



OFFICE * OF * RURAL
COMMUNITY * AFFAIRS

Where rural Texas comes first.

ORCA Governing Board Meeting

October 2-3, 2008



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

October 2, 2008

**Texas State Capitol Extension
1100 Congress Ave., Room E1.028**

Austin, Texas 78701

1:00 PM

NOTICE: Three Advisory Committees will meet on October 2, 2008 to review respective agenda items with ORCA staff. The committees and respective meeting times are:

Community Development – 10:00 AM

Finance -- 11:00 AM

Rural Health – 11:00 AM

The public is welcome to attend the meetings which will also be held in Room E1.028 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 October 2, 2008. All items not heard on October 2nd may be considered on October 3rd.

A. CALL TO ORDER BY THE CHAIR

1. Roll call and certification of a quorum.
2. Swear in newly appointed Board member, Dr. Charles Graham, from Elgin. Dr. Graham will receive the Oath of Office from the Honorable Bob Turner, retired State Representative from Coleman.
3. Consider approval of the minutes of the August 7-8, 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 three minutes or less and exclude repetitious comments.

C. EXECUTIVE DIRECTOR

1. Consider adopting proposed amendments to 10 TAC Chap. 256, "Administration". (Action needed)

2. Consider adopting a use of technology policy for the agency in response to ORCA's Sunset requirements found in Sec. 487.031 Government Code. (Action needed)
3. Hear annual report on the Texas Rural Foundation.
4. Hear report from internal auditor related to an IT Infrastructure and Security Audit and review management response.

D. FINANCE

1. Hear an update on the agency's Fiscal Year 2009 Operating Budget.

E. STATE OFFICE OF RURAL HEALTH PROGRAM

1. Hear a report on the status of collection efforts by the OAG and ORCA staff related to grants and awards made by the agency.
2. Consider accepting the following grant awards from the U. S. Department of Health and Human Services -- Health Resources and Services Administration (HRSA) (Action needed)
 - a. Rural Access to Emergency Devices Grant Program (AED)
 - b. Rural Hospital Flexibility Program
 - c. Small Rural Hospital Improvement Program Grant (SHIP)
3. Informational presentation by Dave Pearson, President and CEO, with the Texas Organization of Rural & Community Hospitals (TORCH).
4. Consider the annual report of the activities related to the permanent endowment fund for the Rural Communities Health Care Investment Program. (Action needed)
5. Consider a proposed amendment to 10 TAC Chap. 257, Subchapter B, Section 257.101 for the Physician Assistant Loan Repayment Program to give the ORCA Executive Director the authority to approve individual grants greater than \$5,000. Also consider changing the title of Chapter 257 from "Executive Committee of Office of Rural Community Affairs" to "State Office of Rural Health." (Action needed)
6. Consider appointments to the Outstanding Rural Scholar Recognition Program (ORSRP) Advisory Committee. (Action needed)

7. Consider adopting proposed amendments to 10 TAC Chap. 257, changing "Executive Committee" to "Executive Board". (Action needed)

F. TEXAS CAPITAL FUND PROGRAM (TCF)

1. Hear report on TCF activities.

G. TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1. Hear a report on the Regional Review Committee scoring process revisions for PY 2009/2010.
2. Hear an update on disaster declarations, applications received and approved, and priorities under the Disaster Relief Fund.
3. Hear a report on the proposed use of deobligated/program income funds for the Disaster Relief Fund (Action needed)
4. Hear disaster recovery status report on CDBG non-housing Round 1 & 2 Supplemental disaster funding.
5. Hear a report on the activities related to the Texas Small Towns Environment Program (STEP).
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7. Consider adoption of proposed amendments to ORCA TxCDBG programs found in Title 10 Part 6 Chapter 255 of the Texas Administrative Code. (Action needed)
8. Consider proposed amendments to ORCA TxCDBG programs found in Title 10 Part 6 Chapter 255 of the Texas Administrative Code and authorize publication in *Texas Register* for public comment. (Action needed)

H. OLD BUSINESS AND OTHER ITEMS

1. Hear report on the annual 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, CHAPTER 551, TEXAS GOVERNMENT CODE.

1. Executive Session Pursuant to Section 551.071 Government Code to consult with the Board's attorney concerning contemplated litigation, and all matters identified in the agenda in which 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) Government Code, for purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, compensation, reassignment, duties, discipline, or dismissal of the Executive Director.
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**OFFICE OF RURAL COMMUNITY AFFAIRS
GOVERNING BOARD MEETING**

Annual Meeting on Rural Issues

October 3, 2008

**Texas Association of Counties Board Room
1210 San Antonio Street
Austin, Texas 78701
8:00 AM**

A. CALL TO ORDER BY THE CHAIR

1. Roll call and certification of a quorum.

B. RURAL POLICY

1. Hear overview of a future workshop session on the policy collection, development and recommendations to be made to the Texas Legislature.

C. ANNUAL MEETING WITH AGENCY REPRESENTATIVES PURSUANT TO SECTION 487.054, GOVERNMENT CODE (8:30 AM)

1. Hear from invited agency heads or designated representatives to discuss rural issues and provide information showing the impact that the respective agencies have had on rural communities. Information gathered will be used in developing rural policy recommendations and compiling the annual Status of Rural Texas report.

D. CONSIDER ANY UNFINISHED BUSINESS FROM THE OCT 2ND AGENDA

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

August 7-8, 2008
Texas State Capitol Extension
100 Congress Avenue, Room E1.012
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 E1.012, Austin, Texas at 1:00 PM on August 7, 2008. Chairman Wallace Klussmann recessed the meeting that same afternoon at 5:22 PM.

Chairman Klussmann called the meeting to order at 8:30 AM on Friday, August 8, 2008. Chairman Klussmann adjourned the meeting at 12:12 PM that same day.

Governing Board Members in Attendance

Present

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

Not Present

Joaquin L. Rodriguez
Lydia Rangel Saenz

Others Registered in Attendance

Last Name	First Name	Organization Represented
Berry	Connie	TX Dept of State Health Services
Daniel	Clay	TX Dept of State Health Services
Danner	Pam	West Texas AHEC - Texas Tech
Bourgeois	Katy	Greenlights for NonProfit Success
King	Jackie	Governor's Office
Scott	Carolyn	Lt. Governor's Office
Rhodes	Rick	Texas Department of Agriculture
Young	Karl	Texas Department of Agriculture
Altamirano	Virgilio	PMB Helin Donovan
McPhee	Don	PMB Helin Donovan
Ngo	Quang	TORCH
Pearson	David	TORCH
Spitzengel	Bruce	Grant Works, Inc.

Gossom	Judge Woodrow	Wichita County
Rice	J.	Public Management, Inc., Cleveland, TX
Pike	Kelly	Homeowner, Wichita Falls, TX
Walters	Debi	Homeowner, Wichita Falls, TX

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 June 12 & 13, 2008 meeting as published. Mr. Charlie Stone, ORCA Executive Director, noted that Agenda Item A.4., the presentation of a plaque for Lydia Saenz, should be included in the minutes and should reflect no action taken. Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division, proposed a change in the language of Agenda Item E.1. to read: 'The SORH understands that this is going to be a different application process than the Rural Health Community has experienced with other ORCA SORH grants in the past 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.'

Mr. Pat Wallace made the motion to approve the minutes to include the noted changes. Mr. Charles Butts seconded the motion. The motion passed unanimously.

Agenda Item B

1. Chairman Klussmann opened the meeting to public comment. None present.

Chairman Klussmann closed the public comment period at 1:05 PM.

Agenda Item F

1. Mr. Rick Rhodes, Assistant Commissioner, Texas Department of Agriculture, for Rural Economic Development gave an overview to the Board of the Texas Capital Fund Programs' awards this year to date. This has been a unique year so far for the Texas Capital Fund with the lack of applications received due to the economic times that we are in. The Downtown Revitalization Program will give eight awards to communities to do some very good improvements to their downtown areas. The proposed rule changes to the Main Street Program have been postponed. The same scoring system will be used this year on the Main Street applications that has been used the last several years. The new scoring will be in place for the next year applications.

Agenda Item C

3. Chairman Klussmann requested that Mr. Don McPhee, with PMB Helin Donovan, deliver to the Board a follow up report on the Internal Audit of the Contract Management Division of the Office of Rural Community Affairs. Mr. McPhee gave a review of the implementation status of the recommendations from the internal audit performed dated July 1, 2005, and provided a schedule of the status of the implementation of each of their recommendations. Mr. Charlie Stone, ORCA Executive Director, will submit another follow-up report at the next Board meeting.

Agenda Item E

3. Ms. Pam Danner, Director of Rural Health, Texas Tech University Health Sciences Center in Lubbock, Texas, made an informative presentation to the ORCA Board on the efforts of their grant funded program, the West Texas Area Health Education Centers (AHEC), and how they interact with ORCA.
4. Ms. Connie Berry, Director of the Texas Primary Care Office, Texas Department of State Health Services, made an informative presentation to the ORCA Board on the efforts of their agency, including their primary activity of measuring access to Primary Care, Dental, and Mental Health services to address workforce shortages and access to health care for the underserved.

Agenda Item C

4. Mr. David Alders, Chairman of the Internal Audit Committee, gave a summary of the Internal Audit Committee's discussion and consideration of the selection of an Internal Auditor. Mr. Alders made the motion that the ORCA Governing Board contract with the firm PMB Helin Donovan to provide internal audit services for the agency for Fiscal Year 2009. Dr. Mackie Bobo seconded the motion. The motion passed unanimously.

Chairman Klussmann called for a break. The time was 2:25 PM. Chairman Klussmann called the meeting to order at 2:38 PM.

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 Proposed Uses of CDBG Deobligated Funds and Program Income. Mr. Spitzengel informed the Board that under the last application round there is one activity of the fund, Planning and Capacity Building, that is greatly over subscribed every year by cities that are looking for comprehensive planning funds. He asked the Board to consider re-programming some of the money that is being recommended for the CD/CDS to the comprehensive planning. Communities need to be in a position to prepare five year capital improvement plans.

Mr. Spitzengel also made comment regarding the agenda item on the Report on Regional Review Committee Scoring Process Revisions for Program Years 2009-2010. He indicated what they, as consultants, are running into as they work with the communities directly on the current application scoring process is that they now have to translate what the Regional Review Committees want into actually providing the documentation for meeting those particular criteria. He asked the Board to consider when reviewing the Scoring process for 2011-2012 that they look at the problems and may be able to limit the number of questions and if a maximum score is needed.

Chairman Klussmann closed the public comment period.

Agenda Item C

1. Mr. Charlie Stone, ORCA Executive Director, presented an overview of the Proposed Legislative Appropriations Request (LAR) for Fiscal Years 2010-2011 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. Woody Anderson made the motion to make the changes on the priority suggestions with the full list of the eleven (11) exceptional items as presented and to adopt those changes as this Board's position with some consideration for name clarification on exceptional items #4 and #8. Mr. David Alders seconded the motion. The motion passed unanimously.

After further discussion regarding the clarification on the reduction of the federal funds, Ms. Remelle Farrar made the motion to approve for submission of the proposed Legislative Appropriations Request for FY 2010-11 with the additional clarifications that were discussed. Dr. Mackie Bobo seconded the motion. The motion passed unanimously.

Agenda Item I

The Board entered into Executive Session at 4:58 PM on Thursday, August 7, 2008. At this time, Chairman Klussmann made the following Executive Session announcement:

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, is open session on items discussed in the Executive Session.

At 5:17 PM, Chairman Klussmann announced:

"The Executive Session is ended. The date is Thursday, August 7, 2008, and the time is 5:17 PM. No formal action was taken on any item in the Executive Session."

Mr. David Alders made the motion to include as part of the Office of Rural Community Affairs' Legislative Appropriations Request, under the Executive Director Salary Increase, the language 'The Board recommended a salary of \$112,000 per year.' The motion also includes that the Executive Director's position be reclassified from a Group 3 to a Group 4 Exempt Position. Dr. Mackie Bobo seconded the motion. The motion passed unanimously.

Mr. David Alders made the motion that the ORCA Governing Board initiate an annual performance review for its Executive Director. Dr. Mackie Bobo seconded the motion. The motion passed unanimously.

Chairman Klussmann recessed the meeting at 5:22 PM, Thursday, August 7, 2008, until 8:30 AM on Friday, August 8, 2008.

The Office of Rural Community Affairs Governing Board meeting reconvened at the Texas State Capitol Extension, 1100 Congress Avenue, Room E1.012, Austin, Texas at 8:30 AM on August 8, 2008. Chairman Klussmann adjourned the meeting that same day at 12:12 PM.

Agenda Item C

5. Chairman Klussmann asked Ms. Katy Bourgeois, Greenlights for Nonprofit Success, to deliver an initial status report to the Board on the scope of work related to the Texas Rural Foundation. No action needed.
6. Chairman Klussmann asked to hear testimony from Wichita County Judge Woodrow Gossom related to the opposition to the rule regarding the Use of Disaster Funds for Hazard Mitigation. The Board also received testimony from Debi Walters, Homeowner, Wichita Falls, TX; Kelly Pike, Homeowner, Wichita Falls, TX; and J. Rice, Public Management, Inc., Cleveland, TX.

After discussion, Chairman Klussmann asked Mr. Charlie Stone, ORCA's Executive Director, along with Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), to research the unanswered questions, as soon as possible, based on these homeowner's situation and other people who may or may not have gone through the same situation and were not aware of the rule regarding the use of disaster funds for hazard mitigation and who did not come to the Office of Rural Community Affairs for assistance.

Chairman Klussmann called for a break. The time was 10:02 AM. Chairman Klussmann called the meeting to order at 10:15 AM.

Agenda Item C

2. Mr. Charlie Stone, ORCA Executive Director, presented to the Board the information for consideration of the proposed amendments that would implement provisions of HB 2542, ORCA's reauthorization statute, related to the ORCA Board and Negotiated Rulemaking and Alternative Dispute Resolution and for other reasons found in Title 10 Part 6 Chapter 256 of the Texas Administrative Code. Mr. Stone indicated that the language needing the change is the global replacement of "Executive Committee" to "Board" and 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 and 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 corrections where needed.

Mr. Woody Anderson made the motion to approve the publication of the proposed amendments and proposed new rules in the *Texas Register* for public comment. Dr. Mackie Bobo 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.
2. Mr. David Flores, ORCA Chief Financial Officer, presented the FY 2009 Agency Operating Budget to the Board for consideration for approval. Mr. Woody Anderson made the motion to approve the proposed FY 2009 Agency Operating Budget. Dr. Mackie Bobo seconded the motion. The motion passed unanimously.

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 program guidance and application have been finalized and are now posted on

the ORCA website. The project has an October 16th submission deadline. A workshop(s) will be held at a time and date to be determined. No action required.

2. Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division, presented an update on collection efforts by ORCA and the Office of Attorney General related to grants and awards made by the agency. No action required.
5. Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division, presented a power point presentation on the Award of Funding for the State Office of Rural Health Grant given by the U.S. Department of Health and Human Services Health Resources Services Administration. Mr. Charles Butts made the motion to accept the award of \$147,700.00 from the Health Resources and Services Administration, Office of Rural Health Policy. Dr. Mackie Bobo seconded the motion. The motion passed unanimously.

Agenda Item B

1. Chairman Klussmann opened the meeting to public comment at 10:52 AM. The Board received comment from:
 - Mr. Bruce Spitzengel, President, Grant Works, Inc.
Mr. Spitzengel made comment again regarding the agenda item on the Proposed Uses of CDBG Deobligated Funds and Program Income. Mr. Spitzengel made comment on the priority of the use of Disaster Relief Funds. He asked the Board to give some more thought concerning setting priorities that are just federal declarations and not taking into consideration state situations, such as tornados.

Chairman Klussmann closed the public comment period at 10:57 AM.

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, applications received and approved, and priorities 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 and priority for the use of Disaster Relief Funds.

Mr. David Alders made the motion to approve the staff recommendation of the following: "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." Mr. Pat Wallace seconded the motion. The motion passed unanimously.

Mr. David Alders made the motion to further approve the staff recommendation of the following: "The following amounts are removed from existing deobligated funds/program income allocations:

Microenterprise Loan Fund	\$ 407,848
Small Business loan Fund	\$ 150,000
<u>STEP</u> (provided CD staff may re-allocate these funds back as needed)	<u>\$1,250,000</u>
Total	<u>\$1,807,848</u> "

Ms. Remelle Farrar seconded the motion. The motion passed unanimously.

Mr. David Alders made the motion to approve the staff recommendation, with some modification to the wording, of the following: "The TxCDBG program shall prioritize the use of the Disaster Relief Fund for federal declarations and providing the federally required 25 percent match portion of the FEMA or NRCS approved budget for repair and restoration activities." Ms. Remelle Farrar seconded the motion. 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. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), gave a report to the ORCA Board on HUD's CDBG Entitlement County Program rules. No action required.
5. Mr. Mark Wyatt, Director of the 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 Measures Report. No action required.
6. Ms. Susan Grosz, Manager, Texas Community Development Block Grant Program (TxCDBG), and Ms. Suzanne Barnard, Program Specialist, TxCDBG, presented a report to the ORCA Board on Housing activities under the TxCDBG program. No action required.
7. Mr. David Alders offered and Chairman Klussmann agreed to table until the next Board meeting the report from Ms. Oralia Cardenas, Project Coordinator, TxCDBG Program, on the Regional Review Committee Scoring Process Revisions for Program Years 2009-2010.

Agenda Item H

1. Mr. Jerry Walker, ORCA Director of Operations, reported on the third quarter of FY 2008 performance measures for the agency. No action required.
2. Chairman Klussmann discussed future ORCA Board meeting locations and dates. It was discussed that the next meeting, October 2nd and 3rd, 2008, will be held in Austin, with information to come from Mr. Charlie Stone, ORCA Executive Director on opportunities to move the December meeting dates.

Agenda Item J

Chairman Klussmann adjourned the meeting at 12:12 PM on Friday, August 8, 2008.

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October 2, 2008

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NONE AT THE TIME OF THIS
POSTING

SUMMARY

ADOPTION OF PROPOSED RULES IN CHAPTER 256

Presented by Charlie Stone*

DISCUSSION

At the last meeting of the Governing Board, proposed amendments to implement provisions of HB 2542 were presented for consideration and publication in the *Texas Register*. These rules related to the Board of Directors, negotiated rulemaking, alternative dispute resolution procedures; delegate additional authority to the executive director, proposed a collections process; moved the appeals process from the State Office of Rural Health to Chapter 256, and make corrections.

These rules were published on September 5, 2008 and the comment period ends on October 5, 2008. To date, no comments have been received from the public.

RECOMMENDATION

In view of the fact that the comment period will still be open until after the October Board meeting, staff recommends that the Board approve the proposed amendments and proposed new rules be adopted and published at the close of the comment period if no comments are received from the public. If comments are received, the rules will be brought back to the Board for reconsideration and approval at the December Board meeting.

***Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704 or at (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:

- (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

PROPOSED TECHNOLOGY POLICY IN RESPONSE TO SUNSET REQUIREMENTS

Presented by Charlie Stone*

DISCUSSION

The attached technology policy would implement provisions of HB 2542, ORCA's reauthorization statute and comply with requirements found in Sec. 487.031 Government Code. The changes recommended are changes that were gathered from various state agencies including a draft policy from the Department of Information Resources.

The agency has had, since its creation, an information systems policy that addressed internet use and the use of information resources. This new policy is further developed and much more detailed. It not only addresses the requirements of HB 2542 but adds additional policies and procedures to enhance, revise and update the current technology policy. This new policy will be included in the agency's Personnel Policy Manual and all current and future employees will be apprised and trained on this new policy.

This new technology policy is specifically required to be adopted by the Board in contrast to the day to day management activities delegated to the Executive Director in Sec. 487.025 Government Code.

RECOMMENDATION

The Board should adopt the proposed technology policy and direct the Executive Director to implement the policy.

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

USE OF TECHNOLOGY POLICY

As a public agency, the Office of Rural Community Affairs (Office) recognizes that technology resources can enhance the Office's operations, efficiency, effectiveness, and employee performance by improving public access to the Office's programs and services and by enhancing the exchange of information between the Office and the public. The Office recognizes that members of the public residing in rural communities may have limited Internet access or limited Internet connectivity when accessing technology resources and data made available by the Office. The Office shall use all available technology resources to reasonably accommodate the public.

It is also recognized that technology resources can be a means for intellectual, social, cultural growth, but those resources can also be a means for non-work related activities, harassment, and illegal activities. The Office has an obligation to encourage the use of technology resources to efficiently conduct the business of the Office and to provide timely communication of information to the public. Consequently, members of the Office and staff are expected to exercise responsibility, operate technology resources ethically, respect the rights and privacy of others, and operate within the bounds of the state and federal laws and Office policy and standards when using Office information technology resources.

The Office expects all employees to learn to use the currently available, as well as any newly procured electronic resources that will assist them in their jobs. As needed, employees shall receive training in the appropriate and efficient use of these resources.

The use of technology resources at the Office is for Office business purposes and any additional use of Office resources, if granted, is a privilege. That privilege may be revoked at any time.

The Office reserves the right to restrict the use of its technology resources and limit access to the same when faced with violations of federal or state laws or Office policies or standards. The Office reserves the right to inspect all software, files, and materials stored on or transmitted by Office technology resources. The Office reserves the right to remove or limit access to material posted on or transmitted by its technology resources. *Technology resources include the Office's computing equipment, network resources, software, computer media, electronic mail system, telephone and voice mail system, and Internet access.*

1) Appropriate Use of Technology Resources

Each user must use technology resources for the purposes for which they are intended. The Office maintains technology resources for the purposes of conducting and fostering the communication and research activities of the Office as well as furthering the business interests of the Office. Users will not use technology resources for commercial purposes or unauthorized financial gain. Users will not use technology resources for political purposes.

The following applies to all use of Office information technology resources:

- a) Each user must use appropriate language when utilizing technology resources. Appropriate language is language that reflects the professional and ethical values of the Office. Users will

USE OF TECHNOLOGY POLICY

not send harassing, intimidating and/or threatening messages through electronic mail, voice mail or other means.

- b) Each user must use technology resources consistent with local, state, and federal laws. Users must comply with federal copyright law in their use of technology resources. Unless authorized by the software developer, users may not reproduce computer software or its related documentation. Users will only use computer software in accordance with license agreements, whether the software is licensed to the Office or to them.
- c) Each user must use technology resources consistent with the availability of said resources. Users will not initiate or encourage the promulgation of chain letters, unauthorized automated or mass postings, or other types of unauthorized large scale distributions. Users will not use technology resources in a way that is wasteful of any resource, including processor time, memory, disk storage, removable media or output resources.
- d) Each user must respect the physical security of technology resources. Users will not create or knowingly release computer viruses and malware. Users will not engage in destructive or potentially destructive programming activities. Users will not disrupt the functions or network traffic by recklessly or intentionally overloading the system or otherwise deny or restrict the access of other users. Users will not modify, alter or otherwise tamper with systems hardware or software unless explicitly authorized to do so. Users will not tamper with computers, printers or any other associated Office-owned equipment. Removal of computer equipment, computer media, software or documentation from the Office, without authorization, constitutes theft. Users will be prosecuted accordingly.
- e) Users of technology resources assume full responsibility for their use. The Office cannot fully protect users against the existence or receipt of material that may be offensive to them except in cases of violation of the law or of Office policy or standards, and then only when technically feasible. Individuals using technology resources are warned that they may willingly or unwillingly receive or discover material that they find offensive.
- f) By using the Office's technology resources, User agrees to indemnify and hold harmless the Office and employees against any and all claims for injury to person or damage to property associated with the User's use of the Office's technology resources.

2) Account and System Security

- a) Users of the Office's technology resources are responsible for any activity that takes place through their account. Accordingly, each user should:
 - b) Choose a secure password.
 - c) Not disclose that password to others.
 - d) Not share his/her account with anyone, without exception.
 - e) Always log out of his/her account.
- f) Users of the Office's technology resources are responsible for maintaining a secure system environment. Accordingly, each user must:

USE OF TECHNOLOGY POLICY

- g) Immediately report security concerns to the information technology staff, an appropriate supervisor or an appropriate administrator.
- h) Not modify or attempt to modify any technology resources equipment or software.
- i) Not disrupt or attempt to disrupt technology resources systems.
- j) Not circumvent or attempt to circumvent system security measures or restrictions.
- k) Not access or attempt to access any unauthorized accounts, either internally or externally.

3) Investigations

The Office reserves the right to monitor the use of all the technology resources it provides or that are used within its jurisdiction or in its name. The Office respects the privacy of users; however, users are advised that in a Texas state government office setting, no expectation of privacy rights exist. If authorized by the Office's Executive Director, information technology staff will investigate the inappropriate use of technology resources and will take appropriate action for account and system violations whenever said staff is notified of or observes such inappropriate use. The Office will cooperate with local, state, and federal authorities investigating violations of local, state, or federal law involving technology resources of the Office.

- a) If authorized by the Office's Executive Director, alleged violations of this policy by users of Office technology resources will be investigated by the appropriate manager/supervisor at the Office or the Office of the Attorney General and/or the State Auditor's Office, whichever entity is most appropriate. The information technology staff will assist in investigations, as appropriate.
- b) The use of technology resources may be suspended during an investigation, subject to approval by the Office's Executive Director, if information technology staff reasonably believes that the inappropriate use of technology resources has occurred.
- c) Alleged violations of this policy by employees will be investigated by the employee's supervisor. The supervisor will be assisted in the investigation, as appropriate, by the technology resources staff.
- d) Inappropriate use of technology resources by employees will be handled using the disciplinary process outlined in the Office Employee Handbook.

4) Consequences of Misuse

- a) If an employee violates this policy, he/she may face personnel actions up to and including termination from employment at the Office.
- b) Employees may face civil and criminal consequences, independent of action by the Office, if their inappropriate use of technology resources violates local, state, or federal law.

SUMMARY TEXAS RURAL FOUNDATION (TRF) ANNUAL REPORT

Presented by Charlie Stone*

DISCUSSION

A. ANNUAL REPORT TRF ACTIVITIES

The Board of Directors held their last meeting in July 2006. There have been no Board meetings or other activity during Fiscal Year 2008. The TRF generated no income during Fiscal Year 2008.

TRF EXPENDITURES

Reimbursement for Board travel	\$ 0
Bank Fees	\$ 5.00
Convention/Meeting Expense*	\$ 0
TOTAL EXPENSES	\$ 5.00

TRF Ending Balance as of 08/31/2008 \$ 3186.97

B. CURRENT TRF BOARD MEMBERS

1. One original Board member, Tyane Dietz, remains on the TRF Board.

The agency has retained *Greenlights for Non-Profit Success* to evaluate the activities of the TRF and develop a best practices and next step proposal for the Board. That document will be presented to the Governing Board at the Board retreat which will be held at the Canyon of the Eagles on November 24-25.

RECOMMENDATION

Information only and no action needed. This annual report is done to comply with requirements in Sec. 487.712 Government Code.

RURAL DEFINITION

N/A for this agenda item.

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

SUMMARY

Presented by
Charlie Stone

DISCUSSION

The 2008 Internal Audit Plan approved by the Executive Committee included an IT Infrastructure and Security Review to be completed by our Internal Auditor. An annual IT Security Review is required to be completed under Subchapter B, Section 202.21(e) of the Texas Administrative Code.

Agenda item C4 in your Board Book includes a copy of the Internal Audit IT Security Review Audit Report and Mr. Don McPhee from, PMB Helin, Donovan is here to present the results of this review.

Enclosures

IT Security Review Audit Report of the Office of Rural Community Affairs.

RECOMMENDATION

No action is required, the Audit Report is presented for informational purposes.

***Should any ORCA Board member have any questions concerning this agenda item please contact Mr. Don McPhee at (512) 258-9670 ext. 109 or dmcphée@helindonovan.com**

**Office of Rural Community Affairs
IT Security Review Audit**

August 18, 2008

Members of the Board of Directors:

PMB Helin Donovan (PMB) has conducted an IT Security Review Audit of the Office of Rural Community Affairs (ORCA). The objective of our audit was to review the Information Systems Policies and Procedures and the Business Continuity Plan to determine adherence to the Texas Administrative Code 202.

Overall Conclusion

ORCA has a basic framework of Policies and Procedures to address the objectives of the Texas Administrative Code 202. However, ORCA is in the process of updating the Business Continuity and Disaster Recovery Plan and implementing the IT Security Risk Assessment Policy.

Findings

Our review and testing of the policies disclosed that two recommendations from our prior year internal audit were still in the process of being implemented.

