

By: Thompson

H.B. No. 185

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 issues and brain-related diseases,
10 mental health and brain health initiatives, and the creation of
11 exceptional jobs in this state; and

12 (3) develop and implement a research plan to foster
13 synergistic collaboration between eligible institutions of higher
14 education and their partners and other grant recipients in mental
15 health and brain health research.

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 award grants to institutions of learning,
22 advanced medical research facilities, public or private persons,
23 and collaborations in this state to further the purposes of this
24 chapter and Section 68, Article III, Texas Constitution, including:

25 (A) implementation of the research plan;

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

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

7 (ii) any other issues affecting mental
8 health and the human brain, including issues that directly or
9 indirectly affect or are affected by mental health or the brain or
10 brain health, such as the gut microbiome, nutrition, and the spinal
11 cord or nervous system, that the peer review committee and the
12 oversight committee approve;

13 (C) research, including translational research,
14 to develop therapies, protocols, medical pharmaceuticals, or
15 procedures for the cure or substantial mitigation of all types of
16 human brain diseases and disorders;

17 (D) support for institutions of learning,
18 advanced medical research facilities, public or private persons,
19 and collaborations in this state in conducting the research subject
20 to the grant award, including in developing programs to address
21 access to advanced treatment of mental health issues and brain
22 diseases or disorders;

23 (E) facilities, equipment, supplies, salaries,
24 benefits, and other costs related to mental health and brain
25 research; and

26 (F) prevention programs and strategies to
27 mitigate the incidence of detrimental health impacts on mental

1 health or the brain;

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

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

8 (4) shall employ necessary staff to provide
9 administrative support to the institute;

10 (5) may contract with another state agency to share
11 the cost of administrative services, including grant accounting,
12 grant monitoring, technical and document management of the grant
13 application review process, legal services, and compliance
14 services;

15 (6) shall monitor grant contracts authorized by this
16 chapter and ensure each grant recipient complies with the terms and
17 conditions of the contract;

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

21 (8) shall establish procedures to document compliance
22 by the institute, its employees, and its committee members
23 appointed under this chapter with all laws and rules governing the
24 peer review process and conflicts of interest; and

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

27 (b) The institute shall implement and monitor the research

1 plan and revise the plan as necessary.

2 Sec. 157.052. CHIEF EXECUTIVE OFFICER; CHIEF COMPLIANCE
3 OFFICER; ADDITIONAL OFFICERS. (a) The oversight committee shall
4 hire a chief executive officer. The chief executive officer shall
5 perform the duties required by this chapter and the duties
6 designated by the oversight committee. The chief executive officer
7 must have a demonstrated ability to lead and develop academic,
8 commercial, and governmental partnerships and coalitions.

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

13 (c) The chief executive officer may hire any other officer
14 position the chief executive officer determines necessary for
15 efficient operation of the institute.

16 Sec. 157.053. ANNUAL PUBLIC REPORT; INTERNET POSTING. Not
17 later than January 31 of each year, the institute shall prepare and
18 submit to the governor, the lieutenant governor, the speaker of the
19 house of representatives, and the standing committee of each house
20 of the legislature with primary jurisdiction over institute matters
21 and post on the institute's Internet website a report on:

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

23 (2) a list of recipients of grants awarded during the
24 preceding state fiscal year and the grant amount awarded to each
25 recipient;

26 (3) any research accomplishments a grant recipient or
27 the recipient's partners achieved during the preceding state fiscal

1 year;

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

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

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

8 (7) an estimate of the financial cost to this state of
9 mental health issues and brain disease during the most recent state
10 fiscal year for which data is available, including the amounts this
11 state spent related to mental health issues and brain disease
12 through the Medicaid program, the Teacher Retirement System of
13 Texas, and the Employees Retirement System of Texas;

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

17 (9) for the preceding state fiscal year:

18 (A) a list of any conflicts of interest requiring
19 recusal under this chapter or rules adopted under this chapter;

20 (B) any unreported conflicts of interest
21 confirmed by an investigation conducted under Section 157.254,
22 including any institute actions regarding an unreported conflict of
23 interest and subsequent investigation; and

24 (C) any waivers granted through the process
25 established under Section 157.253; and

26 (10) the institute's future direction.

27 Sec. 157.054. INDEPENDENT FINANCIAL AUDIT. (a) The

1 institute shall annually commission a certified public accounting
2 firm to perform an independent financial audit of its activities.

