2	
La Salle Co	\$ 107,116	8/23/96	9/20/00	49	14	6	50	18	50	18	
San Patricio Co	\$ 220,727	11/24/97	5/18/01	42	13	28	47	52	47	52	
La Grulla	\$ 442,703	5/15/98	4/13/01	35	20	20	106	106	106	106	
La Salle Co	\$ 64,917	8/27/99	8/31/01	24	17	5	61	18	61	18	
Brooks Co	\$ 265,000	8/27/99	4/23/02	32	23	12	75	51	75	51	
Caldwell Co	\$ 108,100	8/27/99	7/23/02	35	4	4	14	7	14	7	
Clint	\$ 282,546	8/27/99	8/26/02	36	13	13	53	53	53	53	
Webb Co	\$ 511,976	8/11/03	3/31/06	31	29	30	134	113	134	113	
Pecos Co	\$ 224,528	5/7/04	11/6/06	30	17	17	80	83	80	83	
Colonia Fund											
Cameron Co	\$ 230,000	7/28/94	11/9/00	76	29	33	147	167	147	167	
Maverick Co	\$ 89,903	7/28/94	5/22/01	82	28	5	112	112	112	112	
Starr Co	\$ 163,486	10/3/96	1/28/00	39	13	20	51	90	51	98	
Pecos Co	\$ 225,429	10/3/97	12/22/99	26	24	40	281	263	281	263	
Frio Co	\$ 105,554	10/3/97	10/12/00	36	5	12	42	42	18	18	
Karnes Co	\$ 474,646	3/23/99	4/17/02	37	39	39	90	72	90	72	
Frio Co	\$ 251,440	9/10/99	9/8/03	48	13	19	519	514	380	405	5

SUMMARY

Report on Regional Review Committee Scoring Process Revisions for Program Years 2009-2010

Presented by Oralia Cardenas

DISCUSSION

Brief History

As a result of a 2003 HUD monitoring finding and subsequent finding in 2006, ORCA has made significant modifications to the method of distribution related to the Regional Review Committee (RRC) scoring process for the Community Development (CD) Fund. The HUD finding stated: "In order to meet the intent of the regulatory requirement, applicants should know how the state is going to score each factor and ideally, the applicant should be able to know generally what their score will be when they submit an application." The RRC scoring process has been previously based primarily on a subjective methodology, which has relied on the judgment of the RRC members in awarding applicable points. The RRCs represent each of the 24 state planning regions and are composed of 12 local elected officials appointed by the Governor.

In a follow-up monitoring review in 2006, HUD indicated that the scoring criteria used by the RRCs, despite the changes made in the 2005 and 2007 CD Fund biennial competitions, did not comply with the regulation requirements. In an effort to clear the finding and avoid serious program disruptions, ORCA implemented significant program changes for the 2009-2010 CD Fund biennial competition that has required all twenty-four RRCs to conduct necessary public meetings and a final public hearing to adopt objective scoring criteria. To provide for continued local control of funding priorities, ORCA also shifted 90% of the points for the CD Fund to the RRCs with ORCA maintaining only 10% of the regional total points. ORCA and the RRCs have previously had an equal share of the CD Fund points available for scoring - 700 total points. The RRC score of 350 points was also used to rank projects under the Community Development Supplemental Fund (CDS).

Update

ORCA has proceeded to comply with the 2009 Action Plan, which provides for an objective RRC scoring process. The 24 RRCs approved the objective scoring criteria for their respective regions within the deadline of April 30, 2008. The RRC Guidebooks, containing the regional scoring criteria and other related information, were submitted to HUD within the deadline of May 30th. HUD has given ORCA positive feedback and allowed ORCA to release the 2008 CD/CDS contract awards, which was contingent upon ORCA's compliance with the 2009 Action Plan. Please see summary update attached.

RECOMMENDATION

The information is provided for information only and no action is needed.

RURAL DEFINITION

Non-entitlement cities with populations under 50,000 and counties under 200,000.

***Should a Board member have questions concerning this agenda item, please contact Oralia Cardenas, Special Projects Coordinator, at 512/936-7890 (ocardenas@orca.state.tx.us)**

**Regional Review Committee
Objective Scoring Criteria Update
July 2008**

Preliminary Meetings Held

The first phase of the process to revise the Regional Review Committee (RRC) scoring procedures was implemented according to the 2009 Action Plan. The 2009 process began with preliminary meetings held by each region to obtain public input into the development of draft scoring criteria based on needs of the region. RRCs were provided with a list of sample scoring questions that were developed based on input from the RRC Workgroup appointed by the ORCA Executive Committee.

Public Hearings Held

After the preliminary meetings were held, each of the 24 RRCs held a public hearing and successfully adopted objective scoring criteria within ORCA's deadline of April 30, 2008.

RRC Guidebooks Developed

Once ORCA approved the adopted scoring criteria, each RRC, through the designated staff support, developed an RRC Guidebook for their region that contained the scoring criteria and related application information.

