

By: Thompson of Harris, Craddick, Buckley,
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H.B. No. 15

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Mental Health and Brain Research
Institute of Texas.

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

SECTION 1. Subtitle H, Title 3, Education Code, is amended
by adding Chapter 157 to read as follows:

CHAPTER 157. MENTAL HEALTH AND BRAIN RESEARCH INSTITUTE OF TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 157.001. DEFINITIONS. In this chapter:

(1) "Institute" means the Mental Health and Brain
Research Institute of Texas.

(2) "Oversight committee" means the Mental Health and
Brain Research Institute of Texas Oversight Committee.

(3) "Peer review committee" means the Mental Health
and Brain Research Institute of Texas Peer Review Committee.

(4) "Program integration committee" means the Mental
Health and Brain Research Institute of Texas Program Integration
Committee.

(5) "Research plan" means the Texas Mental Health and
Brain Health Research Plan developed by the institute.

Sec. 157.002. PURPOSES. The Mental Health and Brain
Research Institute of Texas is established to:

(1) create and expedite innovation in mental health
and brain research to improve the health of residents of this state,

1 enhance the potential for a medical or scientific breakthrough in
2 mental health and brain-related sciences and biomedical research,
3 and enhance the mental health and brain research superiority of
4 this state;

5 (2) attract, create, or expand research capabilities
6 of eligible institutions of higher education and other public or
7 private entities by awarding grants to promote a substantial
8 increase in mental health and brain research, strategies for
9 prevention of mental health and brain-related diseases, mental
10 health and brain health initiatives, and the creation of
11 high-quality jobs in this state; and

12 (3) develop and implement a research plan to foster
13 synergistic collaboration and investigation into mental health and
14 brain health research by eligible institutions of higher education
15 and their partners.

16 Sec. 157.003. STATE AUDITOR. Nothing in this chapter
17 limits the authority of the state auditor under Chapter 321,
18 Government Code, or other law.

19 SUBCHAPTER B. POWERS AND DUTIES OF INSTITUTE

20 Sec. 157.051. POWERS AND DUTIES. (a) The institute:

21 (1) may make grants to provide money to institutions
22 of learning, advanced medical research facilities, public and
23 private persons, and collaborations in this state to further the
24 purposes of this chapter, including:

25 (A) implementation of the research plan;

26 (B) research, such as translational and clinical
27 research into:

1 (i) the causes of and prevention,
2 treatment, rehabilitation, protocols, and cures for mental health
3 and human brain-related diseases, syndromes, disorders,
4 dysfunction, injuries, developmental issues, neurological health
5 issues, behavioral health issues, and substance use disorders and
6 other addictions; and

7 (ii) any other area impacting mental health
8 or the brain, including an area that directly or indirectly impacts
9 or is impacted by mental health or the brain or brain health, such
10 as the gut microbiome, nutrition, and the spinal cord or nervous
11 system, that the peer review committee and the oversight committee
12 approve;

13 (C) providing money for facilities, equipment,
14 supplies, salaries, benefits, and other costs related to mental
15 health and brain research; and

16 (D) prevention programs and strategies to
17 mitigate the incidence of detrimental health impacts on mental
18 health or the brain;

19 (2) shall collaborate with relevant state agencies,
20 coordinating councils, and consortiums to enhance mental health and
21 brain-related health care and research;

22 (3) shall establish the appropriate standards and
23 oversight bodies to ensure money authorized under this chapter is
24 properly used for the purposes of this chapter;

25 (4) shall employ necessary staff to provide
26 administrative support to the institute;

27 (5) may contract with another state agency to share

1 the cost of administrative services, including grant accounting,
2 grant monitoring, technical and document management of the grant
3 application review process, legal services, and compliance
4 services;

5 (6) shall monitor grant contracts authorized by this
6 chapter and ensure that each grant recipient complies with the
7 terms and conditions of the grant contract;

8 (7) shall ensure that all grant proposals comply with
9 this chapter and rules adopted under this chapter before the
10 proposals are submitted to the oversight committee for approval;

11 (8) shall establish procedures to document that the
12 institute, its employees, and its committee members appointed under
13 this chapter comply with all laws and rules governing the peer
14 review process and conflicts of interest; and

15 (9) shall create a statewide research and clinical
16 data registry for mental health and brain research.

17 (b) The institute shall implement and monitor the research
18 plan and revise the plan as necessary.

19 Sec. 157.052. CHIEF EXECUTIVE OFFICER; CHIEF COMPLIANCE
20 OFFICER; ADDITIONAL OFFICERS. (a) The oversight committee shall
21 hire a chief executive officer. The chief executive officer shall
22 perform the duties required by this chapter or designated by the
23 oversight committee. The chief executive officer must have a
24 demonstrated ability to lead and develop academic, commercial, and
25 governmental partnerships and coalitions.

26 (b) The institute shall employ a chief compliance officer to
27 monitor compliance with this chapter and rules adopted under this

1 chapter and to report incidents of noncompliance to the oversight
2 committee.

3 (c) The chief executive officer may hire any other officer
4 position the chief executive officer determines necessary for
5 efficient operation of the institute.

6 Sec. 157.053. ANNUAL PUBLIC REPORT; INTERNET POSTING. Not
7 later than January 31 of each year, the institute shall prepare and
8 submit to the governor, the lieutenant governor, the speaker of the
9 house of representatives, and the standing committee of each house
10 of the legislature with primary jurisdiction over institute matters
11 and post on the institute's Internet website a report that
12 outlines:

13 (1) the institute's activities under this chapter;

14 (2) a list of recipients that were awarded grants
15 during the preceding state fiscal year, including the grant amount
16 awarded to each recipient;

17 (3) any research accomplishments achieved during the
18 preceding state fiscal year by a grant recipient or the recipient's
19 partners;

20 (4) an overview summary of the institute's most recent
21 audited financial statement;

22 (5) an assessment of the relationship between the
23 institute's grants and the strategy of its research program;

24 (6) a statement of the institute's strategic research
25 plans;

26 (7) an estimate of the financial cost to this state of
27 mental health and brain disease during the most recent state fiscal

1 year for which data is available, including the amounts this state
2 spent related to mental health and brain disease through the
3 Medicaid program, the Teacher Retirement System of Texas, and the
4 Employees Retirement System of Texas;

5 (8) a statement of the institute's compliance program
6 activities, including any proposed legislation or other
7 recommendations identified through the activities;

8 (9) for the preceding state fiscal year:

9 (A) a list of any conflicts of interest that
10 require recusal under this chapter or rules adopted under this
11 chapter;

12 (B) any unreported conflicts of interest
13 confirmed by an investigation conducted under Section 157.254,
14 including any actions taken by the institute regarding an
15 unreported conflict of interest and subsequent investigation; and

16 (C) any waivers granted through the process
17 established under Section 157.253; and

18 (10) the institute's future direction.

