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By:  Davis of Harris H.B. No. 1302

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Texas Mental Health Research Institute; authorizing the issuance of bonds.

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

SECTION 1.  Title 12, Health and Safety Code, is amended by adding Chapter 1002 to read as follows:

CHAPTER 1002. TEXAS MENTAL HEALTH RESEARCH INSTITUTE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1002.0001.  DEFINITIONS. In this chapter:

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

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

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

Sec. 1002.0002.  PURPOSE. The Texas Mental Health Research Institute is established to:

(1)  develop and implement a Texas mental health research plan to promote synergistic collaboration in mental health and substance use disorder research across university systems in this state and advance the research component of the statewide behavioral health strategic plan or any appropriate successor statewide strategic plan relating to behavioral health;

(2)  create and expedite innovation in mental health and substance use disorder research to improve the health of the residents of this state; and

(3)  attract, create, or expand research capabilities of university systems in this state in a manner that will promote a substantial increase in mental health and substance use disorder research.

SUBCHAPTER B. POWERS AND DUTIES OF INSTITUTE

Sec. 1002.0051.  POWERS AND DUTIES. (a) The institute:

(1)  may make grants to health-related institutions of higher education to further the purpose of this chapter;

(2)  may establish the appropriate standards and oversight bodies to ensure the proper use of funds authorized under this chapter;

(3)  may employ necessary staff to provide administrative support to the institute;

(4)  shall continuously monitor grant contracts and agreements authorized under this chapter and ensure that each grant recipient complies with the terms and conditions of the contract;

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

(6)  shall establish procedures to document that the institute, its employees, and any committee members appointed under this chapter comply with all rules governing conflicts of interest and the peer review process developed under Section 1002.0252.

(b)  The institute shall employ a chief compliance officer to monitor and report to the oversight committee regarding compliance with this chapter and rules adopted under this chapter.

(c)  In addition to other duties under this chapter, the chief compliance officer shall:

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

(2)  attend and observe research review committee meetings to ensure compliance with this chapter and rules adopted under this chapter.

Sec. 1002.0052.  CHIEF EXECUTIVE OFFICER. (a) The oversight committee shall hire a chief executive officer. The chief executive officer shall perform the duties required under this chapter or designated by the oversight committee.

(b)  The chief executive officer must have a demonstrated ability to lead and develop academic, commercial, and governmental partnerships and coalitions.

Sec. 1002.0053.  ANNUAL REPORT. Not later than January 31 of each year, the institute shall prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, and each standing committee of the legislature having primary jurisdiction over mental health or substance use issues and post on the institute's Internet website a written report that outlines:

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

(2)  a list of grant recipients during the preceding state fiscal year, including the grant amount awarded to each recipient;

(3)  any applicant the institute is considering awarding a grant;

(4)  any research accomplishments made during the preceding state fiscal year by a grant recipient; and

(5)  the institute's future direction.

Sec. 1002.0054.  INDEPENDENT FINANCIAL AUDIT FOR REVIEW BY COMPTROLLER. (a) The institute shall annually commission an independent financial audit of its activities from a certified public accounting firm. The institute shall provide the audit to the comptroller. The comptroller shall review and evaluate the audit and annually issue a public report of that review. The comptroller shall make recommendations concerning the institute's financial practices and performance.

(b)  The oversight committee shall review the annual financial audit, the comptroller's report and evaluation of that audit, and the financial practices of the institute.

Sec. 1002.0055.  GRANT RECORDS. (a) The institute shall maintain complete records of:

(1)  the review of each grant application submitted to the institute, including the score assigned to each grant application reviewed, regardless of whether the grant application is not funded by the institute or is withdrawn after submission to the institute;

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

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

(4)  the institute's review of the grant recipient's financial and progress reports.

(b)  The institute shall have periodic audits made of any electronic grant management system used to maintain records of grant applications and grant awards under this section. The institute shall address in a timely manner each weakness identified in an audit of the system.

Sec. 1002.0056.  GIFTS AND GRANTS. The institute may solicit and accept gifts and grants from any source for the purposes of this chapter.

SUBCHAPTER C. OVERSIGHT COMMITTEE

Sec. 1002.0101.  COMPOSITION OF OVERSIGHT COMMITTEE. (a) The oversight committee is the governing body of the institute.

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

(1)  three members appointed by the governor;

(2)  three members appointed by the lieutenant governor; and

(3)  three members appointed by the speaker of the house of representatives.

Sec. 1002.0102.  TERMS; VACANCY. (a) Oversight committee members appointed by the governor, lieutenant governor, and speaker of the house of representatives serve at the pleasure of the appointing office for staggered six-year terms, with the terms of three members expiring January 31 of each even-numbered year.

(b)  Not later than the 30th day after the date an oversight committee member's term expires, the appropriate appointing authority shall appoint a replacement.

(c)  If a vacancy occurs on the oversight committee, the appropriate appointing authority shall appoint a successor in the same manner as the original appointment to serve for the remainder of the unexpired term. The appropriate appointing authority shall appoint the successor not later than the 30th day after the date the vacancy occurs.