- PMB recommends ORCA approve and implement their IT security risk management policy. The policy is essential in assessing security risk, vulnerability reports and monitoring reports (TAC 202.22). When implemented, management will be better able to assess the effectiveness their security monitoring procedures and address any changes that might be necessary.
- PMB recommends ORCA update and complete their Business Continuity Plan and Disaster Recovery Plan. These plans are important factors in ORCA's IT framework and environment (TAC 202.20 and 202.24).

**Summary of
Objective, Scope and Methodology**

Our objective was to review the Office of Rural Community Affairs' (ORCA) Information Systems Policies and Procedures and the Business Continuity Plan to determine adherence to the Texas Administrative Code 202.

The scope of our audit covered ORCA's processes, procedures and documentation relating to IT security as of August 18, 2008.

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

Our fieldwork was conducted from August 8, 2008 through August 18, 2008. Our audit was conducted in accordance with generally accepted government auditing standards and the Standards for the Professional Practice of Internal Auditing.

Detailed Results

Objective, Scope and Methodology

The objective of our audit was to review the Information Systems Policies and Procedures and the Business Continuity Plan to determine adherence to the Texas Administrative Code 202.

Overview

Texas Administrative Code 202 mandates state agencies maintain and perform a certain level of security over their information technology assets and resources. The following are policies of the State of Texas that apply to all state agencies. Each state agency is required to apply the Security Standards Policy based on documented security risk management decisions:

- (1) Information resources residing in the various state agencies of state government are strategic and vital assets belonging to the citizens of Texas. These assets must be available and protected commensurate with the value of the assets. Measures shall be taken to protect these assets against unauthorized access, disclosure, modification or destruction, whether accidental or deliberate, as well as to assure the availability, integrity, utility, authenticity, and confidentiality of information. Access to state information resources must be appropriately managed.
- (2) All state agencies are required to have an information resources security program consistent with these standards, and the state agency's head is responsible for the protection of information resources.
- (3) All individuals are accountable for their actions relating to information resources. Information resources shall be used only for intended purposes as defined by the state agency and consistent with applicable laws.
- (4) Risks to information resources must be managed. The expense of security safeguards must be commensurate with the value of the assets being protected.
- (5) The integrity of data, its source, its destination, and processes applied to it must be assured. Changes to data must be made only in an authorized manner.
- (6) Information resources must be available when needed. Continuity of information resources supporting critical governmental services must be ensured in the event of a disaster or business disruption.
- (7) Security requirements shall be identified, documented, and addressed in all phases of development or acquisition of information resources.
- (8) State agencies must ensure adequate controls and separation of duties for tasks that are susceptible to fraudulent or other unauthorized activity.

Findings and Recommendations

IT Security Risk Management Policy

In accordance with TAC 202, proper security monitoring activities are essential for maintaining an effective control environment over IT logical access issues. Although ORCA has developed an IT Security Risk Management Policy, the policy has not been formally approved.

Recommendation: PMB recommends ORCA approve and implement the newly completed IT Security Risk Management Policy. As stated above, these policies and procedures are essential in assessing security risk, vulnerability reports and monitoring reports (TAC 202.22). Upon formal approval and implementation, management will be better able to assess the effectiveness of security monitoring procedures and address any changes that might be necessary.

Update Policies and Procedures

PMB reviewed ORCA's Business Continuity Plan and Disaster Recovery Plan to determine the status of updating the old policies. These policies and plans are important to an agency's IT framework and environment (TAC 202.20 and 202.24) PMB noted that ORCA has created the framework of the plan but most operational sections of the plan have not been developed.

Recommendation: PMB recommends ORCA fully develop and implement their Business Continuity Plan and Disaster Recovery Plan.

Appendix 1
Objective, Scope and Methodology

Objective

Our objective was to review the Office of Rural Community Affairs' (ORCA) Information Systems Policies and Procedures and the Business Continuity Plan to determine adherence to the Texas Administrative Code 202.

Scope

The scope of our audit covered ORCA's processes, procedures and documentation relating to IT security as of August 18, 2008.

Methodology

The internal audit methodology consisted of conducting interviews, obtaining and analyzing documentation, performing selected tests and other procedures, and analyzing and evaluating the results of the tests. Information collected included the following:

- Documentation provided to support the policies, processes, procedures and internal controls.
- Files containing documentation to verify and test the processes and controls.

Procedures, tests and analyses performed included the following:

- Interviewed ORCA's staff responsible for the Information System Technology group
- Tested a sample of files to determine adherence to processes and controls
- Reviewed supporting documentation and excerpts from reports and files

Other Information

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

SUMMARY

FY 2009 Agency Operating Budget Update (As of September 1, 2008)

Presented by David Flores

DISCUSSION

Budget Changes

The 2009 Agency Operating Budget that was approved by the ORCA Board at the August meeting has been decreased by \$7,120,611 to \$74,229,965. The net decrease is the result of:

- A **decrease** of \$13,771,365 to the CDBG grants line-item of the budget as a result of Community Development staff awarding more than estimated in 2008. The additional funds awarded reduce the amount of the 2008 CDBG allocation remaining for the 2009 Agency Operating Budget.
- An **increase** of \$6,653,962 to the CDBG grants line-item of the budget to add the 2008 Board approved set-asides from deobligated and program income funds that remained available at the end of fiscal year 2008.
- An **increase** of \$11,503 to the Rural Health non-tobacco grants line-item of the budget as a result of the SHIP grant award exceeding projections.
- A **decrease** of \$8,806 to the Rural Health non-tobacco grants line-item of the budget as a result of the FLEX grant award not meeting projections.
- A **decrease** of \$5,905 to the Rural Health non-tobacco grants line-item of the budget as a result of the AED grant award not meeting projections.

Pending Budget Items

2009 CDBG Grant Allocation – The 2009 CDBG allocation is budgeted at \$71,779,088 which is the 2008 funding level. Once the grant is received from HUD, an adjustment will be made to the 2009 Agency Operating Budget.

Budget Status

Utilization – The Agency Operating Budget schedule does not show any budget utilization since this reporting period is as of September 1, 2008.

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

ORCA

	<u>Budget</u>	<u>Expended</u>	<u>Obligated</u>	<u>Remaining</u>
Grants	\$30,537,574	\$17,242,808	\$13,083,897	\$ 210,869
Admin	\$ 1,607,241	\$ 1,152,789	\$ 0	\$ 454,452
Total	\$32,144,815	\$18,395,597	\$13,083,897	\$ 665,321

TDHCA

Grants	\$40,259,276	\$13,063,543	\$26,613,203	\$ 582,530
Admin	\$ 2,118,909	\$ 1,655,979	\$ 0	\$ 462,930
Total	\$42,378,185	\$14,719,522	\$26,613,203	\$ 1,045,460

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

ORCA

	<u>Budget</u>	<u>Expended</u>	<u>Obligated</u>	<u>Remaining</u>
Grants	\$42,000,000	\$ 3,956,685	\$38,043,315	\$ 0
Admin	\$ 2,100,000	\$ 330,707	\$ 0	\$ 1,769,293
Total	\$44,100,000	\$ 4,287,392	\$38,043,315	\$ 1,769,293

TDHCA

Grants	\$365,238,439	\$24,934,882	\$340,193,031	\$ 110,526
Admin	\$ 19,333,410	\$ 3,727,876	\$ 0	\$ 15,605,534
Total	\$384,571,849	\$28,662,758	\$340,193,031	\$ 15,716,060

TxCDBG Fund Balance Report

As of September 1, 2008 the TxCDBG Fund Balance Report shows that \$1,310,874 is available from prior year deobligated contracts and program income.

Additional Items

ORCA Board travel expenditures as of September 1, 2008: \$0

Staff travel to ORCA Board Meetings as of September 1, 2008: \$0

Enclosures

FY 2009 Agency Operating Budget
FY 2009 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 2009 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	5,543,045	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	6,739,008	0%	0%
GRANTS TO COMMUNITIES						
TxCDBG Grants	62,408,313	0	0	62,408,313	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)	2,644,092	0	0	2,644,092	0%	0%
SORH Grants (Tobacco)	2,431,052	0	0	2,431,052	0%	0%
Subtotal, Grants to Communities	67,490,957	0	0	67,490,957	0%	0%
TOTAL, ORCA	74,229,965	0	0	74,229,965	0%	0%

CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE 1,310,874

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

ORCA FY 2009 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	62,408,313				62,408,313
Rural Technology Centers	0				0
Rural Foundation				7,500	7,500
SORH Grants (Excluding Tobacco)		2,644,092			2,644,092
SORH Grants (Tobacco)		2,431,052			2,431,052
Subtotal, Grants to Communities	62,408,313	5,075,144	0	7,500	67,490,957
TOTAL, ORCA	65,976,217	6,291,750	996,139	965,859	74,229,965

TxCDBG Fund Balance Report
As of September 01, 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	3,920.86	0.00	0.00	3,920.86	\$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	220,701.74	0.00	0.00	220,701.74	\$189,158.67
2001	48,494.19	0.00	0.00	48,494.19	\$20,279.86
2002	350,265.91	0.00	0.00	350,265.91	\$0.00
2003	344,208.45	0.00	0.00	344,208.45	\$31,488.29
2004	384,496.37	0.00	0.00	384,496.37	\$100,000.00
2005	747,796.43	0.00	0.00	747,796.43	\$0.00
2006	971,757.68	0.00	0.00	971,757.68	\$362,363.02
2007	368,674.00	0.00	0.00	368,674.00	\$1,701,190.31
2008	12,121,536.00	7,910,559.00	4,210,977.00	0.00	\$1,658,519.62
TOTAL	16,101,096.45	7,910,559.00	4,210,977.00	3,979,560.45	\$4,205,667.91

IDIS AVAILABLE BALANCE		
Deob Available to Obligate	\$3,979,560	
Program Income Funds (Excluding 2% Admin)	\$4,205,668	
Total IDIS Available Balance		\$8,185,228
Reconciliation Adjustments:		
* Deob Pending IDIS Close Out	(\$1,452,702)	
PI Deob Available	\$56,059	
Fund Balance Report Beginning Balance Adj	\$1,176,251	
Total Reconciliation Adjustments		(\$220,392)
ORCA Board Set-Asides:		
Set Aside - PI (Small Business)	\$0	
Set Aside - Small Business Potential DR	\$0	
Set Aside - PI (Microenterprise)	\$0	
STEP Fund	(\$2,027,789)	
**Additional Disaster Relief Fund - Reserve	(\$3,125,312)	
Urgent Need Fund	(\$500,000)	
Urgent Need Potential DR	(\$500,000)	
Additional CD/CDS	\$0	
Additional CD/CDS Marginal Pool	\$0	
State Office of Rural Health Project	(\$500,000)	
CSH Deob Reserve	(\$861)	
Total ORCA Board Set-Asides		(\$6,653,962)
CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE		\$1,310,874

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

** Of the additional \$1,000,000 approved for the DR-Reserve Fund at the June, 2008 Board meeting, the remaining \$250,000 has been awarded. An additional \$1,500,000 was approved for the DR-Reserve Fund in the August, 2008 Board meeting.

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, a report on the Fiscal Year 2008 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/State Office of Rural Health
Outstanding Debt Collections
As of August 31, 2008**

Collections by ORCA											
	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date		Balance as of 08/31/08	FY 2008 Collections	Comment	
1	Brandon Pshigoda	ORS	Pharmacy	49,601	1999	2003		0	8,251	paid in full 06/23/08	
2	Annette Ybarra	ORS	Pharmacy	76,500	2000	2004		16,540	15,300		
3	Sarah Doss	ORS	Medicine	59,197	1997	2004		15,786	11,839		
4	Ted Chaka	ORS	Physician Asst.	33,933	2001	2005		23,360	5,289		
5	Deborah Ginbey	ORS	Nursing	70,357	1995	2001		66,737	2,170		
6	Renee Castillo	ORS	Nursing	18,629	2003	2007		18,019	610		
7	April Dorman	ORS	Nursing	51,763	2005	7/9/08		51,763	0		First pmt due 10/20/08
8	Candice Simmons	ORS	Medicine	13,327	2007	5/9/08		13,327	0		First pmt due 10/20/08
Total, ORCA				373,307				205,531	43,460		

Collections by the Office of Attorney General (OAG)										
	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date		Balance as of 8/31/2008	FY 2008 Collections	Comment
1	Phillip Cochran	ORS	Medicine	133,939	1994	2003		49,485	84,454	partial settlement final judgement
2	Jessica Fulcher	ORS	Nursing	38,751	2002	2006		38,751	0	
3	Robert Zube	ORS	Medicine	221,634	1999	2006		205,888	12,746	agreed final judgement settlement finalized
4	Maragret Taylor	ORS	Physician Asst.	7,824	1998	2000		7,529	295	
5	Tabbatha Rizer	ORS	Nursing	86,203	2005	2007		84,878	1,325	
6	Joseph Munroe	THSC	Medicine	10,250	2006	2007		10,250	0	
Total, Attorney General				488,351				396,781	98,820	

	Original Amount Owed			Balance as of 8/31/2008	FY 2008 Collections
Total	861,658			602,312	142,280

* ORS - Outstanding Rural Scholar Program
THSC - Texas Health Services Corps Program

SUMMARY

Award of Funding for the Rural Access to Emergency Devices Grant Program, the Critical Access Hospital/Medicare Rural Hospital Flexibility Program and the Rural Hospital Improvement Program Presented by Theresa Cruz

DISCUSSION

The purpose of the **Rural Access to Emergency Devices Grant Program** (Rural AED Program) is to increase the availability of early defibrillation in rural counties throughout Texas. The program works to create or increase collaboration with rural emergency care providers and rural health care systems by extending early defibrillation and cardiopulmonary resuscitation (CPR) into rural areas.

The grant award supports the purchase of Automated External Defibrillators (AED) and provides for needed CPR and AED training. Based on the cost of \$1,125 per device in 2008, it is expected that approximately 65 devices will be provided with this funding.

Funding: The source of funding comes from the U.S. Department of Health and Human Services, Health Resources Services Administration. ORCA competed for one of three grants awarded nationwide and was successful in securing grants of up to \$103,000.00 for each of FY2007, 2008 and 2009 (total of \$309,000). This Notice of Grant Award is \$99,598 for the 2009 fiscal year, or the third year of the three year cycle.

The Medicare Rural Hospital Flexibility Program encourages the development of a statewide rural health plan; conversion of small rural hospitals to Critical Access Hospital (CAH) status; development of rural health networks associated with the CAH facilities; the integration and strengthening of rural emergency medical systems; and the improving of the quality of healthcare services for rural populations. Programs and activities under this program are designed specifically for hospitals designated as CAHs.

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 \$620,194.00 for FY 2009.

The Small Rural Hospital Improvement Program Grant has been beneficial in previous years, to rural Texas hospitals by allowing them to address specific needs related to: (1) Prospective Payment Systems; (2) HIPAA compliance; and (3) Quality Improvement/reducing medical errors. The hospital must have 49 beds or less, or be designated as a Critical Access Hospital. A total of 113 rural hospitals are seeking to take advantage of the funds provided by the Health Resources and Services Administration, Office of Rural Health Policy, to continue to address these activities.

The Office of Rural Community Affairs was awarded an amount of \$1,011,319.00 (the highest award in the country) to sustain the improvement of rural Texas hospitals under this program. Texas hospitals have identified a wide range of unmet needs in reference to these specific activities including staff training, computers and software, assessments to verify compliance with activities, performance improvement measures and security reviews, among other activities.

Funding: The source of funding comes from the U.S. Department of Health and Human Services, Health Resources Services Administration. Texas will receive an amount of \$1,011,319.00. An administrative amount of \$50,566.00 will be deducted from the total award and the remainder will be divided equally among the 116 hospital applicants, for a grant of \$8,282.35 per facility.

RECOMMENDATION

It is recommended that the Executive Committee accept the AED, Flex and SHIP awards of \$99,598, \$620,194 and \$1,011,319, respectively, from the Health Resources and Services Administration, Office of Rural Health Policy.

RURAL DEFINITION

For purposes of the Flex grant, eligibility is based on a hospital having a designation as a “Critical Access Hospital”. 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), or in a county with a population density less than 225 persons per square mile and in city with a population of 10,000 or less.

For purposes of the AED and SHIP grants, “rural” is 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: 09/15/2008		2. PROGRAM CFDA: 93.259		DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTH RESOURCES AND SERVICES ADMINISTRATION  NOTICE OF GRANT AWARD AUTHORIZATION (Legislation/Regulation) Cardiac Arrest Survival Act of 2000, Section 412, P.L. 106-505 Public Health Improvement Act Title IV - Cardiac Arrest Survival, Subtitle B- 42 U.S.C 254c note, P.L. 106-505					
3. SUPERCEDES AWARD NOTICE dated: 07/29/2008 except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.									
4a. AWARD NO.: 6 H3DRH07629-03-01		4b. GRANT NO.: H3DRH07629	5. FORMER GRANT NO.:						
6. PROJECT PERIOD: FROM: 09/01/2006 THROUGH: 08/31/2009									
7. BUDGET PERIOD: FROM: 09/01/2008 THROUGH: 08/31/2009									
8. TITLE OF PROJECT (OR PROGRAM): Rural Access to Emergency Devices									
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) <input checked="" type="checkbox"/> Grant Funds Only <input type="checkbox"/> Total project costs including grant funds and all other financial participation			12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE						
a. Salaries and Wages: \$ 0.00 b. Fringe Benefits: \$ 0.00 c. Total Personnel Costs: \$ 0.00 d. Consultant Costs: \$ 0.00 e. Equipment: \$ 0.00 f. Supplies: \$ 0.00 g. Travel: \$ 0.00 h. Construction/Alteration and Renovation: \$ 0.00 i. Other: \$ 99,598.00 j. Consortium/Contractual Costs: \$ 0.00 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: \$ 99,598.00 p. INDIRECT COSTS: (Rate: % of S&W/TADC) \$ 0.00 q. TOTAL APPROVED BUDGET: \$ 99,598.00 i. Less Non-Federal Resources: \$ 0.00 ii. Federal Share: \$ 99,598.00			a. Authorized Financial Assistance This Period \$ 99,598.00 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 \$ 96,598.00 e. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION \$ 3,000.00						
			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 colspan="2">Not Applicable</td> </tr> </tbody> </table>			YEAR	TOTAL COSTS	Not Applicable	
YEAR	TOTAL COSTS								
Not Applicable									
			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 [A]									
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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No)									
<i>Electronically signed by Dorothy M. Kelley, Grants Management Officer on: 09/15/2008</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				
08-3704187	93.259	H3DRH07629A0	\$ 3,000.00	\$ 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. This award is issued to reflect an administrative supplemental funding in the amount of \$3,000.00 to support the AED trainings and purchase of equipment. All funds awarded in the amount of \$99,598.00 have been placed in the "Other" category and should be included in the revised budget and budget justification requested in Grant condition #1 of NGA issued 7/29/08.

All prior terms and conditions remain in effect unless specifically removed.

Contacts:

Program Contact: For assistance on programmatic issues, please contact Eileen Holloran at:
HRSA/ORHP
5600 Fishers Ln RM 9A-55
Rockville, MD 20857-0001
Phone: (301)443-7529
Email: eholloran@hrsa.gov

Division of Grants Management Operations: For assistance on grants administration issues, please contact Carolyn Cobb at:
5600 Fishers Ln RM 11A-16
Rockville, MD 20852-1750
Phone: (301)443-0829
Email: ccobb2@hrsa.gov
Fax: (301)443-6343

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.

1. DATE ISSUED: 08/29/2008		2. PROGRAM CFDA: 93.241		DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTH RESOURCES AND SERVICES ADMINISTRATION  NOTICE OF GRANT AWARD AUTHORIZATION (Legislation/Regulation) Balanced Budget Act of 1997, Section 4201, P.L. 105-33																																																					
3. SUPERCEDES AWARD NOTICE dated: except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.																																																									
4a. AWARD NO.: 5 H54RH00055-07-00		4b. GRANT NO.: H54RH00055	5. FORMER GRANT NO.: H54RH00010																																																						
6. PROJECT PERIOD: FROM: 09/01/2002 THROUGH: 08/31/2010																																																									
7. BUDGET PERIOD: FROM: 09/01/2008 THROUGH: 08/31/2009																																																									
8. TITLE OF PROJECT (OR PROGRAM): RURAL HOSPITAL FLEXIBILITY PROGRAM																																																									
9. GRANTEE NAME AND ADDRESS: TEXAS OFFICE OF RURAL COMMUNITY AFFAIRS PO BOX 12877 Austin, TX 78711-2877			10. DIRECTOR: (PROGRAM DIRECTOR/PRINCIPAL INVESTIGATOR) Theresa K Cruz TEXAS OFFICE OF RURAL COMMUNITY AFFAIRS PO Box 12877 Austin, TX 78711																																																						
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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. Upon change in key staff or personnel, the grantee is required to use grant funding for the new personnel or staff to attend the Flex Orientation workshop.
2. This award is reduced by \$8,806 due to the availability of Federal funds. The reduced amount is less than 25% of the awarded amount, therefore a revised budget is not necessary.

Program Terms:

1. A representative is expected to attend at least one meeting in Washington, D.C. and one Regional meeting each year related to this activity.
2. Participation in the national evaluation of the Rural Hospital Flexibility Program, including the collection of additional data as determined appropriate and other assurances is required.
3. 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/revisedlep.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.
2. Due Date: Within 90 days of Project End Date
Submit a Final Program Performance Report. The final report is required within 90 days of the original grant project period. The Office of Rural Health Policy will notify grantees, in writing, concerning the substance, format and exact delivery date of this report during the final year of the grant project period.

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 Michelle Goodman at:
Office of Rural Health Policy
5600 Fishers Ln RM 9A-55
Rockville, MD 20852-1750
Phone: (301)443-7440
Email: michelle.goodman@hrsa.hhs.gov

Division of Grants Management Operations: For assistance on grants administration issues, please contact ERIC MICHAEL BLACK at:
HRSA/OFAM/DGMO/GSFB
5600 Fishers Ln RM 11A-02
Rockville, MD 20857-0001
Phone: (301)443-6232
Email: eric.black@hrsa.hhs.gov
Fax: (301)594-6096

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.

1. DATE ISSUED: 09/19/2008		2. PROGRAM CFDA: 93.301		DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTH RESOURCES AND SERVICES ADMINISTRATION  NOTICE OF GRANT AWARD AUTHORIZATION (Legislation/Regulation) Social Security Act, Section 1820(g)(3)																																																					
3. SUPERCEDES AWARD NOTICE dated: 08/27/2008 except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.																																																									
4a. AWARD NO.: 6 H3HRH00002-07-03		4b. GRANT NO.: H3HRH00002	5. FORMER GRANT NO.:																																																						
6. PROJECT PERIOD: FROM: 09/01/2002 THROUGH: 08/31/2013																																																									
7. BUDGET PERIOD: FROM: 09/01/2008 THROUGH: 08/31/2009																																																									
8. TITLE OF PROJECT (OR PROGRAM): SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM																																																									
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) <input checked="" type="checkbox"/> Grant Funds Only <input type="checkbox"/> Total project costs including grant funds and all other financial participation <hr/> <table border="0"> <tr><td>a. Salaries and Wages:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>b. Fringe Benefits:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>c. Total Personnel Costs:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>d. Consultant Costs:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>e. Equipment:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>f. Supplies:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>g. Travel:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>h. Construction/Alteration and Renovation:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>i. Other:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>j. Consortium/Contractual Costs:</td><td style="text-align: right;">\$ 960,753.00</td></tr> <tr><td>k. Trainee Related Expenses:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>l. Trainee Stipends:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>m. Trainee Tuition and Fees:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>n. Trainee Travel:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>o. TOTAL DIRECT COSTS:</td><td style="text-align: right;">\$ 960,753.00</td></tr> <tr><td>p. INDIRECT COSTS: (Rate: % of S&W/TADC)</td><td style="text-align: right;">\$ 50,566.00</td></tr> <tr><td>q. TOTAL APPROVED BUDGET:</td><td style="text-align: right;">\$ 1,011,319.00</td></tr> <tr><td> i. Less Non-Federal Resources:</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td> ii. Federal Share:</td><td style="text-align: right;">\$ 1,011,319.00</td></tr> </table>			a. Salaries and Wages:	\$ 0.00	b. Fringe Benefits:	\$ 0.00	c. Total Personnel Costs:	\$ 0.00	d. Consultant Costs:	\$ 0.00	e. Equipment:	\$ 0.00	f. Supplies:	\$ 0.00	g. Travel:	\$ 0.00	h. Construction/Alteration and Renovation:	\$ 0.00	i. Other:	\$ 0.00	j. Consortium/Contractual Costs:	\$ 960,753.00	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:	\$ 960,753.00	p. INDIRECT COSTS: (Rate: % of S&W/TADC)	\$ 50,566.00	q. TOTAL APPROVED BUDGET:	\$ 1,011,319.00	i. Less Non-Federal Resources:	\$ 0.00	ii. Federal Share:	\$ 1,011,319.00	12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE <table border="0"> <tr><td>a. Authorized Financial Assistance This Period</td><td style="text-align: right;">\$ 1,011,319.00</td></tr> <tr><td>b. Less Unobligated Balance from Prior Budget Periods</td><td></td></tr> <tr><td> i. Additional Authority</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td> ii. Offset</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>c. Unawarded Balance of Current Year's Funds</td><td style="text-align: right;">\$ 0.00</td></tr> <tr><td>d. Less Cumulative Prior Award(s) This Budget Period</td><td style="text-align: right;">\$ 1,011,319.00</td></tr> <tr><td>e. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION</td><td style="text-align: right;">\$ 0.00</td></tr> </table>			a. Authorized Financial Assistance This Period	\$ 1,011,319.00	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	\$ 1,011,319.00	e. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	\$ 0.00
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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. This revised Notice of Grant Award (NGA) is issued to approve and accept the revised budget as submitted on September 2, 2008, and removes condition #1 placed on the prior award.

All prior terms and conditions remain in effect unless specifically removed.

Contacts:

Program Contact: For assistance on programmatic issues, please contact Michelle Goodman at:
5600 Fishers Lane RM 9A42
Rockville, MD 20857-0001
Phone: (301)443-7440
Email: michelle.goodman@hrsa.hhs.gov

Division of Grants Management Operations: For assistance on grants administration issues, please contact Djuana Gibson at:
HRSA, Division of Grants Management Operations (DGMO)
5600 Fishers Lane RM 11A02
Rockville, MD 20857-0001
Phone: (301)443-3243
Email: dgibson@hrsa.gov
Fax: (301)443-6686

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.

SUMMARY
Presentation on
Texas Organization of Rural & Community Hospitals
Presented by Theresa Cruz *

DISCUSSION

The State Office of Rural Health has the opportunity to collaborate with many partners throughout the state. David Pearson, President/CEO with the Texas Organization of Rural & Community Hospitals (TORCH) 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

Annual Report for the Rural Communities Health Care Investment Program (RCHIP)

Presented by Theresa Cruz

DISCUSSION

Pursuant to the Texas Administrative Code: §487.560 REPORTING REQUIREMENT - The office shall provide a report on the permanent endowment fund for the Rural Communities Health Care Investment Program to the Legislative Budget Board not later than November 1 of each year. The report must include the total amount of money the office received from the fund, the purpose for which the money was used, and any additional information that may be requested by the Legislative Budget Board.

The State Office of Rural Health Division administers the RCHIP program annually by providing stipends and loan repayment for healthcare professionals practicing in rural counties that are also Medically Underserved Areas. The attached report will be submitted prior to November 1st upon approval by the Executive Committee.

RECOMMENDATION

Staff recommends approval of the 2008 Report on the Rural Communities Health Care Investment Program for submission to the LBB prior to November 1, 2008.

RURAL DEFINITION

For purposes of the State Office of 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 Ms. Cruz at 512-936-6719 (tcruz@orca.state.tx.us).**

FY 2008 REPORT
RURAL COMMUNITIES HEALTH CARE INVESTMENT PROGRAM

In compliance with Senate Bill 126 of the 77th Legislature, the Office of Rural Community Affairs is submitting the report on the permanent endowment fund for the Rural Communities Health Care Investment Program.

The funds are used to provide stipends and loan reimbursements for health care professionals who practice in rural, medically underserved areas of the state. The total amount allocated to this program for FY 2008 was \$127,500.00.

During the most recent funding cycle, a total of 50 loan reimbursements and 2 stipends were made to health care professionals. The maximum amount awarded to each professional did not exceed \$2,464.74.

The following is a list of awardees, their professions and county of employment.