19 Sec. 157.054. INDEPENDENT FINANCIAL AUDIT. (a) The
20 institute shall annually commission an independent financial audit
21 of its activities from a certified public accounting firm.

22 (b) The oversight committee shall review the annual
23 financial audit and the financial practices of the institute.

24 Sec. 157.055. GRANT RECORDS. (a) The institute shall
25 maintain complete records of:

26 (1) regardless of whether the grant application is
27 funded by the institute or is withdrawn after submission to the

1 institute, the review of each grant application submitted to the
2 institute, including the score assigned to each grant application
3 reviewed by the peer review committee in accordance with rules
4 adopted under Section 157.302;

5 (2) each grant recipient's financial reports,
6 including the amount of matching money dedicated to the research
7 specified for the grant award;

8 (3) each grant recipient's progress reports;

9 (4) for the purpose of determining any conflict of
10 interest, the identity of each principal investor and owner of each
11 grant recipient as provided by institute rules; and

12 (5) the institute's review of the grant recipient's
13 financial reports and progress reports.

14 (b) The institute shall keep the records described by
15 Subsection (a) until at least the 15th anniversary of the date the
16 record was issued.

17 (c) The institute shall have prepared periodic audits of any
18 electronic grant management system used to maintain records of
19 grant applications and grant awards under this section. The
20 institute shall timely address each weakness identified in an audit
21 of the system.

22 Sec. 157.056. GIFTS AND GRANTS. The institute may solicit
23 and accept gifts and grants from any source for the purposes of this
24 chapter.

25 Sec. 157.057. PROHIBITED OFFICE LOCATION. An institute
26 employee may not have an office located in a facility owned by an
27 entity receiving or applying to receive money from the institute.

1 Sec. 157.058. COMPLIANCE PROGRAM. (a) The institute shall
2 establish a compliance program that operates under the direction of
3 the institute's chief compliance officer to monitor compliance with
4 this chapter and rules adopted under this chapter and to use to
5 report incidents of noncompliance to the oversight committee.

6 (b) The chief compliance officer or designee shall attend
7 and observe meetings of the peer review committee and the program
8 integration committee to ensure compliance with this chapter and
9 rules adopted under this chapter.

10 (c) The chief compliance officer shall submit a written
11 report to the oversight committee confirming that each grant
12 application recommendation included on the list submitted by the
13 program integration committee under Section 157.302(a)(2) followed
14 the oversight committee's rules regarding the procedure for
15 awarding grants under this chapter. The report must contain all
16 relevant information on:

17 (1) the peer review process for the grant application;
18 (2) the application's peer review score assigned by
19 the peer review committee;

20 (3) adherence to the conflict-of-interest
21 notification and recusal process; and

22 (4) the confirmation that a grant applicant
23 recommended for approval did not make any gift or grant prohibited
24 by Section 157.302(f).

25 (d) To ensure each grant recipient complies with reporting
26 requirements included in the grant contract and the rules adopted
27 under this chapter, the institute shall implement a system to:

1 (1) track the dates on which grant recipient reports
2 are due and are received by the institute; and

3 (2) monitor the status of any required report that a
4 grant recipient does not timely submit to the institute.

5 (e) The chief compliance officer shall:

6 (1) monitor compliance with this section;

7 (2) inquire into and monitor the status of any
8 required report that a grant recipient does not timely submit to the
9 institute; and

10 (3) notify the general counsel of the institute and
11 the oversight committee of a grant recipient that has not complied
12 with the reporting requirements of the grant contract to allow the
13 institute to suspend or terminate the grant contract as warranted.

14 (f) The chief compliance officer shall establish procedures
15 for investigating allegations of fraud, waste, or abuse of state
16 resources against oversight committee members, institute employees
17 or contractors, grant applicants, or grant recipients. The
18 procedures must include:

19 (1) private access to the compliance program office,
20 such as a telephone hotline; and

21 (2) to the extent possible, preservation of the
22 confidentiality of communications and the anonymity of a person
23 submitting a compliance report related to fraud, waste, or abuse or
24 participating in a compliance investigation.

25 SUBCHAPTER C. OVERSIGHT COMMITTEE

26 Sec. 157.101. COMPOSITION OF OVERSIGHT COMMITTEE. (a) The
27 oversight committee is the governing body of the institute.

1 (b) The oversight committee is composed of the following
2 nine members:

- 3 (1) three members appointed by the governor;
4 (2) three members appointed by the lieutenant
5 governor; and
6 (3) three members appointed by the speaker of the
7 house of representatives.

8 (c) The oversight committee members must represent the
9 geographic and cultural diversity of this state.

10 (d) In making appointments to the oversight committee, the
11 governor, lieutenant governor, and speaker of the house of
12 representatives:

13 (1) must each appoint at least one person who is a
14 physician or a scientist with extensive experience in the field of
15 mental health or brain disease or public health; and

16 (2) should attempt to include, if possible:
17 (A) persons affected by mental health or brain
18 disease; or

19 (B) family members or caregivers of persons
20 affected by mental health or brain disease.

21 (e) A person may not be an oversight committee member if the
22 person or the person's spouse:

23 (1) is employed by or participates in the management
24 of a business entity or other organization receiving money from the
25 institute;

26 (2) owns or controls, directly or indirectly, an
27 interest in a business entity or other organization receiving money

1 from the institute; or

2 (3) uses or receives a substantial amount of tangible
3 goods, services, or money from the institute, other than
4 reimbursement authorized by this chapter for oversight committee
5 membership, attendance, or expenses.

6 Sec. 157.102. REMOVAL. (a) It is a ground for removal from
7 the oversight committee that a member:

8 (1) is ineligible for membership under Section
9 157.101(e);

10 (2) cannot, because of illness or disability,
11 discharge the member's duties for a substantial part of the member's
12 term; or

13 (3) is absent from more than half of the regularly
14 scheduled oversight committee meetings that the member is eligible
15 to attend during a calendar year without an excuse approved by a
16 majority vote of the committee.

17 (b) The validity of an action of the oversight committee is
18 not affected by the fact that it is taken when a ground for removal
19 of a committee member exists.

20 (c) If the chief executive officer has knowledge that a
21 potential ground for removal exists, the chief executive officer
22 shall notify the presiding officer of the oversight committee of
23 the potential ground. The presiding officer shall then notify the
24 appointing authority and the attorney general that a potential
25 ground for removal exists. If the potential ground for removal
26 involves the presiding officer, the chief executive officer shall
27 notify the next highest ranking officer of the oversight committee,

1 who shall then notify the appointing authority and the attorney
2 general that a potential ground for removal exists.

3 Sec. 157.103. TERMS; VACANCY. (a) Oversight committee
4 members appointed by the governor, lieutenant governor, and speaker
5 of the house serve at the pleasure of the appointing official for
6 staggered six-year terms, with the terms of three members expiring
7 on January 31 of each odd-numbered year.