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

5 Sec. 157.055. GRANT RECORDS; AUDIT OF ELECTRONIC GRANT
6 MANAGEMENT SYSTEM. (a) The institute shall maintain complete
7 records of:

8 (1) the review of each grant application submitted to
9 the institute, including the score the peer review committee
10 assigns to each reviewed grant application in accordance with rules
11 adopted under Section 157.302;

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

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

16 (4) the identity of each principal investor and owner
17 of each grant recipient as provided by institute rules to determine
18 any conflict of interest; and

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

21 (b) The institute shall keep each record described by
22 Subsection (a) until at least the 15th anniversary of the record's
23 date of issuance.

24 (c) The institute shall have prepared periodic audits of any
25 electronic grant management system used to maintain records of
26 grant applications and grant awards. The institute shall timely
27 address each weakness identified in an audit of the system.

1 Sec. 157.056. GIFTS AND GRANTS. The institute may solicit
2 and accept gifts and grants from any source for the purposes of this
3 chapter.

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

7 Sec. 157.058. COMPLIANCE PROGRAM; INVESTIGATIONS. (a) The
8 institute shall establish a compliance program operating under the
9 direction of the institute's chief compliance officer to monitor
10 compliance with this chapter and rules adopted under this chapter
11 and for reporting incidents of noncompliance to the oversight
12 committee.

13 (b) The chief compliance officer or the officer's designee
14 shall attend and observe meetings of the peer review committee and
15 the program integration committee to ensure compliance with this
16 chapter and rules adopted under this chapter.

17 (c) The chief compliance officer shall submit a written
18 report to the oversight committee confirming that each grant
19 application recommendation included on the list submitted by the
20 program integration committee under Section 157.302(a)(2) complies
21 with the oversight committee's rules regarding grant award
22 procedures. The report must contain all relevant information on:

23 (1) the peer review process for the grant application;

24 (2) the score the peer review committee assigns to the
25 application;

26 (3) adherence to the conflict-of-interest
27 notification and recusal process; and

1 (4) confirmation that a recommended grant applicant
2 did not make any gift or grant prohibited by Section 157.302(f).

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

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

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

10 (e) The chief compliance officer shall:

11 (1) monitor compliance with this section and the
12 status of any required report a grant recipient does not timely
13 submit to the institute; and

14 (2) notify the general counsel of the institute and
15 the oversight committee of a grant recipient who has not complied
16 with the grant contract reporting requirements to allow the
17 institute to suspend or terminate the contract as warranted.

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

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

25 (2) to the extent possible, preservation of the
26 confidentiality of communications and the anonymity of a person
27 submitting a compliance report related to fraud, waste, or abuse or

1 participating in a compliance investigation.

2 SUBCHAPTER C. OVERSIGHT COMMITTEE

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

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

7 (1) three members appointed by the governor;

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

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

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

14 (d) In making appointments to the oversight committee, the
15 governor, lieutenant governor, and speaker of the house of
16 representatives:

17 (1) must each appoint at least one person who is a
18 physician or a scientist with extensive experience working with
19 mental health issues or brain disease or in the field of public
20 health; and

21 (2) should attempt to include persons affected by
22 mental health issues or brain disease or family members or
23 caregivers of mental health or brain disease patients.

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

26 (1) is employed by or participates in the management
27 of an entity receiving money from the institute;

1 (2) owns or controls, directly or indirectly, an
2 interest in an entity receiving money from the institute; or

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

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

9 (1) is ineligible for membership under Section
10 157.101(e);

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

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

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

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

1 notify the next highest ranking officer of the oversight committee,
2 who shall then notify the appointing authority and the attorney
3 general that a potential ground for removal exists.

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

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

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

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

22 (c) The oversight committee shall:

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

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

1 and institute employees.

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

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

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

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

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

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

20 (1) hire a chief executive officer;

21 (2) annually set priorities for each grant program
22 established under this chapter; and

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

25 (b) The oversight committee shall adopt a code of conduct
26 applicable to each oversight committee member, program integration
27 committee member, peer review committee member, and institute

1 employee that includes provisions prohibiting the member, the
2 employee, or the member's or employee's spouse from:

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

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

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

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

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

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

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

1 (8) serving on the board of directors of an
2 organization established with a grant from the institute; or

3 (9) serving on the board of directors of a grant
4 recipient.

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

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

12 SUBCHAPTER D. OTHER INSTITUTE COMMITTEES

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

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

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

1 training.

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

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

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

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

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

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

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

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

1 (3) the executive commissioner of the Health and Human
2 Services Commission or the executive commissioner's designee.