<u>Last Name/First Name</u>	<u>Profession</u>	<u>County of Employment</u>
Bloodsworth, Krystle	LVN	Fayette
Bowens, Antionnette	Social Worker	Polk
Briley, Scott	Respiratory Therapist	Gaines
Brofman, Carl	Chiropractor	Tyler
Brooks, Barbara	LVN	Lampasas
Carter, Andria	Physician Assistant	Yoakum
Caruso, Meredith	RN	Calhoun
Castleberry-Carter, Julie	Social Worker	Caldwell
Coggins, Beau	Chiropractor	Brewster
Conley, Lourdez	RN	Culberson
Foust, Stephanie	Physical Therapist	Hartley
Haney, Jay	Chiropractor	Reeves
Hiebert, Nancy	RN	Gaines
Higgins, Sheila	RN	Castro
Hines, Misty	LVN	Hardeman
Hulcy, Jerri	RN	Baylor
Ingram, Samuel	Physical Therapist	Eastland
Jackson, Stacey	RN	Yoakum
Johnston, Karen	RN	Comanche
Jones, Corrie	RN	Fayette
Jones, Peter	Nurse Practitioner	Childress
Jordan, Kathryn	Nurse Practitioner	Llano
Keys, Justin	Physical Therapist	Childress
King, Robert	Nurse Practitioner	Throckmorton
Kunkel, Kasey	Chiropractor	Hamilton
Leverett, Joe	Chiropractor	Mills
McCray, Terry	RN	Gaines
Martin, Melisia	Nurse Practitioner	Rusk
Mendoza, Irvette	RN	Starr
Merydith, Amy	Nurse Practitioner	Lipscomb
Nall, Ricky	Chiropractor	Childress
Pollard, Sarah	Occupational Therapist	Hartley

Last Name/First Name**Profession****County of Employment**

Pollock, Tori	RN	Comanche
Price, Monika	RN	Palo Pinto
Rabe, Lori	Nurse Practitioner	Childress
Reeves, Michael	Chiropractor	San Saba
Roberts, Shonda	RN	Eastland
Rodriquez, Sherry	LVN	Hardeman
Sharolli, Abdolmajid	Dentist	Hale
Shiller, April	Occupational Therapist	Mitchell
Simms, Janet	Licensed Prof. Counselor	Kimble
Sipe, Britt	Physical Therapist	Fisher
Smith, Brandon	Physician Assistant	Liberty
Spencer, Glenna	Social Worker	Hopkins
Tacker, Jody	Optometrist	Limestone
Thomas, Donovan	Chiropractor	Caldwell
Titlow, Tad	Nurse Practitioner	Rusk
Urias, Concepcion	LVN	Culberson
Ware, Leigh Ann	Nurse Practitioner	Atascosa
White, Gina	RN	Wilbarger
Miller, Pam (Stipend)	RN	Comanche
Zwicker, Christina (Stipend)	Certified Nurse's Aide	Comanche

SUMMARY
**Proposed Changes to ORCA State Office of Rural Health
Physician Assistant Loan Repayment Program Found in Title 10
Part 6 Chapter 257, Sect. 257.101 of the Texas Administrative
Code**

Presented by Theresa Cruz *

DISCUSSION

The State Office of Rural Health (SORH) Division administers the Physician Assistant Loan Repayment Program (PALRP), which allows for loan repayment of up to \$5,000/yr for a total of \$20,000 in loan repayments available to physician assistants who are practicing in rural areas of Texas. With the last two award cycles, ORCA staff has not been able to grant the total amount available (\$112,000) because there is a maximum award of \$5,000 per grant, and the number of eligible applicants did not allow for full distribution of funds. Since this program is funded through General Revenue, ORCA is not allowed to carry funds forward from biennium to biennium, and as a result risks losing the “excess” funding as a result of not expending the full grant award. SORH staff reviewed the Texas Administrative Code for language allowing the Executive Director the discretion to increase the maximum amount awarded as appropriate as is present in the other recruitment program rules, and did not find the needed language. Additionally, at the recommendation of ORCA General Counsel, SORH staff requests changing the Chapter 257 Title from: “**BOARD FOR OFFICE OF RURAL COMMUNITY AFFAIRS**”, to: “**STATE OFFICE OF RURAL HEALTH**”, since this chapter pertains solely to the rules governing the State Office of Rural Health programs

RECOMMENDATION

SORH staff recommends approval of the suggested changes and authorization for publication in *Texas Register* for public comment. Action is required.

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)**

CHAPTER 257. ~~STATE OFFICE OF RURAL HEALTH~~

Deleted: BOARD FOR OFFICE OF RURAL COMMUNITY AFFAIRS

SUBCHAPTER B TEXAS OUTSTANDING RURAL SCHOLAR RECOGNITION PROGRAM

257.21. Purpose, Administration and Delegation of Powers and Duties.

- (a) The purpose of the Outstanding Rural Scholar Recognition Program is to recognize, encourage, and financially support students in health care professions studies at institutions of higher education and to lead them to provide health care in rural communities in Texas.
- (b) The Office shall administer the Outstanding Rural Scholar Recognition Program in accordance with the Health and Safety Code, Chapter 106, Subchapter C.
- (c) The Board delegates to the executive director of the Office the powers and duties to administer the program.

257.22. Definitions.

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

- (1) Academic term--Is equal to one of the following:
 - (A) a semester;
 - (B) a trimester; and
 - (C) a quarter.
- (2) Selection committee--The Outstanding Rural Scholar Selection Committee.
- (3) Allied health professional--A provider of health care or health related services, including services relating to: the identification, evaluation, and prevention of diseases and disorders; diet and nutrition; health promotion; rehabilitation; or health systems management.
- (4) Allied health professions--Fields relating to the delivery of health care or health related services responsible for the identification, evaluation and prevention of diseases and disorders; dietary and nutritional services; health promotion, rehabilitation; or health systems management.
- (5) Cost of attendance--Allowable costs as determined to be necessary by the financial aid office of the academic institution a student attends which includes costs for tuition, fees, books, supplies, room and board, transportation and personal expenses.
- (6) Board--The Board of the Office of Rural Community Affairs.
- (7) Executive director--The Executive Director of the Office of Rural Community Affairs.
- (8) Family member--An individual related to the student by kinship, adoption, or marriage, as well as foster children certified by the Department of Family and Protective Services.
- (9) Forgiveness loan--A loan made through the Outstanding Rural Scholar Recognition Program.
- (10) Fund--The Outstanding Rural Scholar Loan Fund administered by the Board.
- (11) Health care professional--Any provider of health care or health related services in the fields of medicine, dentistry, optometry, pharmacy, chiropractic, podiatry, psychology, nursing or allied health.
- (12) Health care professions--The fields of medicine, dentistry, optometry, pharmacy, chiropractic, podiatry, psychology, nursing and/or allied health.
- (13) Office--The Office of Rural Community Affairs as created in Chapter 487 of the Texas Government Code.
- (14) Resident of Texas--As described in Education Code, Chapter 54, Subchapter B.
- (15) Rural community--A municipality in a nonmetropolitan county in Texas as defined by the United States Census Bureau in its most recent census.
- (16) Satisfactory academic progress--Maintenance of satisfactory cumulative grade point average and course load to qualify the student for placement in planned subsequent years of the degree plan.

257.23. Selection Committee.

- (a) Appointments to the selection committee by the Board shall be made with consideration to geographical areas of the state.
- (b) The composition of the advisory committee shall be:
 - (1) one rural practicing family practice physician;
 - (2) one rural hospital administrator;
 - (3) one rural practicing registered professional nurse;
 - (4) one rural practicing allied health professional;
 - (5) one dean of a medical school;

- (6) one dean of a nursing school;
- (7) one dean of a school of allied health science;
- (8) one head of a vocational/technical institution;
- (9) one community college administrator;
- (10) one individual knowledgeable in student financial assistance programs;
- (11) one rural public school superintendent; and
- (12) one rural resident.

(c) The selection committee members serve for staggered 3-year terms with the terms of one-third of the members expiring on August 31 of each year. All committee members are eligible for reappointment to consecutive terms.

(d) The selection committee may elect a chairman, vice-chairman and secretary from among its members and may adopt rules for the conduct of its activities.

(e) Vacancies on the selection committee shall be filled by the Board in the same manner as indicated in subsections (a), (b) and (c) of this section.

(f) The selection committee advises the Board on the progress of the Outstanding Rural Scholar Recognition Program and shall:

- (1) select students to be recognized as outstanding rural scholars;
- (2) recommend guidelines for sponsors to nominate students;
- (3) recommend guidelines for awarding forgiveness loans;
- (4) recommend the amount of the loan to be awarded to the student;
- (5) review cases and make recommendations concerning exceptions regarding the community in which a student may fulfill the obligated service period; and
- (6) review cases and make recommendations concerning student academic progress.

257.24. Requirements for Recognition.

(a) Eligibility Requirements for Recognition.

(1) Eligible Sponsor. To nominate a student for recognition, a sponsor shall:

- (A) be located in a rural community in Texas;
- (B) be an entity with a council, board of trustees or commissioners which is responsible to the rural community in which it is located, and is legally authorized to raise funds, or accept grants, financial gifts, scholarship funds, or private foundation funds;
- (C) agree to provide 50% of the cost of attendance, if the nominee is selected to receive a forgiveness loan; and
- (D) be in good standing with the Outstanding Rural Scholar Recognition Program.

(2) Eligible Student. To be nominated for recognition, a student shall:

- (A) be a Texas resident, who is sponsored by and has financial support committed from a rural community sponsor;
- (B) be enrolled or intend to enroll in an eligible academic institution of higher education to become a health care professional;
 - (i) be a high school student who is in the upper 25% of the high school's class, if such class numbers 48 or greater, or have an overall B average; or
 - (ii) be a college student who has a cumulative grade point average of 3.00 on a 4.00 scale; or
 - (iii) be an individual who has a high school diploma or equivalent and demonstrates to the satisfaction of the rural community sponsor the motivation, qualities, and abilities that lead to success in the chosen health care profession.

(3) Eligible Academic Institution.

(A) An eligible academic institution shall be a Texas institution of higher education which may be any public institution as defined in Texas Education Code, <*>61.003(8), or any nonprofit, independent institution as defined in Texas Education Code, <*>61.222, or any other nonprofit health-related school or program.

(B) Any health related schools or programs within eligible academic institutions must be accredited by the Commission on Colleges of the

Southern Association of Colleges and Schools, the Liaison Committee on Medical Education, the American Osteopathic Association, the Texas State Board of Nurse Examiners for Registered Nurses (which now includes Registered Nurses and Licensed Vocational Nurses), or, in the case of allied health, an accrediting body recognized by the U.S. Department of Education.

(C) An eligible academic institution must follow the Civil Rights Act of 1964 (Public Law 88-353) Title VI to prevent discrimination in admissions.

(b) Application Requirements for Recognition.

(1) The application shall be coordinated and submitted by the sponsor. The application shall be in a form prescribed by the Office and may include but is not limited to:

(A) the student's name, social security number, home address, and phone number;

(B) academic credentials;

(C) the results of one or more sponsor interviews with the student;

(D) a typed essay of no more than 500 words stating the following:

(i) the reasons for entering the competition;

(ii) a description of the chosen health care profession;

(iii) the reasons for entering the chosen health care profession;

(iv) the reasons for wanting to provide health care to rural Texans;

(E) no more than three letters of recommendation from the professional staff of the high school or college, or from employers or community leaders who have known the student for at least one year; and
(F) evidence of sponsor eligibility.

(2) The selection committee may request additional information or interviews from the sponsor or the student as needed.

(c) Criteria for Recognition.

(1) A student shall be selected for recognition as an outstanding rural scholar by the selection committee based on the student's:

(A) academic credentials;

(B) one or more interviews with the sponsor;

(C) a statement written by the student of the student's reasons for entering the competition and a health care profession and the student's reasons for wanting to provide health care to rural Texans;

(D) financial support committed by the sponsoring rural community; and

(E) standardized tests, but in no event shall the student's performance on a standardized test be used as the sole criterion to determine selection.

(2) The selection committee shall select and rank the students and inform the Board of its selections. The Board shall notify each sponsor of the results and provide the sponsor with a certificate of award signed by the Executive Director and the Board chairman for each student recognized as an outstanding rural scholar.

257.30 Dissemination of Program Information, Tracking and Reports

(a) The Office shall disseminate information about the program to all interested parties.

(b) The Office shall send post-secondary academic institutions the list of outstanding rural scholars and program rules.

(c) The Office shall track the academic progress of each student and report to the selection committee annually on the status of each student.

(d) The Office shall report a student's academic status to the sponsor at least annually.

(e) After a student begins the obligated period of service, the Office shall track the student and report to the Board on the student's employment or practice status at least annually.

The amendments are adopted under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the adopted amendments.*

257.101. Purpose, Administration and Delegation of Powers and Duties.

(a) The purpose of the Rural Physician Assistant Loan Reimbursement Program is to encourage qualified physician assistants to practice in areas in rural Texas where there is a high need for primary health care providers.

(b) The Office, shall administer the Rural Physician Assistant Loan Reimbursement Program.

(c) The Board delegates to the Executive Director the necessary powers, duties and functions to administer the program. The Executive Director shall enter into an interagency contract with the Texas Medical Board to specify the mechanisms for the annual transfer of program funds from the Texas Medical Board.

257.103. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Approved Program--A physician assistant or surgeon assistant training program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or the American Osteopathic Association.

(2) Board--The eleven member governing body of the Office appointed by the governor, lieutenant governor and speaker.

(3) Executive Director--The chief executive officer of the Office.

(4) Office--The Office of Rural Community Affairs as created in Chapter 487 of the Texas Government Code.

(5) Rural Health Professional Shortage Area (HPSA)--

(A) a rural area, which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services, which the Secretary of the U.S. Department of Health and Human Services (hereinafter Secretary) determines has a health manpower shortage and which is not reasonably accessible to an adequately served area,

(B) a population group which the Secretary determines has such a shortage, or

(C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage. All Federally qualified health centers and rural health clinics, as defined in section 1861(aa) of the Social Security Act (42 U.S.C. 1395x (aa)), that meet the requirements of section 254g of title 42 of the United States Code, shall be automatically designated as having such a shortage.

(6) Rural Medically Underserved Area (MUA)--An area designated by the United States secretary of health and human services as having:

(A) a shortage of personal health services or a population group that has such a shortage as provided by 42 U.S.C. Section 300e-1(7); or

(B) a health professional shortage as provided by 42 U.S.C. Section 254e(a)(1).

(7) RPALR Program--The Rural Physician Assistant Loan Reimbursement Program established by the Physician Assistant Licensing Act found in

(8) Service obligation period--A consecutive 12 calendar-month period immediately preceding the date of application and during which a physician assistant provided health care services as a physician assistant in a rural health professional shortage area or rural medically underserved area.

257.109. Application Process, Recipient Selection and Reimbursement of Educational Loans.

(a) First-time and renewal applications for the RPALR Program are accepted annually during a time period specified by the Office. An eligible physician assistant applies for the RPALR Program by completing a loan reimbursement application packet and returning the completed loan reimbursement application packet to the Office.

(b) Selection of recipients is contingent upon the availability of funds. Applicants practicing in areas with the highest degree of shortage and/or lowest Index of Medical Services (IMU) score are selected over other applicants. Selected recipients are recommended by the Office's Executive Director and approved by the Office's Board. Applicants are notified whether or not they are accepted for loan reimbursement after the annual application period is closed and recipients are selected.

(c) Eligible education loans of selected recipients are reimbursed by annual payments made at a time specified by the Office and under the following conditions:

(1) total annual reimbursement to one or more eligible lenders or holders must not exceed the recipient's unpaid principal loan balance, including capitalized interest, from all sources, or a maximum of \$5,000, whichever is less. Depending upon the availability of funds and the number of qualifying applicants, the Office may establish an annual reimbursement amount below \$5,000 per eligible recipient; however, the minimum total annual payment cannot be less than \$2,500 per eligible recipient unless the recipient's total unpaid principal loan balance is below \$2,500;

(2) each period of service must be completed before reimbursement is made;

(3) loan reimbursement may be renewed annually but for no more than a total of four periods of service and total maximum reimbursement amount of \$20,000;

(4) annual payment is made co-payable to the recipient and to the eligible lender(s) or holder(s) and applied only to the outstanding principal balance of the education loan, including capitalized interest;

(5) recipients are responsible for payment of any and all state and federal taxes to which this loan reimbursement is subject. [The Executive Director of the Office may may waive provisions of these rules, if necessary, to address unusual or exceptional circumstances.](#)

The amendments are adopted under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

Deleted: ¶

No other code, article, or statute is affected by the adopted amendments.*

257.201. Purpose, Administration, and Delegation of Powers and Duties.

(a) The Texas Health Service Corps is a physician recruitment program for medically underserved areas in Texas. The purpose of the Texas Health Service Corps Program is to encourage physicians trained in the primary care specialties to establish and maintain practices in medically underserved areas in Texas. To accomplish this goal, the program provides stipends to resident physicians who enter into a contract with the Office. The contract requires the physician, upon completion of residency training, to provide services in a medically underserved area of Texas for at least one year for each year that the physician receives the stipend.

(b) The Office shall administer the Texas Health Service Corps Program.

(c) The Board of the Office delegates to the Executive Director the necessary powers, duties, and functions to administer the Program.

257.203. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Board--The eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(2) Medically Underserved Area --As defined in <*>487.201(1) of the Texas Government Code.

(3) Office--The Office of Rural Community Affairs as created in Chapter 487 of the Texas Government Code.

(4) Primary Care--Physician services in family practice, general practice, general internal medicine, general pediatrics obstetrics or gynecology.

(5) Program--The Texas Health Service Corps Program established within Texas Government Code, Chapter 487, Subchapter G, and <*>487.251 - 487.256.

(6) Resident Physician--A medical graduate of an accredited allopathic or osteopathic medical school within the United States of America who is enrolled in an accredited residency training program in Texas in the specialty of family practice, general internal medicine, or general obstetrics or gynecology.

(7) Rural County--Any county within Texas that is not designated as a Metropolitan Statistical Area by the United States Bureau of the Census.

(8) Service Obligation--A defined period of time during which a physician must provide physician services to repay a previous loan, grant, scholarship, or stipend.

(9) Stipend--A maximum payment of \$15,000 per year paid to a resident physician selected to participate in the Program.

(10) Health Professional Shortage Area (HPSA)--

(A) a rural area, which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services, which the Secretary of the U.S. Department of Health and Human Services (hereinafter Secretary) determines has a health manpower shortage and which is not reasonably accessible to an adequately served area,

(B) a population group which the Secretary determines has such a shortage, or

(C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage. All Federally qualified health centers and rural health clinics, as defined in section 1861(aa) of the Social Security Act (42 U.S.C. 1395x (aa)), that meet the requirements of section 254g of title 42 of the United States Code, shall be automatically designated as having such a shortage.

(11) Rural Medically Underserved Area (MUA)--A rural area designated by the United States secretary of health and human services as having:

(A) a shortage of personal health services or a population group that has such a shortage as provided by 42 U.S.C. Section 300e-1(7); or

(B) a health professional shortage as provided by 42 U.S.C. Section 254e(a)(1).

The amendments are proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the adopted amendments.*

257.301. Introduction.

(a) Purpose. This Subchapter implements the provisions in the Texas Government Code, <*>487.201 - 487.204, by establishing program rules for the allocation of grant funds to qualified communities through the Medically Underserved Community-State Matching Incentive Program. State grants match funds

committed by medically underserved communities to cover start-up costs for primary care physicians' practices.

(b) Funding. This Subchapter describes the criteria and procedures to be used by the Office in determining the communities eligible for funding and the funding allocation method.

(c) Administration. The Office shall allocate funds to eligible communities based on the procedures specified in this subchapter.

257.303. Definitions.

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

(1) Office--The Office of Rural Community Affairs created by Chapter 487 of the Texas Government Code.

(2) Board--The Governing Board of the Office.

(3) Full-time practice--At least 40 hours of patient-related medical practice per week.

(4) Medically underserved community--A community meeting any of the following criteria listed in subparagraphs (A) - (D) of this paragraph:

(A) a community located in an area in this state with a medically underserved population;

(B) a community located in an area in this state designated by the United States Secretary of Health and Human Services as an area with a shortage of personal health services;

(C) a population group designated by the United States Secretary of Health and Human Services as having a shortage of personal health services; or

(D) a community that meets criteria adopted by the Board by rule, considering relevant demographic, geographic, and environmental factors.

(5) Part-time practice--At least 25 hours of patient-related practice per week at the site for which match funds are requested.

(6) Primary care--Physician services in any of the following medical specialties listed in subparagraphs (A) - (D) of this paragraph:

(A) family/general practice;

(B) general pediatrics;

(C) general internal medicine; or

(D) general obstetrics/gynecology.

(7) Start-up money--Payments made by a medically underserved community for reasonable costs incurred by a physician to establish a medical office and ancillary facilities for diagnosing and treating patients.

(8) Physician--A person licensed to practice medicine in this state.

257.313. Evaluation of Application.

(a) The Board of the Office delegates to the executive director the necessary powers, duties and functions to administer this program.

(b) The Office shall review each complete application to determine program eligibility, to prioritize community need among applicants, and to make recommendations for funding.

(c) An application in which the physician has less than ten post-residency years will be given priority.

(d) An application, which contains false information included to increase the likelihood of receiving funding, shall be denied consideration for the duration of the application period.

(e) An applicant who has filed bankruptcy is not eligible.

(f) The Office may renegotiate the amount of matching funds to be awarded to any applicant.

(g) The Office may limit award amounts based on the availability of funds.

(h) The executive director of the Office may waive provisions of these rules if necessary to address unusual or exceptional community or physician eligibility issues.

257.325. Breach of Contract.

(a) Binding contract. A contract executed under this subchapter between the Office and the supporting community is a binding contract.

(b) A supporting community shall notify the Office in writing within two weeks of any change in its status or that of the participating physician.

(c) The Office may find that the supporting community has breached the contract if the supporting community fails to:

(1) provide the full amount of funding specified in the contract; or

(2) fulfill any other conditions specified in the contract.

(d) If the Office finds that the supporting community has breached the contract, the Office may require the following listed in paragraphs

(1) - (4) of this subsection:

(1) forfeiture of all claim to funds and/or property acquired through use of the state matching funds disbursed through this program;

(2) cancellation of the physician's obligation of service in the supporting community;

(3) reimbursement by the supporting community to the Office of state matching funds; and

(4) forfeiture of the opportunity to participate in the program in the future.

257.503. Administration of the Program.

(a) The Office administers the Program.

(b) The Board delegates to the Executive Director the necessary powers, duties, and functions to administer the Program.

(c) The office may seek, receive, and spend money received through an appropriation, grant, donation, or reimbursement from any public or private source to implement this subchapter.

The repeal is proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the proposed repeal.*

257.801. Definition of Terms.

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

(1) Advisory Panel--a committee appointed by the Office of Rural Community Affairs which assists the Office in recruiting and retaining health professionals in medically underserved areas in the State of Texas.

(2) Office--The Office of Rural Community Affairs created by Chapter 487 of the Texas Government Code.

(3) Board--The eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(4) Health professional--any provider of health care or health related services, other than a physician, who holds a license, certificate, registration, permit or other authorization required by law or a state agency rule that the individual must obtain in order to practice in a health care profession.

(5) Investment Program--the Rural Communities Health Care Investment Program that was created to attract and retain rural health professionals.

(6) Medically Underserved Community--a community that is located in a county with a population of 50,000 residents or less; which has been designated under state or federal law as either a health professional shortage or medically underserved area; or which the Office has designated as a medically underserved area.

(7) Permanent endowment fund--a special state treasury fund, outside general revenue, that supports the Investment Program.

(8) Recipient--an eligible health professional or student in a degree program preparing to become a health professional who receives a loan reimbursement or stipend through the Investment Program.

257.809. Advisory Committee.

(a) The Advisory Committee is appointed by the Office to assist in the Office's duties. The advisory panel must consist of at least the following:

(1) one representative from the Texas Higher Education Coordination Board;

(2) one representative from the institutions of higher education that offer degrees in health professions that are relevant to the Investment Program;

(3) one representative from a hospital in a medically underserved community;

(4) one physician practicing in a medically underserved community;

(5) one health professional, other than a physician, practicing in a medically underserved community; and

(6) one public representative who resides in a medically underserved community.

(b) The purpose of the panel is to advise the Board.

(c) The tasks of the panel are to assist with the program and provide input regarding the program.

(d) The panel will report to the Board in writing at least annually.

The amendments are proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the proposed amendments.*

257.901. Purpose, Administration and Delegation of Powers and Duties.

(a) The purpose of the Rural Physician Relief Program is to provide affordable relief services to rural physicians practicing in the fields of general family medicine, general internal medicine, and general pediatrics to facilitate the ability of those physicians to take time away from their practice.

(b) The Office of Rural Community Affairs, or its successor or successors, shall administer the Rural Physician Relief Program.

(c) The Board delegates to the executive director the necessary powers, duties and functions to administer the program.

257.902. Definitions.

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

(1) Office--The Office of Rural Community Affairs.

(2) Board--the eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(3) Executive Director--The chief executive officer of the Office of Rural Community Affairs.

(4) Physician--A person licensed to practice medicine in this state under Subtitle B, Title 3, Occupation Code.

(5) Relief Services--The temporary coverage of a physician's practice by another physician for a predetermined time during the physician's absence and before the physician's return.

(6) Rural Community--A community meeting any of the following criteria listed in subparagraphs (A)-(C) of this paragraph:

(A) a community located in a county with a population not greater than 50,000;

(B) an area designated under state or federal law as:

(i) a health professional shortage area; or

(ii) a medically underserved area; or

(C) a medically underserved community designated by the office.

(7) Registry--a listing of physicians, maintained by the office, who are available to provide relief services.

257.906. Advisory Committee.

(a) The Advisory Committee is appointed by the Board to assist in the office's duties. The Advisory Committee shall consist of:

(1) a physician who practices in the area of general family medicine in a rural county;

(2) a physician who practices in the area of general internal medicine in a rural county;

(3) a physician who practices in the area of general pediatrics in a rural county;

(4) a representative from an accredited Texas medical school;

(5) a program director from an accredited primary care residency program;

(6) a representative from the Texas Higher Education Coordinating Board;

(7) a representative from the Texas Medical Board.

(b) A hospital administrator in a rural county serves as a non-voting member of the community.

(c) The purpose of the Advisory Committee is to assist the office in administering the program.

(d) The Advisory Committee will report to the Board in writing at least annually.

The amendments are proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the proposed amendments.*

257.951. Purpose, Administration, and Delegation of Powers and Duties.

(a) The purpose of the Critical Access Hospital Board of Trustee Continuing Education Program is to encourage continuing education for all Critical Access Hospital Trustees to assist them in the governance of a Critical Access Hospital.

(b) The Office of Rural Community Affairs, or its successor or successors, shall administer the Critical Access Hospital Board of Trustee Continuing Education Program.

(c) The Board delegates to the Executive Director the necessary powers, duties, and functions to administer the program.

257.952. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Critical Access Hospital--A hospital designated by the Centers for Medicare and Medicaid Services to receive cost based reimbursement for covered services provided to Medicare recipients. Such hospitals are small facilities that give limited outpatient and inpatient services to people in rural areas.

(2) Board--The eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(3) Executive Director--The chief executive officer of the Office of Rural Community Affairs.

(4) Office--The Office of Rural Community Affairs.

(5) In Person Classroom Continuing Education--This includes education at a meeting or seminar and interactive videoconferencing involving more than one Critical Access Hospital.

(6) Continuing Education--Education received by a Critical Access Hospital trustee that is approved by the office.

(7) Trustee--A member the governing authority of a Critical Access Hospital which is responsible for a hospital's organization, management, control and operation.

SUMMARY

Appointment of new Advisory Committee Members for the Outstanding Rural Scholar Recognition Program (ORSRP)

Presented by Theresa Cruz

DISCUSSION

The Outstanding Rural Scholar Recognition Program has been beneficial in previous years to rural Texas communities by enabling them to “grow their own healthcare professionals” by allowing communities to nominate students to become ORSRP scholars and be able to attend school while receiving a forgiveness loan to complete their training.

The Office of Rural Community Affairs, State Office of Rural Health is the administrative office for this program. In compliance with the Texas Administration Code, Title 10, Part 6, Chapter 257, Subchapter B, Rule 257.23, a 12 member ORSRP Advisory Committee is to meet for purposes of nominating ORSRP scholars to the ORCA Executive Director for final approval after each application deadline, currently three times a year. There are currently two vacancies on the Committee. Included please find the Appointment Renewal/Acceptance forms and resume/curriculum vitae for:

- Renee Zimmerman Gamble, NP-C, a former ORSRP Participant (Pages 1 through 3 out of 40), and
- Steven L. Berk, MD (Pages 4 through 40 out of 40)

RECOMMENDATION

It is recommended that the Executive Committee accept the appointment of the two proposed ORSRP Advisory Committee members.

