



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

August 29, 2008

Mr. Walter Clay Cooke
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OR2008-11934

Dear Mr. Cooke:

You ask whether certain information is subject to required public disclosure under the Public Information Act (the "Act"), chapter 552 of the Government Code. Your request was assigned ID# 319077.

The Woodlands Religious Community, Inc. d/b/a Interfaith ("Interfaith"), which you represent, received a request for "a copy of the check register for [Interfaith] for all checks issued for the year 2007. The register should include the following for each check issued: check number, check date, payee name, and check amount. The check register should be in numerical order by check number." You claim that the requested information is not subject to the Act because "although [Interfaith] receives some public funds, it is not a governmental body for the purposes of the Act." In the alternative, you argue that if Interfaith is subject to the Act, that it is not subject to the Act in the entirety, and only the portion of the check register related those parts of Interfaith that are supported by public funds would be subject to the Act. You claim that if any portion of the requested information is subject to the Act, it should be excepted from disclosure under sections 552.101, 552.136, and 552.147 of the Government Code. We have considered the exceptions you claim and reviewed the submitted information. We have also considered comments submitted by the requestor. *See* Gov't Code § 552.304 (interested party may submit comments stating why information should or should not be released).

You assert that Interfaith is not a governmental body, and therefore its records are not subject to the Act. Under the Act, the term "governmental body" includes several enumerated kinds of entities and "the part, section, or portion of an organization, corporation, commission, committee, institution, or agency that spends or that is supported in whole or in part by public funds[.]" Gov't Code § 552.003(1)(A)(xii). The phrase "public

funds” means funds of the state or of a governmental subdivision of the state. *Id.* § 552.003(5).

Both the courts and this office previously have considered the scope of the definition of “governmental body” under the Act and its statutory predecessor. In *Kneeland v. National Collegiate Athletic Association*, 850 F.2d 224 (5th Cir. 1988), the United States Court of Appeals for the Fifth Circuit recognized that opinions of this office do not declare private persons or businesses to be “governmental bodies” that are subject to the Act “simply because [the persons or businesses] provide specific goods or services under a contract with a government body.” *Kneeland*, 850 F.2d at 228; see Open Records Decision No. 1 (1973). Rather, the *Kneeland* court noted that in interpreting the predecessor to section 552.003 of the Government Code, this office’s opinions generally examine the facts of the relationship between the private entity and the governmental body and apply three distinct patterns of analysis:

The opinions advise that an entity receiving public funds becomes a governmental body under the Act, unless its relationship with the government imposes “a specific and definite obligation . . . to provide a measurable amount of service in exchange for a certain amount of money as would be expected in a typical arms-length contract for services between a vendor and purchaser.” Tex. Att’y Gen. No. JM-821 (1987), quoting ORD-228 (1979). That same opinion informs that “a contract or relationship that involves public funds and that indicates a common purpose or objective or that creates an agency-type relationship between a private entity and a public entity will bring the private entity within the . . . definition of a ‘governmental body.’” Finally, that opinion, citing others, advises that some entities, such as volunteer fire departments, will be considered governmental bodies if they provide “services traditionally provided by governmental bodies.”

Kneeland, 850 F.2d at 228. The *Kneeland* court ultimately concluded that the National Collegiate Athletic Association (the “NCAA”) and the Southwest Conference (the “SWC”), both of which received public funds, were not “governmental bodies” for purposes of the Act because both provided specific, measurable services in return for those funds. See *id.*, 850 F.2d at 230-31. Both the NCAA and the SWC were associations made up of both private and public universities. Both the NCAA and the SWC received dues and other revenues from their member institutions. *Id.* at 226-28. In return for those funds, the NCAA and the SWC provided specific services to their members, such as supporting various NCAA and SWC committees; producing publications, television messages, and statistics; and investigating complaints of violations of NCAA and SWC rules and regulations. *Id.* at 229-31. The *Kneeland* court concluded that although the NCAA and the SWC received public funds from some of their members, neither entity was a “governmental body” for purposes of the Act, because the NCAA and SWC did not receive the funds for their general support. Rather, the NCAA and the SWC provided “specific and gaugeable services” in return for the funds that they received from their member public institutions. See *id.* at 231; see also *A.H. Belo Corp. v. S. Methodist Univ.*, 734 S.W.2d 720 (Tex. App.—Dallas 1987,

writ denied) (athletic departments of private-school members of SWC did not receive or spend public funds and thus were not governmental bodies for purposes of Act).