3 Sec. 157.153. HIGHER EDUCATION ADVISORY COMMITTEE. (a)
4 The higher education advisory committee is composed of the
5 following members:

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

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

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

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

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

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

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

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

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

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

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

1 (12) one member appointed by the dean of The
2 University of Texas Rio Grande Valley School of Medicine;

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

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

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

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

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

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

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

27 (b) Ad hoc committee members serve for the terms determined

1 by the oversight committee.

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

8 SUBCHAPTER E. MENTAL HEALTH AND BRAIN INSTITUTE RESEARCH FUND

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

16 (b) The fund consists of:

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

19 (2) money the legislature appropriates, credits, or
20 transfers to the fund;

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

23 (4) patent, royalty, and license fees and other income
24 received under a contract entered into as provided by Section
25 157.304; and

26 (5) investment earnings and interest earned on amounts
27 credited to the fund.

1 (c) The fund may only be used for the purposes authorized
2 under Section 68, Article III, Texas Constitution, including:

3 (1) the award of grants for mental health and brain
4 research, research facilities, and research opportunities:

5 (A) for the prevention, treatment, and
6 rehabilitation of mental and behavioral health diseases and other
7 issues and substance use disorders and other addictions, and the
8 mitigation of the incidence of detrimental health impacts on mental
9 health or the brain; and

10 (B) to develop therapies, protocols, medical
11 pharmaceuticals, or procedures for the cure or substantial
12 mitigation of brain diseases or disorders;

13 (2) the purchase, construction, or renovation,
14 subject to approval by the institute, of research facilities by or
15 for a state agency or grant recipient; and

16 (3) the operation of the institute.

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

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

22 (c) The trust company shall hold and invest the fund, and
23 any accounts established in the fund, for the institute, taking
24 into consideration the authorized uses of money in the fund. The
25 fund may be invested with the state treasury pool and may be pooled
26 with other state assets for purposes of investment.

27 (d) The overall objective for the investment of the fund is

1 to maintain sufficient liquidity to meet the needs of the fund while
2 striving to preserve the purchasing power of the fund over a full
3 economic cycle.

4 (e) The trust company has any power necessary to accomplish
5 the purposes of managing and investing the assets of the fund. In
6 managing the assets of the fund, through procedures and subject to
7 restrictions the trust company considers appropriate, the trust
8 company may acquire, exchange, sell, supervise, manage, or retain
9 any kind of investment that a prudent investor, exercising
10 reasonable care, skill, and caution, would acquire or retain in
11 light of the purposes, terms, distribution requirements, and other
12 circumstances of the fund then prevailing, taking into
13 consideration the investment of all the assets of the fund rather
14 than a single investment.

15 (f) The expenses of managing the fund shall be paid from the
16 fund.

17 (g) The trust company annually shall provide to the
18 institute and the oversight committee a written report on the
19 investments of the fund.

20 (h) The trust company shall adopt an appropriate written
21 investment policy for the fund. The trust company shall present the
22 investment policy to the investment advisory board established
23 under Section 404.028, Government Code. The investment advisory
24 board shall submit to the trust company recommendations regarding
25 the policy.

26 (i) The institute annually shall provide to the trust
27 company a forecast of the cash flows into and out of the fund. The

1 institute shall provide updates to the forecasts as appropriate to
2 ensure the trust company is able to achieve the objective specified
3 by Subsection (d).

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

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

9 (a) A grant recipient awarded money from the fund may use the money
10 for research consistent with the purposes of this chapter and in
11 accordance with a contract between the grant recipient and the
12 institute.

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

16 (1) honoraria;

17 (2) salaries and benefits;

18 (3) travel;

19 (4) conference fees and expenses;

20 (5) consumable supplies;

21 (6) operating expenses;

22 (7) contracted research and development;

23 (8) capital equipment;

24 (9) construction or renovation of state or private
25 facilities; and

26 (10) reimbursement for participation costs incurred
27 by brain cancer clinical trial participants, including

1 transportation, lodging, and any costs reimbursed under the cancer
2 clinical trial participation program established under Chapter 51,
3 Health and Safety Code.

4 (c) A grant recipient awarded money under this chapter for
5 mental health or brain disease research may not spend more than five
6 percent of the money for indirect costs. For purposes of this
7 subsection, "indirect costs" means the expenses of conducting
8 business that are not readily identified with a particular grant,
9 contract, project, function, or activity, but are necessary for the
10 general operation of the organization or the performance of the
11 organization's activities.

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

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

21 SUBCHAPTER F. CONFLICTS OF INTEREST: DISCLOSURE; RECUSAL

22 Sec. 157.251. CONFLICT OF INTEREST. (a) The oversight
23 committee shall adopt conflict-of-interest rules, based on
24 standards applicable to members of scientific review committees of
25 the National Institutes of Health, to govern members of the
26 oversight committee, the program integration committee, the peer
27 review committee, and institute employees.

