

By: Raymond

H.B. No. 1302

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Alzheimer's Prevention and Research Institute of Texas.

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 101A to read as follows:

CHAPTER 101A. ALZHEIMER'S PREVENTION AND RESEARCH INSTITUTE OF TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 101A.001. DEFINITIONS. In this chapter:

(1) "Institute" means the Alzheimer's Prevention and Research Institute of Texas.

(2) "Oversight committee" means the Alzheimer's Prevention and Research Institute of Texas Oversight Committee.

(3) "Peer review committee" means the Alzheimer's Prevention and Research Institute of Texas Peer Review Committee.

(4) "Program integration committee" means the Alzheimer's Prevention and Research Institute of Texas Program Integration Committee.

(5) "Research plan" means the Texas Alzheimer's Prevention and Research Plan developed by the institute.

Sec. 101A.002. PURPOSES. The Alzheimer's Prevention and Research Institute of Texas is established to:

(1) create and expedite innovation in research on

1 Alzheimer's disease and related disorders to improve the health of  
2 residents of this state, enhance the potential for a medical or  
3 scientific breakthrough in research on Alzheimer's disease and  
4 related disorders, and enhance the research superiority of this  
5 state regarding Alzheimer's disease and related disorders;

6 (2) attract, create, or expand research capabilities  
7 of eligible institutions of higher education and other public or  
8 private entities by awarding grants to promote a substantial  
9 increase in research on Alzheimer's disease and related disorders,  
10 strategies for prevention of Alzheimer's disease and related  
11 disorders, and the creation of 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 research  
15 on Alzheimer's disease and related disorders.

16 Sec. 101A.003. SUNSET PROVISION. The Alzheimer's  
17 Prevention and Research Institute of Texas is subject to Chapter  
18 325, Government Code (Texas Sunset Act). Unless continued in  
19 existence as provided by that chapter, the institute is abolished  
20 and this chapter expires September 1, 2035.

21 Sec. 101A.004. STATE AUDITOR. Nothing in this chapter  
22 limits the authority of the state auditor under Chapter 321,  
23 Government Code, or other law.

24 SUBCHAPTER B. POWERS AND DUTIES OF INSTITUTE

25 Sec. 101A.051. POWERS AND DUTIES. (a) The institute:

26 (1) may award grants to institutions of learning,  
27 advanced medical research facilities, public or private persons,

1 and collaboratives in this state to further the purposes of this  
2 chapter and Section 68, Article III, Texas Constitution, including:

3 (A) implementation of the research plan;

4 (B) research, including translational and  
5 clinical research, into the causes of, means of prevention of, and  
6 treatment and rehabilitation for Alzheimer's disease and related  
7 disorders;

8 (C) research, including translational research,  
9 to develop therapies, protocols, medical pharmaceuticals, or  
10 procedures for the substantial mitigation of the symptoms of  
11 Alzheimer's disease and related disorders;

12 (D) facilities, equipment, supplies, salaries,  
13 benefits, and other costs related to research on Alzheimer's  
14 disease and related disorders; and

15 (E) prevention programs and strategies to  
16 mitigate the detrimental health impacts of Alzheimer's disease and  
17 related disorders;

18 (2) shall collaborate with relevant state agencies,  
19 coordinating councils, and consortiums to enhance health care and  
20 research for Alzheimer's disease and related disorders;

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

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

26 (5) may contract with another state agency to share  
27 the cost of administrative services, including grant accounting,

1 grant monitoring, technical and document management of the grant  
2 application review process, legal services, and compliance  
3 services;

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

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

10 (8) shall establish procedures to document compliance  
11 by the institute, institute employees, and institute committee  
12 members with all laws and rules governing the peer review process  
13 and conflicts of interest; and

14 (9) shall create a statewide research and clinical  
15 data registry for research related to Alzheimer's disease and  
16 related disorders.

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

19 (c) The institute may collaborate as necessary with The  
20 University of Texas Southwestern Medical Center in carrying out the  
21 institute's duties under this chapter.

22 Sec. 101A.052. CHIEF EXECUTIVE OFFICER; CHIEF COMPLIANCE  
23 OFFICER; ADDITIONAL OFFICERS. (a) The oversight committee shall  
24 hire a chief executive officer. The chief executive officer shall  
25 perform the duties required by this chapter and the duties  
26 designated by the oversight committee. The chief executive officer  
27 must have a demonstrated ability to lead and develop academic,

1 commercial, and governmental partnerships and coalitions.

