

By: Davis of Harris

H.B. No. 1302

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

7 CHAPTER 1002. TEXAS MENTAL HEALTH RESEARCH INSTITUTE

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1002.0001. DEFINITIONS. In this chapter:

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

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

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

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

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

24 (2) create and expedite innovation in mental health

1 and substance use disorder research to improve the health of the
2 residents of this state; and

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

7 SUBCHAPTER B. POWERS AND DUTIES OF INSTITUTE

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

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

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

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

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

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

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

27 (b) The institute shall employ a chief compliance officer to

1 monitor and report to the oversight committee regarding compliance
2 with this chapter and rules adopted under this chapter.

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

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

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

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

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

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

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

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

1 recipient;

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

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

6 (5) the institute's future direction.

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

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

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

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

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

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

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

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

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

12 SUBCHAPTER C. OVERSIGHT COMMITTEE

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

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

17 (1) three members appointed by the governor;

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

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

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

27 (b) Not later than the 30th day after the date an oversight

1 committee member's term expires, the appropriate appointing
2 authority shall appoint a replacement.

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

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

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

16 (c) The oversight committee shall:

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

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

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

1 presiding officer.

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

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

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

- 12 (1) hire a chief executive officer;
13 (2) annually set priorities as prescribed by the
14 legislature for each grant program that receives money under this
15 chapter; and
16 (3) consider the priorities set under Subdivision (2)
17 in awarding grants under this chapter.

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

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

24 Sec. 1002.0109. FINANCIAL STATEMENT REQUIRED. Each member
25 of the oversight committee shall file with the chief compliance
26 officer a verified financial statement complying with Sections
27 572.022 through 572.0252, Government Code, as required of a state

1 officer by Section 572.021, Government Code.

2 SUBCHAPTER D. RESEARCH REVIEW COMMITTEE

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

10 SUBCHAPTER E. FUNDING

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

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

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

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

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

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

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

27 (2) the purchase, subject to approval by the

1 institute, of research facilities by or on behalf of a state agency
2 or grant recipient;

3 (3) the operation of the institute; and

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

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

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

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

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

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

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

27 (1) make grants authorized by Section 68, Article III,

1 Texas Constitution;

2 (2) purchase facilities approved by the institute;

3 (3) pay costs of operating the institute; or

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

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

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

17 SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

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

21 (1) Baylor College of Medicine;

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

24 (3) Texas Tech University Health Sciences Center;

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

27 (5) University of North Texas Health Science Center at

- 1 Fort Worth;
2 (6) Dell Medical School at The University of Texas at
3 Austin;
4 (7) The University of Texas Medical Branch at
5 Galveston;
6 (8) The University of Texas Health Science Center at
7 Houston;
8 (9) The University of Texas Health Science Center at
9 San Antonio;
10 (10) The University of Texas Rio Grande Valley School
11 of Medicine;
12 (11) The University of Texas Health Science Center at
13 Tyler; and
14 (12) The University of Texas Southwestern Medical
15 Center.

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

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

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

27 (3) the anticipated impact and reach of the research

1 project on residents of this state; and

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

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

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

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

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

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

22 (A) depression;

23 (B) first episode of psychosis;

24 (C) substance use disorder;

25 (D) bipolar disorder and schizophrenia; or

26 (E) community systems research; and

27 (2) give second priority to grant applicants that:

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

3 (B) ensure interdisciplinary or
4 interinstitutional collaboration; or

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

7 (i) creating new research superiority;

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

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

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

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

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

26 Sec. 1002.0257. GRANT EVALUATION. (a) The oversight
27 committee shall require as a condition of a grant that the grant

1 recipient submit to regular inspection reviews of the grant project
2 by institute staff, including progress oversight reviews, to ensure
3 compliance with the terms of the award and to ensure the scientific
4 merit of the research.

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

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

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

17 (e) The institute shall implement a system to:

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

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

22 (f) The chief compliance officer shall monitor compliance
23 with this section and at least annually shall inquire into and
24 monitor the status of any required report that is not timely
25 submitted to the institute by a grant recipient. The chief
26 compliance officer shall notify the general counsel for the
27 institute and the oversight committee of a grant recipient that has

1 not maintained compliance with the reporting requirements or
2 matching funds provisions of the grant contract to allow the
3 institute to begin suspension or termination of the grant contract
4 under Subsection (b). This subsection does not limit other
5 remedies available under the grant contract.

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

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

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

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

27 SECTION 4. This Act takes effect on January 1, 2020, but

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1 only if the constitutional amendment proposed by the 86th
2 Legislature, Regular Session, 2019, providing for the
3 establishment of the Texas Mental Health Research Institute is
4 approved by the voters. If that amendment is not approved by the
5 voters, this Act has no effect.