A BILL TO BE ENTITLED

AN ACT
relating to the creation of the Brain Institute of Texas; granting
authority to issue bonds.

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

SECTION 1. Subtitle E, Title 2, Health and Safety Code, is
amended by adding Chapter 106 to read as follows:

CHAPTER 106. BRAIN INSTITUTE OF TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 106.0001. DEFINITIONS. In this chapter:

(1) "Higher education advisory committee" means the
Brain Institute of Texas Higher Education Advisory Committee.

(2) "Institute" means the Brain Institute of Texas.

(3) "Oversight committee" means the Brain Institute of
Texas Oversight Committee.

(4) "Research committee" means the Brain Institute of
Texas Research Committee.

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

Sec. 106.0002. PURPOSES. The Brain Institute of Texas is
established to:

(1) create and expedite innovation in brain research
to improve the health of residents of this state, enhance the
potential for a medical or scientific breakthrough in brain-related
sciences and biomedical research, and enhance the brain research
superiority of this state;

(2) attract, create, or expand research capabilities of eligible institutions of higher education by awarding grants to the institutions to promote a substantial increase in brain research, strategies for prevention of brain-related diseases, and the creation of jobs in this state; and

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

Sec. 106.0003. SUNSET PROVISION. The Brain Institute of Texas is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the institute is abolished and this chapter expires September 1, 2031.

SUBCHAPTER B. POWERS AND DUTIES OF INSTITUTE

Sec. 106.0051. POWERS AND DUTIES. (a) The institute:

(1) may make grants to eligible institutions of higher education to further the purposes of this chapter, including:

(A) implementing the research plan;

(B) researching:

(i) the causes of and prevention, treatment, rehabilitation, and cures for brain-related diseases, syndromes, disorders, dysfunction, injuries, developmental issues, mental and behavioral health issues, and substance abuse disorders and other addictions; and

(ii) any other area impacting the brain, including an area that directly or indirectly impacts or is
impacted by the brain or brain health, such as the gut microbiome, nutrition, and the spinal cord or nervous system, that the research committee and the oversight committee approve;

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

(D) creating a statewide research and clinical data registry for brain research; and

(E) establishing prevention programs and strategies to mitigate the incidence of detrimental health impacts on the brain;

(2) may support eligible institutions of higher education by awarding grants to those institutions and their collaborative partners for discovering the causes of and developing cures for all types of brain and neurological health issues;

(3) shall collaborate with relevant state agencies, coordinating councils, and consortiums to enhance brain-related health care and research;

(4) may establish appropriate standards and oversight bodies to ensure money authorized under this chapter is properly used for the purposes of this chapter;

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

(6) shall monitor grant contracts and agreements authorized under this chapter to ensure each grant recipient complies with the terms and conditions of the contract or agreement; and
(7) 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 106.0252.

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

Sec. 106.0052. CHIEF EXECUTIVE OFFICER; CHIEF COMPLIANCE OFFICER; ADDITIONAL OFFICERS. (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. The chief executive officer must have a demonstrated ability to lead and develop academic, commercial, and governmental partnerships and coalitions.

(b) The institute shall employ a chief compliance officer to monitor compliance with this chapter and rules adopted under this chapter and report incidents of noncompliance to the oversight committee. 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 consideration and approval; and

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

(c) The chief executive officer may hire any other officer position the chief executive officer determines necessary for efficient operation of the institute.
Sec. 106.0053. ANNUAL REPORT; INTERNET POSTING. 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 institute matters 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 research accomplishments made during the preceding state fiscal year by a grant recipient or the recipient's partners;

(4) an overview summary of the institute's financial records and strategies; and

(5) the institute's future direction.

Sec. 106.0054. 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.

(b) The comptroller shall:

(1) review and evaluate the audit and annually issue a public report of that review; and

(2) make recommendations concerning the institute's financial practices and performance.

Sec. 106.0055. 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;

(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 keep the records described by Subsection (a) for at least 15 years.

Sec. 106.0056. 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. 106.0101. 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. 106.0102. TERMS; VACANCY. (a) Oversight committee members serve at the pleasure of the appointing authority for
staggered six-year terms, with the terms of three members expiring January 31 of each even-numbered year.

(b) 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. 106.0103. 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 institute employees.

Sec. 106.0104. EXPENSES. A member of the oversight committee is not entitled to compensation but is entitled to reimbursement for actual and necessary expenses incurred in attending meetings of the committee or performing other official duties authorized by the presiding officer.
Sec. 106.0105. CONFLICT OF INTEREST. 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 committee, and institute employees.

Sec. 106.0106. RULEMAKING AUTHORITY. The oversight committee may adopt rules to administer this chapter.