8 (b) If a vacancy occurs on the oversight committee, the
9 appropriate appointing official shall appoint a successor in the
10 same manner as the original appointment to serve for the remainder
11 of the unexpired term. The appropriate appointing official shall
12 appoint the successor not later than the 30th day after the date the
13 vacancy occurs.

14 Sec. 157.104. OFFICERS. (a) The oversight committee shall
15 elect a presiding officer and assistant presiding officer from
16 among its members every two years. The oversight committee may
17 elect additional officers from among its members.

18 (b) The presiding officer and assistant presiding officer
19 may not serve in the position to which the officer was elected for
20 consecutive terms.

21 (c) The oversight committee shall:

22 (1) establish and approve duties and responsibilities
23 for officers of the committee; and

24 (2) develop and implement policies that distinguish
25 the responsibilities of the oversight committee and the committee's
26 officers from the responsibilities of the chief executive officer
27 and institute employees.

1 Sec. 157.105. EXPENSES. An oversight committee member is
2 not entitled to compensation but is entitled to reimbursement for
3 actual and necessary expenses incurred in attending meetings of the
4 committee or performing other official duties authorized by the
5 presiding officer.

6 Sec. 157.106. MEETINGS. (a) The oversight committee shall
7 hold at least one public meeting each quarter of the calendar year,
8 with appropriate notice and a formal public comment period.

9 (b) The oversight committee may conduct a closed meeting in
10 accordance with Subchapter E, Chapter 551, Government Code, to
11 discuss issues related to:

12 (1) managing, acquiring, or selling securities or
13 other revenue-sharing obligations realized under the standards
14 established as required by Section 157.305; and

15 (2) an ongoing compliance investigation into issues
16 related to fraud, waste, or abuse of state resources.

17 Sec. 157.107. POWERS AND DUTIES. (a) The oversight
18 committee shall:

19 (1) hire a chief executive officer;

20 (2) annually set priorities for each grant program
21 that receives money under this chapter; and

22 (3) consider the priorities set under Subdivision (2)
23 in awarding grants under this chapter.

24 (b) The oversight committee shall adopt a code of conduct
25 applicable to each oversight committee member, program integration
26 committee member, peer review committee member, and institute
27 employee that includes provisions prohibiting the member, the

1 employee, or the member's or employee's spouse from:

2 (1) accepting or soliciting any gift, favor, or
3 service that could reasonably influence the member or employee in
4 the discharge of official duties or that the member, employee, or
5 spouse knows or should know is being offered with the intent to
6 influence the member's or employee's official conduct;

7 (2) accepting employment or engaging in any business
8 or professional activity that would reasonably require or induce
9 the member or employee to disclose confidential information
10 acquired in the member's or employee's official position;

11 (3) accepting other employment or compensation that
12 could reasonably impair the member's or employee's independent
13 judgment in the performance of official duties;

14 (4) making personal investments or holding a financial
15 interest that could reasonably create a substantial conflict
16 between the member's or employee's private interest and the member's
17 or employee's official duties;

18 (5) intentionally or knowingly soliciting, accepting,
19 or agreeing to accept any benefit for exercising the member's
20 official powers or performing the member's or employee's official
21 duties in favor of another;

22 (6) leasing, directly or indirectly, any property,
23 capital equipment, employee, or service to any entity that receives
24 a grant from the institute;

25 (7) submitting a grant application for funding by the
26 institute;

27 (8) serving on the board of directors of an

1 organization established with a grant from the institute; or
2 (9) serving on the board of directors of a grant
3 recipient.

4 Sec. 157.108. RULEMAKING AUTHORITY. The oversight
5 committee may adopt rules to administer this chapter.

6 Sec. 157.109. FINANCIAL STATEMENT REQUIRED. Each oversight
7 committee member shall file with the chief compliance officer a
8 verified financial statement complying with Sections 572.022
9 through 572.0252, Government Code, as required of a state officer
10 by Section 572.021, Government Code.

11 SUBCHAPTER D. OTHER INSTITUTE COMMITTEES

12 Sec. 157.151. PEER REVIEW COMMITTEE. (a) The oversight
13 committee shall establish a peer review committee. The chief
14 executive officer, with approval by a simple majority of the
15 oversight committee members, shall appoint as members of the peer
16 review committee experts in fields related to mental health or the
17 brain, including research, health care, disease treatment and
18 prevention, and other study areas and trained patient advocates who
19 meet the qualifications adopted under Subsection (c).

20 (b) The oversight committee shall adopt a written policy on
21 in-state or out-of-state residency requirements for peer review
22 committee members.

23 (c) The oversight committee shall adopt rules regarding the
24 qualifications required of a trained patient advocate committee
25 member for a peer review committee. The rules must require the
26 trained patient advocate to successfully complete science-based
27 training.

1 (d) A peer review committee member may receive an honorarium
2 and may be reimbursed for travel expenses incurred in conducting
3 committee business. Subchapter B, Chapter 2254, Government Code,
4 does not apply to an honorarium the member receives under this
5 chapter.

6 (e) The chief executive officer, in consultation with the
7 oversight committee, shall adopt a policy regarding honoraria and
8 document any change in the amount of honoraria paid to a peer review
9 committee member, including information explaining the basis for
10 that change.

11 (f) A peer review committee member appointed under this
12 chapter may not serve on the board of directors or other governing
13 board of an entity receiving a grant from the institute.

14 (g) Peer review committee members serve for terms as
15 determined by the chief executive officer.

16 Sec. 157.152. PROGRAM INTEGRATION COMMITTEE. (a) The
17 institute shall establish a program integration committee with the
18 duties assigned under this chapter.

19 (b) The program integration committee is composed of:

20 (1) the institute's chief executive officer, who shall
21 serve as the presiding officer of the program integration
22 committee;

23 (2) three senior-level institute employees
24 responsible for program policy and oversight, appointed by the
25 chief executive officer with the approval of a majority of the
26 oversight committee members; and

27 (3) the executive commissioner of the Health and Human

1 Services Commission or the executive commissioner's designee.

2 Sec. 157.153. HIGHER EDUCATION ADVISORY COMMITTEE. (a)

3 The higher education advisory committee is composed of the
4 following members:

5 (1) one member appointed by the president of Baylor
6 College of Medicine;

7 (2) one member appointed by the president of Texas A&M
8 Health;

9 (3) one member appointed by the president of Texas
10 Tech University Health Sciences Center;

11 (4) one member appointed by the president of Texas
12 Tech University Health Sciences Center at El Paso;

13 (5) one member appointed by the president of The
14 University of Texas Southwestern Medical Center;

15 (6) one member appointed by the president of The
16 University of Texas Medical Branch at Galveston;

17 (7) one member appointed by the president of The
18 University of Texas Health Science Center at Houston;

19 (8) one member appointed by the president of The
20 University of Texas Health Science Center at San Antonio;

21 (9) one member appointed by the president of The
22 University of Texas at Tyler Health Science Center;

23 (10) one member appointed by the dean of Dell Medical
24 School at The University of Texas at Austin;

25 (11) one member appointed by the president of The
26 University of Texas M. D. Anderson Cancer Center;

27 (12) one member appointed by the dean of The

1 University of Texas Rio Grande Valley School of Medicine;

2 (13) one member appointed by the president of
3 University of North Texas Health Science Center at Fort Worth;

4 (14) one member appointed by the president of Rice
5 University;

6 (15) one member appointed by the dean of University of
7 Houston College of Medicine; and

8 (16) one member appointed by the dean of Sam Houston
9 State University College of Osteopathic Medicine.