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

6 (c) The chief executive officer may hire any other officer  
7 position the chief executive officer determines necessary for the  
8 institute's efficient operation.

9 Sec. 101A.053. ANNUAL PUBLIC REPORT; INTERNET POSTING. Not  
10 later than January 31 of each year, the institute shall prepare and  
11 submit to the governor, lieutenant governor, speaker of the house  
12 of representatives, and standing committee of each house of the  
13 legislature with primary jurisdiction over institute matters and  
14 post on the institute's Internet website a report on:

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

16 (2) a list of recipients of grants awarded during the  
17 preceding state fiscal year and the grant amount awarded to each  
18 recipient;

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

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

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

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

1           (7) an estimate of the financial cost to this state of  
2 Alzheimer's disease and related disorders during the most recent  
3 state fiscal year for which data is available, including the  
4 amounts this state spent related to Alzheimer's disease and related  
5 disorders under Medicaid, the Teacher Retirement System of Texas,  
6 and the Employees Retirement System of Texas;

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

10           (9) for the preceding state fiscal year:

11                   (A) a list of any conflict of interest requiring  
12 recusal under this chapter or rules adopted under this chapter;

13                   (B) any unreported conflict of interest  
14 confirmed by an investigation conducted under Section 101A.254,  
15 including any institute actions regarding an unreported conflict of  
16 interest and subsequent investigation; and

17                   (C) any waivers granted through the process  
18 established under Section 101A.253; and

19           (10) the institute's future direction.

20           Sec. 101A.054. INDEPENDENT FINANCIAL AUDIT. (a) The  
21 institute shall annually commission a certified public accounting  
22 firm to perform an independent financial audit of its activities.

23           (b) The oversight committee shall review the annual  
24 financial audit.

25           Sec. 101A.055. GRANT RECORDS; AUDIT OF ELECTRONIC GRANT  
26 MANAGEMENT SYSTEM. (a) The institute shall maintain complete  
27 records of:

1           (1) each grant application submitted to the institute,  
2 including each application funded by the institute or withdrawn  
3 after submission and the score the peer review committee assigns to  
4 each reviewed application in accordance with rules adopted under  
5 Section 101A.302;

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

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

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

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

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

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

22           Sec. 101A.056. GIFTS AND GRANTS. (a) The institute may  
23 solicit and accept gifts and grants from any source for the purposes  
24 of this chapter.

25           (b) The institute may not supplement the salary of any  
26 institute employee or officer with a gift or grant the institute  
27 receives.

1       Sec. 101A.057. PROHIBITED OFFICE LOCATION. An institute  
2 employee may not have an office located in a facility owned by an  
3 entity receiving or applying to receive money from the institute.

4       Sec. 101A.058. COMPLIANCE PROGRAM; INVESTIGATIONS. (a)  
5 The institute shall establish a compliance program operating under  
6 the direction of the institute's chief compliance officer to  
7 monitor compliance with this chapter and rules adopted under this  
8 chapter and for use in reporting incidents of noncompliance to the  
9 oversight committee.

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

14       (c) The chief compliance officer shall submit a written  
15 report to the oversight committee confirming each grant application  
16 recommendation included on the list the program integration  
17 committee submits under Section 101A.302(a)(2) complies with the  
18 oversight committee's rules regarding grant award procedures. The  
19 report must contain all relevant information on:

20               (1) the peer review process for the grant application;  
21               (2) the score the peer review committee assigns to the  
22 application;

23               (3) adherence to the conflict-of-interest  
24 notification and recusal process; and

25               (4) confirmation that a recommended grant applicant  
26 did not make any gift or grant prohibited by Section 101A.302(f).

27       (d) To ensure each grant recipient complies with reporting



1 requirements included in the grant contract and the rules adopted  
2 under this chapter, the institute shall implement a system to:

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

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

7 (e) The chief compliance officer shall:

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

11 (2) notify the institute's general counsel and the  
12 oversight committee of a grant recipient who has not complied with  
13 the grant contract reporting requirements to allow the institute to  
14 suspend or terminate the contract as the institute determines  
15 appropriate.

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

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

23 (2) to the extent possible, preservation of the  
24 confidentiality of communications and the anonymity of a person who  
25 submits a compliance report related to fraud, waste, or abuse or  
26 participates in a compliance investigation.