Sec. 106.0107. 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 project that receives money under this chapter; and

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

Sec. 106.0108. CODE OF CONDUCT. The oversight committee shall adopt a code of conduct applicable to each member of the oversight committee, member of the research committee, and institute employee.

Sec. 106.0109. 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. OTHER INSTITUTE COMMITTEES

Sec. 106.0151. RESEARCH COMMITTEE. (a) The oversight committee shall establish the research 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 committee experts in fields related to the brain,
including research, health care, disease treatment and prevention,
and other study areas.

(b) The oversight committee shall adopt a written policy on
in-state or out-of-state residency requirements for research
committee members.

(c) A research committee member may receive an honorarium.

Subchapter B, Chapter 2254, Government Code, does not apply to an
honorarium the member receives under this chapter.

Sec. 106.0152. HIGHER EDUCATION ADVISORY COMMITTEE. (a)
The higher education advisory committee is composed of the
following members:

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

(2) one member appointed by the president of Texas A&M
University Health Science Center;

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

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

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

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

(7) one member appointed by the president of The
(b) The higher education advisory committee shall advise the oversight committee and the research committee on issues, opportunities, the role of higher education, and other subjects involving brain research.

Sec. 106.0153. AD HOC ADVISORY COMMITTEE. The chief executive officer with majority approval of the oversight committee, as necessary, may create additional ad hoc advisory committees of experts to advise the oversight committee and the research committee on issues relating to brain research.
SUBCHAPTER E. FUNDING

Sec. 106.0201. BRAIN INSTITUTE OF TEXAS RESEARCH FUND. (a) The Brain Institute of Texas research fund is a dedicated account in the general revenue fund.

(b) The Brain Institute of Texas research fund consists of:

(1) proceeds of general obligation bonds issued for purposes of the fund;

(2) appropriations of money to the fund by the legislature;

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

(4) interest, dividends, and other income of the fund.

(c) The fund may only be used for:

(1) awarding grants authorized under this chapter, including grants for brain research and for research facilities in this state to conduct brain research;

(2) the purchase, subject to approval by the oversight committee, of research facilities by or for a grant recipient; and

(3) the operation of the institute.

Sec. 106.0202. 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, 2022, and may not issue and sell more than $500 million in general obligation bonds authorized by this section in a state
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.

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.

Proceeds of the bonds issued under this section shall be deposited to the credit of the Brain Institute of Texas research fund and used only for the purposes authorized under Section 106.0201.

Sec. 106.0203. AUTHORIZED USE OF GRANT MONEY. (a) A grant recipient awarded money from the Brain Institute of Texas research fund established under Section 106.0201 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) 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 AWARDING GRANTS

Sec. 106.0251. ELIGIBLE INSTITUTIONS OF HIGHER EDUCATION.
(a) The following institutions of higher education are eligible for a grant award under this chapter:

(1) Baylor College of Medicine;
(2) Texas A&M University 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;
(12) The University of Texas Southwestern Medical Center;
(13) The University of Texas M. D. Anderson Cancer Center;
(14) University of Houston College of Medicine; and
(15) Sam Houston State University College of
(b) Any time before or during the application process or after a grant is awarded under this chapter, the grant recipient may use the money received from a grant awarded under this chapter for purposes of this chapter and in a collaborative partnership with:

1. another eligible institution;
2. a general academic institution of higher education;
3. a historically black college or university;
4. a nonprofit or for-profit organization;
5. a health care organization;
6. a branch of the United States armed forces;
7. a private company;
8. a federal, state, or local government; or
9. another relevant person or organization.

Sec. 106.0252. PEER REVIEW PROCESS. The research committee shall develop and oversee a peer review process for the selection of brain research projects. The peer review process must evaluate research projects based on the extent to which the project:

1. aligns with the research plan;
2. aligns with state priorities and needs, including priorities and needs outlined in other state agency strategic plans, or addresses federal or other major research sponsors' priorities in scientific or technological fields in the area of brain research;
3. enhances the research superiority at eligible institutions of higher education by creating new research
superiority, attracting existing research superiority, or
enhancing existing research superiority;

   (4) benefits the residents of this state, including a
demonstrable economic or job creation benefit to this state; and

   (5) if applicable, is interdisciplinary or
interinstitutional, or has collaborators or partnerships.

Sec. 106.0253. GRANT AWARD RULES AND PROCEDURES. The
oversight committee shall adopt rules and establish procedures for
awarding grants under this chapter. The rules must require the
research committee to score grant applications and make
recommendations to the oversight committee regarding the award of
grants, including the creation of a prioritized list that:

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

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

Sec. 106.0254. GRANT EVALUATION. (a) The oversight
committee shall require as a condition of a grant awarded under this
chapter that the grant recipient submit to regular inspection
reviews of the grant project by institute staff to ensure
compliance with the terms of the grant and to ensure the scientific
merit of the research.