1 (b) An oversight committee member, program integration
2 committee member, peer review committee member, or institute
3 employee shall recuse themselves, as provided by Section
4 157.252(a), (b), or (c), as applicable, if the member or employee,
5 or a person who is related to the member or employee within the
6 second degree of affinity or consanguinity, has a professional or
7 financial interest in an entity awarded a grant or applying for a
8 grant from the institute.

9 (c) A person has a professional interest in an entity
10 awarded a grant or applying for a grant from the institute if the
11 person:

12 (1) is a member of the board of directors, another
13 governing board, or any committee of the entity, or of a foundation
14 or similar organization affiliated with the entity, during the same
15 grant cycle;

16 (2) serves as an elected or appointed officer of the
17 entity;

18 (3) is an employee of or is negotiating future
19 employment with the entity;

20 (4) represents the entity;

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

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

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

1 or

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

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

6 (B) could be perceived as affecting objectivity.

7 (d) A person has a financial interest in an entity awarded a
8 grant or applying for a grant from the institute if the person:

9 (1) owns or controls, directly or indirectly, an
10 ownership interest, including sharing in profits, proceeds, or
11 capital gains, in an entity awarded a grant or applying for a grant
12 from the institute; or

13 (2) could reasonably foresee that an action taken by
14 the oversight committee, the program integration committee, a peer
15 review committee, or the institute could result in a financial
16 benefit to the person.

17 (e) Nothing in this chapter limits the authority of the
18 oversight committee to adopt additional conflict-of-interest
19 standards.

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

21 (a) If an oversight committee member or program integration
22 committee member has a conflict of interest described by Section
23 157.251 regarding an application before the member for review or
24 other action, the member shall:

25 (1) provide written notice to the chief executive
26 officer and the presiding officer of the oversight committee or the
27 next ranking member of the committee if the presiding officer has

1 the conflict of interest;

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

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

7 (b) If a peer review committee member has a conflict of
8 interest described by Section 157.251 regarding an application
9 before the member's committee for review or other action, the
10 member shall:

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

13 (2) recuse themselves from participating in the
14 review, discussion, deliberation, and vote on the application and
15 from accessing information regarding the matter to be decided.

16 (c) If an institute employee has a conflict of interest
17 described by Section 157.251 regarding an application before the
18 employee for review or other action, the employee:

19 (1) shall provide written notice to the chief
20 executive officer of the conflict of interest;

21 (2) shall recuse themselves from participating in the
22 review of the application; and

23 (3) may not access information regarding the matter to
24 be decided.

25 (d) An oversight committee member, program integration
26 committee member, peer review committee member, or institute
27 employee with a conflict of interest may seek a waiver as provided

1 by Section 157.253.

2 (e) An oversight committee member, program integration
3 committee member, peer review committee member, or institute
4 employee who reports a potential conflict of interest or another
5 impropriety or self-dealing of the member or employee and who fully
6 complies with the recommendations of the general counsel and
7 recusal requirements is considered in compliance with the
8 conflict-of-interest provisions of this chapter. The member or
9 employee is subject to other applicable laws, rules, requirements,
10 and prohibitions.

11 (f) An oversight committee member, program integration
12 committee member, peer review committee member, or institute
13 employee who intentionally violates this section is subject to
14 removal from further participation in the institute's grant review
15 process.

16 Sec. 157.253. EXCEPTIONAL CIRCUMSTANCES REQUIRING
17 PARTICIPATION. The oversight committee shall adopt rules governing
18 the waiver of the conflict-of-interest requirements of this chapter
19 under exceptional circumstances for an oversight committee member,
20 program integration committee member, peer review committee
21 member, or institute employee. The rules must:

22 (1) authorize the chief executive officer or an
23 oversight committee member to propose granting a waiver by
24 submitting to the presiding officer of the oversight committee a
25 written statement about the conflict of interest, the exceptional
26 circumstance requiring the waiver, and any proposed limitations to
27 the waiver;

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

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

5 (4) require any waiver granted to be reported annually
6 to the lieutenant governor, the speaker of the house of
7 representatives, the governor, and the standing committee of each
8 house of the legislature with primary jurisdiction over institute
9 matters; and

10 (5) require the institute to retain documentation of
11 each waiver granted.