Sec. 1002.0103.  OFFICERS. (a) The oversight committee shall elect a presiding officer and assistant presiding officer from among its members every two years. The oversight committee may elect additional officers from among its members.

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

(c)  The oversight committee shall:

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

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

Sec. 1002.0104.  EXPENSES. A member of the oversight committee is not entitled to compensation but is entitled to reimbursement as provided by the General Appropriations Act for actual and necessary expenses incurred in attending meetings of the committee or performing other official duties authorized by the presiding officer.

Sec. 1002.0105.  CONFLICT OF INTEREST. (a) The oversight committee shall adopt conflict-of-interest rules, based on standards adopted by the National Institutes of Health, to govern members of the oversight committee, members of the research review committee, and institute employees.

(b)  Nothing in this chapter limits the authority of the oversight committee to adopt additional conflict-of-interest rules and standards.

Sec. 1002.0106.  POWERS AND DUTIES. The oversight committee shall:

(1)  hire a chief executive officer;

(2)  annually set priorities as prescribed by the legislature for each grant program that receives money under this chapter; and

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

Sec. 1002.0107.  RULEMAKING AUTHORITY. The oversight committee may adopt rules to administer this chapter.

Sec. 1002.0108.  CODE OF CONDUCT. The oversight committee shall adopt a code of conduct applicable to each member of the oversight committee, member of the research review committee, and institute employee.

Sec. 1002.0109.  FINANCIAL STATEMENT REQUIRED. Each member of the oversight committee shall file with the chief compliance officer a verified financial statement complying with Sections 572.022 through 572.0252, Government Code, as required of a state officer by Section 572.021, Government Code.

SUBCHAPTER D. RESEARCH REVIEW COMMITTEE

Sec. 1002.0151.  ESTABLISHMENT AND COMPOSITION OF RESEARCH REVIEW COMMITTEE. The oversight committee shall establish the research review committee. The chief executive officer, with approval by a simple majority of the members of the oversight committee, shall appoint as members of the research review committee experts in the field of mental health and substance use disorder research.

SUBCHAPTER E. FUNDING

Sec. 1002.0201.  TEXAS MENTAL HEALTH RESEARCH FUND. (a) The Texas mental health research fund is a dedicated account in the general revenue fund.

(b)  The Texas mental health research fund consists of:

(1)  appropriations of money to the fund by the legislature, except that the appropriated money may not include the proceeds from the issuance of bonds authorized by Section 68, Article III, Texas Constitution;

(2)  gifts and grants, including grants from the federal government, received for the fund; and

(3)  interest earned on the investment of money in the fund.

(c)  The fund may be used only to pay for:

(1)  grants for mental health or substance use disorder research and for research facilities in this state to conduct mental health or substance use disorder research;

(2)  the purchase, subject to approval by the institute, of research facilities by or on behalf of a state agency or grant recipient;

(3)  the operation of the institute; and

(4)  debt service on bonds issued as authorized by Section 68, Article III, Texas Constitution.

Sec. 1002.0202.  ISSUANCE OF GENERAL OBLIGATION BONDS. (a) The institute may request the Texas Public Finance Authority to issue and sell general obligation bonds of the state as authorized by Section 68, Article III, Texas Constitution.

(b)  The Texas Public Finance Authority may not issue and sell general obligation bonds authorized by this section before January 1, 2020, and may not issue and sell more than $100 million in general obligation bonds authorized by this section in a state fiscal year.

(c)  The institute shall determine, and include in its request for issuing bonds, the amount, exclusive of costs of issuance, of the bonds to be issued and the preferred time for issuing the bonds.

(d)  The Texas Public Finance Authority shall issue the bonds in accordance with and subject to Chapter 1232, Government Code, and Texas Public Finance Authority rules. The bonds may be issued in installments.

(e)  Proceeds of the bonds issued under this section shall be deposited in separate funds or accounts, in the state treasury, as prescribed by the proceedings authorizing the bonds.

(f)  The proceeds of the bonds may be used only to:

(1)  make grants authorized by Section 68, Article III, Texas Constitution;

(2)  purchase facilities approved by the institute;

(3)  pay costs of operating the institute; or

(4)  pay costs of issuing the bonds and related bond administration costs of the Texas Public Finance Authority.

Sec. 1002.0203.  AUTHORIZED USE OF FUNDS. (a) A grant recipient awarded money from the Texas mental health research fund established under Section 1002.0201 may use the money for research consistent with the purposes of this chapter and in accordance with a contract between the grant recipient and the institute.

(b)  Except as otherwise provided by this section, money awarded under this chapter may be used for authorized expenses, including honoraria, salaries and benefits, travel, conference fees and expenses, consumable supplies, other operating expenses, contracted research and development, capital equipment, and construction or renovation of state or private facilities.

SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

Sec. 1002.0251.  INSTITUTIONS ELIGIBLE TO RECEIVE AWARDS. The following health-related institutions of higher education are eligible to receive awards under this chapter:

(1)  Baylor College of Medicine;

(2)  The Texas A&M University System Health Science Center;

(3)  Texas Tech University Health Sciences Center;

(4)  Texas Tech University Health Sciences Center at El Paso;

(5)  University of North Texas Health Science Center at Fort Worth;

(6)  Dell Medical School at The University of Texas at Austin;

(7)  The University of Texas Medical Branch at Galveston;

(8)  The University of Texas Health Science Center at Houston;

(9)  The University of Texas Health Science Center at San Antonio;

(10)  The University of Texas Rio Grande Valley School of Medicine;

(11)  The University of Texas Health Science Center at Tyler; and

(12)  The University of Texas Southwestern Medical Center.

Sec. 1002.0252.  PEER REVIEW PROCESS. The research review committee shall develop and oversee a peer review process for the selection of mental health and substance use disorder research projects. The peer review process must evaluate research projects based on:

(1)  to what extent the research project aligns with the research component of the statewide behavioral health strategic plan;

(2)  to what extent the research project aligns with state priorities and needs, including priorities and needs outlined in the statewide behavioral health strategic plan;

(3)  the anticipated impact and reach of the research project on residents of this state; and

(4)  the number of health-related institutions of higher education participating in the research project.

Sec. 1002.0253.  RULES FOR GRANT AWARD PROCEDURE. (a) The oversight committee shall issue rules regarding the procedure for awarding grants to an applicant under this chapter. The rules must require the research review committee to score grant applications and make recommendations to the oversight committee regarding the award of research grants, including the creation of a prioritized list that:

(1)  ranks the grant applications in the order the research review committee determines applications should be funded; and

(2)  includes information explaining how each grant application on the list meets the research review committee's standards for recommendation.

(b)  In scoring and making recommendations to the oversight committee under Subsection (a), the research review committee shall, to the extent possible:

(1)  give first priority to grant applications that focus on one or more of the following focus areas:

(A)  depression;

(B)  first episode of psychosis;

(C)  substance use disorder;

(D)  bipolar disorder and schizophrenia; or

(E)  community systems research; and

(2)  give second priority to grant applicants that:

(A)  ensure a collaborative approach to mental health and substance use disorder research;

(B)  ensure interdisciplinary or interinstitutional collaboration; or

(C)  enhance research superiority at health-related institutions of higher education in this state by:

(i)  creating new research superiority;

(ii)  attracting existing research superiority at health-related institutions of higher education outside this state and other research entities; and

(iii)  enhancing existing research superiority in this state by attracting researchers and resources from outside this state.

Sec. 1002.0254.  FUNDING RECOMMENDATIONS. Two-thirds of the members of the oversight committee present and voting must vote to approve each funding recommendation of the research review committee. If the oversight committee does not approve a funding recommendation of the research review committee, a statement explaining the reasons a funding recommendation was not followed must be included in the minutes of the meeting.

Sec. 1002.0255.  MAXIMUM AMOUNT OF ANNUAL AWARDS. The oversight committee may not award more than $100 million in grants under this chapter in a state fiscal year.

Sec. 1002.0256.  PERIOD FOR AWARDS. The oversight committee may not award money under this chapter after August 31, 2032.

Sec. 1002.0257.  GRANT EVALUATION. (a) The oversight committee shall require as a condition of a grant that the grant recipient submit to regular inspection reviews of the grant project by institute staff, including progress oversight reviews, to ensure compliance with the terms of the award and to ensure the scientific merit of the research.

(b)  The chief executive officer shall determine the grant review process under this section. The chief executive officer may suspend or terminate in accordance with Subsection (f) grants that do not meet contractual obligations.

(c)  The chief executive officer shall report at least annually to the oversight committee on the progress and continued merit of each research program funded by the institute.

(d)  The institute shall establish and implement reporting requirements to ensure that each grant recipient complies with the terms and conditions in the grant contract, including verification of the amounts of matching funds dedicated to the research that is the subject of the grant award to the grant recipient.

(e)  The institute shall implement a system to:

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

(2)  monitor the status of any required report that is not timely submitted to the institute by a grant recipient.

(f)  The chief compliance officer shall monitor compliance with this section and at least annually shall inquire into and monitor the status of any required report that is not timely submitted to the institute by a grant recipient. The chief compliance officer shall notify the general counsel for the institute and the oversight committee of a grant recipient that has not maintained compliance with the reporting requirements or matching funds provisions of the grant contract to allow the institute to begin suspension or termination of the grant contract under Subsection (b). This subsection does not limit other remedies available under the grant contract.

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

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

SECTION 3.  (a) Not later than January 31, 2020, the appropriate appointing authority shall appoint the members to the Texas Mental Health Research Institute Oversight Committee as required by Section 1002.0101, Health and Safety Code, as added by this Act. The oversight committee may not take action until a majority of the appointed members have taken office.

(b)  Notwithstanding Section 1002.0101, Health and Safety Code, as added by this Act, in making the initial appointments under that section, the governor, lieutenant governor, and speaker of the house of representatives shall designate one member of the Texas Mental Health Research Institute Oversight Committee appointed by that person to serve a term expiring January 31, 2022, one member appointed by that person to serve a term expiring January 31, 2024, and one member appointed by that person to serve a term expiring January 31, 2026.

SECTION 4.  This Act takes effect on January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, providing for the establishment of the Texas Mental Health Research Institute is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.