1                   SUBCHAPTER C. OVERSIGHT COMMITTEE

2                   Sec. 101A.101. COMPOSITION OF OVERSIGHT COMMITTEE. (a)

3 The oversight committee is the institute's governing body.

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

6                   (1) three members appointed by the governor;

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

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

11                   (c) The oversight committee members must represent this  
12 state's geographic and cultural diversity.

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

16                   (1) must each appoint at least one person who is a  
17 physician or a scientist with extensive experience working with  
18 Alzheimer's disease or related disorders or in the field of public  
19 health; and

20                   (2) should attempt to include persons affected by  
21 Alzheimer's disease or related disorders or family members or  
22 caregivers of patients with Alzheimer's disease or related  
23 disorders.

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. 101A.102. REMOVAL. (a) It is a ground for removal  
8 from the oversight committee that a member:

9           (1) is ineligible for membership under Section  
10 101A.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 oversight committee action is not  
19 affected by the fact that 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 of a committee member exists, the  
23 chief executive officer shall notify the presiding officer of the  
24 oversight committee of the potential ground. The presiding officer  
25 shall then notify the appointing authority and the attorney general  
26 that a potential ground for removal exists. If the potential ground  
27 for removal involves the presiding officer, the chief executive

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

5 Sec. 101A.103. TERMS; VACANCY. (a) Oversight committee  
6 members appointed by the governor, lieutenant governor, and speaker  
7 of the house serve at the pleasure of the appointing authority for  
8 staggered six-year terms, with the terms of three members expiring  
9 on January 31 of each odd-numbered year.

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

16 Sec. 101A.104. OFFICERS. (a) The oversight committee  
17 shall elect a presiding officer and assistant presiding officer  
18 from among its members every two years. The oversight committee may  
19 elect additional officers from among its members.

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

23 (c) The oversight committee shall:

24 (1) establish and approve duties and responsibilities  
25 for committee officers; and

26 (2) develop and implement policies that distinguish  
27 the responsibilities of the oversight committee and the committee's

1 officers from the responsibilities of the chief executive officer  
2 and institute employees.

3 Sec. 101A.105. EXPENSES. An oversight committee member is  
4 not entitled to compensation but is entitled to reimbursement for  
5 actual and necessary expenses incurred in attending committee  
6 meetings or performing other official duties authorized by the  
7 presiding officer.

8 Sec. 101A.106. MEETINGS. (a) The oversight committee  
9 shall hold at least one public meeting each quarter of the calendar  
10 year, with appropriate notice and a formal public comment period.

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

14 (1) managing, acquiring, or selling securities or  
15 other revenue-sharing obligations realized under the standards  
16 established as required by Section 101A.305; and

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

19 Sec. 101A.107. POWERS AND DUTIES. (a) The oversight  
20 committee shall:

21 (1) hire a chief executive officer;

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

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

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

1 committee member, peer review committee member, and institute  
2 employee that includes provisions prohibiting the member,  
3 employee, or member's or employee's spouse from:

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

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

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

16 (4) holding a personal investment or financial  
17 interest that could reasonably create a substantial conflict  
18 between the private interests and official duties of the member or  
19 employee;

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

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

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

1 institute;

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

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

6 Sec. 101A.108. RULEMAKING AUTHORITY. The oversight  
7 committee may adopt rules to administer this chapter.

8 Sec. 101A.109. FINANCIAL STATEMENT REQUIRED. Each  
9 oversight committee member shall file with the chief compliance  
10 officer a verified financial statement complying with Sections  
11 572.022, 572.023, 572.024, 572.025, 572.0251, and 572.0252,  
12 Government Code, as required of a state officer by Section 572.021  
13 of that code.

14 SUBCHAPTER D. OTHER INSTITUTE COMMITTEES

15 Sec. 101A.151. PEER REVIEW COMMITTEE. (a) The oversight  
16 committee shall establish a peer review committee. The chief  
17 executive officer, with approval by a simple majority of the  
18 oversight committee members, shall appoint as members to the peer  
19 review committee:

20 (1) experts in fields related to Alzheimer's disease  
21 or related disorders, including research, health care, disease  
22 treatment and prevention, and other study areas; and

23 (2) trained patient advocates who meet the  
24 qualifications adopted under Subsection (c).

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

1       (c) The oversight committee shall adopt rules regarding the  
2 qualifications required of a trained patient advocate for  
3 membership on the peer review committee. The rules must require the  
4 trained patient advocate to successfully complete science-based  
5 training.