In exploring the scope of the definition of "governmental body" under the Act, this office has distinguished between private entities that receive public funds in return for specific, measurable services and those entities that receive public funds as general support. In Open Records Decision No. 228 (1979), we considered whether the North Texas Commission (the "commission"), a private, nonprofit corporation chartered for the purpose of promoting the interests of the Dallas-Fort Worth metropolitan area, was a governmental body. *See* Open Records Decision No. 288 at 1. The commission's contract with the City of Fort Worth obligated the city to pay the commission \$80,000 per year for three years. *Id.* The contract obligated the commission, among other things, to "[c]ontinue its current successful programs and implement such new and innovative programs as will further its corporate objectives and common City's interests and activities." *Id.* at 2. Noting this provision, this office stated that "[e]ven if all other parts of the contract were found to represent a strictly arms-length transaction, we believe that this provision places the various governmental bodies which have entered into the contract in the position of 'supporting' the operation of the Commission with public funds within the meaning of [the predecessor to section 552.003]." *Id.* Accordingly, the commission was determined to be a governmental body for purposes of the Act. *Id.*

In Open Records Decision No. 602 (1992), we addressed the status of the Dallas Museum of Art (the "DMA") under the Act. The DMA was a private, nonprofit corporation that had contracted with the City of Dallas to care for and preserve an art collection owned by the city and to maintain, operate, and manage an art museum. *See* Open Records Decision No. 602 at 1-2. The contract required the city to support the DMA by maintaining the museum building, paying for utility service, and providing funds for other costs of operating the museum. *Id.* at 2. We noted that an entity that receives public funds is a governmental body under the Act, unless the entity's relationship with the governmental body from which it receives funds imposes "a specific and definite obligation . . . to provide a measurable amount of service in exchange for a certain amount of money as would be expected in a typical arms-length contract for services between a vendor and purchaser." *Id.* at 4. We found that "the [City of Dallas] is receiving valuable services in exchange for its obligations, but, in our opinion, the very nature of the services the DMA provides to the [City of Dallas] cannot be known, specific, or measurable." *Id.* at 5. Thus, we concluded that the City of Dallas provided general support to the DMA facilities and operation, making the DMA a governmental body to the extent that it received the city's financial support. *Id.* Therefore, the DMA's records that related to programs supported by public funds were subject to the Act. *Id.*

We additionally note that the precise manner of public funding is not the sole dispositive issue in determining whether a particular entity is subject to the Act. *See* Attorney General Opinion JM-821 at 3 (1987). Other aspects of a contract or relationship that involve the transfer of public funds between a private and a public entity must be considered in determining whether the private entity is a "governmental body" under the Act. *Id.* at 4. For

example, a contract or relationship that involves public funds, and that indicates a common purpose or objective or that creates an agency-type relationship between a private entity and a public entity, will bring the private entity within the definition of a "governmental body" under section 552.003(1)(A)(xii) of the Government Code. The overall nature of the relationship created by the contract is relevant in determining whether the private entity is so closely associated with the governmental body that the private entity falls within the Act. *Id.*

In the present case, you inform us that Interfaith is a Texas non-profit corporation that provides various programs and services, and whose members are religious congregations and churches in The Woodlands. You state that two of the programs, the Interfaith Counseling Center and The WorkSource, receive state funding. You have provided a copy of two contracts between Interfaith and the Houston-Galveston Area Council Gulf Coast Workforce System ("H-GAC") concerning The WorkSource program, pursuant to which Interfaith receives "Project Rio" funding from the Texas Workforce Commission (the commission). You inform us that Interfaith received \$240,481 in Project Rio funding in 2007 for the WorkSource program. *See* Labor Code § 306.001 *et. seq.* (providing for implementation of Project Rio). You also inform us that Interfaith received \$519 in Project Rio funds in 2007 for the Interfaith Counseling Center (which you also refer to as the "Employee Assistance Center"). Finally, the requestor has provided this office with documentation demonstrating that Interfaith also received \$10,000 in 2007 from the Town Center Improvement District ("TCID"), a governmental body.¹ In response to a letter sent by this office to Interfaith pursuant to section 552.303(c) of the Government Code, you have explained how the money received from TCID was used by Interfaith.