RURAL DEFINITION

For purposes of the State Office of 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**



Governor Rick Perry
Dr. Wallace Klusmann, Chair
David Alders, Vice Chair
Dr. Mackie Bobb, Secretary

ORCA GOVERNING BOARD
Agriculture Commissioner Todd Staples
Woody Anderson
Charles M. Butts
Remelle Farrar
Jonquin L. Rodriguez
Lydia Rangel Saenz
Patrick Wallace
Vacant

Outstanding Rural Scholar Recognition Program (ORSRP) Advisory Committee Appointment Renewal / Acceptance Form

Please read entire form and complete all information as requested. Please use blue or black ink to complete these form. Thank you!

Name: Renee Zimmerman Gamble
Address: 222 Bluebonnet Drive
City, State, Zip: Junction, Texas 76849
Contact #: 325-446-4465
E-Mail: reneezgamble@yahoo.com
Preferred Method of Contact: email

ORSRP Committee member duties include:

- Review all eligible ORSRP applications and score each eligible application for candidate suitability for ORSRP program.
- Determine minimum score needed to be accepted into the ORSRP.
- ORSRP committee members review cases and make recommendations concerning:
 - a) exceptions regarding the community in which a student may fulfill the obligated service period, and
 - b) exceptions concerning a students academic progress.
- Recommend guidelines for awarding forgiveness loan and nomination process.

ORCA will attempt to notify ORSRP Committee members of upcoming meetings several weeks prior to meeting date (usually within 3 weeks of ORSRP application deadlines).

www.orca.state.tx.us

MAIN OFFICE

1700 N. Congress Avenue, Suite 220
Austin, Texas 78701
P.O. Box 12877
Austin, Texas 78711

Agency: 512-938-0761
Toll Free: 800-544-2042
Fax: 512-938-6776
Email: orca@orca.state.tx.us

Charles S. (Charlie) Stone
ORCA Executive Director

FIELD OFFICES

Alice 361-661-3665
Delize 936-895-2456
Kountze 409-246-8547
La Grange 979-958-6764

Levelland 806-887-1113
Nacogdoches 936-560-4188
Sweetwater 325-236-8872
Vernon 940-563-9568

Page 1 of 40

I am (check appropriate):

- Accepting appointment to the ORSRP Committee
- Declining appointment to the ORSRP Committee
- Renewing my appointment to the ORSRP Committee

I am a (check appropriate):

- Practicing Family Physician in a rural Texas area
- Practicing Registered Nurse in a rural Texas area
- Practicing Allied Health Professional in a rural Texas area
- Hospital Administrator in a rural Texas area
- Public School Superintendent in a rural Texas area
- Dean of a Texas Medical School
- Dean of a Texas Nursing School
- Dean of a Texas School of Allied Health Sciences
- Administrator of a Texas Community College
- Head of a Texas Vocational/Technical College
- Individual Knowledgeable in Student Financial Aid Programs
- Resident of a rural Texas area

I am aware that I will be contacted regarding ORSRP meetings and updates and will be asked to participate (in person or via teleconference) in 3 scoring meetings each year to determine ORSRP applicants' suitability for program.

I am aware that appointment to ORSRP Committee is a 6-year term (I may request to be removed from committee before term expiration) and that it is renewable with my consent.

Print Name: Renee Gamble NP-C

Signature: Renee Gamble NRC.

Date: 7/30/08

Renee Zimmerman Gamble NP-C

222 Bluebonnet Drive
Junction, Texas 76849

325-446-4829 (H)
325-446-4465 (C)
reneezeamble@yahoo.com

OBJECTIVE: To provide quality healthcare to patients of all ages.

SUMMARY:

- Thirty years experience as a nurse with 2 years experience as a FNP.
- Worked in a multitude of areas including nursing administration, inpatient care, Infection Control, Employee Health, Prison Systems, Geriatric Care, Emergency Room, GI Lab.

EDUCATION: Masters of Science in Nursing May 2006
Texas A & M University Corpus Christi
Corpus Christi, Texas
Certified Family Nurse Practitioner

Bachelor of Science in Nursing May 2000
Angelo State University
San Angelo, Texas

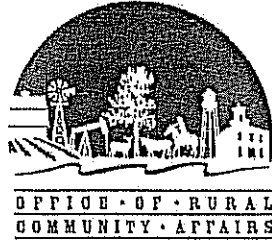
EXPERIENCE: Family Nurse Practitioner, Junction Medical Clinic and Kimble Hospital
Emergency Room

- Rural Health Care with productivity goals met.
- Emergency care

Additional Certifications: ACLS, TNCC

ACTIVITIES:

- Member of Nurses for Kimble County
- Zonta Study Club



Governor Rick Perry
Dr. Wallace Klusmann, *Chair*
David Adams, *Vice Chair*
Dr. Mackia Hahn, *Secretary*

ORCA GOVERNING BOARD
Agriculture Commissioner Told Staples
Woody Anderson
Charles N. Butts
Remella Farrar
Joaquin L. Rodriguez
Lydia Hangel Saenz
Patrick Wallace
Vacant

Outstanding Rural Scholar Recognition Program (ORSRP) Advisory Committee Appointment Renewal / Acceptance Form

Please read entire form and complete all information as requested. Please use blue or black ink to complete these form. Thank you!

Name: Steven L. Berk, MD
Address: Texas Tech University Health Sciences Center, School of Medicine
City, State, Zip: 3601 4th St., MS 6207, Lubbock, TX 79430
Contact #: (806) 743-3003
E-Mail: steven.berk@ttuhsc.edu
Preferred Method of Contact: steven.berk@ttuhsc.edu and Ernestine.gregorycyk@ttuhsc.edu (*copy*)

ORSRP Committee member duties include:

- Review all eligible ORSRP applications and score each eligible application for candidate suitability for ORSRP program.
- Determine minimum score needed to be accepted into the ORSRP.
- ORSRP committee members review cases and make recommendations concerning:
 - a) exceptions regarding the community in which a student may fulfill the obligated service period, and
 - b) exceptions concerning a students academic progress.
- Recommend guidelines for awarding forgiveness loan and nomination process.

ORCA will attempt to notify ORSRP Committee members of upcoming meetings several weeks prior to meeting date (usually within 3 weeks of ORSRP application deadlines).

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Email: orca@orca.state.tx.us

Charles S. (Charlie) Stone
ORCA Executive Director

Field Offices
Alice 361-661-1686
Bedina 830-306-2450
Kountze 409-248-8647
La Grange 979-066-6764

Levelland 800-807-1113
Nacogdoches 930-580-4188
Sweetwater 325-230-0072
Vernon 817-263-3556

I am (check appropriate):

- Accepting appointment to the ORSRP Committee
- Declining appointment to the ORSRP Committee
- Renewing my appointment to the ORSRP Committee

I am a (check appropriate):

- Practicing Family Physician in a rural Texas area
- Practicing Registered Nurse in a rural Texas area
- Practicing Allied Health Professional in a rural Texas area
- Hospital Administrator in a rural Texas area
- Public School Superintendent in a rural Texas area
- Dean of a Texas Medical School
- Dean of a Texas Nursing School
- Dean of a Texas School of Allied Health Sciences
- Administrator of a Texas Community College
- Head of a Texas Vocational/Technical College
- Individual Knowledgeable in Student Financial Aid Programs
- Resident of a rural Texas area

I am aware that I will be contacted regarding ORSRP meetings and updates and will be asked to participate (in person or via teleconference) in 3 scoring meetings each year to determine ORSRP applicants' suitability for program.

I am aware that appointment to ORSRP Committee is a 6-year term (I may request to be removed from committee before term expiration) and that it is renewable with my consent.

Print Name: Steven L. Berk, MD

Signature: 

Date: 7/03/08

CURRICULUM VITAE

STEVEN LEE BERK, M.D.

Vice President for Medical Affairs
Dean and Professor of Medicine, School of Medicine
Interim Vice President for the F. Marie Hall
Institute for Rural and Community Health
Texas Tech University Health Sciences Center, School of Medicine
Lubbock, Texas, 79430

DATE AND PLACE OF BIRTH: March 12, 1949
New York City, New York

MARITAL STATUS: Married (Shirley Anne Holtsclaw)

CHILDREN: Jeremy Charles Berk
Justin Lee Berk

EDUCATION: Boston University School of Medicine
M.D. degree 1975

Brandeis University, Waltham, MA
B.A. degree Magna cum laude 1971
Honors in Anthropology

ACADEMIC: 2007- Vice President for Medical Affairs, Texas Tech
University Health Sciences Center, School of Medicine

2007 - Interim Vice President for the F. Marie Hall Institute
for Rural and Community Health

2007 Interim Dean for the Graduate School of Biomedical Sciences

2006- Dean and Professor of Medicine
Texas Tech University Health Sciences Center
School of Medicine
Lubbock, Texas
(Supervisory role of four-campus program)

2001- Mirick-Myers Endowed Chair in Geriatric Medicine

1999-2006 Regional Dean and Professor of Medicine
Texas Tech University Health Sciences Center
School of Medicine
Amarillo, Texas

1988-1999 Chairman
Department of Internal Medicine
East Tennessee State University
James H. Quillen College of Medicine
Johnson City, Tennessee

1986-1999 Professor of Medicine
Department of Internal Medicine
East Tennessee State University
James H. Quillen College of Medicine
Johnson City, Tennessee

1992-1999 Adjunct Faculty
Department of Pediatrics
East Tennessee State University
James H. Quillen College of Medicine
Johnson City, Tennessee

1991-1999 Adjunct Faculty
College of Nursing
East Tennessee State University
Johnson City, Tennessee

1983-1988 Associate Chairman
Department of Internal Medicine
East Tennessee State University
James H. Quillen College of Medicine
Johnson City, Tennessee

1982-1988 Chief, Division of Infectious Diseases
East Tennessee State University
James H. Quillen College of Medicine
Johnson City, Tennessee

1981-1986 Associate Professor of Medicine
East Tennessee State University
James H. Quillen College of Medicine
Johnson City, Tennessee

1979-1981 Assistant Professor of Medicine
East Tennessee State University
James H. Quillen College of Medicine
Johnson City, Tennessee

1977-1979 Teaching Fellow in Medicine
Preceptor in Physical Diagnosis
Boston University School of Medicine

**MEDICAL
EXPERIENCE:**

2007- University Medical Center, Board of Managers

2006- Texas Tech Physicians of Lubbock
(HIV Clinic)

1999-2006 Texas Tech Physicians of Amarillo

1988-1999 Staff Physician
Veterans Affairs Medical Center
Johnson City Medical Center Hospital

1988-1999 Clinician, University Physicians Practice Group
Primary Care Infectious Disease

1989-1998 Consultant, Colonial Hills Nursing Home

1982-1988 Chief of Medicine
Veterans Affairs Medical Center
Johnson City, Tennessee

1979-1983 Chief, Division of Infectious Diseases
Veterans Affairs Medical Center
Johnson City, Tennessee

1977-1979 Research and Clinical Fellow in Infectious Diseases
Boston City Hospital

1977-1978 Senior Medical Resident
Boston City Hospital

1976-1977 Medical Resident
Boston City Hospital

1975-1976 Medical Intern
Boston City Hospital

1975 Extern, Indian Health Services
Keams Canyon, Arizona

CERTIFICATION:

American Board of Internal Medicine
Internal Medicine, 1979
Infectious Diseases, 1982
Geriatric Medicine, 1988 (Recertified 2002-2012)

FELLOWSHIP:

American College of Physicians (FACP, 1985)
American College of Chest Physicians (FCCP, 1985)

American Geriatric Society (AGSF, 1985)
Infectious Disease Society of America (FIDSA, 1986)

MEMBERSHIP: American Association of Medical College, Council of Deans (2006-)
Association of Professors of Medicine (1988-1999)
Association of Veterans Administration Chiefs of Medicine (1982-1988)
American Geriatric Society
American Osler Society
Association of Program Directors in Internal Medicine (1988-1998)
American Medical Association
Board of Directors—Alpha Omega Alpha (1997-2000)

HONOR SOCIETIES: Phi Beta Kappa
Alpha Omega Alpha (ETSU)
Sigma Xi

REVIEWER: Archives of Internal Medicine
JAMA
Patient Care
American Journal of Medicine
Annals of Internal Medicine
Journal of Infectious Diseases
Reviews of Infectious Diseases
Journal of the American Geriatric Society
Journal of Gerontology
VA Merit Review Grant Program
European Journal of Clinical Microbiology
New York State Journal of Medicine
Infections in Medicine
Chest
American Reviews of Respiratory Disease
Academic Medicine
Consultant
Clinical Geriatrics
Advisory Panel for Health Care Business Digest
Clinical Infectious Disease
Special Advisory Panel RFP NIH-NIAD DMID 98-12
Evaluation of Vaccines and Therapeutics
Against Infections in the Elderly

EDITORIAL BOARD: Journal of the American Geriatric Society (1991-1994)
Editorial Advisory Board - Clinical Geriatrics (1998-present)

AWARDS:

Boston City Hospital Resident Award, 1976
Teacher of the Year (1982), by the Class of 1984, Quillen-Dishner College of Medicine
(Physical Diagnosis)
Distinguished Clinical Faculty Award, by the Inaugural Class of 1982, Quillen-Dishner

College of Medicine
Faculty Award—Graduating Medical Residents, 1982
Certificate of Appreciation awarded by VAMC for service as member of Resources
(Budget) Committee
VAMC Director Commendation for performance as Chief of Medicine
Teaching Award, presented at Commencement by Class of 1983, Quillen-Dishner
College of Medicine

*Chosen for Hooding Ceremony by Graduating Class, 1983, 1984, 1987, 1988, 1989, 1992, 1993,
1995 (Dec), 1996, 1997, 1997 (Dec), 1998.*

Outstanding Achievement in Research and Publications, Department of Internal Medicine,
Quillen-Dishner College of Medicine, 1982-1983

Teaching Award presented at Commencement by Class of 1984

Teacher of the Year, Internal Medicine Residents, 1984

Teaching Award presented at Commencement by Class of 1985

Teaching Award presented at Commencement by Class of 1986 "Outstanding Instructor"

Professor of the Year (1986), Class of 1988 (Physical Diagnosis Course)

Distinguished Clinician at VAMC presented at Commencement by Class of 1987

Teaching Award presented at Commencement by Class of 1988

Teaching Award presented at Commencement by Class of 1989 "Outstanding Faculty Member"

Who's Who in America, 1989-present

Who's Who in the World, 1990-present

Who's Who in Science and Engineering, 1990

Teaching Award presented at Commencement by Class of 1990, "Most Outstanding Clinical
Faculty"

AOA Award—Appreciation as Chapter Councillor, 1990

Faculty of the Year Award, Internal Medicine Residents, 1990

Faculty of the Year Award, Student National Medical Association, 1991

Teaching Award presented at Commencement by Class of 1992, "Most Outstanding Faculty"
*Distinguished Faculty Award, East Tennessee State University, 1992 (The University's highest
teaching award)*

Teaching Award presented at Commencement by Class of 1993, "Most Outstanding Faculty"
Deans Teaching Recognition Award

Spring 1994, Fall 1995 (Clinical Skills, Practicing Medicine III); Spring 1995 (Clinical Skills,
Junior Medicine, Senior Medicine); Spring 1996 (Junior Internal Medicine, Senior
Internal Medicine); Fall 1996 (Clinical Skills, Practicing Medicine III); Spring 1997 (Junior
Internal Medicine)

Faculty Award, Student National Medical Association, 1995

Faculty Senate Certificate of Achievement, 1996

Recognition for serving as Subcommittee Chairman

Faculty Senate Certificate of Achievement, 1996

Recognition for serving as Member of Executive Committee

Teaching Award presented at Commencement by Class of 1997, "Most Outstanding Clinical
Faculty"

Tennessee Laureate Award-American College of Physicians, 1998

Teaching Award Class of 1999—Best Clerkship Director
Award Texas Tech Graduating Class 2003, "In Appreciation and Deep Gratitude the Class
of 2003 Honors Dr. Steven Berk"
Texas Tech Distinguished Service Award 2003, "Awarded in Recognition of Significant
Contributions to the Development and Progress of the School of Medicine through
Exemplary Performance in Teaching, Scholarship Clinical Practice and Service to the
Community"
AOA Visiting Professor, East Tennessee State University, April 2004
Hope Award—Presented by Multiple Sclerosis Foundation, September 2006
AOA Visiting Professor, East Tennessee State University, College of Medicine, April 2006

TEACHING/COMMITTEE APPOINTMENTS:

East Tennessee State University James H. Quillen College of Medicine

Director, Internal Medicine Residency Programs, 1988-1998
Co-Director, Combined Internal Medicine/Pediatrics Residency Programs, 1993-1998
Course Director, Physical Diagnosis ICM II Course, Second-Year Students, 1981-1999
Director, Third & Fourth Year Clerkship in Medicine, 1982
Living Anatomy Preceptor, First-Year Students, 1979-1982
Physical Diagnosis Preceptor, Second-Year Students, 1979-1998
Preceptor, Third-Year Students, (1-2 groups/year), 1979-1999
Coordinator, Fourth-Year Elective in Infectious Disease and Microbiology, 1979-1988
Student Adviser (6-14 students/year), 1980-1999
Member, Faculty Advisory Council, 1981-1982
Panel Member, Moderator, First-Year Student Orientation, 1981-1989
Member, Institutional Review Board, East Tennessee State University, 1982-1984
Member, Student Promotions Committee, 1982-1999
Member, Curriculum Committee, ETSU College of Medicine, 1983-1986
Chairman, Curriculum Committee, Department of Medicine, 1983-1986
Lecturer in Endocrinology for all ICM-IV Topics &
3rd Year Student Saturday lectures, 1985-1987
Lecturer in Infectious Disease for 3rd Year Student Saturday lectures, 1983
Lecturer, Clinical Concepts, Clinical Pharmacology, Microbiology
Chair's Group, 1988-1999
MEAC Board of Directors, 1988-1999
MEAC Administration and Budget Committee, 1988-1999
MEAC Administration and Budget Committee, Chairman, 1989-1999
MEAC Corporation, Vice President, 1989-1999
MEAC Compensation Committee, Chairman, 1995
Member, Search Committee for Dean, College of Medicine, 1988
Member, Search Committee for Associate Dean of Finance, 1988
Member, Search Committee for Quillen Chair of Excellence, 1990
Member, Search Committee for Dean, School of Nursing, 1994
Member, Search Committee for Assoc. Dean/Vice President for Finance and Adm., 1995
Member, Search Committee for President, 1996-1997
Chairman, Search Committee for Chairman, Department of Surgery, 1989

Chairman, Search Committee for Chairman, Department of Obstetrics/Gynecology, 1990
Chairman, Search Committee for Dishner Chair of Excellence in Infectious Disease, 1990-1993
Chairman, Search Committee for Chairman, Department of Pharmacology, 1995-1996
Chairman, LCME Subcommittee for Graduate Medical Education, 1996
Co-Chairman, Long Range Planning Committee, 1996
Co-Chairman, Medical Student Education Committee, 1996-1998
Chairman, Internal Review Committee for Family Medicine Residency Programs, 1996
Councillor, AOA - Elected 1989-1991, 1992-1994, 1995-1997, 1998
Councillor, Student National Medical Association, 1990-1999
ETSU Faculty Senate, Elected 1992-1995, 1996-1999
Chairman, Concerns and Grievances Subcommittee of Faculty Senate, 1993-1995, 1996
Elected, Executive Committee of Faculty Senate, 1995-1996, 1996-1997, 1998-1999
School of Nursing, Visiting Committee, 1995
President, Faculty Senate, 1998
Chairman, ETSU-JCMC Cancer Research Group, 1998-1999

Texas Tech University Health Sciences Center, School of Medicine at Amarillo

Chairman, MPIP Administration and Budget Committee, 1999
Board of Director's, Women's Health Research Institute, 1999
Executive Committee, Potter-Randall County Medical Society
Co-Chairman LCME Task Force on Governance, 2000
Member, Task Force on Anti-Terrorism and Public Security, 2001
Member, Search Committee for the Chancellor, 2001
Member, Executive Committee Institute for Healthy Aging, 2002
Preceptor, Second and Fourth year students geriatric module
Preceptor, Third year students on Principles of Antibiotics (3 hours per rotation)
Chair, Multi-campus Committee on Step 2B Exam

Veterans Affairs Medical Center

Member, Pharmacy and Therapeutic Committee, 1979-1988
Chief, Medical Service, 1982-1988
Chairman, Utilization Review Committee, 1982-1986
VA Dean's Committee, 1982-1999
Member, Research and Development Committee, 1982-1983
Member, House Staff Review Committee, 1982-1988
Member, Resources Committee, 1982-1987
Member, Clinical Executive Board, 1982-1988
Expert Witness, Alzheimer's Disease, United States House of Representatives Subcommittee on
Science and Technology, VAMC, Mountain Home, Tennessee, August 1984
Chief of Medicine Representative to District Planning Board, 1985-1988
Special Mission for VA Inspector General, VAMC, Cheyenne, Wyoming, September 1985
Adviser to Office of Senator Albert Gore, Jr.—written reports on VAMC and Alzheimer's disease:
Use of Disinfectants and Role of FDA
Chairman, Ethics Committee, 1988-1992
Member, Ethics Committee, 1988-1998
Chair, Dean's Committee, Texas Tech University Health Sciences Center School of Medicine,
Amarillo Veterans Administration, 1999

Other

ETSU Presidents' Trust, Endowed \$100,000 scholarship fund
Texas Tech University Chancellor Scholarship Fund, \$10,000
Board of Directors, Cardiovascular Research Institute, East Tennessee State University,
1996-1999
University Physicians' Practice Group/Johnson City Medical Center Combined Strategies
Committee, 1996-1998
Secretary/Treasurer, Tennessee Geriatric Society, 1989-1991
Governors Council, Tennessee Chapter of American College of Physicians, 1990-1998
Associates Council, Tennessee Chapter of American College of Physicians, 1990-1998
Membership Committee, Tennessee Chapter of American College of Physicians, 1993-1994
Member, Alexander Project (International Panel for Study of Pneumonia), 1991-1995
Honorary Chairman, Boston City Hospital Reunion Committee, 1992
Home Health Technology Scientific Advisory Board, 1992-1997
Chairman, Scientific Advisory Board Amarillo Bioscience, 1994-1998
Candidate for Governor, American College of Physicians Tennessee, 1995
AOA National Board of Directors, Councillor Director, 1997-2000
National AOA Student Research Award Committee, 1997-2000
Chairman, AOA Chapter of the Year Committee, 2000
Governors Council Tennessee Chapter of American College of Physicians Elected
representative, Eastern Tennessee, 1998-2002 (Resigned 1999)
ACP/ASIM, National Medical Student Competition Review Board, 2000
Texas Tech University, Phi Beta Kappa – Founding Committee on Membership, 2006

COMMUNITY ACTIVITIES:

Co-President, Towne Acres PTA, 1993
Coach, Instructional League, 1993
Assistant Coach, T-Ball, 1992
Pop Warner Football Team Physician, 1995
Board of Directors, Northwest Texas Healthcare System, 1999
Board of Directors, Harrington Cancer Center, 1999
Executive Committee, Northwest Texas Healthcare System, 1999
Rotary Club, 2000-2002
Amarillo HIV/AIDS Consortium, 2000-2001
Chairman, Workforce Mobilization Subcommittee, 2001
City of Amarillo, Bioterrorism Preparedness Committee, 2002
Member, Amarillo Chamber of Commerce, Governance Committee, 2002
Amarillo Chamber of Commerce, Health Care Industry Subcommittee, 2002
Executive Board, United Way of Amarillo, 2002
United Way of Amarillo, Healthcare Co-Chair, 2002, Outstanding Achievement Award, 2003
Harrington Cancer Center, Research Committee, 2002
Board of Directors, Harrington Regional Medical Center, 2003
United Way, Chairman, SECC Campaign, 2003
March of Dimes, Honorary Chairman, Amarillo, 2003
Board of Directors, American Diabetes Association, 2003
Board of Directors National Kidney Foundation, 2004

Alzheimer's Association Texas Star Chapter Board of Directors, 2004—
Honorary Chairman Alzheimer's Association Walk- October, 2004
Chairman, American Diabetes Association Walk, 2005
Chairman, March of Dimes Walk, 2005
Chairman, March of Dimes, March for Babies Walk, 2008-2009

PUBLICATIONS:

1. BERK SL, Ullrick WC. Effect of growth hormone and thyroxine on the contractile properties of dystrophic muscle, Experientia 29:809, 1973.
2. BERK SL, Block PS, Toselli PA, Ullrick WC. The effects of chronic alcohol ingestion in mice on contractile properties of cardiac and skeletal muscle, Experientia 31:302, 1975.
3. BERK SL, Kino M, Spodick DH. Noninvasive differentiation of cardiomyopathy from coronary heart disease by central pulse transmission time and systolic time intervals, Journal of American Geriatric Society 24:253, 1980.
4. BERK SL, McCabe WR. Meningitis caused by gram negative bacilli, Annals of Internal Medicine 93:253, 1980.
5. BERK SL, McCabe WR. Meningitis caused by acinetobacter calcoaceticus var. anitratus. A specific hazard in the neurosurgical patient, Archives of Neurology 38:95, 1981.
6. BERK SL, Rice PA, Reynolds CA, Finland M. Pneumococcal pericarditis: A persisting problem in contemporary diagnosis, American Journal of Medicine 70:247, 1981.
7. DeMaria A, Browne K, BERK SL, Sherwood EJ, McCabe WR. An outbreak of Type I pneumococcal pneumonia in a men's shelter, Journal of the American Medical Association 29:228, 1981.
8. BERK SL, Holtsclaw SA, Khan A, Smith JK. Transtracheal aspiration in the elderly patient with bacterial pneumonia. An assessment of value and safety, Journal of American Geriatric Society 29:228, 1981.
9. BERK SL, Wiener SL, Eisner L, Duncan J, Smith JK. Mixed *streptococcus pneumoniae* and gram negative bacillary pneumonia in the elderly, Southern Medical Journal 74:144, 1981.
10. BERK SL, Gallemore G, Smith JK. Nosocomial pneumococcal pneumonia in the elderly, Journal of American Geriatric Society 29:31, 1981.
11. BERK SL, Holtsclaw SA, Weiner SL, Smith JK. Nontypeable *haemophilus influenzae* in the elderly, Archives of Internal Medicine 142:537-9, 1982.
12. BERK SL, Neuman P, Holtsclaw SA, Smith JK. *Escherichia coli* pneumonia in the elderly, with reference to the role of E. Coli K1 capsular polysaccharide antigen, American Journal of Medicine 72:899, 1982.

13. Verghese A, BERK SL, Boelen L, Smith JK. Group B streptococcal pneumonia in the elderly, Archives of Internal Medicine 142:1642, 1982.
14. West M, BERK SL, Smith JK. *Branhamella catarrhalis* pneumonia, Southern Medical Journal 75:1021, 1982.
15. BERK SL, Smith JK. Infectious diseases in the elderly, Medical Clinics of North America 67: 273-293, 1983.
16. BERK SL, Verghese A, Holtsclaw SA, Smith JK. Enterococcal pneumonia, occurrence in patients receiving broad spectrum antibiotic regimens and enteral feeding, American Journal of Medicine 74:153, 1983.
17. BERK SL. Emergence of resistance to aminoglycosides, a national surveillance study, M.E.D. Communications CME Program Monograph, 1983.
18. BERK SL, Neuman P, Chi DS, Smith JK. Enhanced virulence effect of K1 polysaccharide in neonatal rats challenged with E. Coli, Current Microbiology 8:297-299, 1983.
19. Verghese A, BERK SL. Diagnosis of bacterial pneumonia in the elderly, Geriatric Medicine Today 2:90, 1983.
20. Verghese A, BERK SL. Bacterial pneumonia in the elderly, Medicine 62:271-285, 1983.
21. Rice PA, Tsung YK, Gnehm HE, Pelton SI, Gulati S, Wallace RJ, BERK SL, Milunsky A. Human bactericidal antibody (HBCA) activities against specific and cross-reactive outer membrane (CM) protein (OMP) determinants of nontypeable *H. influenza* (NTHI) are inhibited by OMP specific monoclonal antibodies (MA), Pediatric Research 17, No. 4 (1161), 1983.
22. BERK SL. Herpes Zoster: What you can do to help, Patient Care 17:165-180, 1983.
23. BERK SL, Verghese A, Berk M, Dison C, Smith JK. Survey of physician acceptance of the pneumococcal vaccine, Southern Medical Journal 77:450-454, 1984.
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72. Siddiqui AA, Wang L, BERK SL. *Strongyloidiasis* revisited. Molecular Medicine Seminar Series, East Tennessee State University, Johnson City, TN, 1997.
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RESEARCH GRANTS:

BERK SL, Smith JK, co-investigators. A survey of the susceptibility patterns of gram-negative organisms related to aminoglycoside usage pattern, Bristol Laboratories, 1981-86, \$361,847.