6       (d) A peer review committee member may receive an  
7 honorarium. Subchapter B, Chapter 2254, Government Code, does not  
8 apply to an honorarium the member receives under this chapter.

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

14       (f) A peer review committee member may not serve on the  
15 board of directors or other governing board of an entity receiving a  
16 grant from the institute.

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

19       Sec. 101A.152. PROGRAM INTEGRATION COMMITTEE. (a) The  
20 institute shall establish a program integration committee to carry  
21 out the duties assigned under this chapter.

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

23               (1) the chief executive officer, who serves as the  
24 presiding officer of the program integration committee;

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



1 oversight committee members; and

2 (3) the executive commissioner or the executive  
3 commissioner's designee.

4 Sec. 101A.153. HIGHER EDUCATION ADVISORY COMMITTEE. (a)  
5 The higher education advisory committee is composed of the  
6 following members:

7 (1) two members appointed by the chancellor of The  
8 University of Texas System to represent:

9 (A) The University of Texas Southwestern Medical  
10 Center;

11 (B) The University of Texas Medical Branch at  
12 Galveston;

13 (C) The University of Texas Health Science Center  
14 at Houston;

15 (D) The University of Texas Health Science Center  
16 at San Antonio; or

17 (E) The University of Texas Health Center at  
18 Tyler;

19 (2) one member appointed by the chancellor of The  
20 Texas A&M University System to represent:

21 (A) The Texas A&M University System Health  
22 Science Center; or

23 (B) the teaching hospital for The Texas A&M  
24 Health Science Center College of Medicine;

25 (3) one member appointed by the chancellor of the  
26 Texas Tech University System to represent the Texas Tech University  
27 Health Sciences Center;

1           (4) one member appointed by the chancellor of the  
2 University of Houston System to represent the system;

3           (5) one member appointed by the chancellor of the  
4 Texas State University System to represent the system;

5           (6) one member appointed by the chancellor of the  
6 University of North Texas System to represent the system;

7           (7) one member appointed by the president of Baylor  
8 College of Medicine; and

9           (8) one member appointed by the president of Rice  
10 University.

11           (b) The higher education advisory committee shall advise  
12 the oversight committee on issues, opportunities, the role of  
13 higher education, and other subjects involving research on  
14 Alzheimer's disease and related disorders.

15           Sec. 101A.154. AD HOC ADVISORY COMMITTEE. (a) The  
16 oversight committee, as necessary, may create additional ad hoc  
17 advisory committees composed of experts to advise the oversight  
18 committee on issues relating to prevention of or research on  
19 Alzheimer's disease and related disorders or other issues related  
20 to Alzheimer's disease or related disorders.

21           (b) Ad hoc committee members serve for the terms the  
22 oversight committee determines.

23           Sec. 101A.155. EXPENSES. Members of the higher education  
24 advisory committee created under Section 101A.153 or an ad hoc  
25 advisory committee created under Section 101A.154 serve without  
26 compensation but are entitled to reimbursement for actual and  
27 necessary expenses incurred in attending committee meetings or

1 performing other official duties authorized by the presiding  
2 officer.

3 SUBCHAPTER E. ALZHEIMER'S PREVENTION AND RESEARCH FUND

4 Sec. 101A.201. ALZHEIMER'S PREVENTION AND RESEARCH FUND.

5 (a) In this subchapter, "fund" means the Alzheimer's Prevention  
6 and Research Fund established under Section 68, Article III, Texas  
7 Constitution. The fund is a special fund in the treasury outside  
8 the general revenue fund to be administered by the institute. The  
9 institute may use money in the fund as authorized by this chapter  
10 without further legislative appropriation.

11 (b) The fund consists of:

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

14 (2) money the legislature appropriates, credits, or  
15 transfers to the fund;

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

18 (4) patent, royalty, and license fees and other income  
19 received under a contract executed as provided by Section 101A.304;  
20 and

21 (5) investment earnings and interest earned on amounts  
22 credited to the fund.

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

25 (1) the award of grants for research on or prevention  
26 of Alzheimer's disease and related disorders and research  
27 facilities in this state to conduct that research;

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

4           (3) the operation of the institute.

5           Sec. 101A.202. ROLE OF TEXAS TREASURY SAFEKEEPING TRUST  
6 COMPANY. (a) In this section, "trust company" means the Texas  
7 Treasury Safekeeping Trust Company.