After review of your arguments and the submitted information, we find that, by providing workforce development services pursuant to its contract with the H-GAC,² Interfaith and the H-GAC, as well as the commission, share a common purpose and objective such that an agency-type relationship is created.³ Thus, although you claim that the services performed under the contracts with H-GAC are arms-length transactions, we find that Interfaith's

¹The TCID was succeeded by The Woodlands Township in November 2007.

²We note that H-GAC is a governmental body for purposes of the Act. *See* Attorney General Opinion H-1262 (1978) (finding that H-GAC is council of governments created pursuant to predecessor to section 391.003 of Local Government Code); *see also* Open Records Letter Ruling No. OR2003-6808 (2003) (finding H-GAC to be a governmental body for purposes of the Act); Loc. Gov't Code § 391.003(c) (providing that councils of governments created under this statute are considered political subdivisions of the state).

³We note that the commission's website, at <http://www.twc.state.tx.us/svcs/rio.html>, states that "Project RIO is administered by the [commission] in collaboration with *Local Workforce Development Boards*, the Texas Department of Criminal Justice (TDCJ), the Windham School District and The Texas Youth Commission (TYC). The project provides a link between education, training and employment during incarceration with employment, training and education after release. The program is designed to reduce recidivism through employment." [Emphasis added]. We also note that section 2D in the "Scope of Services" portion of Interfaith's current contract with H-GAC states "[Interfaith] will work closely with H-GAC and other partners, including [the commission] and the Texas Health and Human Services Commission (HHSC), to develop and promote the career office system."

receipt of these Project Rio funds makes it a governmental body to the extent it is supported by these funds.

In addition, with regard to the funds received from TCID, you explain that a portion of these funds were used for fund-raising activities, and that the remainder was used for Interfaith's general support. Accordingly, we also find that Interfaith's receipt of those funds makes it a governmental body for purposes of the Act to the extent it is supported by these funds. We note, however, that an organization is not necessarily a "governmental body" in its entirety. "The *part, section, or portion* of an organization, corporation, commission, committee, institution, or agency that spends or that is supported in whole or in part by public funds" is a governmental body. Gov't Code § 552.003(1)(A)(xii) (emphasis added); *see also* ORD 602 (only the records of those portions of the Dallas Museum of Art that were directly supported by public funds are subject to the Act). Accordingly, records relating to those parts of Interfaith's operations that are directly supported by public funds are subject to the disclosure requirements of the Act.

Thus, in the present case and under the present circumstances, we find that those portions of the submitted check register that reflect expenditures directly related to the Interfaith Counseling Center and The WorkSource Program are public information that are subject to disclosure under the Act.⁴ With regard to the funding received from TCID, we find that, although Interfaith received \$10,000 from TCID, this amount of money is insufficient given the annual revenue of Interfaith to make all of Interfaith's records subject to the Act. However, to the extent that any entries in the check register reflect expenditures that can be traced to money received from TCID, to specifically include any entries specifically related to Interfaith's fund-raising activities, we conclude that such entries are public information subject to disclosure under the Act. The remainder of the submitted check register is not subject to disclosure under the Act and need not be released to the requestor.

For the portions of the register that are subject to the Act, we will address your raised exceptions against disclosure. You have raised sections 552.101, 552.136 and 552.147 of the Government Code, but have provided no arguments in support of these exceptions. *See* Gov't Code § 552.301(e)(1)(A). Pursuant to section 552.302 of the Government Code, a governmental body's failure to submit to this office the information required in section 552.301(e) results in the legal presumption that the information is public and must be released. Information that is presumed public must be released unless a governmental body demonstrates a compelling reason to withhold the information to overcome this presumption. *See Hancock v. State Bd. of Ins.*, 797 S.W.2d 379, 381-82 (Tex. App.--Austin 1990, no writ) (governmental body must make compelling demonstration to overcome presumption of openness pursuant to statutory predecessor to Gov't Code

⁴In support of this conclusion, we note that the current contract between Interfaith and H-GAC provides, at Article 14 "Examination of Records", that Interfaith must maintain complete and accurate records of all of their costs and documentation of items chargeable to H-GAC. Also under Article 14, H-GAC and the State of Texas have a right to access and audit these Interfaith records, including "paid invoices and cancelled checks for materials purchased and for subcontractors' and any other third parties' charges."