10 (b) The oversight committee by majority vote may increase
11 the membership of the higher education advisory committee to
12 include appointees representing institutions of higher education
13 not listed in Subsection (a).

14 (c) The higher education advisory committee shall advise
15 the oversight committee on issues, opportunities, the role of
16 higher education, and other subjects involving mental health or
17 brain research.

18 Sec. 157.154. AD HOC ADVISORY COMMITTEE. (a) The oversight
19 committee, as necessary, may create additional ad hoc advisory
20 committees of experts to advise the oversight committee on issues
21 relating to mental health research, brain research, brain health,
22 brain-related diseases, spinal cord injuries, traumatic brain
23 injuries, mental and behavioral health issues, including substance
24 abuse disorders and other addictions, or other brain- or
25 neurological-related issues.

26 (b) Ad hoc committee members serve for the terms determined
27 by the oversight committee.

1 Sec. 157.155. EXPENSES. Members of the higher education
2 advisory committee or any ad hoc advisory committee appointed under
3 this subchapter serve without compensation but are entitled to
4 reimbursement for actual and necessary expenses incurred in
5 attending committee meetings or performing other official duties
6 authorized by the presiding officer, including travel expenses.

7 SUBCHAPTER E. MENTAL HEALTH AND BRAIN INSTITUTE RESEARCH FUND

8 Sec. 157.201. MENTAL HEALTH AND BRAIN INSTITUTE RESEARCH
9 FUND. (a) In this subchapter, "fund" means the Mental Health and
10 Brain Institute Research Fund established under Section 68, Article
11 III, Texas Constitution. The fund is a special fund in the treasury
12 outside the general revenue fund to be administered by the
13 institute. The fund is to be used by the institute as authorized by
14 this chapter without further legislative appropriation.

15 (b) The fund consists of:

16 (1) money transferred to the fund under Section 68,
17 Article III, Texas Constitution;

18 (2) money appropriated, credited, or transferred to
19 the fund by the legislature;

20 (3) patent, royalty, and license fees and other income
21 received under a contract entered into as provided by Section
22 157.304; and

23 (4) investment earnings and interest earned on amounts
24 credited to the fund.

25 (c) The fund may only be used for:

26 (1) the award of grants authorized under this chapter,
27 including grants for mental health and brain research, brain health

1 studies and disease prevention, and research facilities in this
2 state to conduct mental health or brain research;

3 (2) the purchase, subject to approval by the
4 institute, of research facilities by or for a state agency or grant
5 recipient; and

6 (3) the operation of the institute.

7 Sec. 157.202. ROLE OF TEXAS TREASURY SAFEKEEPING TRUST
8 COMPANY. (a) In this section, "trust company" means the Texas
9 Treasury Safekeeping Trust Company.

10 (b) The trust company shall invest the fund in accordance
11 with this section.

12 (c) The trust company shall hold and invest the fund, and
13 any accounts established in the fund, for the institute, taking
14 into account the purposes for which money in the fund may be used.
15 The fund may be invested with the state treasury pool and may be
16 pooled with other state assets for purposes of investment.

17 (d) The overall objective for the investment of the fund is
18 to maintain sufficient liquidity to meet the needs of the fund while
19 striving to preserve the purchasing power of the fund over a full
20 economic cycle.

21 (e) The trust company has any power necessary to accomplish
22 the purposes of managing and investing the assets of the fund. In
23 managing the assets of the fund, through procedures and subject to
24 restrictions the trust company considers appropriate, the trust
25 company may acquire, exchange, sell, supervise, manage, or retain
26 any kind of investment that a prudent investor, exercising
27 reasonable care, skill, and caution, would acquire or retain in

1 light of the purposes, terms, distribution requirements, and other
2 circumstances of the fund then prevailing, taking into
3 consideration the investment of all the assets of the fund rather
4 than a single investment.

5 (f) The expenses of managing the fund shall be paid from the
6 fund.

7 (g) The trust company annually shall provide a written
8 report to the institute and to the oversight committee with respect
9 to the investments of the fund.

10 (h) The trust company shall adopt a written investment
11 policy that is appropriate for the fund. The trust company shall
12 present the investment policy to the investment advisory board
13 established under Section 404.028, Government Code. The investment
14 advisory board shall submit to the trust company recommendations
15 regarding the policy.

16 (i) The institute annually shall provide to the trust
17 company a forecast of the cash flows into and out of the fund. The
18 institute shall provide updates to the forecasts as appropriate to
19 ensure that the trust company is able to achieve the objective
20 specified by Subsection (d).

21 (j) The trust company shall disburse money from the fund as
22 directed by the institute. The institute shall direct disbursements
23 from the fund on a semiannual schedule specified by the institute
24 and not more frequently than twice in any state fiscal year.

25 Sec. 157.203. AUTHORIZED USE OF GRANT MONEY; LIMITATIONS.

26 (a) A grant recipient awarded money from the fund may use the money
27 for research consistent with the purposes of this chapter and in

1 accordance with a contract between the grant recipient and the
2 institute.

3 (b) Except as otherwise provided by this section, grant
4 money awarded under this chapter may be used for authorized
5 expenses, including:

6 (1) honoraria;

7 (2) salaries and benefits;

8 (3) travel;

9 (4) conference fees and expenses;

10 (5) consumable supplies;

11 (6) operating expenses;

12 (7) contracted research and development;

13 (8) capital equipment;

14 (9) construction or renovation of state or private
15 facilities; and

16 (10) reimbursement for participation costs incurred
17 by brain cancer clinical trial participants, including
18 transportation, lodging, and any costs reimbursed under the cancer
19 clinical trial participation program established under Chapter 51,
20 Health and Safety Code.

21 (c) A grant recipient receiving money under this chapter for
22 mental health or brain disease research may not spend more than five
23 percent of the money for indirect costs. For purposes of this
24 subsection, "indirect costs" means the expenses of conducting
25 business that are not readily identified with a particular grant,
26 contract, project, function, or activity, but are necessary for the
27 general operation of the organization or the performance of the

1 organization's activities.

2 (d) Not more than five percent of the total amount of grant
3 money awarded under this chapter in a state fiscal year may be used
4 for facility purchase, construction, remodel, or renovation
5 purposes, and those expenditures must benefit mental health or
6 brain research.