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

10          (c) The trust company shall hold and invest the fund, and  
11 any accounts established in the fund, for the institute taking into  
12 consideration the authorized uses of money in the fund. The fund  
13 may be invested with the state treasury pool and may be pooled with  
14 other state assets for investment purposes.

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

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

1 consideration the investment of all the fund's assets rather than a  
2 single investment.

3 (f) The expenses of managing the fund shall be paid from the  
4 fund.

5 (g) The trust company annually shall provide to the  
6 institute and the oversight committee a written report on the  
7 investments of the fund.

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

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

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

23 Sec. 101A.203. AUTHORIZED USE OF GRANT MONEY; LIMITATIONS.

24 (a) A grant recipient awarded money from the fund may use the money  
25 for research consistent with the purposes of this chapter and in  
26 accordance with a contract between the grant recipient and the  
27 institute.

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

- 4           (1) honoraria;  
5           (2) salaries and benefits;  
6           (3) travel;  
7           (4) conference fees and expenses;  
8           (5) consumable supplies;  
9           (6) operating expenses;  
10          (7) contracted research and development;  
11          (8) capital equipment; and  
12          (9) construction or renovation of state or private  
13 facilities.

14       (c) A grant recipient awarded money under this chapter for  
15 research on Alzheimer's disease or related disorders may not spend  
16 more than five percent of the money for indirect costs. In this  
17 subsection, "indirect costs" means business expenses not readily  
18 identified with a particular grant, contract, project, function, or  
19 activity that are necessary for the general operation of the  
20 organization or the performance of the organization's activities.

21       (d) Not more than five percent of the total amount of grant  
22 money awarded under this chapter in a state fiscal year may be used  
23 during that year for facility purchase, construction, remodel, or  
24 renovation purposes, and those expenditures must benefit research  
25 on Alzheimer's disease or related disorders.

26       (e) Not more than 10 percent of the total amount of grant  
27 money awarded under this chapter in a state fiscal year may be used

1 during that year for prevention projects and strategies to mitigate  
2 the incidence of Alzheimer's disease or related disorders.

3 SUBCHAPTER F. CONFLICTS OF INTEREST: DISCLOSURE; RECUSAL

4 Sec. 101A.251. CONFLICT OF INTEREST. (a) The oversight  
5 committee shall adopt conflict-of-interest rules, based on  
6 standards applicable to members of scientific review committees of  
7 the National Institutes of Health, to govern oversight committee  
8 members, program integration committee members, peer review  
9 committee members, and institute employees.

10 (b) An oversight committee member, program integration  
11 committee member, peer review committee member, or institute  
12 employee shall recuse the member or employee, as provided by  
13 Section 101A.252(a), (b), or (c), as applicable, if the member or  
14 employee, or a person who is related to the member or employee  
15 within the second degree of affinity or consanguinity, has a  
16 professional or financial interest in an entity awarded a grant or  
17 applying for a grant from the institute.

18 (c) For purposes of Subsection (b), a person has a  
19 professional interest in an entity awarded a grant or applying for a  
20 grant from the institute if the person:

21 (1) is a member of the board of directors, another  
22 governing board, or any committee of the entity, or of a foundation  
23 or similar organization affiliated with the entity, during the same  
24 grant cycle;

25 (2) serves as an elected or appointed officer of the  
26 entity;

27 (3) is an employee of or is negotiating future

1 employment with the entity;

2 (4) represents the entity;

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

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

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

10 or

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

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

15 (B) could be perceived as affecting objectivity.

16 (d) For purposes of Subsection (b), a person has a financial  
17 interest in an entity awarded a grant or applying for a grant from  
18 the institute if the person:

19 (1) directly or indirectly owns or controls an  
20 ownership interest, including sharing in profits, proceeds, or  
21 capital gains, in an entity awarded a grant or applying for a grant  
22 from the institute; or

23 (2) could reasonably foresee that an action taken by  
24 the oversight committee, the program integration committee, a peer  
25 review committee, or the institute could result in a financial  
26 benefit to the person.

27 (e) Nothing in this chapter limits the oversight



1 committee's authority to adopt additional conflict-of-interest  
2 standards.