§ 552.302); Open Records Decision No. 319 (1982). Because sections 552.101, 552.136 and 552.147 of the Government Code provide compelling reasons to overcome the presumption of openness, we will address these exceptions. Section 552.101 excepts from disclosure "information considered to be confidential by law, either constitutional, statutory, or by judicial decision." Gov't Code § 552.101. Section 552.136 states that "[n]otwithstanding any other provision of this chapter, a credit card, debit card, charge card, or access device number that is collected, assembled, or maintained by or for a governmental body is confidential." Gov't Code § 552.136. And finally, section 552.147 provides that "[t]he social security number of a living person is excepted from" required public disclosure under the Public Information Act (the "Act"). Gov't Code § 552.147. Upon review of the submitted information, we find no information contained therein that would be excepted under any of these exceptions to disclosure. Accordingly, none of the information subject to release may be withheld under sections 552.101, 552.136 and 552.147.

To conclude, those portions of the submitted check register that reflect expenditures directly related to the Interfaith Counseling Center and The WorkSource Program, and those portions that reflect expenditures that can be traced to money received from TCID, to include any entries specifically related to Interfaith's fund-raising activities, are public information and must be released to the requestor. The remainder of the submitted check register is not public information and need not be released to the requestor.

This letter ruling is limited to the particular records at issue in this request and limited to the facts as presented to us; therefore, this ruling must not be relied upon as a previous determination regarding any other records or any other circumstances.

This ruling triggers important deadlines regarding the rights and responsibilities of the governmental body and of the requestor. For example, governmental bodies are prohibited from asking the attorney general to reconsider this ruling. Gov't Code § 552.301(f). If the governmental body wants to challenge this ruling, the governmental body must file suit in Travis County within 30 calendar days. *Id.* § 552.324(b). In order to get the full benefit of such a challenge, the governmental body must file suit within 10 calendar days. *Id.* § 552.353(b)(3). If the governmental body does not file suit over this ruling and the governmental body does not comply with it, then both the requestor and the attorney general have the right to file suit against the governmental body to enforce this ruling. *Id.* § 552.321(a).

If this ruling requires the governmental body to release all or part of the requested information, the governmental body is responsible for taking the next step. Based on the statute, the attorney general expects that, upon receiving this ruling, the governmental body will either release the public records promptly pursuant to section 552.221(a) of the Government Code or file a lawsuit challenging this ruling pursuant to section 552.324 of the Government Code. If the governmental body fails to do one of these things, then the requestor should report that failure to the attorney general's Open Government Hotline,

toll free, at (877) 673-6839. The requestor may also file a complaint with the district or county attorney. *Id.* § 552.3215(e).

If this ruling requires or permits the governmental body to withhold all or some of the requested information, the requestor can challenge that decision by suing the governmental body. *Id.* § 552.321(a); *Texas Dep't of Pub. Safety v. Gilbreath*, 842 S.W.2d 408, 411 (Tex. App.—Austin 1992, no writ).

Please remember that under the Act the release of information triggers certain procedures for costs and charges to the requestor. If records are released in compliance with this ruling, be sure that all charges for the information are at or below the legal amounts. Questions or complaints about over-charging must be directed to Hadassah Schloss at the Office of the Attorney General at (512) 475-2497.

If the governmental body, the requestor, or any other person has questions or comments about this ruling, they may contact our office. Although there is no statutory deadline for contacting us, the attorney general prefers to receive any comments within 10 calendar days of the date of this ruling.

Sincerely,



Jonathan Miles
Assistant Attorney General
Open Records Division

JM/jh

Ref: ID# 319077

Enc. Submitted documents

c: Mr. Jim Jenkins
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(w/o enclosures)