RRC Guidebooks Approved By ORCA

The RRC Guidebooks have been reviewed for compliance with the 2009 Action Plan and 24 CFR 91.320(k)(1)(i). The regulations under 24 CFR 91.320(k)(1)(i) states in part, "The method of distribution must provide sufficient information so that units of general local government will be able to understand and comment on it, understand what criteria and information their application will be judged, and be able to prepare responsive applications." ORCA submitted the 24 RRC Guidebooks by HUD's deadline of May 30, 2008.

ORCA Provides For Question And Answer Period Through June 13, 2008

To provide an opportunity for applicants and administrators to request clarification on the scoring criteria, methodology, data sources or other related RRC scoring criteria information, ORCA provided for a question and answer period through June 13, 2008. ORCA did not significantly alter any of the RRC scoring criteria as a result of the clarifications, although technical revisions have been necessary.

ORCA Posts Revised RRC Guidebooks

The revised RRC Guidebooks have been posted on the ORCA website. A notice to communities and consultants announcing the availability of the final guidebooks is planned.

2009-2010 Community Development Fund Biennial Competition Application Cycle Underway

ORCA has incorporated the RRC objective scoring methodology into the application process for the 2009-2010 Community Development Fund biennial competition. The application deadline has been set for September 30, 2008. As part of the application process, applicants will be required to provide responses to scoring criteria established in the approved RRC Guidebook for each region.

SUMMARY

Performance Measures

Presented by Jerry Walker*

DISCUSSION

This information is to give the Board an overview of the activities performed by each division and how the agency is doing relative to meeting its performance measures. This report is cumulative for the 1st through the 3rd quarter of FY 2008, which ended on May 31, 2008.

This report has been reformatted from previous presentations. For each measure that is not within 5% of the target amount for the year through the third quarter of this fiscal year, a brief explanation of the variance is included in the gray area directly below the measure. A measure that is within 5% of the target amount is indicated by an (*).

For this report, the target for most measures should be 75% of the annual target amount. However, please remember that the funding allocations and award dates for the various programs don't always coincide with calendar quarters and performance measure expectations. The end of year 4th quarter report reflects the agencies actual experience for the fiscal year and is the standard that the Legislative Budget Board (LBB) uses to measure our performance.

RECOMMENDATION

For informational purposes only.

RURAL DEFINITION

N/A for this agenda item.

***Should an ORCA Governing Board member have questions concerning this agenda item, please contact Jerry Walker at 512-936-6711, or jwalker@orca.state.tx.us.**

ORCA Performance Measures Summary for FY 2007 and 1st through 3rd Quarters of FY 2008