3 Sec. 101A.252. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL.

4 (a) If an oversight committee member or program integration  
5 committee member has a conflict of interest described by Section  
6 101A.251 regarding an application before the member for review or  
7 other action, the member:

8 (1) shall provide written notice to the chief  
9 executive officer and the presiding officer of the oversight  
10 committee or the next ranking member of the committee if the  
11 presiding officer has the conflict of interest;

12 (2) shall disclose the conflict of interest in an open  
13 meeting of the oversight committee;

14 (3) shall recuse themselves from participating in the  
15 review, discussion, deliberation, and vote on the application; and

16 (4) may not access information regarding the matter to  
17 be decided.

18 (b) If a peer review committee member has a conflict of  
19 interest described by Section 101A.251 regarding an application  
20 before the member's committee for review or other action, the  
21 member:

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

24 (2) shall recuse themselves from participating in the  
25 review, discussion, deliberation, and vote on the application; and

26 (3) may not access information regarding the matter to  
27 be decided.

1       (c) If an institute employee has a conflict of interest  
2 described by Section 101A.251 regarding an application before the  
3 employee for review or other action, the employee:

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

6           (2) shall recuse themselves from participating in the  
7 review of the application; and

8           (3) may not access information regarding the matter to  
9 be decided.

10       (d) An oversight committee member, program integration  
11 committee member, peer review committee member, or institute  
12 employee with a conflict of interest may seek a waiver as provided  
13 by Section 101A.253.

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

23       (f) An oversight committee member, program integration  
24 committee member, peer review committee member, or institute  
25 employee who intentionally violates this section is subject to  
26 removal from further participation in the institute's grant review  
27 process.

1       Sec. 101A.253. EXCEPTIONAL CIRCUMSTANCES REQUIRING  
2 PARTICIPATION. The oversight committee shall adopt rules governing  
3 the waiver of the conflict-of-interest requirements of this chapter  
4 under exceptional circumstances for an oversight committee member,  
5 program integration committee member, peer review committee  
6 member, or institute employee. The rules must:

7           (1) authorize the chief executive officer or an  
8 oversight committee member to propose granting a waiver by  
9 submitting to the oversight committee's presiding officer a written  
10 statement about the conflict of interest, the exceptional  
11 circumstance requiring the waiver, and any proposed limitations to  
12 the waiver;

13           (2) require a proposed waiver to be publicly reported  
14 at an oversight committee meeting;

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

17           (4) require any waiver granted to be included in the  
18 annual report required by Section 101A.053; and

19           (5) require the institute to retain documentation of  
20 each waiver granted.

21       Sec. 101A.254. INVESTIGATION OF UNREPORTED CONFLICTS OF  
22 INTEREST. (a) An oversight committee member, program integration  
23 committee member, peer review committee member, or institute  
24 employee who becomes aware of an unreported potential conflict of  
25 interest described by Section 101A.251 shall immediately notify the  
26 chief executive officer of the potential conflict of interest. On  
27 receipt of the notification, the chief executive officer shall

1 notify the institute's general counsel and the oversight  
2 committee's presiding officer, who shall determine the nature and  
3 extent of any unreported conflict.

4 (b) A grant applicant seeking an investigation regarding  
5 whether a prohibited conflict of interest was not reported shall  
6 file a written request with the chief executive officer. The  
7 applicant must:

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

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

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

17 (1) investigate the matter; and

18 (2) provide to the chief executive officer and the  
19 oversight committee's presiding officer an opinion that includes:

20 (A) a statement of facts;

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

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

26 (d) If the conflict of interest, impropriety, or  
27 self-dealing involves the oversight committee's presiding officer,

1 the institute's general counsel shall provide the opinion to the  
2 next ranking oversight committee member who is not involved with  
3 the conflict of interest, impropriety, or self-dealing.

4 (e) After receiving the opinion and consulting with the  
5 oversight committee's presiding officer, the chief executive  
6 officer shall take action regarding the recusal of the individual  
7 from any discussion of or access to information related to the  
8 conflict of interest or other recommended action related to the  
9 impropriety or self-dealing. If the alleged conflict of interest,  
10 impropriety, or self-dealing is held by, or is an act of, the chief  
11 executive officer, the presiding officer of the oversight committee  
12 shall take actions regarding the recusal or other action.

13 Sec. 101A.255. FINAL DETERMINATION OF UNREPORTED CONFLICT  
14 OF INTEREST. (a) The chief executive officer or, if applicable,  
15 the oversight committee's presiding officer shall make a  
16 determination regarding the existence of an unreported conflict of  
17 interest described by Section 101A.251 or other impropriety or  
18 self-dealing. The determination must specify any actions to be  
19 taken to address the conflict of interest, impropriety, or  
20 self-dealing, including:

- 21 (1) reconsideration of the application; or  
22 (2) referral of the application to another peer review  
23 committee for review.