12 Sec. 157.254. INVESTIGATION OF UNREPORTED CONFLICTS OF
13 INTEREST. (a) An oversight committee member, a program
14 integration committee member, a peer review committee member, or an
15 institute employee who becomes aware of a potential conflict of
16 interest described by Section 157.251 that has not been reported
17 shall immediately notify the chief executive officer of the
18 potential conflict of interest. On notification, the chief
19 executive officer shall notify the presiding officer of the
20 oversight committee and the general counsel, who shall determine
21 the nature and extent of any unreported conflict.

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

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

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

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

7 (1) investigate the matter; and

8 (2) provide to the chief executive officer and
9 presiding officer of the oversight committee an opinion that
10 includes:

11 (A) a statement of facts;

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

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

17 (d) If the conflict of interest, impropriety, or
18 self-dealing involves the presiding officer of the oversight
19 committee, the institute's general counsel shall provide the
20 opinion to the next ranking oversight committee member who is not
21 involved with the conflict of interest, impropriety, or
22 self-dealing.

23 (e) After receiving the opinion and consulting with the
24 presiding officer of the oversight committee, the chief executive
25 officer shall take action regarding the recusal of the individual
26 from any discussion of or access to information related to the
27 conflict of interest or other recommended action related to the

1 impropriety or self-dealing. If the alleged conflict of interest,
2 impropriety, or self-dealing is held by, or is an act of, the chief
3 executive officer, the presiding officer of the oversight committee
4 shall take actions regarding the recusal or other action.

5 Sec. 157.255. FINAL DETERMINATION OF UNREPORTED CONFLICT OF
6 INTEREST. (a) The chief executive officer or, if applicable, the
7 presiding officer of the oversight committee shall make a
8 determination regarding the existence of an unreported conflict of
9 interest described by Section 157.251 or other impropriety or
10 self-dealing. The determination must specify any actions to be
11 taken to address the conflict of interest, impropriety, or
12 self-dealing, including:

13 (1) reconsideration of the application; or

14 (2) referral of the application to another peer review
15 committee for review.

16 (b) The determination made under Subsection (a) is
17 considered final unless three or more oversight committee members
18 request that the issue be added to the agenda of the oversight
19 committee.

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

24 (d) Unless specifically determined by the chief executive
25 officer or, if applicable, the presiding officer of the oversight
26 committee, or the oversight committee, the validity of an action
27 taken on a grant application is not affected by the fact that an

1 individual who failed to report a conflict of interest participated
2 in the action.

3 SUBCHAPTER G. PROCEDURE FOR AWARDING GRANTS

4 Sec. 157.301. PEER REVIEW PROCESS FOR GRANT AWARD. The
5 institute shall establish a peer review process to evaluate and
6 recommend all grants the oversight committee awards under this
7 chapter.

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

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

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

18 (B) includes information explaining each grant
19 applicant's qualification under the peer review committee's
20 standards for recommendation; and

21 (2) the program integration committee to submit to the
22 oversight committee a list of grant applications the program
23 integration committee by majority vote approved for recommendation
24 that:

25 (A) includes documentation on the factors the
26 program integration committee considered in making the
27 recommendations;

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

3 (C) to the extent possible, gives priority to
4 proposals that:

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

8 (ii) strengthen and enhance fundamental
9 science in mental health or brain research;

10 (iii) ensure a comprehensive coordinated
11 approach to mental health or brain research;

12 (iv) are interdisciplinary or
13 interinstitutional;

14 (v) align with state priorities and needs,
15 including priorities and needs outlined in other state agency
16 strategic plans, or address federal or other major research
17 sponsors' priorities in scientific or technological fields in the
18 area of mental health or brain research;

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

21 (vii) are collaborative between any
22 combination of private and nonprofit entities, public or private
23 agencies or institutions in this state, and public or private
24 institutions outside this state;

25 (viii) benefit the residents of this state,
26 including a demonstrable economic development benefit to this
27 state;

1 (ix) enhance research superiority at
2 institutions of higher education in this state by creating new
3 research superiority, attracting existing research superiority
4 from institutions outside this state and other research entities,
5 or attracting from outside this state additional researchers and
6 resources;

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

11 (xi) address the goals of the research
12 plan.

13 (b) A member of a peer review committee may not attempt to
14 use the committee member's official position to influence a
15 decision to approve or award a grant or contract to the committee
16 member's employer.

17 (c) A program integration committee member may not discuss a
18 grant applicant recommendation with an oversight committee member
19 unless the program integration committee has fulfilled the
20 requirements of Subsection (a)(2).

21 (d) Two-thirds of the oversight committee members present
22 and voting must vote to approve each grant award recommendation of
23 the program integration committee. If the oversight committee does
24 not approve a grant award recommendation of the program integration
25 committee, a statement explaining the reasons the recommendation
26 was not followed must be included in the minutes of the meeting.