7 (e) Not more than 10 percent of the total amount of grant
8 money awarded under this chapter in a state fiscal year may be used
9 for prevention projects and strategies to mitigate the incidence of
10 detrimental health impacts on mental health or the brain during
11 that year.

12 SUBCHAPTER F. CONFLICTS OF INTEREST: DISCLOSURE; RECUSAL

13 Sec. 157.251. CONFLICT OF INTEREST. (a) The oversight
14 committee shall adopt conflict-of-interest rules, based on
15 standards applicable to members of scientific review committees of
16 the National Institutes of Health, to govern members of the
17 oversight committee, the program integration committee, the peer
18 review committee, and institute employees.

19 (b) An oversight committee member, program integration
20 committee member, peer review committee member, or institute
21 employee shall recuse himself or herself, as provided by Section
22 157.252(a), (b), or (c), as applicable, if the member or employee,
23 or a person who is related to the member or employee within the
24 second degree of affinity or consanguinity, has a professional or
25 financial interest in an entity receiving or applying to receive
26 money from the institute.

27 (c) A person has a professional interest in an entity

1 receiving or applying to receive money from the institute if the
2 person:

3 (1) is a member of the board of directors, another
4 governing board, or any committee of the entity, or of a foundation
5 or similar organization affiliated with the entity, during the same
6 grant cycle;

7 (2) serves as an elected or appointed officer of the
8 entity;

9 (3) is an employee of or is negotiating future
10 employment with the entity;

11 (4) represents the entity;

12 (5) is a professional associate of a primary member of
13 the entity's project team;

14 (6) is, or within the preceding six years has been, a
15 student, postdoctoral associate, or part of a laboratory research
16 group for a primary member of the entity's project team;

17 (7) is engaged or is actively planning to be engaged in
18 collaboration with a primary member of the entity's project team;

19 or

20 (8) has long-standing scientific differences or
21 disagreements with a primary member of the entity's project team,
22 and those differences or disagreements:

23 (A) are known to the professional community; and

24 (B) could be perceived as affecting objectivity.

25 (d) A person has a financial interest in an entity receiving
26 or applying to receive money from the institute if the person:

27 (1) owns or controls, directly or indirectly, an

1 ownership interest, including sharing in profits, proceeds, or
2 capital gains, in an entity receiving or applying to receive money
3 from the institute; or

4 (2) could reasonably foresee that an action taken by
5 the oversight committee, the program integration committee, a peer
6 review committee, or the institute could result in a financial
7 benefit to the person.

8 (e) Nothing in this chapter limits the authority of the
9 oversight committee to adopt additional conflict-of-interest
10 standards.

11 Sec. 157.252. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL.

12 (a) If an oversight committee member or program integration
13 committee member has a conflict of interest as described by Section
14 157.251 regarding an application that comes before the member for
15 review or other action, the member shall:

16 (1) provide written notice to the chief executive
17 officer and the presiding officer of the oversight committee or the
18 next ranking member of the committee if the presiding officer has
19 the conflict of interest;

20 (2) disclose the conflict of interest in an open
21 meeting of the oversight committee; and

22 (3) recuse himself or herself from participating in
23 the review, discussion, deliberation, and vote on the application
24 and from accessing information regarding the matter to be decided.

25 (b) If a peer review committee member has a conflict of
26 interest described by Section 157.251 regarding an application that
27 comes before the member's committee for review or other action, the

1 member shall:

2 (1) provide written notice to the chief executive
3 officer of the conflict of interest; and

4 (2) recuse himself or herself from participating in
5 the review, discussion, deliberation, and vote on the application
6 and from accessing information regarding the matter to be decided.

7 (c) If an institute employee has a conflict of interest
8 described by Section 157.251 regarding an application that comes
9 before the employee for review or other action, the employee shall:

10 (1) provide written notice to the chief executive
11 officer of the conflict of interest; and

12 (2) recuse himself or herself from participating in
13 the review of the application and be prevented from accessing
14 information regarding the matter to be decided.

15 (d) An oversight committee member, program integration
16 committee member, peer review committee member, or institute
17 employee with a conflict of interest may seek a waiver as provided
18 by Section 157.253.

19 (e) An oversight committee member, program integration
20 committee member, peer review committee member, or institute
21 employee who reports a potential conflict of interest or another
22 impropriety or self-dealing of the member or employee and who fully
23 complies with the recommendations of the general counsel and
24 recusal requirements is considered in compliance with the
25 conflict-of-interest provisions of this chapter. The member or
26 employee is subject to other applicable laws, rules, requirements,
27 and prohibitions.

1 (f) An oversight committee member, program integration
2 committee member, peer review committee member, or institute
3 employee who intentionally violates this section is subject to
4 removal from further participation in the institute's grant review
5 process.

6 Sec. 157.253. EXCEPTIONAL CIRCUMSTANCES REQUIRING
7 PARTICIPATION. The oversight committee shall adopt rules governing
8 the waiver of the conflict-of-interest requirements of this chapter
9 under exceptional circumstances for an oversight committee member,
10 program integration committee member, peer review committee
11 member, or institute employee. The rules must:

12 (1) authorize the chief executive officer or an
13 oversight committee member to propose granting a waiver by
14 submitting to the presiding officer of the oversight committee a
15 written statement about the conflict of interest, the exceptional
16 circumstance requiring the waiver, and any proposed limitations to
17 the waiver;

18 (2) require a proposed waiver to be publicly reported
19 at a meeting of the oversight committee;

20 (3) require a majority vote of the oversight committee
21 members present and voting to grant a waiver;

22 (4) require any waiver granted to be reported annually
23 to the lieutenant governor, the speaker of the house of
24 representatives, the governor, and the standing committee of each
25 house of the legislature with primary jurisdiction over institute
26 matters; and

27 (5) require the institute to retain documentation of

1 each waiver granted.

2 Sec. 157.254. INVESTIGATION OF UNREPORTED CONFLICTS OF
3 INTEREST. (a) An oversight committee member, a program
4 integration committee member, a peer review committee member, or an
5 institute employee who becomes aware of a potential conflict of
6 interest described by Section 157.251 that has not been reported
7 shall immediately notify the chief executive officer of the
8 potential conflict of interest. On notification, the chief
9 executive officer shall notify the presiding officer of the
10 oversight committee and the general counsel, who shall determine
11 the nature and extent of any unreported conflict.

12 (b) A grant applicant seeking an investigation regarding
13 whether a prohibited conflict of interest was not reported shall
14 file a written request with the institute's chief executive
15 officer. The applicant must:

16 (1) include in the request all facts regarding the
17 alleged conflict of interest; and

18 (2) submit the request not later than the 30th day
19 after the date the chief executive officer presents final funding
20 recommendations for the affected grant cycle to the oversight
21 committee.