BERK SL. *Escherichia coli* infection in the elderly, RAGS Grant, Veterans Affairs Medical Center, 1982, \$25,000.

BERK SL. Cefotiam in the treatment of non-pneumococcal lower respiratory tract infection, Ciba-Geigy, 1982, \$48,000.

BERK SL. Infectious disease fellowship & research support grant, Beecham Pharmaceuticals 1983-91, \$185,000.

BERK SL. A randomized clinical trial of timentin vs. piperacillin in urinary tract infection, Beecham Laboratories, 1983-84, \$8,500.

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BERK SL, Alvarez S. Susceptibility of aminoglycoside resistant gram-negative bacilli to the newer penicillins and cephalosporins, Beecham Laboratories, 1986, \$25,000.

Alvarez S, BERK SL, Hatcher E, Dralle W. A clinical study for the comparative evaluation of ceclor versus doxycycline in the treatment of bacterial bronchitis, Eli Lilly and Company, 1985, \$25,000.

Alvarez S, BERK SL. The in vitro activity of ticarcillin, amoxicillin plus their combination with potassium clavulanate against methicillin-resistant *Staphylococcus aureus*, Beecham Laboratories, 1985, \$20,000.

Alvarez S, BERK SL. In vitro interactions of amikacin and new beta-lactams against amikacin-resistant gram-negative bacilli, Beecham Laboratories, 1986, \$2,000.

BERK SL. In vitro sensitivity of *Branhamella catarrhalis* to sulbactam, Roerig-Pfizer, 1987, \$9,200.

BERK SL. A comparison of ampicillin sulbactam vs. cefamandole in the treatment of pneumonia in the elderly, Roerig-Pfizer, 1987, \$55,000.

BERK SL, Howe D. A comparison of ivermectin vs. thiabendazole in the treatment of *Strongyloidiasis*, Merck Sharp and Dohme, 1990, \$10,913.

BERK SL. A study of the susceptibility of *Branhamella catarrhalis* to ceftriaxone, Roche Laboratories, 1991, \$8,700.

BERK SL. In vitro antibiotic susceptibility studies for *Moraxella catarrhalis* including sparfloxacin and streptogramin, Rhone-Polence Rorer, 1992, \$17,500.

BERK SL. Antibiotic sensitivity testing of community-acquired respiratory pathogens, Smith, Kline, Beecham, 1992, \$1,973.

Smith JK, BERK SL, Krishnaswamy G, Youngberg G, Chi, DS. The effect of topical oral interferon alpha on mucosal and systemic immunity, Amarillo Bioscience, 1994, \$8,629.

BERK SL, Williams EA. Enterococcal pneumonia, Pfizer Laboratories, 1995-96, \$30,000.

BERK SL, Walker E. Augmentin susceptibility and genetic diversity of *Moraxella catarrhalis*, Smith, Kline, Beecham, 1995-96, \$18,000.

Smith JK, BERK SL. Aquaporin 5 mRNA expression in Sjogren's syndrome: Possible unregulation by interferon alpha, Amarillo Cell Culture Company, 1997, \$19,642.

Smith JK, BERK SL. The effect of topically applied human interferon alpha (HuIFN α) on ISG-15 production by Buccal Epithelia Study #97TPX01, Amarillo Cell Culture Company, 1997, \$16,775.

BERK SL [PI]. Serodiagnosis of *Strongyloidiasis*, Texas Tech University Health Sciences Center, School of Medicine, seed grant, 9/00-8/01, \$17,100.

Siddiqui AA [PI], BERK SL [Co-PI]. Studies on nuclear hormone receptor (Daf-12) of the human parasite, *Strongyloides stercoralis*. National Institute of Allergy and Infectious Diseases, NIH (1R21AI067433-01), August 2005-July 2007 (Pending).

BERK SL, Wright C, Zoller D. Geriatric Fellowship Program in Amarillo Bivins Foundation, \$377,000. 2002.

BERK SL, Habersang R, Pediatric Oncology Program in Amarillo, Amarillo Area Foundation and Harrington Cancer Center, \$900,000, 2001-2004.

BERK SL, Wright C, Zoller D, Raehl C, Amarillo Alzheimer's Academy, Amarillo Area Foundation, \$390,000, 2004-2007.

Bickley L, Project Director, BERK SL, Associate Project Director, et al., Aging and Quality of Life in the Southwest: A Comprehensive Competency Based Program to Strengthen Physician Training in Geriatrics, \$1,999,947, Reynolds Foundation, June 2006-2009.

BERK SL, (PI) West Texas AHEC Community Partnerships 2007-2009. Health Resources and Service Administration, VV76HPO7736, \$2,700,000, 2006-2008.

Siddiqui, A. (PI) Berk SL (Co-PI) – Steroids and Strongyloides Hyperinfection, National Institute of Allergy and Infectious Disease, R21, Submitted

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MAJOR LECTURES/PRESENTATIONS:

DeMaria A, BERK SL, Browne K, McCabe WR. An Outbreak of Pneumonia due to Capsular Type I *Streptococcus Pneumoniae* in a Men's Shelter, Interscience Conference of Antimicrobial Agents and Chemotherapy, Boston, MA, 1979.

BERK SL, Wiener SL, Eisner L, Duncan J, Smith JK. Mixed *Streptococcus Pneumoniae* Gram Negative Bacillary Pneumonia in the Elderly, Regional Meeting, American College of Physicians, Memphis, TN, November 1980.

BERK SL. Pneumococcal Vaccine, Pulmonary Medicine-Continuing Medical Education, ETSU College of Medicine, Johnson City, TN, October 3, 1981.

BERK SL. Bacterial Meningitis in the Elderly, Conference on Infections in the Elderly, Continuing Medical Education, ETSU College of Medicine, Johnson City, TN, April 7, 1982.

BERK SL. Antibiotics in Gram Negative Sepsis, Medical Grand Rounds, Spartanburg General Hospital, Spartanburg, SC, April 23, 1982.

BERK SL. Principles of Antibiotic Therapy in Surgical Infection, Surgical Grand Rounds, University of Tennessee Memorial Research Center, Knoxville, TN, Visiting Professor, June 1982.

BERK SL. Antibiotics in Gram Negative Bacteremia, Grand Rounds, VA Medical Center, Asheville, NC, July 1982.

Verghese A, BERK SL, Neuman P, Shell C, Holtsclaw SA, Smith JK. Increasing Amikacin Usage

and its Effect on Aminoglycoside Resistance to Gram Negative Bacilli, 23rd Interscience Conference on Antimicrobial Agents and Chemotherapy, Las Vegas, NV, October 1983.

BERK SL. Infections in the Elderly, Seminar in Infectious Diseases, Baptist Memorial Hospital, Memphis, TN, May 1984.

BERK SL. New Problems with Infections in the Elderly, Grand Rounds, VAMC, Washington, DC, Visiting Professor, June 1984.

Alvarez S, Berk SL, Jones M, BERK SL. Susceptibility of Amikacin-Resistant Aerobic Gram-Negative Bacilli (ARGN) to the New Beta-Lactam Antibiotics, 24th Interscience Conference on Antimicrobial Agents and Chemotherapy, Washington, DC, October 1984.

Smith B, Verghese A, Guiterrez C, Dralle W, BERK SL. Pulmonary *Strongyloidiasis*: Diagnosis by Sputum Gram Stain, Abstract, presented at 78th Annual Scientific Assembly, Southern Medical Association, New Orleans, LA, November 1984.

BERK SL. Infections in the Geriatric Patient, presented at 36th Annual Scientific Assembly of the South Carolinas Academy of Family Physicians, Hilton Head, SC, December 1984.

BERK SL. Immunoprophylaxis in the Elderly, Guest Faculty Member at the 1985 Intensive Course in Geriatric Medicine, University of California, Los Angeles, CA, January 1985.

BERK SL. Infections in the Elderly, Grand Rounds, University of California at Irvine, Visiting Professor, January 1985.

Karnad A, Alvarez S, BERK SL. Pneumonia Caused by Gram-Negative Bacilli, Symposium on Amikacin, Palm Springs, CA, January 1985.

BERK SL. Immunoprophylaxis in the Elderly, Emory University, Wesley Wood Foundation, Atlanta, GA, May 1985.

BERK SL. Alzheimer's Disease, Differential and Related Disorders, VAMC, Mountain Home, TN, September 1985.

BERK SL. Urinary Tract Infection, Dade County Association of Family Physicians, Ft. Lauderdale, FL, November 1985.

BERK SL. Infections in the Elderly, Grand Rounds, University of Tennessee at Chattanooga, TN, Visiting Professor, December 1985.

BERK, SL. Meningitis in the Geriatric Patient, University of Tennessee at Chattanooga, TN, December 1985.

BERK SL. Management of Infectious Diseases in the Elderly, St. Mary's Medical Center, Knoxville, TN, February 1986.

BERK SL. Sir William Osler: His Advice to Physicians for the 21st Century, Appalachian History of Medicine Society, Johnson City, TN, April 1986.

BERK SL. Infection Control: New Concepts, New Roles, New Challenges, Southeastern Regional Medical Education Center, Birmingham, AL, September 1986.

BERK SL. Sir William Osler: Advise to Students of Medicine, Phi Rho Sigma, East Tennessee State University College of Medicine, Johnson City, TN, December 1986.

BERK SL. Infections in the Elderly, Smoky Mountain Infectious Diseases Conference, The University of Tennessee, Gatlinburg, TN, April 1987.

BERK SL. Update on Newer Antibiotics, a Symposium on Current Topics in Clinical Infectious Diseases, VA Medical Center and University of Virginia School of Medicine, Roanoke, VA, April 1987.

BERK SL. Community-Acquired Pneumonia in the Aged, Panel Member, Clinical Infections in the Elderly, American Geriatrics Society 44th Annual Meeting, New Orleans, LA, May 1987.

BERK SL. Infectious Diseases: Prevention and Management, American Geriatrics Society, Knoxville, TN, October 1987.

BERK SL. Bacterial Pneumonia in the Elderly, Grand Rounds, Bowman Gray School of Medicine, Winston-Salem, NC, Visiting Professor, October 1987.

BERK SL. Emergence of *Branhamella catarrhalis*, media briefing, Hill & Knowlton Public Relations Firm, New York, NY, 1988.

BERK SL. Infections in the Last Year of Life, Tennessee Geriatric Society, Gatlinburg, TN, November 1988.

BERK SL. New Developments in Pneumonia in the Elderly, Infectious Disease Grand Rounds, Vanderbilt University School of Medicine, Nashville, TN, November 1988.

BERK SL. *Branhamella catarrhalis* Respiratory Infection, Respiratory Roundtable, Symposia and Medical Communications, New York, NY, April 1989.

BERK SL. Sir William Osler: Ageism and the Fixed Period-a Secret Revealed, American Osler Society Annual Meeting, Birmingham, AL, April 1989.

BERK SL. *Branhamella catarrhalis* Respiratory Infections, National Infectious Disease Forum, Houston, TX, September 1989.

BERK SL. Infections in the Nursing Home, Tennessee Geriatric Society Meeting, Memphis, TN, October 1989.

BERK SL. Antibiotic Therapy in the Elderly, Glaxo Geriatric Infectious Disease Panel, Marco Island, FL, January 1990.

BERK SL. Upper and Lower Respiratory Tract Infection-Update in Primary Care, Southern Medical Association Symposium, New Orleans, LA, February 1990.

BERK SL. AIDS in Rural America, University of North Dakota, Visiting Professor, Grand Rounds, Fargo, ND, April 1990.

BERK SL. Upper and Lower Respiratory Tract Infection-Update in Primary Care, Southern Medical Association Symposium, Hot Springs, AR, April 1990.

BERK SL. Antibiotics in the Elderly, Southern Medical Association Symposium, Jacksonville, FL, July 1990.

BERK SL. *Branhamella catarrhalis* Pneumonia, Tennessee Thoracic Society, Crossville, TN, November 1990.

BERK SL. *Strongyloidiasis*, U. S. Naval Medical Center, Norfolk, VA, March 1991.

BERK SL. Infections in the Elderly, Southern Association for Geriatric Medicine Spring Meeting, Vancouver, BC, Canada, June 19-23, 1991.

BERK SL. AIDS in Historical Perspective-Lessons Relearned, East Tennessee State University, Johnson City, TN, November 1991.

BERK SL. AIDS in Historical Perspective—the Physician Obligation to Treat, Alpha Epsilon Delta Premedical Fraternity Induction, Knoxville, TN, November 1991.

BERK SL. Bacterial Pneumonia, Respiratory Infections in the Elderly, Geriatric Research, Education and Clinical Center, W. Los Angeles VAMC and Regional Medical Education Center, Long Beach VAMC, Culver City, CA, September 1992.

BERK SL. Urinary Tract Infections, Eleventh Annual Symposium on Geriatrics and Gerontology, Department of Veterans Affairs, Saint Louis University Medical Center, St. Louis, MO, and Washington University, St. Louis, MO, September 1992.

BERK SL. Respiratory Infections in the Elderly-Less Common Etiologies, Respiratory Infections in the Elderly Symposium, 1992 Annual Scientific Meeting American Geriatrics Society and American Federation for Aging Research, Washington, DC, November 1992.

BERK SL. Antibiotic Use and the Elderly, Fourth Annual Symposium on "Care of the Aging Patient," University of Tennessee College of Medicine and Erlanger Medical Center, Chattanooga, TN, October 1993.

BERK SL. Pneumonia in the Elderly—Observations of Sir William Osler, Tennessee American College of Physicians Meeting, Gatlinburg, TN, October 1993.

BERK SL. Karnad A. Interferon Alpha in the Treatment of Infectious Diseases and Malignancy,

Hashibara Laboratory, Kyoto JAPAN, November 1993.

BERK SL. Morning Report, Visiting Professor, Texas Tech University Health Sciences Center, Amarillo, TX, January 1994.

BERK SL. Common Infections in Nursing Home Patients, Ninth Annual Smoky Mountains Infectious Diseases Conference, Gatlinburg, TN, June 1994.

BERK SL. Update on the Management of Respiratory Infections, East Tennessee State University James H. Quillen College of Medicine, Office of Continuing Medical Education and Department Family Medicine Conference A Joy of Generalization, @ Abingdon, VA, July 1994.

BERK SL. Management of Respiratory Infections, Infectious Diseases Update, Nashville, TN, September 1994.

BERK SL. Hospital Acquired Pneumonia: The Diagnostic and Therapeutic Challenge, Northeast Tennessee Pulmonary Critical Care Health Symposium, Johnson City, TN, October 1994.

BERK SL. HIV/AIDS, Medical Auxiliary's Teen Health Fair, Science Hill Technical School, Johnson City, TN, April 1995.

BERK SL. Semmelweis: Tragic Hero in the History of Infectious Disease, History of Medicine Museum Lecture, Johnson City, TN, May 1995.

BERK SL. What's Hot in Primary Care: Infectious Disease Cases in the Elderly, Southern Medical Symposium, Palm Beach, FL, July 1995.

BERK SL. Clinical Approach to Antibiotic Use, Tennessee Chapter American College of Physicians, Gatlinburg, TN, November 1995.

Dooley DL, Kalbfleisch J, Leeper SC, BERK SL. Higher ABIM Pass Rates after the Institution of an Organized Harrison's Study Session, Association of Program Directors in Internal Medicine Spring Meeting, San Francisco, CA, April 1996.

Mubarak J, Siddiqui AA, Chi DS, Krishnaswamy G, Hall K, BERK SL. Analysis of Immunodominant Antigens and Humoral Immune Responses to *Strongyloides stercoralis* in Humans, Am. Soc, Microbiol. General Meeting, Miami Beach, FL, 1996.

BERK SL. Infections in the Nursing Home, American Medical Directors Association Annual Meeting, Phoenix, AZ, February 1997.

Smith JK, Dykes R, Krishnaswamy G, Joyner W, BERK SL. Expression of TH2-Type Cytokine Transcripts by Human Buccal Epithelial Cells, presented at the Annual Meeting of the American Academy of Allergy, Asthma, and Immunology, San Francisco, CA, February 21-26, 1997.

Siddiqui AA, BERK SL. *Strongyloidiasis* Revisited, Molecular Medicine Seminar Series, East Tennessee State University, Johnson City, TN, March 1997.

Siddiqui AA, Wang L, BERK SL. Identification and Characterization of Immunodominant Antigens of *Strongyloides stercoralis*, Annual Meeting of the American Society of Parasitologists, Nashville, TN, June 24-28, 1997.

Downs CJ, Whitaker JH, Krishnaswamy G, Chi DS, Kalbfleisch JH, BERK SL, Paul H. Molecular Studies of Polymorphisms in the Fibrinogen Promoter Sequence and their Association with Plasma Fibrinogen Levels in Humans: Potential Applicability to Human Atherosclerotic Disease, presented at Biomedicine >97, Washington, DC, April 25-27, 1997.

Mubarak J, Siddiqui AA, Chi DS, Krishnaswamy G, Hall K, BERK SL. Analysis of Immunodominant Antigens and Humoral Immune Responses to *Strongyloides stercoralis* in Humans, presented at the 97th General Meeting of the American Society of Microbiology, Miami Beach, FL, May 4-8, 1997.

BERK SL. Aging and Infectious Disease Research: Integrating Geriatrics into the Subspecialties of Internal Medicine, sponsored by American Geriatric Society and Bowman Gray School of Medicine, Whistler, British Columbia, August 1997.

Smith JK, Krishnaswamy G, Dykes R, BERK SL, Douglas J, Whitaker J, Downs C, Khan A. Acute-Phase Reactants as Risk Factors for Ischemic Heart Disease: Correlation with Proinflammatory Cytokine Production by Cultured Lymphocytes in Men and Women, presented at the 63rd Annual International Scientific assembly of the American College of Chest Physicians, New Orleans, LA, October 26-30, 1997.

BERK SL. Infections in Nursing Home Patients, Annual Symposium of the North Carolina and South Carolina Medical Directors Associations, Charlotte, NC, October 17-18, 1997.

BERK SL. Community-Acquired Pneumonia, Tennessee Chapter American College of Physicians, Gatlinburg, TN, October 1998.

BERK SL. Antibiotic Resistant Pneumococci in the Elderly and Nursing Home Patient, Eighth Annual Symposium on A Care of the Aging Patient @ University of Tennessee College of Medicine and Erlanger Medical Center, Chattanooga, TN, October 1998.

BERK SL. Community-Acquired Pneumonia, Grand Rounds, Texas Tech University Health Sciences Center, Amarillo, TX, October 1999.

BERK SL. Medical Ethics in the Elderly, Panhandle Conference on Geriatrics, Texas Tech University Health Sciences Center, Amarillo, TX, March 2000.

BERK SL. The Master-Word in Medicine, Match-Day Address to senior medical students and their families, Texas Tech University Health Sciences Center, Amarillo, TX, March 2000.

BERK SL. Preparing Doctors for Rural Health, Texas Association of Resource Conservation and Development, Amarillo, TX, April 2000.

BERK SL. AIDS in Rural America, AIDS on the South Plains, Texas Tech University Health Sciences Center, Lubbock, TX, December 2, 2000.

BERK SL. Agricultural and Rural Medicine Research Program, Its Value to the Community, Agricultural and Rural Health Workshop, Texas Tech University Health Sciences Center, Amarillo, TX, December 15, 2000.

BERK SL. Diagnosis by General Appearance, IM Grand Rounds, Texas Tech University Health Sciences Center, Amarillo, TX, February 2001.

BERK SL. Ethics, Psychiatry Grand Rounds, Texas Tech University Health Sciences Center, Amarillo, TX, June 2001.

BERK SL. Ethics, Pediatric Grand Rounds, Texas Tech University Health Sciences Center, Amarillo, TX, September 2001.

BERK SL. Anthrax-Bioterrorism Program, Texas Tech University Health Sciences Center, Amarillo, TX, November 2001.

BERK SL. Keynote Speaker, Infectious Disease and Collaborative Research, School of Pharmacy, Texas Tech University Health Sciences Center, Amarillo, TX, 2002.

BERK SL. Keynote Speaker, ACP/ASIM, Geriatrics, AWhat the Internist Needs to Learn, @ Amarillo, TX, 2002.

BERK SL. Diagnostic Methods in Dementia, Alzheimer's Education Conference, December 5, 2003.

BERK SL. Should Terry Schiavo Live or Die, Grand Rounds, Texas Tech University Health Sciences Center, Amarillo, TX, September 29, 2004.

BERK SL. The Directed History and Physical Exam, Residents as Teachers, Antibiotic Principles, East Tennessee State University, Keystone Course, Visiting Professor, April 15, 2004.

BERK SL. Principles of Medical Ethics, Internal Medicine, Grand Rounds, East Tennessee State University, April 14, 2004.

BERK SL. First Aid for the Match, East Tennessee State University, Fourth Year Students, April 15, 2004.

BERK SL. The Master Word in Medicine, East Tennessee State University, AOA Banquet, April 14, 2004.

BERK SL. Assessing the OSCE, Texas Tech Multi-Campus Retreat, Lubbock, Texas, December 1, 2005.

BERK SL. Influenza Pandemic-Coming Soon, Grand Rounds, Texas Tech University Health Sciences Center, Amarillo, Texas, December 14, 2005.

BERK SL. Aequanimitas and a Kidnapped Doctor, AOA Visiting Professor, East Tennessee State University, April 17, 2006.

BERK SL. Principles of Medical Ethics—Autonomy versus Futility, Grand Rounds, East Tennessee State University, April 18, 2006.

BERK SL. Influenza Pandemic-Coming Soon, Internal Medicine Conference, East Tennessee State University, College of Medicine, April 18, 2006.

BERK SL. (PI) West Texas AHEC Community Partnerships 2007-2009. Health Resources and Service Administration, VV76HPO7736, \$2,700,000, 2006-2008.

BERK SL. (PI) West Texas Influenza Center. Health Care and Other Facilities Awards, Health Resources & Services Administration, September 15, 2008 to September 14, 2013. \$521,370

SUMMARY

Adoption of Proposed Changes to ORCA State Office of Rural Health Programs Found in Title 10 Part 6 Chapter 257 of the Texas Administrative Code

Presented by Theresa Cruz *

DISCUSSION

The State Office of Rural Health (SORH) Division reviewed the Texas Administrative Code for needed changes in the language as a result of Sunset Legislation. The needed change in the language is limited to changing the phrase “Executive Committee” to “Executive Board”. The definition of the prior Executive Committee required adjustment for the current definition of the Executive Board.

The requested changes were approved by the Board at the June 2008 meeting, and submitted to the Texas Register for public comment. No comments were received.

RECOMMENDATION

SORH staff recommends adoption of the approved changes. Action is required.

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)**

Proposed SORH TAC Rules

CHAPTER 257. BOARD FOR OFFICE OF RURAL COMMUNITY AFFAIRS

SUBCHAPTER B TEXAS OUTSTANDING RURAL SCHOLAR RECOGNITION PROGRAM

257.21. Purpose, Administration and Delegation of Powers and Duties.

(a) The purpose of the Outstanding Rural Scholar Recognition Program is to recognize, encourage, and financially support students in health care professions studies at institutions of higher education and to lead them to provide health care in rural communities in Texas.

(b) The Office shall administer the Outstanding Rural Scholar Recognition Program in accordance with the Health and Safety Code, Chapter 106, Subchapter C.

(c) The Board delegates to the executive director of the Office the powers and duties to administer the program.

257.22. Definitions.

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

(1) Academic term--Is equal to one of the following:

- (A) a semester;
- (B) a trimester; and
- (C) a quarter.

(2) Selection committee--The Outstanding Rural Scholar Selection Committee.

(3) Allied health professional--A provider of health care or health related services, including services relating to: the identification, evaluation, and prevention of diseases and disorders; diet and nutrition; health promotion; rehabilitation; or health systems management.

(4) Allied health professions--Fields relating to the delivery of health care or health related services responsible for the identification, evaluation and prevention of diseases and disorders; dietary and nutritional services; health promotion, rehabilitation; or health systems management.

(5) Cost of attendance--Allowable costs as determined to be necessary by the financial aid office of the academic institution a student attends which includes costs for tuition, fees, books, supplies, room and board, transportation and personal expenses.

(6) Board--The Board of the Office of Rural Community Affairs.

(7) Executive director--The Executive Director of the Office of Rural Community Affairs.

(8) Family member--An individual related to the student by kinship, adoption, or marriage, as well as foster children certified by the Department of Family and Protective Services.

(9) Forgiveness loan--A loan made through the Outstanding Rural Scholar Recognition Program.

(10) Fund--The Outstanding Rural Scholar Loan Fund administered by the Board.

(11) Health care professional--Any provider of health care or health related services in the fields of medicine, dentistry, optometry, pharmacy, chiropractic, podiatry, psychology, nursing or allied health.

(12) Health care professions--The fields of medicine, dentistry, optometry, pharmacy, chiropractic, podiatry, psychology, nursing and/or allied health.

(13) Office--The Office of Rural Community Affairs as created in Chapter 487 of the Texas Government Code.

(14) Resident of Texas--As described in Education Code, Chapter 54, Subchapter B.

(15) Rural community--A municipality in a nonmetropolitan county in Texas as defined by the United States Census Bureau in its most recent census.

(16) Satisfactory academic progress--Maintenance of satisfactory cumulative grade point average and course load to qualify the student for placement in planned subsequent years of the degree plan.

257.23. Selection Committee.

(a) Appointments to the selection committee by the Board shall be made with consideration to geographical areas of the state.

(b) The composition of the advisory committee shall be:

- (1) one rural practicing family practice physician;
- (2) one rural hospital administrator;

- (3) one rural practicing registered professional nurse;
 - (4) one rural practicing allied health professional;
 - (5) one dean of a medical school;
 - (6) one dean of a nursing school;
 - (7) one dean of a school of allied health science;
 - (8) one head of a vocational/technical institution;
 - (9) one community college administrator;
 - (10) one individual knowledgeable in student financial assistance programs;
 - (11) one rural public school superintendent; and
 - (12) one rural resident.
- (c) The selection committee members serve for staggered 3-year terms with the terms of one-third of the members expiring on August 31 of each year. All committee members are eligible for reappointment to consecutive terms.
- (d) The selection committee may elect a chairman, vice-chairman and secretary from among its members and may adopt rules for the conduct of its activities.
- (e) Vacancies on the selection committee shall be filled by the Board in the same manner as indicated in subsections (a), (b) and (c) of this section.
- (f) The selection committee advises the Board on the progress of the Outstanding Rural Scholar Recognition Program and shall:
- (1) select students to be recognized as outstanding rural scholars;
 - (2) recommend guidelines for sponsors to nominate students;
 - (3) recommend guidelines for awarding forgiveness loans;
 - (4) recommend the amount of the loan to be awarded to the student;
 - (5) review cases and make recommendations concerning exceptions regarding the community in which a student may fulfill the obligated service period; and
 - (6) review cases and make recommendations concerning student academic progress.
- 257.24. Requirements for Recognition.
- (a) Eligibility Requirements for Recognition.
- (1) Eligible Sponsor. To nominate a student for recognition, a sponsor shall:
 - (A) be located in a rural community in Texas;
 - (B) be an entity with a council, board of trustees or commissioners which is responsible to the rural community in which it is located, and is legally authorized to raise funds, or accept grants, financial gifts, scholarship funds, or private foundation funds;
 - (C) agree to provide 50% of the cost of attendance, if the nominee is selected to receive a forgiveness loan; and
 - (D) be in good standing with the Outstanding Rural Scholar Recognition Program.
 - (2) Eligible Student. To be nominated for recognition, a student shall:
 - (A) be a Texas resident, who is sponsored by and has financial support committed from a rural community sponsor;
 - (B) be enrolled or intend to enroll in an eligible academic institution of higher education to become a health care professional;
 - (i) be a high school student who is in the upper 25% of the high school's class, if such class numbers 48 or greater, or have an overall B average; or
 - (ii) be a college student who has a cumulative grade point average of 3.00 on a 4.00 scale; or
 - (iii) be an individual who has a high school diploma or equivalent and demonstrates to the satisfaction of the rural community sponsor the motivation, qualities, and abilities that lead to success in the chosen health care profession.
 - (3) Eligible Academic Institution.
 - (A) An eligible academic institution shall be a Texas institution of higher education which may be any public institution as defined in Texas Education Code, <*>61.003(8), or any nonprofit, independent institution as defined in Texas Education Code, <*>61.222, or any other nonprofit health-related school or program.
 - (B) Any health related schools or programs within eligible academic institutions must be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, the Liaison Committee on Medical Education, the American

Osteopathic Association, the Texas State Board of Nurse Examiners for Registered Nurses (which now includes Registered Nurses and Licensed Vocational Nurses), or, in the case of allied health, an accrediting body recognized by the U.S. Department of Education.