24 (b) The determination made under Subsection (a) is  
25 considered final unless three or more oversight committee members  
26 request that the issue be added to the agenda of the oversight  
27 committee.

1       (c) The chief executive officer or, if applicable, the  
2 oversight committee's presiding officer, shall provide to the grant  
3 applicant requesting the investigation written notice of the final  
4 determination, including any further actions to be taken.

5       (d) Unless specifically determined by the chief executive  
6 officer or, if applicable, the presiding officer of the oversight  
7 committee, or the oversight committee, the validity of an action  
8 taken on a grant application is not affected by the fact that an  
9 individual who failed to report a conflict of interest participated  
10 in the action.

11               SUBCHAPTER G. PROCEDURE FOR AWARDING GRANTS

12       Sec. 101A.301. PEER REVIEW PROCESS FOR GRANT AWARD. The  
13 institute shall establish a peer review process to evaluate and  
14 recommend all grants the oversight committee awards under this  
15 chapter.

16       Sec. 101A.302. GRANT AWARD RULES AND PROCEDURES. (a) The  
17 oversight committee shall adopt rules regarding the procedure for  
18 awarding grants to an applicant under this chapter. The rules must  
19 require:

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

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

26                       (B) includes information explaining each grant  
27 applicant's qualification under the peer review committee's

1 standards for recommendation; and

2 (2) the program integration committee to submit to the  
3 oversight committee a list of grant applications the program  
4 integration committee by majority vote approved for recommendation  
5 that:

6 (A) includes documentation on the factors the  
7 program integration committee considered in making the  
8 recommendations;

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

11 (C) to the extent possible, gives priority to  
12 applications including proposals that:

13 (i) may lead to immediate or long-term  
14 medical and scientific breakthroughs in the areas of prevention or  
15 treatment for Alzheimer's disease and related disorders;

16 (ii) strengthen and enhance fundamental  
17 scientific research on Alzheimer's disease and related disorders;

18 (iii) ensure a comprehensive coordinated  
19 approach to research on Alzheimer's disease and related disorders;

20 (iv) are interdisciplinary or  
21 interinstitutional;

22 (v) align with state priorities and needs,  
23 including priorities and needs outlined in other state agency  
24 strategic plans, or that address federal or other major research  
25 sponsors' priorities in scientific or technological research in the  
26 fields of Alzheimer's disease and related disorders;

27 (vi) are matched with money provided by a

1 private or nonprofit entity or institution of higher education;  
2 (vii) are collaborative between any  
3 combination of private and nonprofit entities, public or private  
4 agencies or institutions in this state, and public or private  
5 institutions outside this state;

6 (viii) benefit the residents of this state,  
7 including a demonstrable economic development benefit to this  
8 state;

9 (ix) enhance research superiority at  
10 institutions of higher education in this state by creating new  
11 research superiority, attracting existing research superiority  
12 from institutions outside this state and other research entities,  
13 or attracting from outside this state additional researchers and  
14 resources;

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

19 (xi) address the goals of the research  
20 plan.

21 (b) A peer review committee member may not attempt to use  
22 the committee member's official position to influence a decision to  
23 approve or award a grant or contract to the committee member's  
24 employer.

25 (c) A program integration committee member may not discuss a  
26 grant applicant recommendation with an oversight committee member  
27 unless the program integration committee has submitted the list



1 required under Subsection (a)(2).

2 (d) Two-thirds of the oversight committee members present  
3 and voting must vote to approve each grant award recommendation of  
4 the program integration committee. If the oversight committee does  
5 not approve a grant award recommendation of the program integration  
6 committee, a statement explaining the reasons the recommendation  
7 was not followed must be included in the minutes of the meeting.

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

10 (f) The oversight committee may not award a grant to an  
11 applicant who has made a gift or grant to the institute, an  
12 oversight committee member, or an institute employee on or after  
13 January 1, 2026. This section does not apply to gifts, fees,  
14 honoraria, or other items also excepted under Section 36.10, Penal  
15 Code.

16 Sec. 101A.303. MULTIYEAR PROJECTS. (a) The oversight  
17 committee may approve the award of grant money for a multiyear  
18 project.