22 (c) On notification of an alleged conflict of interest under
23 Subsection (a) or (b), the institute's general counsel shall:

24 (1) investigate the matter; and

25 (2) provide to the chief executive officer and
26 presiding officer of the oversight committee an opinion that
27 includes:

1 (A) a statement of facts;

2 (B) a determination of whether a conflict of
3 interest or another impropriety or self-dealing exists; and

4 (C) if the opinion provides that a conflict of
5 interest or another impropriety or self-dealing exists,
6 recommendations for an appropriate course of action.

7 (d) If the conflict of interest, impropriety, or
8 self-dealing involves the presiding officer of the oversight
9 committee, the institute's general counsel shall provide the
10 opinion to the next ranking oversight committee member who is not
11 involved with the conflict of interest, impropriety, or
12 self-dealing.

13 (e) After receiving the opinion and consulting with the
14 presiding officer of the oversight committee, the chief executive
15 officer shall take action regarding the recusal of the individual
16 from any discussion of or access to information related to the
17 conflict of interest or other recommended action related to the
18 impropriety or self-dealing. If the alleged conflict of interest,
19 impropriety, or self-dealing is held by, or is an act of, the chief
20 executive officer, the presiding officer of the oversight committee
21 shall take actions regarding the recusal or other action.

22 Sec. 157.255. FINAL DETERMINATION OF UNREPORTED CONFLICT OF
23 INTEREST. (a) The chief executive officer or, if applicable, the
24 presiding officer of the oversight committee shall make a
25 determination regarding the existence of an unreported conflict of
26 interest described by Section 157.251 or other impropriety or
27 self-dealing. The determination must specify any actions to be

1 taken to address the conflict of interest, impropriety, or
2 self-dealing, including:

3 (1) reconsideration of the application; or

4 (2) referral of the application to another peer review
5 committee for review.

6 (b) The determination made under Subsection (a) is
7 considered final unless three or more oversight committee members
8 request that the issue be added to the agenda of the oversight
9 committee.

10 (c) The chief executive officer or, if applicable, the
11 presiding officer of the oversight committee, shall provide written
12 notice of the final determination, including any further actions to
13 be taken, to the grant applicant requesting the investigation.

14 (d) Unless specifically determined by the chief executive
15 officer or, if applicable, the presiding officer of the oversight
16 committee, or the oversight committee, the validity of an action
17 taken on a grant application is not affected by the fact that an
18 individual who failed to report a conflict of interest participated
19 in the action.

20 SUBCHAPTER G. PROCEDURE FOR AWARDING GRANTS

21 Sec. 157.301. AWARD REVIEW PROCESS. The institute shall
22 use a peer review process to evaluate and recommend all grants the
23 oversight committee awards under this chapter.

24 Sec. 157.302. GRANT AWARD RULES AND PROCEDURES. (a) The
25 oversight committee shall adopt rules regarding the procedure for
26 awarding grants to an applicant under this chapter. The rules must
27 require:

1 (1) the peer review committee to score grant
2 applications and make recommendations to the program integration
3 committee and the oversight committee regarding the award of
4 grants, including providing a prioritized list that:

5 (A) ranks the grant applications in the order the
6 peer review committee determines applications should be funded; and

7 (B) includes information explaining each grant
8 applicant's qualification under the peer review committee's
9 standards for recommendation; and

10 (2) the program integration committee to submit to the
11 oversight committee a list of grant applications the program
12 integration committee by majority vote approved for recommendation
13 that:

14 (A) includes documentation on the factors the
15 program integration committee considered in making the grant
16 recommendations;

17 (B) is substantially based on the list submitted
18 by the peer review committee under Subdivision (1); and

19 (C) to the extent possible, gives priority to
20 proposals that:

21 (i) may lead to immediate or long-term
22 medical and scientific breakthroughs in the areas of prevention,
23 treatment, or cures for mental health or brain disease;

24 (ii) strengthen and enhance fundamental
25 science in mental health or brain research;

26 (iii) ensure a comprehensive coordinated
27 approach to mental health or brain research;

1 (iv) are interdisciplinary or
2 interinstitutional;

3 (v) align with state priorities and needs,
4 including priorities and needs outlined in other state agency
5 strategic plans, or address federal or other major research
6 sponsors' priorities in scientific or technological fields in the
7 area of mental health or brain research;

8 (vi) are matched with money provided by a
9 private or nonprofit entity or institution of higher education;

10 (vii) are collaborative between any
11 combination of private and nonprofit entities, public or private
12 agencies or institutions in this state, and public or private
13 institutions outside this state;

14 (viii) benefit the residents of this state,
15 including a demonstrable economic development benefit to this
16 state;

17 (ix) enhance research superiority at
18 institutions of higher education in this state by creating new
19 research superiority, attracting existing research superiority
20 from institutions outside this state and other research entities,
21 or attracting from outside this state additional researchers and
22 resources;

23 (x) expedite innovation and product
24 development, attract private sector entities to stimulate a
25 substantial increase in high-quality jobs, and increase higher
26 education applied science or technology research capabilities; and

27 (xi) address the goals of the research

1 plan.

2 (b) A member of a peer review committee may not attempt to
3 use the committee member's official position to influence a
4 decision to approve or award a grant or contract to the committee
5 member's employer.

6 (c) A program integration committee member may not discuss a
7 grant applicant recommendation with an oversight committee member
8 unless the program integration committee has fulfilled the
9 requirements of Subsection (a)(2).

10 (d) Two-thirds of the oversight committee members present
11 and voting must vote to approve each funding recommendation of the
12 program integration committee. If the oversight committee does not
13 approve a funding recommendation of the program integration
14 committee, a statement explaining the reasons the funding
15 recommendation was not followed must be included in the minutes of
16 the meeting.

17 (e) The oversight committee may not award more than \$300
18 million in grants under this chapter in a state fiscal year.

19 (f) The oversight committee may not award a grant to an
20 applicant who has made a gift or grant to the institute, an
21 oversight committee member, or an institute employee on or after
22 January 1, 2024. This section does not apply to gifts, fees,
23 honoraria, or other items also excepted under Section 36.10, Penal
24 Code.

25 Sec. 157.303. MULTIYEAR PROJECTS. (a) The oversight
26 committee may approve the award of grant money for a multiyear
27 project.

1 (b) The oversight committee shall specify the total amount
2 of money approved to fund the multiyear project. The total amount
3 specified is considered for purposes of this chapter to have been
4 awarded in the state fiscal year that the peer review committee
5 approved the project. The institute shall distribute only the
6 money that will be expended during that fiscal year. The institute
7 shall distribute the remaining grant money as the money is needed in
8 each subsequent state fiscal year.