(C) An eligible academic institution must follow the Civil Rights Act of 1964 (Public Law 88-353) Title VI to prevent discrimination in admissions.

(b) Application Requirements for Recognition.

(1) The application shall be coordinated and submitted by the sponsor. The application shall be in a form prescribed by the Office and may include but is not limited to:

- (A) the student's name, social security number, home address, and phone number;
- (B) academic credentials;
- (C) the results of one or more sponsor interviews with the student;
- (D) a typed essay of no more than 500 words stating the following:
 - (i) the reasons for entering the competition;
 - (ii) a description of the chosen health care profession;
 - (iii) the reasons for entering the chosen health care profession;
 - (iv) the reasons for wanting to provide health care to rural Texans;
- (E) no more than three letters of recommendation from the professional staff of the high school or college, or from employers or community leaders who have known the student for at least one year; and
- (F) evidence of sponsor eligibility.

(2) The selection committee may request additional information or interviews from the sponsor or the student as needed.

(c) Criteria for Recognition.

(1) A student shall be selected for recognition as an outstanding rural scholar by the selection committee based on the student's:

- (A) academic credentials;
- (B) one or more interviews with the sponsor;
- (C) a statement written by the student of the student's reasons for entering the competition and a health care profession and the student's reasons for wanting to provide health care to rural Texans;
- (D) financial support committed by the sponsoring rural community; and

(E) standardized tests, but in no event shall the student's performance on a standardized test be used as the sole criterion to determine selection.

(2) The selection committee shall select and rank the students and inform the Board of its selections. The Board shall notify each sponsor of the results and provide the sponsor with a certificate of award signed by the Executive Director and the Board chairman for each student recognized as an outstanding rural scholar.

257.30 Dissemination of Program Information, Tracking and Reports

(a) The Office shall disseminate information about the program to all interested parties.

(b) The Office shall send post-secondary academic institutions the list of outstanding rural scholars and program rules.

(c) The Office shall track the academic progress of each student and report to the selection committee annually on the status of each student.

(d) The Office shall report a student's academic status to the sponsor at least annually.

(e) After a student begins the obligated period of service, the Office shall track the student and report to the Board on the student's employment or practice status at least annually.

The amendments are adopted under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the adopted amendments.*

257.101. Purpose, Administration and Delegation of Powers and Duties.

(a) The purpose of the Rural Physician Assistant Loan Reimbursement Program is to encourage qualified physician assistants to practice in areas in rural Texas where there is a high need for primary health care providers.

(b) The Office, shall administer the Rural Physician Assistant Loan Reimbursement Program.

(c) The Board delegates to the Executive Director the necessary powers, duties and functions to administer the program. The Executive Director shall enter into an interagency contract with the Texas Medical Board to specify the mechanisms for the annual transfer of program funds from the Texas Medical Board.

257.103. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Approved Program--A physician assistant or surgeon assistant training program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or the American Osteopathic Association.

(2) Board--The eleven member governing body of the Office appointed by the governor, lieutenant governor and speaker.

(3) Executive Director--The chief executive officer of the Office.

(4) Office--The Office of Rural Community Affairs as created in Chapter 487 of the Texas Government Code.

(5) Rural Health Professional Shortage Area (HPSA)--

(A) a rural area, which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services, which the Secretary of the U.S. Department of Health and Human Services (hereinafter Secretary) determines has a health manpower shortage and which is not reasonably accessible to an adequately served area,

(B) a population group which the Secretary determines has such a shortage, or

(C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage. All Federally qualified health centers and rural health clinics, as defined in section 1861(aa) of the Social Security Act (42 U.S.C. 1395x (aa)), that meet the requirements of section 254g of title 42 of the United States Code, shall be automatically designated as having such a shortage.

(6) Rural Medically Underserved Area (MUA)--An area designated by the United States secretary of health and human services as having:

(A) a shortage of personal health services or a population group that has such a shortage as provided by 42 U.S.C. Section 300e-1(7); or

(B) a health professional shortage as provided by 42 U.S.C. Section 254e(a)(1).

(7) RPALR Program--The Rural Physician Assistant Loan Reimbursement Program established by the Physician Assistant Licensing Act found in

(8) Service obligation period--A consecutive 12 calendar-month period immediately preceding the date of application and during which a physician assistant provided health care services as a physician assistant in a rural health professional shortage area or rural medically underserved area.

257.109. Application Process, Recipient Selection and Reimbursement of Educational Loans.

(a) First-time and renewal applications for the RPALR Program are accepted annually during a time period specified by the Office. An eligible physician assistant applies for the RPALR Program by completing a loan reimbursement application packet and returning the completed loan reimbursement application packet to the Office.

(b) Selection of recipients is contingent upon the availability of funds. Applicants practicing in areas with the highest degree of shortage and/or lowest Index of Medical Services (IMU) score are selected over other applicants. Selected recipients are recommended by the Office's Executive Director and approved by the Office's Board. Applicants are notified whether or not they are accepted for loan reimbursement after the annual application period is closed and recipients are selected.

(c) Eligible education loans of selected recipients are reimbursed by annual payments made at a time specified by the Office and under the following conditions:

(1) total annual reimbursement to one or more eligible lenders or holders must not exceed the recipient's unpaid principal loan balance, including capitalized interest, from all sources, or a maximum of \$5,000, whichever is less. Depending upon the availability of funds and the number of qualifying applicants, the Office may establish an annual reimbursement amount below \$5,000 per eligible recipient; however, the minimum total annual payment cannot be less than \$2,500 per eligible recipient unless the recipient's total unpaid principal loan balance is below \$2,500;

(2) each period of service must be completed before reimbursement is made;

(3) loan reimbursement may be renewed annually but for no more than a total of four periods of service and total maximum reimbursement amount of \$20,000;

(4) annual payment is made co-payable to the recipient and to the eligible lender(s) or holder(s) and applied only to the outstanding principal balance of the education loan, including capitalized interest;

(5) recipients are responsible for payment of any and all state and federal taxes to which this loan reimbursement is subject.

The amendments are adopted under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the adopted amendments.*

257.201. Purpose, Administration, and Delegation of Powers and Duties.

(a) The Texas Health Service Corps is a physician recruitment program for medically underserved areas in Texas. The purpose of the Texas Health Service Corps Program is to encourage physicians trained in the primary care specialties to establish and maintain practices in medically underserved areas in Texas. To accomplish this goal, the program provides stipends to resident physicians who enter into a contract with the Office. The contract requires the physician, upon completion of residency training, to provide services in a medically underserved area of Texas for at least one year for each year that the physician receives the stipend.

(b) The Office shall administer the Texas Health Service Corps Program.

(c) The Board of the Office delegates to the Executive Director the necessary powers, duties, and functions to administer the Program.

257.203. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Board--The eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(2) Medically Underserved Area --As defined in <*>487.201(1) of the Texas Government Code.

(3) Office--The Office of Rural Community Affairs as created in Chapter 487 of the Texas Government Code.

(4) Primary Care--Physician services in family practice, general practice, general internal medicine, general pediatrics obstetrics or gynecology.

(5) Program--The Texas Health Service Corps Program established within Texas Government Code, Chapter 487, Subchapter G, and <*><*>487.251 - 487.256.

(6) Resident Physician--A medical graduate of an accredited allopathic or osteopathic medical school within the United States of America who is enrolled in an accredited residency training program in Texas in the specialty of family practice, general internal medicine, or general obstetrics or gynecology.

(7) Rural County--Any county within Texas that is not designated as a Metropolitan Statistical Area by the United States Bureau of the Census.

(8) Service Obligation--A defined period of time during which a physician must provide physician services to repay a previous loan, grant, scholarship, or stipend.

(9) Stipend--A maximum payment of \$15,000 per year paid to a resident physician selected to participate in the Program.

(10) Health Professional Shortage Area (HPSA)--

(A) a rural area, which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services, which the Secretary of the U.S. Department of Health and Human Services (hereinafter Secretary) determines has a health manpower shortage and which is not reasonably accessible to an adequately served area,

(B) a population group which the Secretary determines has such a shortage, or

(C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage. All Federally qualified health centers and rural health clinics, as defined in section 1861(aa) of the Social Security Act (42 U.S.C. 1395x (aa)), that meet the requirements of section 254g of title 42 of the United States Code, shall be automatically designated as having such a shortage.

(11) Rural Medically Underserved Area (MUA)--A rural area designated by the United States secretary of health and human services as having:

(A) a shortage of personal health services or a population group that has such a shortage as provided by 42 U.S.C. Section 300e-1(7); or

(B) a health professional shortage as provided by 42 U.S.C. Section 254e(a)(1).

The amendments are proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the adopted amendments.*

257.301. Introduction.

(a) Purpose. This Subchapter implements the provisions in the Texas Government Code, <*><*>487.201 - 487.204, by establishing program rules for the allocation of grant funds to qualified communities through the Medically Underserved Community-State Matching Incentive Program. State grants match funds committed by medically underserved communities to cover start-up costs for primary care physicians' practices.

(b) Funding. This Subchapter describes the criteria and procedures to be used by the Office in determining the communities eligible for funding and the funding allocation method.

(c) Administration. The Office shall allocate funds to eligible communities based on the procedures specified in this subchapter.

257.303. Definitions.

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

(1) Office--The Office of Rural Community Affairs created by Chapter 487 of the Texas Government Code.

(2) Board--The Governing Board of the Office.

(3) Full-time practice--At least 40 hours of patient-related medical practice per week.

(4) Medically underserved community--A community meeting any of the following criteria listed in subparagraphs (A) - (D) of this paragraph:

(A) a community located in an area in this state with a medically underserved population;

(B) a community located in an area in this state designated by the United States Secretary of Health and Human Services as an area with a shortage of personal health services;

(C) a population group designated by the United States Secretary of Health and Human Services as having a shortage of personal health services; or

(D) a community that meets criteria adopted by the Board by rule, considering relevant demographic, geographic, and environmental factors.

(5) Part-time practice--At least 25 hours of patient-related practice per week at the site for which match funds are requested.

(6) Primary care--Physician services in any of the following medical specialties listed in subparagraphs (A) - (D) of this paragraph:

(A) family/general practice;

(B) general pediatrics;

(C) general internal medicine; or

(D) general obstetrics/gynecology.

(7) Start-up money--Payments made by a medically underserved community for reasonable costs incurred by a physician to establish a medical office and ancillary facilities for diagnosing and treating patients.

(8) Physician--A person licensed to practice medicine in this state.

257.313. Evaluation of Application.

(a) The Board of the Office delegates to the executive director the necessary powers, duties and functions to administer this program.

(b) The Office shall review each complete application to determine program eligibility, to prioritize community need among applicants, and to make recommendations for funding.

(c) An application in which the physician has less than ten post-residency years will be given priority.

(d) An application, which contains false information included to increase the likelihood of receiving funding, shall be denied consideration for the duration of the application period.

(e) An applicant who has filed bankruptcy is not eligible.

(f) The Office may renegotiate the amount of matching funds to be awarded to any applicant.

(g) The Office may limit award amounts based on the availability of funds.

(h) The executive director of the Office may waive provisions of these rules if necessary to address unusual or exceptional community or physician eligibility issues.

257.325. Breach of Contract.

(a) Binding contract. A contract executed under this subchapter between the Office and the supporting community is a binding contract.

(b) A supporting community shall notify the Office in writing within two weeks of any change in its status or that of the participating physician.

(c) The Office may find that the supporting community has breached the contract if the supporting community fails to:

- (1) provide the full amount of funding specified in the contract; or
 - (2) fulfill any other conditions specified in the contract.
- (d) If the Office finds that the supporting community has breached the contract, the Office may require the following listed in paragraphs

(1) - (4) of this subsection:

- (1) forfeiture of all claim to funds and/or property acquired through use of the state matching funds disbursed through this program;
- (2) cancellation of the physician's obligation of service in the supporting community;
- (3) reimbursement by the supporting community to the Office of state matching funds; and
- (4) forfeiture of the opportunity to participate in the program in the future.

257.503. Administration of the Program.

(a) The Office administers the Program.

(b) The Board delegates to the Executive Director the necessary powers, duties, and functions to administer the Program.

(c) The office may seek, receive, and spend money received through an appropriation, grant, donation, or reimbursement from any public or private source to implement this subchapter.

The repeal is proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the proposed repeal.*

257.801. Definition of Terms.

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

(1) Advisory Panel--a committee appointed by the Office of Rural Community Affairs which assists the Office in recruiting and retaining health professionals in medically underserved areas in the State of Texas.

(2) Office--The Office of Rural Community Affairs created by Chapter 487 of the Texas Government Code.

(3) Board--The eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(4) Health professional--any provider of health care or health related services, other than a physician, who holds a license, certificate, registration, permit or other authorization required by law or a state agency rule that the individual must obtain in order to practice in a health care profession.

(5) Investment Program--the Rural Communities Health Care Investment Program that was created to attract and retain rural health professionals.

(6) Medically Underserved Community--a community that is located in a county with a population of 50,000 residents or less; which has been designated under state or federal law as either a health professional shortage or medically underserved area; or which the Office has designated as a medically underserved area.

(7) Permanent endowment fund--a special state treasury fund, outside general revenue, that supports the Investment Program.

(8) Recipient--an eligible health professional or student in a degree program preparing to become a health professional who receives a loan reimbursement or stipend through the Investment Program.

257.809. Advisory Committee.

(a) The Advisory Committee is appointed by the Office to assist in the Office's duties. The advisory panel must consist of at least the following:

- (1) one representative from the Texas Higher Education Coordination Board;
- (2) one representative from the institutions of higher education that offer degrees in health professions that are relevant to the Investment Program;
- (3) one representative from a hospital in a medically underserved community;
- (4) one physician practicing in a medically underserved community;
- (5) one health professional, other than a physician, practicing in a medically underserved community; and
- (6) one public representative who resides in a medically underserved community.

(b) The purpose of the panel is to advise the Board.

(c) The tasks of the panel are to assist with the program and provide input regarding the program.

(d) The panel will report to the Board in writing at least annually.

The amendments are proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the proposed amendments.*

257.901. Purpose, Administration and Delegation of Powers and Duties.

(a) The purpose of the Rural Physician Relief Program is to provide affordable relief services to rural physicians practicing in the fields of general family medicine, general internal medicine, and general pediatrics to facilitate the ability of those physicians to take time away from their practice.

(b) The Office of Rural Community Affairs, or its successor or successors, shall administer the Rural Physician Relief Program.

(c) The Board delegates to the executive director the necessary powers, duties and functions to administer the program.

257.902. Definitions.

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

(1) Office--The Office of Rural Community Affairs.

(2) Board--the eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(3) Executive Director--The chief executive officer of the Office of Rural Community Affairs.

(4) Physician--A person licensed to practice medicine in this state under Subtitle B, Title 3, Occupation Code.

(5) Relief Services--The temporary coverage of a physician's practice by another physician for a predetermined time during the physician's absence and before the physician's return.

(6) Rural Community--A community meeting any of the following criteria listed in subparagraphs (A)-(C) of this paragraph:

(A) a community located in a county with a population not greater than 50,000;

(B) an area designated under state or federal law as:

(i) a health professional shortage area; or

(ii) a medically underserved area; or

(C) a medically underserved community designated by the office.

(7) Registry--a listing of physicians, maintained by the office, who are available to provide relief services.

257.906. Advisory Committee.

(a) The Advisory Committee is appointed by the Board to assist in the office's duties. The Advisory Committee shall consist of:

(1) a physician who practices in the area of general family medicine in a rural county;

(2) a physician who practices in the area of general internal medicine in a rural county;

(3) a physician who practices in the area of general pediatrics in a rural county;

(4) a representative from an accredited Texas medical school;

(5) a program director from an accredited primary care residency program;

(6) a representative from the Texas Higher Education Coordinating Board;

(7) a representative from the Texas Medical Board.

(b) A hospital administrator in a rural county serves as a non-voting member of the community.

(c) The purpose of the Advisory Committee is to assist the office in administering the program.

(d) The Advisory Committee will report to the Board in writing at least annually.

The amendments are proposed under <*>487.052 of the Government Code, which provides the Board with authority to adopt rules concerning the implementation of the Office's responsibilities.

No other code, article, or statute is affected by the proposed amendments.*

257.951. Purpose, Administration, and Delegation of Powers and Duties.

(a) The purpose of the Critical Access Hospital Board of Trustee Continuing Education Program is to encourage continuing education for all Critical Access Hospital Trustees to assist them in the governance of a Critical Access Hospital.

(b) The Office of Rural Community Affairs, or its successor or successors, shall administer the Critical Access Hospital Board of Trustee Continuing Education Program.

(c) The Board delegates to the Executive Director the necessary powers, duties, and functions to administer the program.

257.952. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Critical Access Hospital--A hospital designated by the Centers for Medicare and Medicaid Services to receive cost based reimbursement for covered services provided to Medicare recipients. Such hospitals are small facilities that give limited outpatient and inpatient services to people in rural areas.

(2) Board--The eleven member governing body of the Office appointed by the governor, with recommendations for three members from the lieutenant governor and recommendations for three members from the speaker.

(3) Executive Director--The chief executive officer of the Office of Rural Community Affairs.

(4) Office--The Office of Rural Community Affairs.

(5) In Person Classroom Continuing Education--This includes education at a meeting or seminar and interactive videoconferencing involving more than one Critical Access Hospital.

(6) Continuing Education--Education received by a Critical Access Hospital trustee that is approved by the office.

(7) Trustee--A member the governing authority of a Critical Access Hospital which is responsible for a hospital's organization, management, control and operation.

2008 Texas Capital Fund Infrastructure and Real Estate Awards

1st Round (3/31/08)

Community	County	Business	Award	Total Proj	Type	Jobs
Olney	Young	Air Tractor, Inc.-airplane manufacturer	\$750,000	\$3,500,000	RE	41
Alvarado	Johnson	Sabre Communications, Inc-tower manufacturer	\$750,000	\$30,000,000	Infra	51
Culberson County	same	Royal Farms-farming (hay) operation	\$75,000	\$235,000	Infra	3
Driscoll	Nueces	Zeba, Inc.-travel center & convenience store	\$209,900	\$1,900,000	Infra	14
Sunnyvale	Dallas	Millard Refrigeration Services, Inc.-cold storage warehouse	\$750,000	\$49,000,000	Infra	70
Little Elm	Denton	Retractable Technologies, Inc.-medical supply manufacturer	\$750,000	\$3,000,000	Infra	38
			\$3,284,900	\$87,635,000		217

2nd Round (6/9/08)

Community	County	Business	Award	Total Proj	Type	Jobs
Hillsboro	Hill	DW Distribution, Inc.-distribution ctr for bldg products	\$750,000	\$9,000,000	Infra	52
Nixon	Gonzales	Holmes Foods, Inc.-poultry processor	\$750,000	\$4,700,000	Infra	38
			\$1,500,000	\$13,700,000		90

3rd Round applications currently in review process (9/9/08)

Community	County	Business	Request	Total Proj	Type	Jobs
Gilmer	Upshur	Duoline Technologies, Inc.-oil well pipe manufacturer	\$543,600	\$18,000,000	Infra	46
Giddings	Lee	Sonya Hotel, LLC-hotel	\$200,000	\$3,510,000	Infra	8
Pecos City	Reeves	Pecos Lodging Group, Inc.-hotel	\$268,200	\$6,000,000	Infra	18
Port Lavaca	Calhoun	AMAL Hospitality, LLC-hotel	\$224,900	\$5,900,000	Infra	15
			\$1,236,700	\$33,410,000		87

Year to date grand total: \$6,021,600 \$134,745,000 394

4th Round applications due 12-2-08 (est. amount available = \$3.4MM)

**2008 TCF
Downtown Revitalization Program & Main Street Improvements Program**

Downtown Revitalization Program awards

Community	County	Business	Award	Match	Total Proj
Crosbyton	Crosby	Downtown Revitalization Program	\$150,000	\$45,200	\$195,200
Floydada	Floyd	Downtown Revitalization Program	\$150,000	\$104,000	\$254,000
Plains	Yoakum	Downtown Revitalization Program	\$150,000	\$72,300	\$222,300
Bogota	Red River	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Daingerfield	Morris	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Dimmitt	Castro	Downtown Revitalization Program	\$150,000	\$17,500	\$167,500
Jefferson	Marion	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Lorena	McLennan	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
			\$1,200,000	\$419,000	\$1,619,000

Main Street Improvements Program applications currently in review process *

Community	County	Business	Request	Match	Total Proj
Bastrop	Bastrop	Main Street Improvements	\$150,000	\$45,000	\$195,000
Beeville	Austin	Main Street Improvements	\$150,000	\$45,000	\$195,000
Clarksville	Red River	Main Street Improvements	\$150,000	\$45,000	\$195,000
Del Rio	Val Verde	Main Street Improvements	\$150,000	\$45,000	\$195,000
Ferris	Ellis	Main Street Improvements	\$150,000	\$45,000	\$195,000
Pilot Point	Denton	Main Street Improvements	\$150,000	\$45,000	\$195,000
Sinton	San Patricio	Main Street Improvements	\$150,000	\$45,000	\$195,000
Winnsboro	Wood	Main Street Improvements	\$150,000	\$45,000	\$195,000
			\$1,200,000	\$180,000	\$780,000

* Note: only 4 awards totaling \$600,000 may be approved

SUMMARY
Revised Proposed Rule Changes for the
2009 Texas Capital Fund
Main Street & Downtown Revitalization Programs

Presented by Karl Young*
Finance Programs Coordinator
Texas Department of Agriculture

DISCUSSION

The Texas Department of Agriculture (TDA) is proposing “revised” rule changes for the Texas Capital Fund 2009 program year, for the Main Street Improvements Program and the Downtown Revitalization Program. TDA management believes it is time to consider various program changes to better address the needs of our communities. Most of these proposed changes will affect the scoring system. These proposed rule changes will be published in the *Texas Register* and a public meeting will be held to solicit public comment.

Copies of the “revised” proposed rule changes are attached.

RECOMMENDATION

TDA Staff recommends that the Executive Committee approve the publication of the revised proposed rules in the *Texas Register* for public comment.

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 Mr. Young at 512-936-0281 or email at: (karl.young@tda.state.tx.us)**



Texas Department of Agriculture

Memorandum

To: ORCA Board

Charlie Stone, ORCA Executive Director

Thru: Rick Rhodes, Assistant Commissioner

Becky Dempsey, Deputy Assistant Commissioner

From: Karl Young, Finance Programs Coordinator

Date: September 19, 2008

Re: Texas Capital Fund 2009 revised proposed rule changes for the
Downtown Revitalization and Main Street Programs

There is no state or federal requirement that TDA update, revise or change anything related to the TCF program annually. The accompanying "revised" proposed changes are being considered as part of HUD's desire to make the application and scoring process more objective. This will allow cities to more accurately determine their likelihood for funding, should they apply.

The process for implementing changes began several months ago when I discussed the need for possible changes with Texas Historical Commission, Main Street program staff. We met several times to suggest and review various proposed changes. At the April Board meeting we requested and received Board authorization to proceed with publishing the proposed changes in the *Texas Register* and to conduct a public meeting to solicit comment. A public meeting was held on June 4 in Austin and the formal comment period in the *Register* ended on June 16, 2008. Based comments received we have made revisions to the originally proposed rule changes. A copy of the "revised" rule change proposal is attached. We will also schedule another public meeting to solicit new comment.

TDA Staff requests that the Board authorize the publication of the revised proposed rules in the *Texas Register*.

Post Office Box 12847
Austin, Texas 78711-2847
512-936-0273

2009 Texas Capital Fund "revised" rule changes

	Current Scoring Categories	Points	Proposed Changes	New Pts
1. Tie Breaker				
1	The tying applications are ranked from lowest to highest based on the applicant's most recently available annual county poverty rate, as provided in Appendix A of the application. Thus, preference is given to the applicant with the higher poverty rate.	n/a	<i>Rule §255.7 (i) Scoring Criteria 1 (A) which calls for the first tie-breaker to be based on the applicant city's annual poverty rate using the most recent Census data.</i>	n/a
2. Project Feasibility				
A.	Broad-based public support for the proposed project--(10 points). Show letters of support from the following:		see below	
	(i) one (1) letter from the County Historical Commission (A letter of support from the County Historical Commission is required to receive any points in this category.)	0 points	<i>Rule §255.7 (i)(2)(A)(i) which awards applicants 5 points for providing a letter from the County Historic Preservation Commission, the local design review board, the Economic Development Corporation or Chamber of Commerce supporting the project and describing how the project enhances the community's historic assets and historic preservation goals.</i>	5 points
	(ii) Score 5 points for letters from 50% or more of the businesses and/or property owners in the proposed TCF Main Street project area. Score 10 points for letters from 75% of the businesses in the proposed TCF Main Street project area.	10 points	<i>Rule §255.7 (i)(2)(A) (ii) which reduces points from 10 to 5 points for letters from 50% or more of the businesses or property owners impacted by the proposed project within the designated Main Street district. This specifically includes businesses within one (1) block of the proposed improvements.</i>	5 points
B.	Infrastructure Project Plan--(10 points). Show the city's plan for dealing with an infrastructure project. Develop a plan for access to local business during the infrastructure project. Provide public notification to support the project.	10 points	<i>Rule §255.7 (i)(2)(B)(I) which awards applicants 10 points for providing the city's plan for dealing with an Infrastructure project, including a detailed description of how access will be provided to affected businesses during project construction.</i>	10 points
			<i>Rule §255.7 (i)(2)(B)(ii) which awards applicants 5 points for providing a general description of future infrastructure projects in the Main Street area, over the next five years, and the potential impact to the area.</i>	5 points
C.	ADA Compliance Goals--(10 points). Does the project address ADA accessibility issues. How will ADA issues be addressed in the project. If project does not address ADA compliance issues, is the Main Street District in compliance with Federal ADA standards. If the project does not address ADA compliance, no points will be awarded for this category. Partial points may be awarded depending upon the degree in which the project addresses ADA compliance issues.	10 points	<i>Rule §255.7 (i)(2)(C) Sidewalks and ADA Compliance Goals--(10 points total). 5 Points awarded if a minimum of 50% of the requested funds will be used for sidewalk and/or ADA compliance activities, and 10 points awarded if a minimum of 70% of the requested funds will be used for sidewalk and ADA compliance activities.</i>	10 points 2 tier

	Current Scoring Categories	Points	Proposed Changes	New Pts
D.	Historic Preservation Ethic and Preservation Impact - Main Street's Role--(10 points). Preservation is a major component of the Texas Historical Commission's Main Street Program. Officially designated cities are eligible for the Texas Capital Fund grant based on their inclusion in the Texas Main Street Program. Points will be awarded if the applicant has successfully addressed the criteria as follows: if the applicant successfully addressed the issue of enhancing historic assets and/or historic preservation goals, up to 5 points may be awarded. If the applicant has demonstrated that they have a current historic preservation ordinance, up to 3 points may be awarded based upon the content of the ordinance. Up to 2 points may be awarded for historic preservation-related programs or incentives. The THC mission is "To protect and preserve the state's historic and prehistoric resources for the use, education, enjoyment and economic benefit of present and future generations." Therefore, in the interest of accomplishing the mission, please answer the following:	10 points	see below	
	(i) Describe how the proposed Texas Capital Fund project enhances your historic assets or historic preservation goals.		<i>Delete</i>	
	(ii) Does the city have a current historic preservation ordinance?		<i>Rule §255.7 (i)(2)(D)(ii) which awards 5 points to applicants that have a current historic preservation ordinance.</i>	5 points
	(iii) Does the city have any historic preservation related programs or incentives?		<i>Delete and replace with: Rule §255.7 (i)(2)(D)(iii) which awards 5 points to applicants that have design guidelines for the Main Street program or project area.</i>	5 points
	(iv) List any building demolitions within your Main Street project area during the past five years. If you had any building demolitions in the past five years, what was the age of the buildings that were demolished?		<i>Delete and replace with: Rule §255.7 (i)(2)(D)(iv) which awards 5 points to applicants if 50% or more of the structures within the project area are occupied by businesses.</i>	5 points
E.	(E) State Enterprise Zone and Economic Development Consideration--(10 points) Four points will be awarded if the city has a nominated or active Enterprise Zone project. Three points will be awarded if the city has the economic development sales tax (4A, 4B or both). Three points may be awarded for other viable economic development programs the city offers in order to further realize its full economic development potential. Please document any other economic development programs and strategies that your city is engaged in.	10 points	<i>Rule §255.7 (i) (E) delete portion awarding points for having an Enterprise Zone; leave-award 5 points if the applicant locality has adopted the 4A, 4B, or both 4A and 4B economic development sales tax.</i>	5 points
F.	Community Size--(10 points). Score 5 points if the population of the city is 12,000 or less; score additional 5 points if the population is less than 4,000, using 2000 census data. City population figures are net of the population held in adult or juvenile correctional institutions, as shown by the 2000 census data.	10 points	<i>Rule §255.7 (i)(2)(F) Community Size-- (10 points total) Using the most recent Census data, score 5 points if the population of the city is 12,000 or less; score 10 points if the population is less than 4,000. City population figures are net of the population held in adult or juvenile correctional institutions, as shown by the census data.</i>	10 points 2 tier