27 (e) The oversight committee may not award more than \$300

1 million in grants under this chapter in a state fiscal year.

2 (f) The oversight committee may not award a grant to an
3 applicant who has made a gift or grant to the institute, an
4 oversight committee member, or an institute employee on or after
5 January 1, 2026. This section does not apply to gifts, fees,
6 honoraria, or other items also excepted under Section 36.10, Penal
7 Code.

8 Sec. 157.303. MULTIYEAR PROJECTS. (a) The oversight
9 committee may approve the award of grant money for a multiyear
10 project.

11 (b) The oversight committee shall specify the total amount
12 of money approved to fund the multiyear project. For purposes of
13 this chapter, the total amount is considered to have been awarded in
14 the state fiscal year the peer review committee approved the
15 project. The institute shall distribute only the money to be
16 expended during that fiscal year. The institute shall distribute
17 the remaining grant money as the money is needed in each subsequent
18 state fiscal year.

19 Sec. 157.304. CONTRACT TERMS. (a) Before disbursing a
20 grant awarded under this chapter, the institute shall execute a
21 written contract with the grant recipient. The contract shall:

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

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

1 (B) the grant recipient shall, if the capital
2 improvement is sold:

3 (i) repay to this state the grant money used
4 to pay for the capital improvement, with interest at the rate and
5 according to the other terms provided by the contract; and

6 (ii) share with this state a proportionate
7 amount of any profit realized from the sale;

8 (2) specify that if the grant recipient has not used
9 awarded grant money for the purposes for which the grant was
10 intended, the recipient shall repay that grant amount and any
11 related interest applicable under the contract to this state at the
12 agreed rate and on the agreed terms;

13 (3) specify that if the grant recipient fails to meet
14 the terms and conditions of the contract, the institute may
15 terminate the contract using the written process prescribed in the
16 contract and require the recipient to repay the awarded grant money
17 and any related interest applicable under the contract to this
18 state at the agreed rate and on the agreed terms;

19 (4) include terms relating to intellectual property
20 rights consistent with the standards developed by the oversight
21 committee under Section 157.305;

22 (5) require, in accordance with Subsection (b), the
23 grant recipient to dedicate an amount of matching money equal to
24 one-half of the amount of the grant awarded and specify the amount
25 of matching money to be dedicated;

26 (6) specify the period in which the grant award must be
27 spent; and

1 (7) include the specific deliverables of the project
2 that is the subject of the grant proposal.

3 (b) Before the institute may disburse grant money, the grant
4 recipient must certify the recipient has available an unexpended
5 amount of money equal to one-half of the grant money and has
6 dedicated that available money to the research subject to the grant
7 proposal. The institute shall adopt rules specifying a grant
8 recipient's obligations under this subchapter. At a minimum, the
9 rules must:

10 (1) allow a recipient institution of higher education
11 or private or independent institution of higher education, as those
12 terms are defined by Section 61.003, or research institute or
13 center affiliated with the institution, to credit toward the
14 recipient's matching money the dollar amount equivalent to the
15 difference between the indirect cost rate authorized by the federal
16 government for research grants awarded to the recipient and the
17 indirect cost rate authorized by Section 157.203(c);

18 (2) specify that:

19 (A) a grant recipient of more than one grant
20 award under this chapter may provide matching money certification
21 at an institutional level;

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

24 (C) grant money may not be disbursed to the grant
25 recipient until the annual certification of the matching money has
26 been approved;

27 (3) specify that money for certification purposes may

1 include:

2 (A) federal funds;

3 (B) the fair market value of drug development
4 support provided to the recipient by the National Institutes of
5 Health or other similar programs;

6 (C) funds of this state;

7 (D) funds of other states; and

8 (E) nongovernmental funds, including private
9 funds, foundation grants, gifts, and donations;

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

12 (A) in-kind costs;

13 (B) volunteer services provided to a grant
14 recipient;

15 (C) noncash contributions;

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

18 (E) deferred giving, including a charitable
19 remainder annuity trust, charitable remainder unitrust, or pooled
20 income fund; or

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

22 (5) require the grant recipient's certification to be
23 included in the grant award contract;

24 (6) specify that a grant recipient's failure to
25 provide certification serves as grounds for terminating the grant
26 award contract;

27 (7) require a grant recipient to maintain adequate

1 documentation supporting the source and use of the money required
2 by this subsection and to provide documentation to the institute on
3 request; and

4 (8) require the institute to establish a procedure to
5 annually review the documentation supporting the source and use of
6 money reported in the required certification.