9 Sec. 157.304. CONTRACT TERMS. (a) Before disbursing any
10 grant money awarded under this chapter, the institute shall execute
11 a written contract with the grant recipient. The contract shall:

12 (1) specify that except for awards to state agencies
13 or public institutions of higher education, if all or any portion of
14 the amount of the grant is used to build a capital improvement:

15 (A) the state retains a lien or other interest in
16 the capital improvement in proportion to the percentage of the
17 grant amount used to pay for the capital improvement; and

18 (B) the grant recipient shall, if the capital
19 improvement is sold:

20 (i) repay to the state the grant money used
21 to pay for the capital improvement, with interest at the rate and
22 according to the other terms provided by the contract; and

23 (ii) share with the state a proportionate
24 amount of any profit realized from the sale;

25 (2) specify that if the grant recipient has not used
26 awarded grant money for the purposes for which the grant was
27 intended, the recipient shall repay that grant amount and any

1 related interest applicable under the contract to this state at the
2 agreed rate and on the agreed terms;

3 (3) specify that if the grant recipient fails to meet
4 the terms and conditions of the contract, the institute may
5 terminate the contract using the written process prescribed in the
6 contract and require the recipient to repay the awarded grant money
7 and any related interest applicable under the contract to this
8 state at the agreed rate and on the agreed terms;

9 (4) include terms relating to intellectual property
10 rights consistent with the standards developed by the oversight
11 committee under Section 157.305;

12 (5) require that, in accordance with Subsection (b),
13 the grant recipient dedicate an amount of matching money equal to
14 one-half of the amount of the research grant awarded and specify the
15 amount of matching money to be dedicated;

16 (6) specify the period in which the grant award must be
17 spent; and

18 (7) include the specific deliverables of the project
19 that is the subject of the grant proposal.

20 (b) Before the institute may disburse grant money, the grant
21 recipient must certify that the recipient has an amount of money
22 equal to one-half of the grant money that is available and not yet
23 expended, and dedicate that money to the research that is the
24 subject of the grant proposal. The institute shall adopt rules
25 specifying a grant recipient's obligations under this subchapter.
26 At a minimum, the rules must:

27 (1) allow a grant recipient that is an institution of

1 higher education or a private or independent institution of higher
2 education, as those terms are defined by Section 61.003, or a
3 research institute or center affiliated with the institution, to
4 credit toward the recipient's matching money the dollar amount
5 equivalent to the difference between the indirect cost rate
6 authorized by the federal government for research grants awarded to
7 the recipient and the indirect cost rate authorized by Section
8 157.203(c);

9 (2) specify that:

10 (A) a grant recipient receiving more than one
11 grant award may provide matching money certification at an
12 institutional level;

13 (B) the recipient of a multiyear grant award may
14 yearly certify matching money; and

15 (C) grant money may not be disbursed to the grant
16 recipient until the annual certification of the matching money has
17 been approved;

18 (3) specify that money for certification purposes may
19 include:

20 (A) federal funds;

21 (B) the fair market value of drug development
22 support provided to the recipient by the National Institutes of
23 Health or other similar programs;

24 (C) funds of this state;

25 (D) funds of other states; and

26 (E) nongovernmental funds, including private
27 funds, foundation grants, gifts, and donations;

1 (4) specify that the following items may not be used
2 for certification purposes:

3 (A) in-kind costs;

4 (B) volunteer services provided to a grant
5 recipient;

6 (C) noncash contributions;

7 (D) preexisting real estate of the grant
8 recipient, including buildings, facilities, and land;

9 (E) deferred giving, including a charitable
10 remainder annuity trust, charitable remainder unitrust, or pooled
11 income fund; or

12 (F) any other items determined by the institute;

13 (5) require that the grant recipient's certification
14 be included in the grant award contract;

15 (6) specify that a grant recipient's failure to
16 provide certification serves as grounds for terminating the grant
17 award contract;

18 (7) require a grant recipient to maintain adequate
19 documentation supporting the source and use of the money required
20 by this subsection and to provide documentation to the institute on
21 request; and

22 (8) require that the institute establish a procedure
23 to conduct an annual review of the documentation supporting the
24 source and use of money reported in the required certification.

25 (c) The institute shall establish a policy on advance
26 payments to grant recipients.

27 (d) The oversight committee shall adopt rules to administer

1 this section.

2 Sec. 157.305. PATENT ROYALTIES AND LICENSE REVENUES PAID TO
3 STATE. (a) The oversight committee shall establish standards
4 requiring all grant awards to be subject to an intellectual
5 property agreement that allows this state to collect royalties,
6 income, and other benefits, including interest or proceeds
7 resulting from securities and equity ownership, realized as a
8 result of projects undertaken with money awarded under this
9 chapter.

10 (b) In determining this state's interest in any
11 intellectual property rights, the oversight committee shall
12 balance the opportunity of this state to benefit from the patents,
13 royalties, licenses, and other benefits that result from basic
14 research, therapy development, and clinical trials with the need to
15 ensure that essential medical research is not unreasonably hindered
16 by the intellectual property agreement and that the agreement does
17 not unreasonably remove the incentive on the part of the individual
18 researcher, research team, or institution.

19 (c) The oversight committee may authorize the institute to
20 enter into a contract with one or more qualified third parties for
21 assistance with the management, accounting, and disposition of this
22 state's interest in securities, equities, royalties, income, and
23 other benefits realized as a result of projects undertaken with
24 money awarded under this chapter. The institute shall implement
25 practices and procedures with regard to managing, accounting, and
26 disposition of securities, equities, royalties, income, and other
27 benefits as it may determine to be in the best interest of the

1 state.

2 Sec. 157.306. PREFERENCE FOR TEXAS SUPPLIERS. In a good
3 faith effort to achieve a goal of more than 50 percent of purchases
4 from suppliers in this state, the oversight committee shall
5 establish standards to ensure that grant recipients purchase goods
6 and services from suppliers in this state to the extent reasonably
7 possible.

8 Sec. 157.307. HISTORICALLY UNDERUTILIZED BUSINESSES. The
9 oversight committee shall establish standards to ensure that grant
10 recipients purchase goods and services from historically
11 underutilized businesses as defined by Section 2161.001,
12 Government Code, and any other applicable state law.

13 Sec. 157.308. GRANT COMPLIANCE AND PROGRESS EVALUATION.
14 (a) The institute shall require as a condition of a grant awarded
15 under this chapter that the grant recipient submit to regular
16 inspection reviews of the grant project by institute staff to
17 ensure compliance with the terms of the grant contract and ongoing
18 progress, including the scientific merit of the research.

19 (b) The chief executive officer shall report at least
20 annually to the oversight committee on the progress and continued
21 merit of the projects awarded grants by the institute.

22 Sec. 157.309. MEDICAL AND RESEARCH ETHICS. Any project
23 that is awarded a grant under this chapter must comply with all
24 applicable federal and state laws regarding the conduct of the
25 research or prevention project.

26 Sec. 157.310. PUBLIC INFORMATION; CONFIDENTIAL
27 INFORMATION. (a) The following information is public information

1 and may be disclosed under Chapter 552, Government Code:

2 (1) the applicant's name and address;

3 (2) the amount of money requested in the applicant's
4 grant proposal;

5 (3) the type of mental health or brain research to be
6 addressed under the proposal; and

7 (4) any other information the institute designates
8 with the consent of the grant applicant.