	Current Scoring Categories	Points	Proposed Changes	New Pts
H.	Texas Capital Fund Grant Training--(5 points). Has a city representative attended a Texas Capital Fund Main Street Improvements grant training workshop? At least one training workshop is held prior to each application deadline. List the date attended and the location. If the city is retaining a paid consultant to prepare the application, a city representative will still be required to attend training in order to receive the points in the category.	5 points	<i>Rule §255.7 (1)(2) (H) which awards 5 if a city official/employee or authorized consultant has attended a TCF, Main Street Improvements and/or Downtown Revitalization application training workshop, within the previous two (2) years.</i>	5 points
3. Applicant				
A.	Minority Hiring (10 points). Measures applicant's hiring practices. Score 10 points if the applicant's minority employment rate is equal to or greater than the applicant's community minority rate.	10 points	<i>Delete and replace with: Rule §255.7 (1)(3)(A) (10 Points Total) which awards 5 points if the city's most recent Census, individual poverty rate is equal to or greater than the state poverty rate and awards 10 points if the city rate is 15% or more over the state rate.</i>	10 points 2 tier
	<i>Rule §255.7 (1) Downtown Revitalization Program ; Scoring Criteria (2)(C) Enterprise/Empowerment/Defense Zone (5 points). A project located in a state designated enterprise zone, federal enterprise community, federal empowerment zone, or defense zone receives these five points.</i>	5 points	delete	0
	<i>(1)(2)(1) Commercial Support (maximum 10 points). Award 5 points for letters from 50% or more of the businesses in the Downtown Revitalization area. Award 10 points for letters from 75% of the businesses in the Downtown Revitalization area.</i>	10 points	<i>Rule §255.7 (1) Downtown Revitalization Program; Scoring Criteria (2)(C) which reduces points from 10 to 5 points for letters from 50% or more of the businesses or property owners impacted by the proposed project within the downtown business area. This specifically includes businesses within one (1) block of the proposed improvements.</i>	5 points
			<i>Rule §255.7 (i)(2)(A)(i) which awards applicants 5 points for providing a letter from the County Historic Preservation Commission, the local design review board, the Economic Development Corporation or Chamber of Commerce supporting the project and describing how the project enhances the community's historic assets and historic preservation goals.</i>	5 points
			<i>NEW CATEGORY which awards 5 if a city official/employee or authorized consultant has attended a TCF, Main Street Improvements and/or Downtown Revitalization application training workshop, within the previous two (2) years.</i>	5 points

	Current Scoring Categories	Points	Proposed Changes	New Pts
	Sidewalks and ADA Compliance (10 points). Points awarded if a minimum of 70% of the requested funds will be used for sidewalk and/or ADA compliance activities.	10 points	<i>Sidewalks and ADA Compliance Goals-- (10 points total). 5 Points awarded if a minimum of 50% of the requested funds will be used for sidewalk and/or ADA compliance activities, and 10 points awarded if a minimum of 70% of the requested funds will be used for sidewalk and ADA compliance activities.</i>	10 points (2 tier)
	Poverty (maximum 15 points). Awarded if the applicant's most recently available annual county poverty rate for individuals (from the 2000 Census) is higher than the annual state rate for individuals (from the 2000 Census), indicating that the community is economically below the state average. Applicants will score 5 points if their rate meets or exceeds the state average of 15.4%; score 10 points if this figure exceeds 17.7%; and score 15 points if this figure exceeds 19.25%.	15 points (3 tier)	<i>Edit and reduce points (10 Points Total) which awards 5 points if the city's most recent Census, individual poverty rate is equal to or greater than the state poverty rate and awards 10 points if the city rate is 15% or more over the state rate.</i>	10 points 2 tier

Partners For Progress



**This project is financed, in part, with HUD
Community Development Block Grant funds through
a cooperative agreement between ORCA and TDA.**

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
September 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) state 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. ORCA sent out notice announcing the availability of the final RRC Guidebooks to communities and consultants.

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 October 17, 2008, except that for regions impacted by Hurricane Ike the deadline has been extended to November 21, 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

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 \$15,710,228 in funds to provide assistance under the Texas CDBG Disaster Relief Fund. This amount includes up to \$12,767,285 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 the Disaster Relief Fund:

Amount Remaining, as of 9/22/2008 is \$3,625,312

History of Disaster Relief Awards – TxCDBG

Program Year	Number of Awards	Amount Approved
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*	51	\$12,084,916*
TOTAL	342	\$86,300,857

Highest 2007 \$10,768,252

Lowest 2006 \$350,000

**Average
1992 to
2007 \$4,638,496**

* PY 2008 – as of 9/22/2008

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

Anticipated Demand

In October 2008, for state and federal declarations: approximately \$2,100,000.

October to December 2008, for state and federal declarations: up to \$2,800,000.

Additional applications under Hurricane Dolly – up to \$2,000,000.

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:

In August 2008, the Board established that “The TxCDBG program shall prioritize the use of the Disaster Relief Fund for federal declarations and providing the federally required 25 percent match portion of the FEMA or NRCS approved budget covering approved repair and restoration activities.”

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 Use of CDBG Deobligated Funds and/or Program Income for the Disaster Relief Fund

Presented by Mark Wyatt *

DISCUSSION

Disaster Relief Fund

As discussed in the previous section, there is likely to be additional demand for the regular Disaster Relief Fund. This demand for funds is not the result of damage from Hurricane Ike that we anticipate at the time this was prepared would be met with supplemental CDBG appropriations similar to Hurricane Rita. We anticipate the initial supplemental appropriations covering Hurricane Ike will occur prior to the congressional recess that precedes the fall elections.

RECOMMENDATION

Staff recommends approval of the following motion language that was adopted in June 2008 and August 2008, with an amount at this time of \$2,000,000:

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 \$2,000,000."

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: \$21,916,171.82
Percentage Disbursed: **72.34%**

Hurricane Rita Funds - Round 2:

8 Contracts with Communities

Amount Awarded to Communities: \$42,000,000
Amount Disbursed: \$4,074,284.61
Percentage Disbursed: **9.70%**

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 - 9/10/08

Total amount of draws received to date (Sept. 10) - \$21,916,171.82

Total % of draws received to date - 72.34%

Not all grants have the same deadlines - here are the numbers by cutoff dates:

<u>Grants Maturing August 31, 2008</u>		Amount funded	Amount spent	% spent
	# grants			
HGAC	(13)	\$3,105,001.00	\$1,702,420.54	54.83%
SETRPC	(21)	\$11,150,000.00	\$9,651,850.84	86.56%
DETCOG	(15)	\$855,609.00	\$701,110.44	81.94%
ETCOG	(5)	\$1,699,397.00	\$1,096,025.70	64.49%
Aug. 31 Grant Totals:	(54)	\$16,810,007.00	\$13,151,407.52	78.24%

<u>Grants Maturing September 15, 2008</u>		Amount funded	Amount spent	% spent
	# grants			
DETCOG	(4)	\$1,250,426.00	\$950,826.21	76.04%

<u>Grants Maturing September 30, 2008</u>		Amount funded	Amount spent	% spent
	# grants			
HGAC	(3)	\$511,055.00	\$45,320.00	8.87%
SETRPC	(2)	\$1,300,000.00	\$485,113.93	37.32%
DETCOG	(8)	\$391,727.00	\$65,505.49	16.72%
ETCOG	(2)	\$350,600.00	\$67,543.18	19.27%
Aug. 31 Grant Totals:	(15)	\$2,553,382.00	\$663,482.60	25.98%

<u>Grants Maturing November 29, 2008</u>		Amount funded	Amount spent	% spent
	# grants			
DETCOG	(21)	\$9,680,447.00	\$7,150,455.49	73.86%

Grand totals:	\$30,294,262.00	\$21,916,171.82	72.34%
# grants: (94)	Total Grants	total spent	% spent

RITA 2 - SPENDING REPORT - 9/10/08

Total amount of draws received to date (Sept. 10) - \$4,074,284.61

Total % of draws received to date - 9.70%

NOTE: Not all grants have the same deadlines.

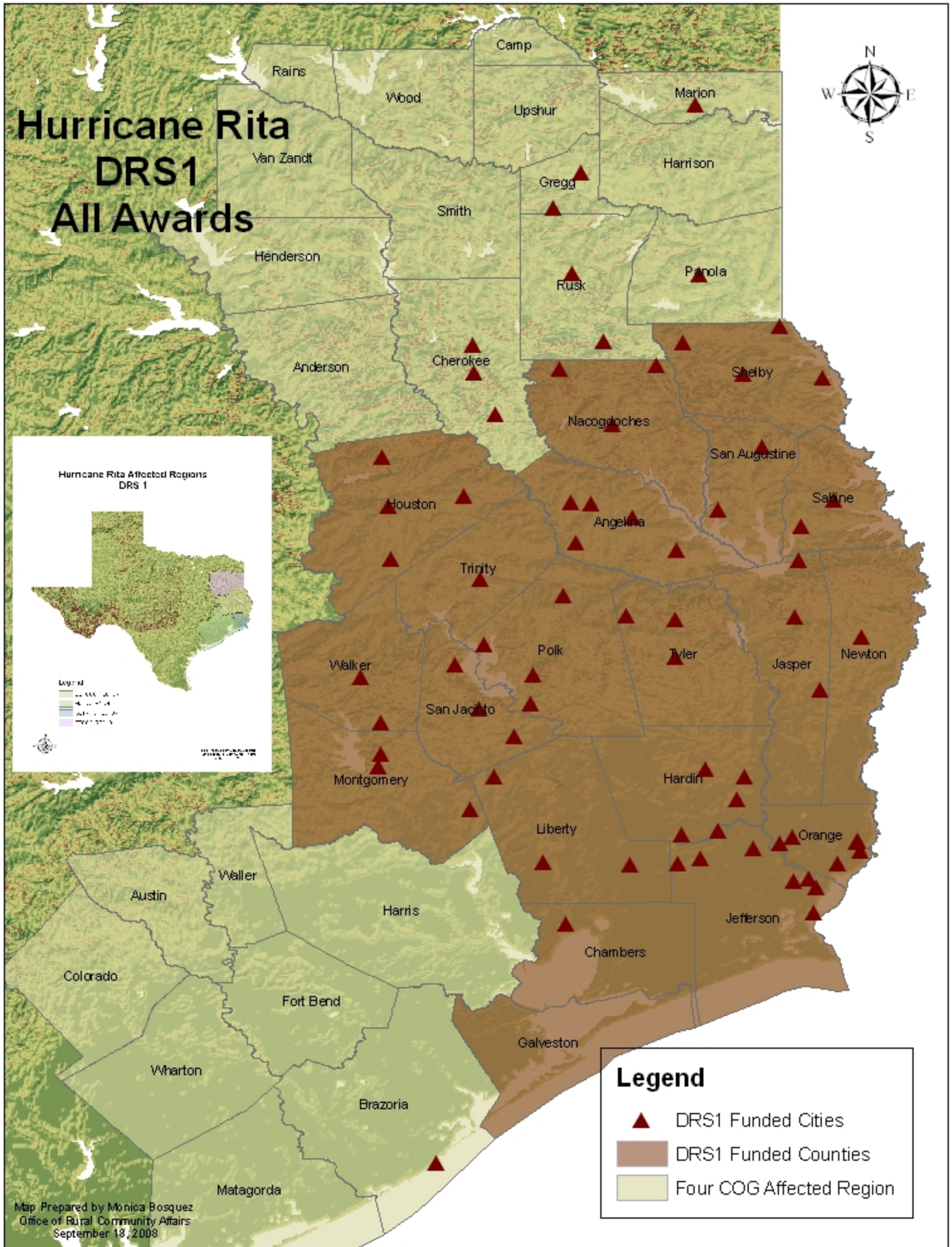
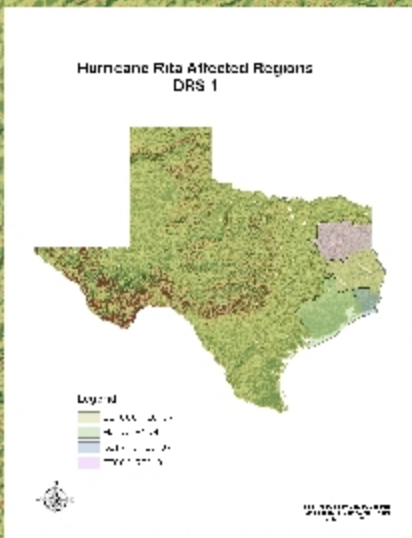
	Cutoff Dates	Amount Funed	Amount Spent	% spent
DRS0701 Memorial Herman Hospital	10/10/2009	\$6,000,000.00	\$1,547,030.17	25.78%
DRS0702 Hardin County	10/10/2009	\$10,000,000.00	\$1,512,218.65	15.12%
DRS0703 Bridge City	11/7/2009	\$3,800,000.00	\$279,885.99	7.37%
DRS0704 Jefferson County	3/23/2010	\$4,750,000.00	\$0.00	0.00%
DRS0705 Tyler County	3/23/2010	\$4,994,540.00	\$265,500.00	5.32%
DRS0706 Lumberton	3/23/2010	\$5,000,000.00	\$153,450.00	3.07%
DRS0707 Silsbee	3/23/2010	\$4,895,000.00	\$215,475.80	4.40%
DRS0708 Jasper County	3/23/2010	\$2,560,460.00	\$100,724.00	3.93%
Totals		\$42,000,000.00	\$4,074,284.61	9.70%

DR1 GRANT EXTENSIONS

UPDATED: Sept. 23, 2008 (10:00 a.m.)

Community Name	Region	Consultant	ext. requested	request letter received	site visit	reply to community	amended contract prepared (YES/NO)
30 day requests:				NO VISIT REQUIRED			
Ames	HGAC	Publ.Mgmt.	30 days	city letter/A1101	N/A - not over 30 days	letter 8/28/08 - 30 days to be granted	YES
Broadus	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
Browndell	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
Corrigan	DETCOG	Waxman	30 days	city letter/A1101	N/A - not over 30 days		YES
Cove	HGAC	Publ.Mgmt.	30 days	city letter/A1101	complete	letter 8/28/08 - 30 days to be granted	YES
Devers	HGAC	Publ.Mgmt.	30 days	city letter/A1101	N/A - not over 30 days	letter 8/28/08 - 30 days to be granted	YES
Diboll	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
Goodrich	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
Japser	DETCOG	Waxman	30 days	city letter/A1101	N/A - not over 30 days		YES
Joaquin	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
Kennard	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
Lovelady	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
Orange County	SETRPC	Waxman	30 days	city letter/A1101	N/A - not over 30 days		YES
Pinehurst	DETCOG	Waxman	30 days	city letter/A1101	N/A - not over 30 days		YES
Rose City	SETRPC	Waxman	30 days	city letter/A1101	N/A - not over 30 days	letter 8/28/08 - 30 days to be granted	YES
Rusk	ETCOG	SELF	30 days	city letter/A1101	N/A - not over 30 days	letter 8/28/08 - 30 days to be granted	YES
San Augustine	DETCOG	Vann	30 days	city letter/A1101	N/A - not over 30 days		YES
over 30 days requested				SITE VISIT REQUIRED			
China	SETRPC	Waxman	60 days	yes	complete	request due to community for more info.	NO
Cushing	DETCOG	Waxman	90 days	no	need to schedule	NOTE: City needs 90 days - grant is linked to Nacogdoches Co. which has Nov. 28 deadline.	NO
Gallatin	ETCOG	Traylor	90 days	yes	complete	letter 8/28/08 - city supplied more information - only needed 30 days - 30 days to be granted	NO
Hardin County	SETRPC	Waxman	45 days	yes	complete	request due to community for more info.	NO
Hemphill	DETCOG	Waxman	60 days	yes	not needed	All ORCA funded activities are complete. No extension needed - pending activities funded with local funds.	NO
Henderson	ETCOG	Traylor	90 days	yes	complete	letter 8/28/08 - need more information - 90 day extension under consideration	NO
Liberty County	HGAC	Publ.Mgmt.	90 days	yes	complete	letter 8/28/08 - need more information - 90 day extension under consideration	NO
Orange	SETRPC	self	120 days	yes	complete	request due to community for more info.	NO
Splendor	HGAC	Publ.Mgmt.	1 year	yes	complete	letter 8/28/08 - need more information - 90 day extension under consideration	NO
Willis	HGAC	Publ.Mgmt.	6 months	yes	complete	letter 8/28/08 - need more information - 90 day extension under consideration	NO

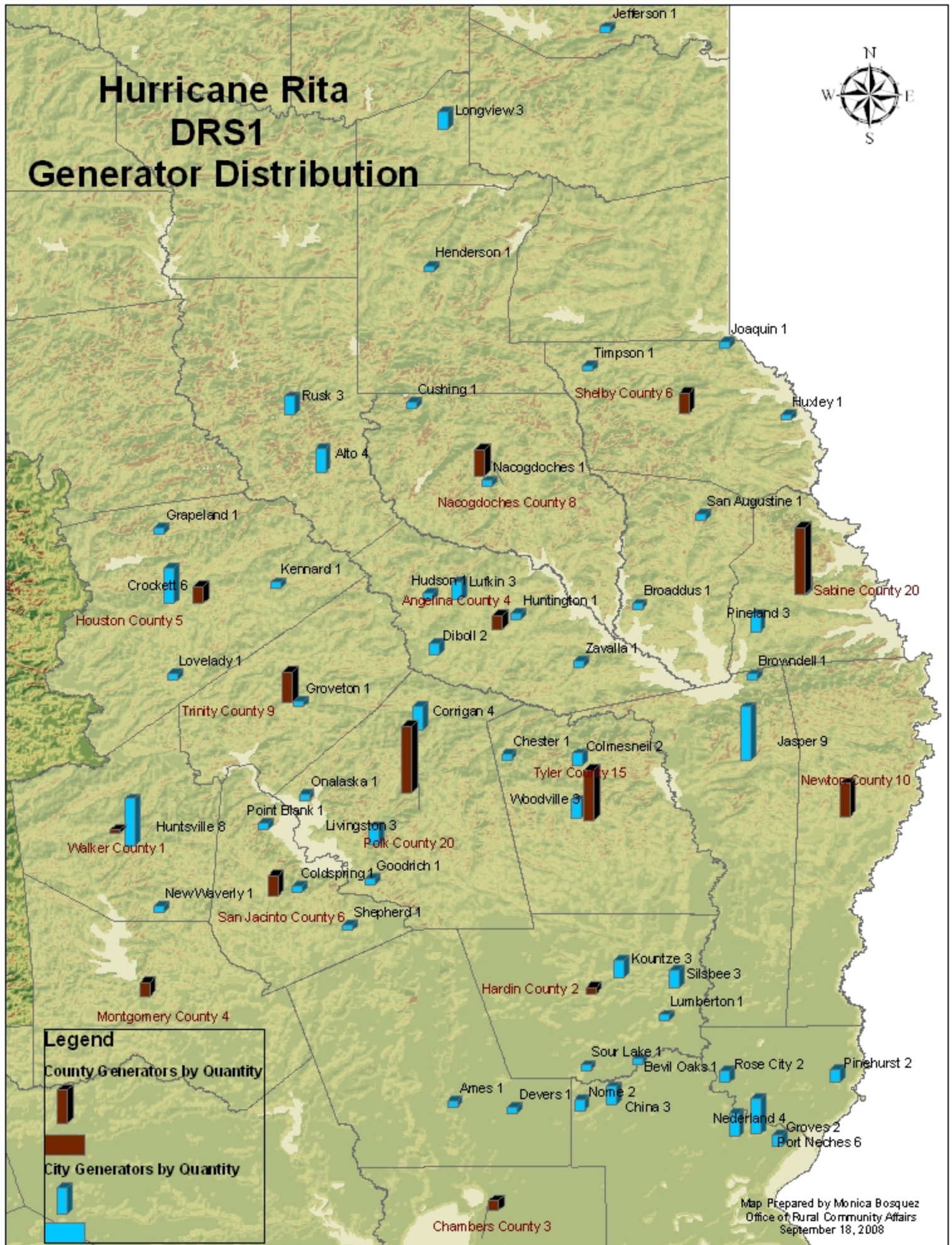
Hurricane Rita DRS1 All Awards



Legend

- ▲ DRS1 Funded Cities
- DRS1 Funded Counties
- Four COG Affected Region

Hurricane Rita DRS1 Generator Distribution



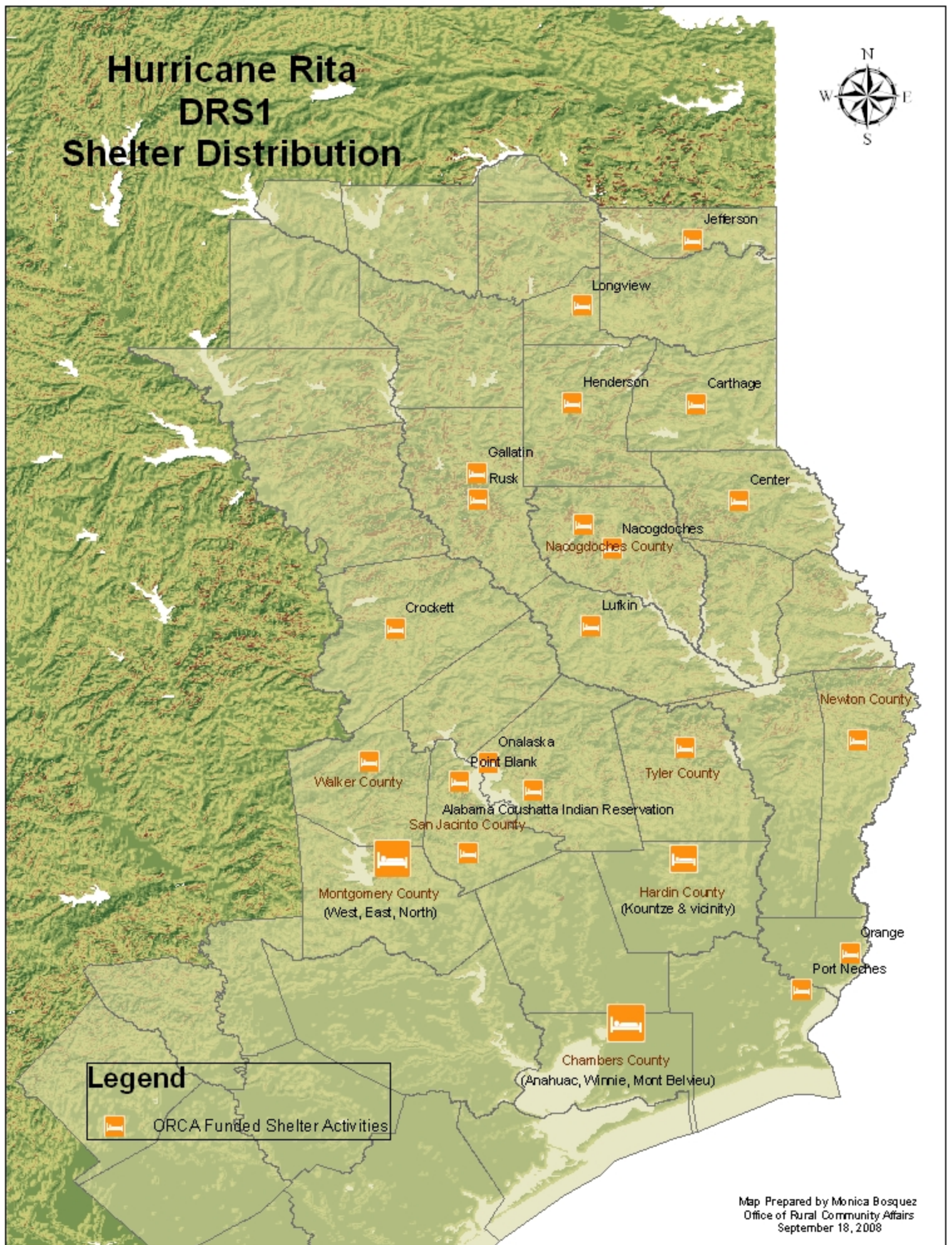
Legend

County Generators by Quantity

City Generators by Quantity

Map Prepared by Monica Bosquez
Office of Rural Community Affairs
September 18, 2008

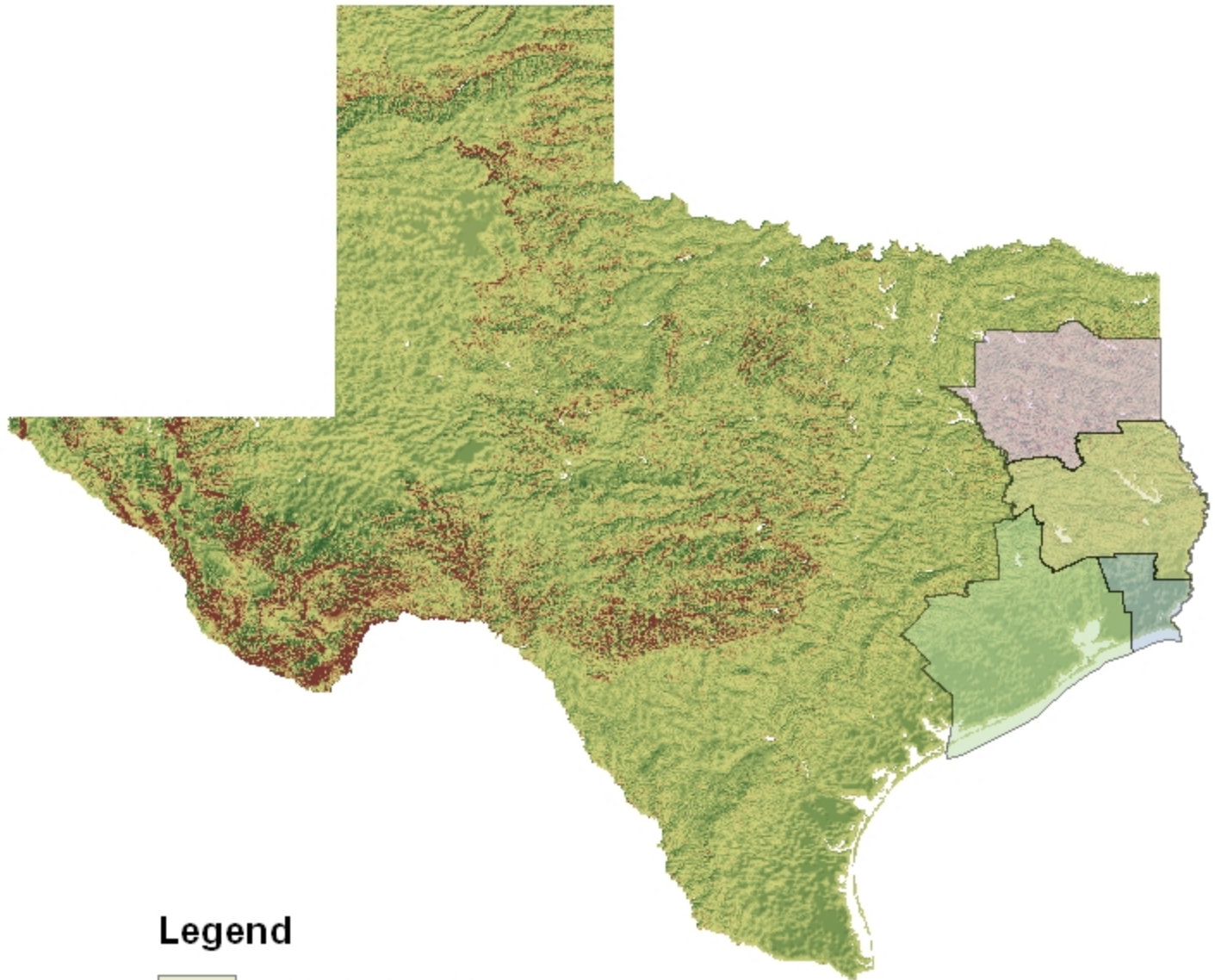
Hurricane Rita DRS1 Shelter Distribution



Legend

 ORCA Funded Shelter Activities

Hurricane Rita Affected Regions DRS 1



Legend

- DETCOG REGION
- HGAC REGION
- SETRPC REGION
- ETCOG REGION



SUMMARY

Hear a report on the activities related to the Texas Small Towns Environment Program (STEP)

Presented by Monica Bosquez*

DISCUSSION

ORCA staff will make a presentation on the Texas Small Towns Environment Program (STEP), which is a fund category under the TxCDBG Program.