Measure No.	Performance Measure Description	Type	Program	Report Period	FY 2007 Target	FY 2007 Actual Through 8/31/2007	FY 2007 Actual As % of Target	FY 2008 Target	FY 2008 Actual Through 5/31/08	*	FY 2008 Actual As % of Target
LBB Key Measures											
1.1.1.OP.1	Number New Community and Economic Development Contracts Awarded	Output	CDBG	Quarterly	325	298	92%	325	289		89%
The agency received its federal funding from HUD in March and proceeded with awarding Program Year 2008 contracts for the Community Development, Community Development Supplemental, Colonia Construction, Non-Border Colonia and Planning funds.											
1.1.1.OP.2	Number of Projected Beneficiaries from New Contracts Awarded	Output	CDBG	Quarterly	385,000	898,581	233%	483,000	1,259,371		261%
Variance is dependant on the type of community development projects funded. Disaster Relief awards tend to have a much higher percentage of the population benefiting from the contracts awarded because they provide a citywide or countywide benefit. To date 67 Disaster contracts (DR and DRS) have been awarded.											
1.1.1 OC	Percentage of the Small Communities' Population Benefiting from Projects	Outcome	CDBG	Annually	36%	50.73%	141%	36%	42.84%		119%
Variance is dependant on the type of community development projects funded. Disaster Relief and Planning awards tend to have a much higher percentage of the population benefiting from the contracts awarded because they provide a citywide benefit. To date 67 Disaster contracts (DR and DRS) have been awarded.											
1.1.1.OP.5	Number of Programmatic (CD) Monitoring Visits Conducted	Output	Compliance	Quarterly	300	307	102%	300	198		66%
Monitoring visits are scheduled as contracts are completed; the number of contracts monitored are expected to increase as the year progresses and payments are made.											
2.1.1.OP.2	Number of Primary Care Practitioners Recruited/Retained in Rural Areas	Output	RH	Quarterly	72	39	54%	42	20		48%
Placements are made through various programs throughout the year; this measure is expected to be met by the end of the fiscal year.											
2.2.1.OP.1	Number of Low Interest Loans and Grants Awarded (RH Capital Improvement)	Output	RH	Quarterly	39	51	131%	36	41		114%
More interest was earned than expected on the investment, allowing for more grants to be made.											
2.1.1 OC	Ratio of Rural County Population to Primary Care Practitioners	Outcome	RH	Annually	1,407	1,291	92%	1,410	1,291		92%
The actual percentage of persons to primary care providers is better than expected at this time. We anticipate exceeding this measure for the fiscal year.											
LBB Non-Key Measures											
1.1.1.EF.1	Average Agency Administrative Cost Per (CDBG) Contract Administered	Efficiency	CDBG	Annually	\$11,019	\$3,525	32%	\$4,500	\$2,601		58%
The number of open contracts increased by over 200 contracts because the 2008 CD, CDS, CFC and Planning contracts were awarded.											
1.1.1.OP.3	Number of Jobs Created/Retained through Contracts Awarded Annually (TDA)	Output	CDBG	Annually	1,470	641	44%	981	233		24%
This measure is captured from the projected number of jobs created/retained from a monthly report prepared by the Texas Department of Agriculture. Variance is dependant on the number of Texas Capital Fund contracts fully executed during the reporting period. Texas Department of Agriculture executed six Texas Capital Fund contracts between March 1, 2008 and May 31, 2008, of which three were Main Street Program contracts in which proposed jobs created/retained are not applicable.											
1.1.1.OP.4	# of Projected Beneficiaries from Self-Help Center Contracts Funded (TDHCA)	Output	CDBG	Annually	9,000	31,976	355%	4,700	0		0%
The number of projected beneficiaries is obtained from the self-help center contracts funded during the reporting period. Variance is dependent on the number of contracts funded. No contracts have been awarded to date.											
1.1.1.OC.2	% Requested Project Funds Awarded to Projects Using Annual HUD Allocation	Outcome	CDBG	Annually	N/A	N/A	N/A	28%	N/A		N/A
The quarterly calculation has no relation to the annual percentage target.											
1.1.1.OP.6	Number of (CD) Single Audit Reviews Conducted Annually	Output	Compliance	Annually	50	171	342%	150	154		103%
Single Audits are reviewed within 6 months of when they are received; the number reviewed reflects the actual workload through the third quarter; the target will be exceeded for the year.											
2.1.1.EF.1	Average Cost Per Primary Care Practitioner Recruited/Retained in Rural Areas	Efficiency	RH	Annually	\$15,105	\$9,121	60%	\$32,850	\$17,286		53%
The average cost of placement is based on historical grants awarded for each person placed. Since the placements have been made through programs with a lower award per grantee, the average is lower than expected through the third quarter. We anticipate at least one primary care placement from the ORS program by the end of the fiscal year which will increase the average, since total expenditures per person tends to be much higher through that program.											
2.1.1.EF.2	Average Cost per Non-Primary Healthcare Professional Recruited/Retained	Efficiency	RH	Annually	\$45,316	\$6,912	15%	\$24,600	\$ 9,186		37%
The average cost of placement is based on historical grants awarded for each person placed. Since the placements have been made through programs with a lower award per grantee, the average is lower than expected through the third quarter. We anticipate more placements from the ORS program for non-primary care professionals by the end of the fiscal year which will increase the average, since total expenditures per person tends to be much higher through that program.											
3.1.1.OP.1	Number Individuals Who Received Forgiveness Loans, Grants, and Scholarships	Output	RH	Annually	40	46	115%	55	66		120%
Due to the number of RCHIP grants awarded; this goal has been exceeded for the year. We had anticipated fewer applications than we received.											
2.1.1.OP.3	Number Non-Primary Health Professionals Recruited/Retained in Rural Areas	Output	RH	Annually	24	51	213%	24	44		183%

The RCHIP program, which is the primary driver for this measure has shifted in the last two years to more of a loan repayment function than a stipend function. Since a placement can be counted when the loan payment is made because the service obligation has already been fulfilled, there is a more immediate impact on this measure than there has been in the past. If the trend continues this way, ORCA should consider increasing the goal for this measure.

2.2.1.EF.1	Average Cost Per Low Interest Loan/Grant Awarded (RH Capital Improvement)	Efficiency	RH	Annually	\$50,570	47,220	93%	\$46,750	\$48,164	*	103%
2.3.1.OP.1	Number of Hospitals (Newly) Designated as Critical Access Hospitals	Explanatory	RH	Annually	74	74	100%	0	1	*	100%
2.3.1 OC	Percent of Projected Small Rural Hospitals That Actually Obtain CAH Status	Outcome	RH	Annually	63%	63%	100%	63%	63%	*	100%

--	--	--	--	--	--	--	--	--	--	--	--

NOTES:

* = **These Measures are within 5% of the target amount for the year through the quarter in this report.**

Output and Outcome Measures should meet or exceed the target amounts. Efficiency Measures should meet or be less than their target amounts.

LBB key Output measures are reported to the LBB and Governor electronically on a quarterly basis. TBD = To Be Determined

LBB key Outcome measures are reported to the LBB and Governor electronically on an annual basis.

LBB non-key measures are reported to the LBB and Governor in alternating years in the External Operating Budget and Legislative Appropriations Request. Therefore, the reporting is annual.

Future ORCA Board Meeting Dates

2008

October 2-3 (Thursday – Friday) Austin

December 4-5 (Thursday – Friday) Austin

2009

February 5-6 (Thursday – Friday) Austin

April 2-3 (Thursday – Friday) Austin