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

9 (d) The oversight committee shall adopt rules to administer
10 this section.

11 Sec. 157.305. PATENT ROYALTIES AND LICENSE REVENUES PAID TO
12 STATE. (a) The oversight committee shall establish standards
13 requiring all grant awards to be subject to an intellectual
14 property agreement that allows this state to collect royalties,
15 income, and other benefits, including interest or proceeds
16 resulting from securities and equity ownership, realized as a
17 result of projects undertaken with money awarded under this
18 chapter.

19 (b) In determining this state's interest in any
20 intellectual property rights, the oversight committee shall
21 balance the opportunity of this state to benefit from the patents,
22 royalties, licenses, and other benefits that result from basic
23 research, therapy development, and clinical trials with the need to
24 ensure that essential medical research is not unreasonably hindered
25 by the intellectual property agreement and that the agreement does
26 not unreasonably remove the incentive of the individual researcher,
27 research team, or institution.

1 (c) The oversight committee may authorize the institute to
2 enter into a contract with one or more qualified third parties for
3 assistance with the management, accounting, and disposition of this
4 state's interest in securities, equities, royalties, income, and
5 other benefits realized from money awarded under this chapter. The
6 institute shall implement practices and procedures for the
7 management, accounting, and disposition of securities, equities,
8 royalties, income, and other benefits the institute determines are
9 in the best interest of this state.

10 Sec. 157.306. PREFERENCE FOR TEXAS SUPPLIERS. In a good
11 faith effort to achieve a goal of more than 50 percent of purchases
12 from suppliers in this state, the oversight committee shall
13 establish standards to ensure grant recipients purchase goods and
14 services from suppliers in this state to the extent reasonably
15 possible.

16 Sec. 157.307. HISTORICALLY UNDERUTILIZED BUSINESSES. The
17 oversight committee shall establish standards to ensure grant
18 recipients purchase goods and services from historically
19 underutilized businesses as defined by Section [2161.001](#),
20 Government Code, and any other applicable state law.

21 Sec. 157.308. GRANT COMPLIANCE AND PROGRESS EVALUATION.
22 (a) The institute shall require as a condition of a grant awarded
23 under this chapter that the grant recipient submit to regular
24 inspection reviews of the grant project by institute staff to
25 ensure compliance with the terms of the grant contract and ongoing
26 progress, including the scientific merit of the research.

27 (b) The chief executive officer shall report at least

1 annually to the oversight committee on the progress and continued
2 merit of the projects awarded grants by the institute.

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

7 Sec. 157.310. PUBLIC INFORMATION; CONFIDENTIAL
8 INFORMATION. (a) The following information is public information
9 and may be disclosed under Chapter 552, Government Code:

- 10 (1) the applicant's name and address;
11 (2) the amount of money requested in the applicant's
12 grant proposal;
13 (3) the type of mental health or brain research to be
14 addressed under the proposal; and
15 (4) any other information the institute designates
16 with the consent of the grant applicant.

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

- 22 (1) all information, other than the information
23 required under Subsection (a), contained in a grant award
24 application, peer review evaluation, award contract, or progress
25 report relating to a product, device, or process, the application
26 or use of the product, device, or process, and all technological and
27 scientific information, including computer programs, developed

1 wholly or partly by a grant applicant or recipient, regardless of
2 whether patentable or capable of being registered under copyright
3 or trademark laws, that has a potential for being sold, traded, or
4 licensed for a fee; and

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

8 (c) The following information is confidential and not
9 subject to disclosure under Chapter 552, Government Code:

10 (1) information that directly or indirectly reveals
11 the identity of an individual who reports fraud, waste, or abuse of
12 state resources to the institute's compliance program office, seeks
13 guidance from the office, or participates in an investigation
14 conducted under the compliance program;

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

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

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

26 (e) Information made confidential or excepted from public
27 disclosure by this section may be made available on request and in

1 compliance with applicable laws and procedures to the following:

2 (1) a law enforcement agency or prosecutor;

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

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

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

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

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

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

1 SECTION 3. Section 61.003(6), Education Code, is amended to
2 read as follows:

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

23 SECTION 4. Section 572.003(c), Government Code, is amended
24 to read as follows:

25 (c) The term means a member of:

26 (1) the Public Utility Commission of Texas;

27 (2) the Texas Commission on Environmental Quality;