   (b) The chief executive officer, with approval of the
oversight committee, shall determine the grant review process under
this section.

   (c) The chief executive officer shall report at least
annually to the oversight committee on the progress and continued
merit of each research project awarded a grant 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.

(e) The institute shall implement a system to:

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

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

(f) The chief compliance officer shall monitor compliance
with this section and shall inquire into and monitor the status of
any required report 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 complied with the reporting requirements or
provisions of the grant contract to allow the institute to begin
suspension or termination of the grant contract. This subsection
does not limit other remedies available under the grant contract.

Sec. 106.0255. MULTIYEAR PROJECTS. The oversight committee
may award grant money for a multiyear project.

Sec. 106.0256. GRANT AWARD RECOMMENDATIONS. Two-thirds of
the members of the oversight committee present and voting must vote
to approve a grant application recommended by the research
committee to award a grant under this chapter. If the oversight
commitee does not approve a recommendation of the research
committee, the oversight committee must ensure that the minutes of
the meeting include a statement explaining the reasons the recommendation was not approved.

Sec. 106.0257. MEDICAL AND RESEARCH ETHICS. Any research project that is awarded a grant under this chapter must comply with all applicable federal and state laws regarding the conduct of research.

Sec. 106.0258. PUBLIC INFORMATION. (a) The following information is public information and may be disclosed under Chapter 552, Government Code:

(1) the applicant's name and address;
(2) the amount requested in the applicant's grant proposal;
(3) the type of brain research to be addressed under the proposal; and
(4) any other information the institute designates with the consent of the grant applicant.

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

(1) all information, other than the information required under Subsection (a) that is contained in a grant award contract between the institute and a grant recipient, relating to a product, device, or process, the application or use of the product, device, or process, and all technological and scientific information, including computer programs, developed wholly or
partly by a grant applicant or recipient, regardless of whether
patentable or capable of being registered under copyright or
trademark laws, that has a potential for being sold, traded, or
licensed for a fee; and

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

(c) The institute shall post on the institute's Internet
website records that pertain specifically to any gift, grant, or
other consideration provided to the institute, an institute
employee, or a member of an institute committee. The posted
information must include each donor's name and the amount and date
of the donor's donation.

Sec. 106.0259. COMPLIANCE PROGRAM; CONFIDENTIAL
INFORMATION. (a) In this section, "compliance program" means a
process to assess and ensure compliance by the institute's
committee members and employees with applicable laws, rules, and
policies, including matters of:

(1) ethics and standards of conduct;
(2) financial reporting;
(3) internal accounting controls; and
(4) auditing.

(b) The institute shall establish a compliance program that
operates under the direction of the institute's chief compliance
officer.

(c) The following information is confidential and not
subject to disclosure under Chapter 552, Government Code:
(1) information that directly or indirectly reveals the identity of an individual who made a report to the institute's compliance program office, sought guidance from the office, or participated in an investigation conducted under the compliance program;

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

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

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

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

(1) a law enforcement agency or prosecutor;

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

(3) a committee member or institute employee who is responsible under institutional policy for a compliance program investigation or for a review of a compliance program.
investigation.

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

Sec. 106.0260. CLOSED MEETING. The oversight committee may conduct a closed meeting under Chapter 551, Government Code, to discuss an ongoing compliance investigation into issues related to fraud, waste, or abuse of state resources.

Sec. 106.0261. APPROPRIATION CONTINGENCY. The institute is required to implement a provision of this chapter only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the institute may, but is not required to, implement the provision using other money available to the institute for that purpose.

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 Brain Institute of Texas.

SECTION 3. (a) Not later than December 1, 2022, the appropriate appointing authority shall appoint the members to the Brain Institute of Texas Oversight Committee as required by Section 106.0101, 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 106.0101, 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, as applicable, designate one member of the Brain Institute of Texas appointed by that person to serve a term expiring January 31, 2024, one member appointed by that person to serve a term expiring January 31, 2026, and one member appointed by that person to serve a term expiring January 31, 2028.

SECTION 4. If the constitutional amendment proposed by the 87th Legislature, Regular Session, 2021, authorizing the issuance of general obligation bonds and the dedication of bond proceeds to the Brain Institute of Texas research fund established to fund brain research is approved by the voters, the Brain Institute of Texas established by Chapter 106, Health and Safety Code, as added by this Act, is eligible to receive funding through the proceeds deposited under the authority of Section 68, Article III, Texas Constitution, for any activities conducted by the institute that serve the purposes of that constitutional provision.

SECTION 5. This Act takes effect January 1, 2022, but only if the constitutional amendment proposed by the 87th Legislature, Regular Session, 2021, authorizing the issuance of general obligation bonds and the dedication of bond proceeds to the Brain Institute of Texas research fund established to fund brain research in this state is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.