9 (b) To protect the actual or potential value of information
10 submitted to the institute by an applicant for or recipient of an
11 institute grant, the following information submitted by the
12 applicant or recipient is confidential and is not subject to
13 disclosure under Chapter 552, Government Code, or any other law:

14 (1) all information, other than the information
15 required under Subsection (a), that is contained in a grant award
16 application, peer review evaluation, award contract, or progress
17 report relating to a product, device, or process, the application
18 or use of the product, device, or process, and all technological and
19 scientific information, including computer programs, developed
20 wholly or partly by a grant applicant or recipient, regardless of
21 whether patentable or capable of being registered under copyright
22 or trademark laws, that has a potential for being sold, traded, or
23 licensed for a fee; and

24 (2) the plans, specifications, blueprints, and
25 designs, including related proprietary information, of a
26 scientific research and development facility.

27 (c) The following information is confidential and not

1 subject to disclosure under Chapter 552, Government Code:

2 (1) information that directly or indirectly reveals
3 the identity of an individual who made a report related to fraud,
4 waste, or abuse of state resources to the institute's compliance
5 program office, sought guidance from the office, or participated in
6 an investigation conducted under the compliance program;

7 (2) information that directly or indirectly reveals
8 the identity of an individual who is alleged to have or may have
9 planned, initiated, or participated in activities that are the
10 subject of a report made to the office if, after completing an
11 investigation, the office determines the report to be
12 unsubstantiated or without merit; and

13 (3) other information that is collected or produced in
14 a compliance program investigation if releasing the information
15 would interfere with an ongoing compliance investigation.

16 (d) Subsection (c) does not apply to information related to
17 an individual who consents to disclosure of the information.

18 (e) Information made confidential or excepted from public
19 disclosure by this section may be made available on request and in
20 compliance with applicable laws and procedures to the following:

21 (1) a law enforcement agency or prosecutor;

22 (2) a governmental agency responsible for
23 investigating the matter that is the subject of a compliance
24 report, including the Texas Workforce Commission civil rights
25 division or the federal Equal Employment Opportunity Commission; or

26 (3) a committee member or institute employee who is
27 responsible under institutional policy for a compliance program

1 investigation or for a review of a compliance program
2 investigation.

3 (f) A disclosure under Subsection (e) is not a voluntary
4 disclosure for purposes of Section 552.007, Government Code.

5 (g) The institute shall post on the institute's Internet
6 website records that pertain specifically to any gift, grant, or
7 other consideration provided to the institute, an institute
8 employee, or a member of the oversight committee, in the employee's
9 or oversight committee member's official capacity. The posted
10 information must include each donor's name and the amount and date
11 of the donor's donation. This section is not applicable to gifts,
12 fees, honoraria, or other items also excepted under Section 36.10,
13 Penal Code.

14 Sec. 157.311. APPROPRIATION CONTINGENCY. The institute is
15 required to implement a provision of this chapter only if the
16 legislature appropriates money specifically for that purpose. If
17 the legislature does not appropriate money specifically for that
18 purpose, the institute may, but is not required to, implement the
19 provision using other money available to the institute for that
20 purpose.

21 SECTION 2. Section 51.955(c), Education Code, is amended to
22 read as follows:

23 (c) Subsection (b)(1) does not apply to a research contract
24 between an institution of higher education and the Cancer
25 Prevention and Research Institute of Texas or Mental Health and
26 Brain Research Institute of Texas.

27 SECTION 3. Section 61.003(6), Education Code, is amended to

1 read as follows:

2 (6) "Other agency of higher education" means The
3 University of Texas System, System Administration; The University
4 of Texas at El Paso Museum; Texas Epidemic Public Health Institute
5 at The University of Texas Health Science Center at Houston; The
6 Texas A&M University System, Administrative and General Offices;
7 Texas A&M AgriLife Research; Texas A&M AgriLife Extension Service;
8 Rodent and Predatory Animal Control Service (a part of the Texas A&M
9 AgriLife Extension Service); Texas A&M Engineering Experiment
10 Station (including the Texas A&M Transportation Institute); Texas
11 A&M Engineering Extension Service; Texas A&M Forest Service; Texas
12 Division of Emergency Management; Texas Tech University Museum;
13 Texas State University System, System Administration; Sam Houston
14 Memorial Museum; Panhandle-Plains Historical Museum; Cotton
15 Research Committee of Texas; Texas Water Resources Institute; Texas
16 A&M Veterinary Medical Diagnostic Laboratory; Mental Health and
17 Brain Research Institute of Texas; and any other unit, division,
18 institution, or agency which shall be so designated by statute or
19 which may be established to operate as a component part of any
20 public senior college or university, or which may be so classified
21 as provided in this chapter.

22 SECTION 4. (a) Not later than December 1, 2024, the
23 appropriate appointing authority shall appoint the members to the
24 Mental Health and Brain Research Institute of Texas Oversight
25 Committee as required by Section 157.101, Education Code, as added
26 by this Act. The oversight committee may not act until a majority
27 of the appointed members have taken office.

1 (b) Notwithstanding Section 157.101, Education Code, as
2 added by this Act, in making the initial appointments under that
3 section, the governor, lieutenant governor, and speaker of the
4 house of representatives shall, as applicable, designate one member
5 of the Mental Health and Brain Research Institute of Texas
6 Oversight Committee appointed by that person to serve a term
7 expiring January 31, 2025, one member appointed by that person to
8 serve a term expiring January 31, 2027, and one member appointed by
9 that person to serve a term expiring January 31, 2029.

10 (c) The governor shall designate one member to serve as
11 interim presiding officer for the purpose of calling and presiding
12 over meetings of the Mental Health and Brain Research Institute of
13 Texas Oversight Committee until an election is held under Section
14 157.104, Education Code, as added by this Act.

15 SECTION 5. If the constitutional amendment proposed by the
16 88th Legislature, Regular Session, 2023, requiring the creation of
17 the Mental Health and Brain Research Institute of Texas and the
18 transfer of \$3 billion from general state revenue to fund mental
19 health and brain research in this state is approved by the voters,
20 the Mental Health and Brain Research Institute of Texas established
21 by Chapter 157, Education Code, as added by this Act, is eligible to
22 receive funding deposited under the authority of Section 68,
23 Article III, Texas Constitution, for any activities conducted by
24 the institute that serve the purposes of that constitutional
25 provision.

26 SECTION 6. This Act takes effect January 1, 2024, but only
27 if the constitutional amendment proposed by the 88th Legislature,

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1 Regular Session, 2023, requiring the creation of the Mental Health
2 and Brain Research Institute of Texas, establishing the Mental
3 Health and Brain Institute Research Fund to provide funding for
4 mental health and brain research in this state, and transferring
5 general revenue to that fund is approved by the voters. If that
6 amendment is not approved by the voters, this Act has no effect.