- 1 (3) the Texas Alcoholic Beverage Commission;
- 2 (4) the Finance Commission of Texas;
- 3 (5) the Texas Facilities Commission;
- 4 (6) the Texas Board of Criminal Justice;
- 5 (7) the board of trustees of the Employees Retirement
6 System of Texas;
- 7 (8) the Texas Transportation Commission;
- 8 (9) the Texas Department of Insurance;
- 9 (10) the Parks and Wildlife Commission;
- 10 (11) the Public Safety Commission;
- 11 (12) the Texas Ethics Commission;
- 12 (13) the State Securities Board;
- 13 (14) the Texas Water Development Board;
- 14 (15) the governing board of a public senior college or
15 university as defined by Section [61.003](#), Education Code, or of The
16 University of Texas Southwestern Medical Center, The University of
17 Texas Medical Branch at Galveston, The University of Texas Health
18 Science Center at Houston, The University of Texas Health Science
19 Center at San Antonio, The University of Texas M. D. Anderson Cancer
20 Center, The University of Texas Health Science Center at Tyler,
21 University of North Texas Health Science Center at Fort Worth,
22 Texas Tech University Health Sciences Center, Texas State Technical
23 College--Harlingen, Texas State Technical College--Marshall, Texas
24 State Technical College--Sweetwater, or Texas State Technical
25 College--Waco;
- 26 (16) the Texas Higher Education Coordinating Board;
- 27 (17) the Texas Workforce Commission;

- 1 (18) the board of trustees of the Teacher Retirement
2 System of Texas;
- 3 (19) the Credit Union Commission;
- 4 (20) the School Land Board;
- 5 (21) the board of the Texas Department of Housing and
6 Community Affairs;
- 7 (22) the Texas Racing Commission;
- 8 (23) the State Board of Dental Examiners;
- 9 (24) the Texas Medical Board;
- 10 (25) the Board of Pardons and Paroles;
- 11 (26) the Texas State Board of Pharmacy;
- 12 (27) the Department of Information Resources
13 governing board;
- 14 (28) the board of the Texas Department of Motor
15 Vehicles;
- 16 (29) the Texas Real Estate Commission;
- 17 (30) the board of directors of the State Bar of Texas;
- 18 (31) the Bond Review Board;
- 19 (32) the Health and Human Services Commission;
- 20 (33) the Texas Funeral Service Commission;
- 21 (34) the board of directors of a river authority
22 created under the Texas Constitution or a statute of this state;
- 23 (35) the Texas Lottery Commission; [~~or~~]
- 24 (36) the Cancer Prevention and Research Institute of
25 Texas; or
- 26 (37) the Mental Health and Brain Research Institute of
27 Texas.

1 SECTION 5. (a) Not later than December 31, 2025, the
2 appropriate appointing authority shall appoint the members to the
3 Mental Health and Brain Research Institute of Texas Oversight
4 Committee as required by Section 157.101, Education Code, as added
5 by this Act. The oversight committee may not act until a majority
6 of the appointed members have taken office.

7 (b) Notwithstanding Section 157.101, Education Code, as
8 added by this Act, in making the initial appointments under that
9 section, the governor, lieutenant governor, and speaker of the
10 house of representatives shall, as applicable, designate one member
11 of the Mental Health and Brain Research Institute of Texas
12 Oversight Committee appointed by that person to serve a term
13 expiring January 31, 2027, one member appointed by that person to
14 serve a term expiring January 31, 2029, and one member appointed by
15 that person to serve a term expiring January 31, 2031.

16 (c) The governor shall designate one member to serve as
17 interim presiding officer for the purpose of calling and presiding
18 over meetings of the Mental Health and Brain Research Institute of
19 Texas Oversight Committee until an election is held under Section
20 157.104, Education Code, as added by this Act.

21 SECTION 6. If the voters approve the constitutional
22 amendment proposed by the 89th Legislature, Regular Session, 2025,
23 requiring the creation of the Mental Health and Brain Research
24 Institute of Texas, establishing the Mental Health and Brain
25 Institute Research Fund to provide funding for mental health and
26 brain research in this state, and transferring state general
27 revenue to that fund, the Mental Health and Brain Research

1 Institute of Texas established by Chapter 157, Education Code, as
2 added by this Act, is eligible to receive funding deposited under
3 the authority of Section 68, Article III, Texas Constitution, for
4 any activities conducted by the institute that serve the purposes
5 of that constitutional provision.

6 SECTION 7. This Act takes effect December 1, 2025, but only
7 if the voters approve the constitutional amendment proposed by the
8 89th Legislature, Regular Session, 2025, requiring the creation of
9 the Mental Health and Brain Research Institute of Texas,
10 establishing the Mental Health and Brain Institute Research Fund to
11 provide funding for mental health and brain research in this state,
12 and transferring state general revenue to that fund. If that
13 amendment is not approved by the voters, this Act has no effect.