RECOMMENDATION

The presentation is provided for information 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 Monica Bosquez at 512-936-6740 (mbosquez@orca.state.tx.us).**

TEXAS SMALL TOWNS ENVIRONMENT PROGRAM (STEP)

WHAT IS STEP?

The Texas Small Towns Environment Program (STEP) is a self-help approach to addressing a community's water and wastewater needs.

Texas STEP provides grant assistance on a competitive award basis twice per year for materials, limited construction, engineering, and related administrative costs.

Communities participating in STEP provide local volunteer "sweat equity" (labor) and available material resources such as equipment for their STEP projects. Communities must provide at least 40% of the retail cost of a water or sewer project through volunteer labor.

GETTING STARTED

The Texas STEP process begins with each community's analysis of their capacity to implement and coordinate a STEP project.

Potential Texas STEP communities must demonstrate:

- **Readiness:** The community recognizes the local water and/or wastewater problem and is ready to solve it now;
- **Capacity:** The community has individuals willing to volunteer, some technical skills in the neighborhood and access to some equipment;
- **"Sparkplugs":** The community has leaders, people who make things happen, have a clear focus and will see the project through to fruition,
- **40% Savings**

ORCA staff members participate in a Town Hall Meeting with each community interested in applying for STEP in order to discuss the self-help process and program requirements. Staff also provide guidance and support to community leaders and residents willing to use this self-help method to solve their water and sewer problems. Communities that meet the STEP profile may be invited to apply for funding.

ELIGIBLE ACTIVITIES

- Acquisition of real property related to the installation of water and sewer systems or improvements (easements, rights of way, etc.)
- Ancillary repairs related to the installation of water and sewer systems or improvements
- Installation of facilities to provide first-time water or sewer service
- Installation of water or sewer system improvements
- Plumbing improvements associated with providing water or sewer service to a housing unit
- Reasonable associated administrative costs
- Reasonable associated engineering costs

- Sewer or water taps and water meters
- Water or sewer connection fees (for low- and moderate-income persons)
- Water or sewer house service connections (for low- and moderate-income persons)
- Water or sewer yard service lines (for low and moderate income persons)

AWARD AMOUNT

The maximum award available from this fund is \$350,000.

SUMMARY

Review of the Action Plan Related to the Use of Disaster Funds for Hazard Mitigation

Presented by Mark Wyatt*

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. Executive Director, Mr. Stone 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.

At the August 2008 Board meeting, the Board heard testimony from Wichita County Judge Woody Gossom, two homeowners, and Mr. Jay Rice of Public Management.

The Board asked ORCA staff to obtain additional information for its consideration that is included in the attachment. Several items in the attachment are included below:

1. 50% Rule - FEMA Public Assistance - Eligibility of Facilities for Replacement

On June 1, 1995, FEMA put into effect "the 50% rule" which simply states damaged buildings with cost of damage repair does not exceed 50% of the cost of replacement using present day materials and methods excluding mandatory code upgrades should be repaired versus replaced. Building damaged more than 51% are eligible for complete replacement with mandatory code upgrades capped at the replacement cost.

2. Donation by homeowner

FEMA does allow a homeowner to accept only the 75% of the FEMA share. This is considered a donation by the homeowner. However, this does not cover the demolition of the property and closing costs. Mortgage amounts may be greater than 75%.

3. Impact on Others

Currently there are 5 HMGP buyout projects in TxCDBG eligible communities. Only Wichita County has applied to ORCA for the 25% match.

RECOMMENDATION

The Board should take any action it feels appropriate.

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).**

1. FEMA Public Assistance - Eligibility of Facilities for Replacement

June 1, 1995 FEMA put into effect "the 50% rule" which simply states damaged buildings with cost of damage repair does not exceed 50% of the cost of replacement using present day materials and methods excluding mandatory code upgrades should be repaired versus replaced. The rationale is that repair for disaster damage does not improve or add value whereas code upgrading does. Building damaged more than 51% are eligible for complete replacement with mandatory code upgrades capped at the replacement cost.

2. Donation by homeowner

FEMA does allow a homeowner to accept only the 75% of the FEMA share. This is considered a donation by the homeowner. However, this does not cover the demolition of the property and closing costs. Mortgage amounts may be greater than 75%.

3. Impact on Others

Currently there are 5 HMGP buyout projects in TxCDBG eligible communities. Only Wichita County has applied to ORCA for the 25% match.

4. Other Information

What is meant by "floodplain management measures"?

"Floodplain management measures" refers to an overall community program of corrective and preventive measures for reducing future flood damage. These measures take a variety of forms and generally include zoning, subdivision, or building requirements, and special-purpose floodplain ordinances.

Do the floodplain management measures required by the NFIP affect existing buildings?

The minimum Federal requirements affect existing buildings only when an existing building is substantially damaged or improved. There may also be situations where a building has been constructed in accordance with a local floodplain management ordinance, and the owner subsequently alters it in violation of the local building code, without a permit. Such unapproved modifications to an existing building may not meet the minimum Federal requirements.

What constitutes "substantial improvement" or "substantial damage"?

"Substantial improvement" means any rehabilitation, addition, or other improvement of a building when the cost of the improvement equals or exceeds 50 percent of the market value of the building before start of construction of the improvement. The term includes buildings that have incurred "substantial damage." "Substantial damage" means damage of any origin sustained by a building when the cost of restoring the building to its pre-damaged condition would equal or exceed 50 percent of the market value of the building before the damage occurred. Substantial damage is determined regardless of the actual repair work performed.

Substantial improvement or damage does not, however, include any project for improvement of a building to correct existing violations of State or local health, sanitary, or safety code specifications identified by local code enforcement officials as the minimum specifications necessary to assure safe living conditions. Also excluded from the substantial improvement requirement are alterations to historic buildings as defined by the NFIP.

National Flood Insurance Program

Participation in the NFIP is voluntary. To join, the community must:

1. Complete an application;
2. Adopt a resolution of intent to participate and cooperate with FEMA;
3. Adopt and submit a floodplain management ordinance that meets or exceeds the minimum NFIP criteria. The floodplain management ordinance must also adopt any FIRM or FHBM for the community.

Within participating communities, the Federal government makes flood insurance available throughout the community.

States are encouraged to insure and regulate state-owned properties under the NFIP.

A community that does not join the NFIP after being identified for one year as floodprone, has withdrawn from the program, or is suspended from it, faces the following sanctions:

1. No resident will be able to purchase a flood insurance policy.
2. Existing flood insurance policies will not be renewed.
3. No Federal grants or loans for development may be made in identified flood hazard areas under programs administered by Federal agencies such as HUD, EPA, and SBA;
4. No Federal disaster assistance may be provided to repair insurable buildings located in identified flood hazard areas for damage caused by a flood.
5. No Federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas. this includes policies written by FHA, VA, and others.
6. Federally insured or regulated lending institutions, such as banks and credit unions, must notify applicants seeking loans for insurable buildings in flood hazard areas that there is a flood hazard and that the property is not eligible for Federal disaster relief.

SUMMARY

Adoption of Amendments to Title 10, Chapter 255 of the Texas Administrative Code

Presented by Mark Wyatt*

DISCUSSION

The Board approved at the June 2008 Board meeting proposed amendments to Title 10, Chapter 255 of the Texas Administrative Code that would implement provisions of HB 2542, ORCA's re-authorization statute, related to the TxCDBG Program.

In general, the proposed changes to the Texas Administrative Code provided for:

1. The global replacement of the Board for the Executive Committee;
2. Revisions to reflect the duties of the State Review Committee; and
3. Adding the function of the Board to hear appeals of a decision of the State Review Committee.

These proposed amendments were published on July 18, 2008 in the *Texas Register*. We received no comments.

RECOMMENDATION

Staff recommends that the Board adopt the amendments as proposed under Title 10, Chapter 255 of the Texas Administrative Code and to authorize staff to provide notification to the Texas Register.

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)**

General Provisions
Rule §255.1

(a) – (f) (No change.)

(g) Appeals. An applicant for funding under the TxCDBG may appeal the disposition of its application in accordance with this subsection.

(1) – (3) (No change.)

(4) An applicant for a grant, loan, or award under a community development block grant program may appeal a decision of the state review committee by filing a compliant with the Board. The Board will hold a hearing on a complaint filed with the Board and render a decision.

(5) ~~(4)~~ Appeals not submitted in accordance with this subsection are dismissed and may not be refiled.

(h) Threshold requirements. An applicant must satisfy each of the following requirements in order to be eligible to apply for or to receive funding under the TxCDBG:

(1) – (5) (No change.)

(6) Submit any past due audit to the Office.

(A) A community with one year's delinquent audit may be eligible to submit an application for funding by the established application deadline, but may not receive a contract award if the audit continues to be delinquent on the date the state review committee meets to review funding recommendations for applications from fund categories scheduled for state review committee review. For applications from fund categories that are not reviewed by the state review committee, a community with one year's delinquent audit may be eligible to submit an application for funding by the established application deadline, but may not receive a contract award if the audit continues to be delinquent on the date that the state review committee ~~executive director~~ approves funding recommendations, ~~or in the case of funding recommendations over \$300,000, on the date that the Executive Committee reviews the funding recommendations.~~ Applications for the colonia self-help center fund and the disaster relief/urgent need fund are exempt from this threshold.

(B) A community with two years of delinquent audits may not apply for additional funding and may not receive a funding recommendation. This applies to all funding categories under the Texas Community Development Program. The colonia self-help centers fund may be exempt from this threshold, since funds for the self-help centers fund is included in the program's state budget appropriation. Failure to meet the threshold will be reported to the Legislative Budget Board for review and recommendation. The disaster

relief fund may be exempt from this threshold, but failure to meet this threshold will be forwarded to the [Board](#) ~~Executive Committee~~ for review and consideration.

(7) – (8) (No change.)

(i) – (j) (No change.)

(l) Unobligated and recaptured funds. Deobligated funds, unobligated funds and program income generated by TCF projects shall be retained for expenditure in accordance with the Consolidated Plan. Program income derived from TCF projects will be used by the Office for eligible TxCDBG activities in accordance with the Consolidated Plan. Any deobligated funds, unobligated funds, program income, and unused funds from the current year's allocation or from previous years' allocations derived from any TxCDBG Fund, including program income recovered from TCF local revolving loan funds, and any reallocated funds which HUD has recaptured from Small Cities may be redistributed among the established current program year fund categories, for otherwise eligible projects. The selection of eligible projects to receive such funds is approved by the Office Executive Director, or when applicable, approved by the [Board](#) ~~Office Executive Committee~~ or by the TDA on a priority needs basis with eligible disaster relief and urgent need projects as the highest priority; followed by, any awards necessary to resolve appeals under fund categories requiring publication of contract awards in the *Texas Register*, TCF projects, special needs projects, projects in colonias, housing activities, and other projects as determined by the Office Executive Director. Other purposes or initiatives may be established as a priority use of such funds within existing fund categories by the [Board](#) ~~Office Executive Committee~~. Should the TxCDBG be required to make payments to HUD to cover any loan payments not made by any recipient of a TxCDBG Section 108 loan guarantee, it would first use any available deobligated funds.

(m) – (n) (No change.)

(o) State review committee. The committee shall consult with and advise the Office's executive director on the administration and enforcement policies of the TxCDBG; [in consultation with the executive director and TxCDBG office staff, review and approve grant and loan applications and associated funding awards of eligible counties and municipalities and advise and](#) ~~review funding recommendations for applicants under the community development fund, community development supplemental fund, and planning/capacity building fund and~~ assist the Office's executive director in the allocation of program funds to the applicants; review appeals and submit recommendations for the disposition of such appeals to the Office's executive director in accordance with the procedures described in subsection (g) of this section; and report committee actions concerning these tasks to the Office's executive director through the minutes of committee meetings and written reports prepared by Office staff on behalf of the committee.

(p) – (t) (No change.)

(u) Performance measures. Each applicant for TxCDBG funds and each city or county receiving a contract award shall provide applicable information requested in application guides, the grant contract, or the most recent edition of the TxCDBG project implementation manual that is required by the Office to report on Community Development Block Grant program performance measures promulgated by the [Board Executive Committee](#), the Texas Legislature, and the U.S. Department of Housing and Urban Development.

(v) – (y) (No change.)

**Community Development Fund
Rule §255.2**

(a) – (c) (No change.)

(d) Selection procedures.

(1) – (5) (No change.)

(6) In consultation with the executive director and TxCDBG office staff, the state review committee reviews and approves grant and loan applications and associated funding awards of eligible counties and municipalities. ~~The funding recommendations of the state review committee are then provided to the executive director of the Office. If the state review committee recommendations differ from the funding recommendations of a regional review committee, the state review committee must provide the affected regional review committee with a written explanation of its determination. The regional review committee may then provide a response to the executive director of the Office. If there is not a consensus between a regional review committee and the state review committee, all review comments by all of the parties involved in the selection process will be forwarded to the executive director of the Office.~~

(7) An applicant for a grant, loan, or award under a community development block grant program may appeal a decision of the state review committee by filing a complaint with the Board. The Board will hold a hearing on a complaint filed with the board and render a decision.

~~(7) The executive director of the Office reviews the 2007 final recommendations for project awards and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(8) Upon announcement of the 2007 program year contract awards, the Office staff works with recipients to execute the contract agreements. While the award must be based on the information provided in the application, the Office may negotiate any element of the contract with the recipient as long as the contract amount is not increased and the level of benefits described in the application is not decreased. The level of benefits may be negotiated only when the project is partially funded with the remainder of the target allocation within a region.

~~(9) When the 2008 program year TxCDBG allocation becomes available, the executive director of the Office reviews the 2008 program year final recommendations for project awards and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(9)(10) Upon announcement of the 2006 program year contract awards, the Office staff works with recipients to execute the contract agreements. While the award must be based on the information provided in the application, the Office may negotiate any element of

the contract with the recipient as long as the contract amount is not increased and the level of benefits described in the application is not decreased. The level of benefits may be negotiated only when the project is partially funded with the remainder of the target allocation within a region.

(e) (No change.)

**Planning/Capacity Building Fund
Rule §255.4**

(a) – (b) No change

(c) Selection procedures. Scoring and the recommended ranking of projects are done by Office staff with input from the regional review committees. The application and selection procedures consist of the following steps.

(1) – (6) (No change.)

(7) The Office staff submits the 2007 program year and 2008 program year funding recommendations to the state review committee. In consultation with the executive director and TxCDBG office staff, the state review committee reviews and approves grant applications and associated funding awards of eligible counties and municipalities. ~~The state review committee reviews the project rankings and provides funding recommendations to the executive director of the Office.~~

~~(8) The executive director of the Office reviews the 2007 program year funding recommendations and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(8) ~~(9)~~ Upon the announcement of the 2007 program year contract awards, the Office staff works with recipients to execute the contract agreements. The award is based on the information provided in the application and on the amount of funding proposed for each contract activity based on the matrix included in the most recent application guide for this fund.

~~(10) When the 2008 program year TxCDBG allocation becomes available, the executive director of the Office reviews the 2008 program year funding recommendations and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(9) ~~(11)~~ Upon the announcement of the 2006 program year contract awards, the Office staff works with recipients to execute the contract agreements. The award is based on the information provided in the application and on the amount of funding proposed for each contract activity based on the matrix included in the most recent application guide for this fund.

(d) (No change.)

**Colonia Fund
Rule §255.9**

(a) – (d) (No change.)

(e) Selection procedures.

(1) – (4) (No change.)

(5) Following a final technical review, the Office staff presents the funding recommendations for the 2007 and 2008 colonia construction fund and the 2007 colonia planning fund to the executive director of the Office. In consultation with the executive director and TxCDBG staff, the state review committee reviews and approves grant applications and associated funding awards of eligible counties and municipalities.

~~(6) The executive director of the Office reviews the 2007 final recommendations and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(6) ~~(7)~~ Upon announcement of the 2007 contract awards, the Office staff works with recipients to execute the contract agreements. While the award must be based on the information provided in the application, the Office may negotiate any element of the contract with the recipient as long as the contract amount is not increased and the level of benefits described in the application is not decreased. The level of benefits may be negotiated only when the project is partially funded.

~~(8) When the 2008 program year TxCDBG allocation becomes available, the executive director of the Office reviews the 2008 program year colonia construction fund final recommendations for project awards and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(f) – (j) (No change.)

Small Towns Environment Program Fund
Rule §255.11

(a) – (e) (No change.)

(f) Selection procedures.

(1) During each of the two application rounds, the Office staff initially evaluate eligible cities or counties that have expressed an interest in using the self-help method and potentially applying for funding under the STEP Fund. Office staff assess whether self-help is a feasible method for completion of the water or sewer project, the community is committed to self-help as the means to address the problem, and the community is ready along with having the capacity to begin and complete a self-help project. If Office staff determines that the community meets all of the STEP threshold criteria then the community is invited to apply prior to the application deadline.

(2) The Office will not accept an application under the STEP Fund unless this assessment and invitation process is followed.

(3) Applicants invited to apply under the STEP Fund are scored using the selection criteria to determine the ranking.

(4) Following a final technical review, the Office staff makes funding recommendations to the executive director of the Office. In consultation with the executive director of the Office and TxCDBG office staff, the state review committee reviews and approves grant applications and associated funding awards of eligible counties and municipalities.

~~(5) The executive director of the Office reviews the final recommendations and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(5) ~~(6)~~ Upon announcement of contract awards, the Office staff works with recipients to execute the contract agreements. While the award must be based on the information provided in the application, the Office may negotiate any element of the contract with the recipient as long as the contract amount is not increased and the level of benefits described in the application is not decreased. The level of benefits may be negotiated only when the project is partially funded.

(g) (No change.)

Non-Border Colonia Fund
Rule §255.16

(a) – (b) (No change.)

(c) Selection procedures.

(1) – (4) (No change.)

(5) Following a final technical review, the Office staff submits the 2007 program year and 2008 program year funding recommendations to the executive director of the Office. In consultation with the executive director and TxCDBG office staff, the state review committee reviews and approves grant applications and associated funding awards of eligible counties and municipalities.

~~(6) The executive director of the Office reviews the 2007 program year funding recommendations for project awards and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(6) ~~(7)~~ Upon announcement of the 2007 program year contract awards, the Office staff works with recipients to execute the contract agreements. While the award must be based on the information provided in the application, the Office may negotiate any element of the contract with the recipient as long as the contract amount is not increased and the level of benefits described in the application is not decreased. The level of benefits may be negotiated only when the project is partially funded.

~~(8) When the 2008 program year TxCDBG allocation becomes available, the executive director of the Office reviews the 2008 program year final recommendations for project awards and except for awards exceeding \$300,000 announces the contract awards. Awards exceeding \$300,000 are submitted to the Executive Committee for approval.~~

(7) ~~(9)~~ Upon announcement of the 2008 program year contract awards, the Office staff works with recipients to execute the contract agreements. While the award must be based on the information provided in the application, the Office may negotiate any element of the contract with the recipient as long as the contract amount is not increased and the level of benefits described in the application is not decreased. The level of benefits may be negotiated only when the project is partially funded with the remainder of the target allocation within a region.

(d) (No change.)

SUMMARY

Proposed Amendments to TxCDBG Programs Found in Title 10 Part 6 Chapter 255 of the Texas Administrative Code

Presented by Mark Wyatt*

DISCUSSION

The attached proposed amendment to Section 255.9 of the Texas Administrative Code would add additional scoring criteria to the Colonia construction funding. In general, it would introduce “incentives and rewards” for the county based on its efforts to improve a colonia area that existed in 1990 to the point it is not longer considered a colonia.

Specifically, it would score based on:

- (a) “how the proposed project resolves the identified need” thereby leading to the elimination of a colonia area (the “incentive”) and;
- (b) “past efforts to address the needs in colonia areas” that lead to the elimination of a colonia area (the “reward”).

RECOMMENDATION

Staff recommends that the Board approve the publication of the proposed amendment in the Texas Register for public comment.

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)**

Proposed amendments - Texas Administrative Code

TITLE 10 COMMUNITY DEVELOPMENT
PART 6 OFFICE OF RURAL COMMUNITY AFFAIRS
CHAPTER 255 TEXAS COMMUNITY DEVELOPMENT PROGRAM
SUBCHAPTER A ALLOCATION OF PROGRAM FUNDS
RULE §255.9 Colonia Fund

§255.9 (f)

(f) Selection criteria (colonia construction fund). The following is an outline of the selection criteria used by the Office for scoring colonia construction fund applications. For the 2007 and 2008 program years, four hundred thirty points are available.

...

(6) Project design scoring guidelines. Project design scores are assigned by Office staff using guidelines that first consider the severity of the need for each application activity and how the project resolves the need described in the application. The severity of need and resolution of the need determine the maximum project design score that can be assigned to an application. After the maximum project design score has been established, points are then deducted from this maximum score through the evaluation of the other project design evaluation factors until the maximum score and the point deductions from that maximum score determine the final assigned project design score. When necessary, a weighted average is used to set the maximum project design score to applications that include activities in the different severity of the need/project resolution maximum scoring levels. Using as a base figure the TxCDBG funds requested minus the TxCDBG funds requested for engineering and administration, a percentage of the total TxCDBG construction dollars for each activity is calculated. The percentage of the total TxCDBG construction dollars for each activity is then multiplied by the appropriate maximum project design point level. The sum of the calculations determines the maximum project design score that the applicant can be assigned before points are deducted based on the evaluation of the other project design factors.

...

Add the following:

- (K) How the project resolves the identified need.
- (i) The applicant has not demonstrated that a colonia will be eliminated from its list of colonias that existed prior to November 28, 1990. Deduct 25 points from the set maximum project design score.
- (ii) The applicant has demonstrated that a colonia of at least 200 population will be eliminated from its list of colonias that existed prior to November 28, 1990. Deduct 0 points; or

(iii) The applicant has demonstrated that a colonia of less than 200 population will be eliminated from its list of colonias that existed prior to November 28, 1990. Deduct: (200-Population eliminated from the list) divided by 200 with the result multiplied by 25 points.

(L) Past efforts to address the needs in colonia areas.

(i) The applicant has not demonstrated that a colonia was eliminated from its list of colonias that existed prior to November 28, 1990. Deduct 25 points from the set maximum project design score.

(ii) The applicant has demonstrated that a colonia of at least 200 population was eliminated from its list of colonias that existed prior to November 28, 1990. Deduct 0 points; or

(iii) The applicant has demonstrated that a colonia of less than 200 population was eliminated from its list of colonias that existed prior to November 28, 1990. Deduct: (200-Population eliminated from the list) divided by 200 with the result multiplied by 25 points.

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 4th quarter of FY 2008, which ended on August 31, 2008 and therefore, reflects the agencies actual experience for the fiscal year.

For each measure that is not within 5% of the target amount for the year through the fourth 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 actual performance for most measures should be 100% of the annual target amount. As indicated in the discussions under each measure, the variables affecting the actual results for the fiscal year are in many cases outside of the control of our agency. For the 19 measures that are listed in the report, 15 exceeded target amounts, 2 were less than target amounts, and 2 were within 5% of the target amounts.

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 4th Quarters of FY 2008 Page 1 of 2

Measure No.	Performance Measure Description	Type	Program	Report Period	FY 2007 Actual Through 8/31/2007	FY 2007 Actual As % of Target	FY 2008 Target	FY 2008 Actual Through 8/31/08	FY 2008 Actual As % of Target
<p>Performance Measure Description LBB Key Measures</p>									
1.1.1.OP.1	Number of New Community and Economic Development Contracts Awarded	Output	CDBG	Quarterly	298	92%	325	356	110%
<p>The agency exceeded the target of new contracts awarded by using de-obligated funds and program income. These recaptured funds were used to supplement Disaster Relief, STEP, CD, GDS, Micro Enterprise and Renewable Energy fund categories.</p>									
1.1.1.OP.2	Number of Projected Beneficiaries from New Contracts Awarded	Output	CDBG	Quarterly	385,000	233%	483,000	2,726,893	565%
<p>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 benefit. There were 83 Disaster contracts (DR and DRS) awarded for the year.</p>									
1.1.1.OP.3	Percentage of the Small Communities Population Benefiting from Projects	Outcome	CDBG	Annually	36%	141%	36%	39.61%	110%
<p>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 benefit. A high number of DR contracts were awarded this year.</p>									
1.1.1.OP.5	Number of Programmatic (CD) Monitoring Visits Conducted	Output	Compliance	Quarterly	300	102%	300	289	96%
<p>Actual results are within 5% of target.</p>									
2.1.1.OP.2	Number of Primary Care Practitioners Recruited/Retained in Rural Areas	Output	RH	Quarterly	72	54%	42	50	119%
<p>ORCA actively provides incentive opportunities for healthcare professionals interested in practicing in rural Texas. The results of placement and retention of primary care practitioners were higher than expected for this fiscal year. The level of response from primary care practitioners to incentives varies between fiscal years.</p>									
2.2.1.OP.1	Number of Low Interest Loans and Grants Awarded (RH Capital Improvement)	Output	RH	Quarterly	39	131%	36	41	114%
<p>More interest was earned than expected on the investment, allowing more grants to be made.</p>									
2.1.1.OP.3	Ratio of Rural County Population to Primary Care Practitioners	Outcome	RH	Annually	1,407	92%	1,410	1,298	92%
<p>The actual ratio of persons to primary care providers was lower than expected for the fiscal year. Therefore this measure was exceeded for the end of the third quarter.</p>									
<p>LBB Non-Key Measures</p>									
1.1.1.EF.1	Average Agency Administrative Cost Per (CDBG) Contract Administered	Efficiency	CDBG	Annually	\$1,019	32%	\$4,500	\$3,536	79%
<p>Variance is dependent on the number of open contracts. By utilizing de-obligated funds and program income, more awards were made thus increasing the number of open contracts.</p>									
1.1.1.OP.3	Number of Jobs Created/Retained through Contracts Awarded Annually (TDA)	Output	CDBG	Annually	1,470	64%	981	409	42%
<p>Awards to Main Street or Downtown Revitalization do not create and/or retain jobs. Also, over the last 5 years TDA has emphasized making more awards to small rural communities has resulted in a lower number of jobs, because small businesses create/retain fewer jobs. Additionally, the 15% reduction in overall CDBG/TCF funding during the last few years has contributed significantly to the decrease in proposed jobs created/retained.</p>									
1.1.1.OP.4	# of Projected Beneficiaries from Self-Help Center Contracts Funded (TDHCA)	Output	CDBG	Annually	9,000	355%	4,700	3,573	76%
<p>The self-help center awards are alternated between seven counties each year. Some of the counties' colonias serve a high number of beneficiaries and others serve lower number of beneficiaries and the reported number is dependent on which counties gets funded that year.</p>									
1.1.1.OP.2	Requested Project Funds Awarded to Projects Using Annual HUD Allocation	Outcome	CDBG	Annually	N/A	N/A	28%	30.32%	108%
<p>Variance is due to fund categories in which all the applicants were funded, Disaster Relief, CEDAP, Self-Help Centers & Micro-Enterprise.</p>									
1.1.1.OP.6	Number of (CD) Single Audit Reviews Conducted Annually	Output	Compliance	Annually	50	171	342%	150	182
<p>The number of Single Audit reviews performed is based on the number of Single Audits received, which is based on the number of our grantees who expend more than \$500,000/year in total Federal funds. Our target was calculated using ORCA grants, since the expenditure amount is based on total Federal funds, more of our communities are receiving grants from other federal agencies in addition to HUD TXCDBG, causing the number of Single Audit submissions to be higher than expected.</p>									
2.1.1.EF.1	Average Cost Per Primary Care Practitioner Recruited/Retained in Rural Areas	Efficiency	RH	Annually	\$15,105	60%	\$32,850	\$19,933	61%
<p>The average cost of placements 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 for the fiscal year. Although this amount included primary care placement from the ORS program, which increased the average, the overall amount per placement was lower than expected.</p>									

Future ORCA Board Meeting Dates

2008

December 11-12 (Thursday – Friday) Austin

2009

February 5-6 (Thursday – Friday) Austin

April 2-3 (Thursday – Friday) Austin