19 (b) The oversight committee shall specify the total amount  
20 of money approved to fund the multiyear project. For purposes of  
21 this chapter, the total amount is considered to have been awarded in  
22 the state fiscal year the peer review committee approved the  
23 project. The institute shall disburse only the money to be spent  
24 during that fiscal year. The institute shall disburse the  
25 remaining grant money as the money is needed in each subsequent  
26 state fiscal year.

27 Sec. 101A.304. CONTRACT TERMS. (a) Before disbursing

1 grant money awarded under this chapter, the institute shall execute  
2 a written contract with the grant recipient. The contract shall:

3 (1) specify that except for awards to state agencies  
4 or public institutions of higher education, if all or any part of  
5 the grant amount is used to build a capital improvement:

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

9 (B) the grant recipient shall, if the capital  
10 improvement is sold:

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

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

16 (2) specify that if the grant recipient has not used  
17 awarded grant money for the purposes for which the grant was  
18 intended, the recipient shall repay that grant amount and any  
19 related interest applicable under the contract to this state at the  
20 agreed rate and on the agreed terms;

21 (3) specify that if the grant recipient fails to meet  
22 the terms and conditions of the contract, the institute may  
23 terminate the contract using the written process prescribed in the  
24 contract and require the recipient to repay the awarded grant money  
25 and any related interest applicable under the contract to this  
26 state at the agreed rate and on the agreed terms;

27 (4) include terms relating to intellectual property

1 rights consistent with the standards developed by the oversight  
2 committee under Section 101A.305;

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

7 (6) specify the period in which the grant award must be  
8 spent; and

9 (7) include the specific deliverables of the project  
10 that is the subject of the grant proposal.

11 (b) Before the institute may disburse grant money, the grant  
12 recipient must certify the recipient has available an unexpended  
13 amount of money equal to one-half of the grant amount dedicated to  
14 the research specified in the grant proposal. The institute shall  
15 adopt rules specifying a grant recipient's obligations under this  
16 chapter. At a minimum, the rules must:

17 (1) allow an institution of higher education or a  
18 private or independent institution of higher education, as those  
19 terms are defined by Section 61.003, Education Code, or a research  
20 institute or center affiliated with the institution, to credit  
21 toward the recipient's matching money the dollar amount equivalent  
22 to the difference between the indirect cost rate authorized by the  
23 federal government for research grants awarded to the recipient and  
24 the indirect cost rate authorized by Section 101A.203(c);

25 (2) specify that:

26 (A) the recipient of more than one grant award  
27 under this chapter may provide matching money certification at an

1 institutional level;

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

4 (C) grant money may not be disbursed to the  
5 recipient until the annual certification of the matching money has  
6 been approved;

7 (3) specify that money for certification purposes may  
8 include:

9 (A) federal money;

10 (B) the fair market value of drug development  
11 support provided to the recipient by the National Institutes of  
12 Health or other similar programs;

13 (C) this state's money;

14 (D) other states' money; and

15 (E) nongovernmental money, including money from  
16 private sources, foundation grants, gifts, and donations;

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

19 (A) in-kind costs;

20 (B) volunteer services provided to the  
21 recipient;

22 (C) noncash contributions;

23 (D) the recipient's preexisting real estate,  
24 including buildings, facilities, and land;

25 (E) deferred giving, including a charitable  
26 remainder annuity trust, charitable remainder unitrust, or pooled  
27 income fund; or

1                   (F) any other items the institute determines;

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

4                   (6) specify that the recipient's failure to provide  
5 certification serves as grounds for terminating the grant award  
6 contract;

7                   (7) require the recipient to maintain adequate  
8 documentation supporting the source and use of the money required  
9 by this subsection and to provide documentation to the institute on  
10 request; and

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

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

16                   (d) The oversight committee shall adopt rules to administer  
17 this section.

18                   Sec. 101A.305. PATENT ROYALTIES AND LICENSE REVENUES PAID  
19 TO STATE. (a) The oversight committee shall establish standards  
20 requiring all grant awards to be subject to an intellectual  
21 property agreement that allows this state to collect royalties,  
22 income, and other benefits, including interest or proceeds  
23 resulting from securities and equity ownership, realized as a  
24 result of projects undertaken with grant money awarded under this  
25 chapter.

26                   (b) In determining this state's interest in any  
27 intellectual property rights, the oversight committee shall

1 balance the opportunity of this state to benefit from the patents,  
2 royalties, licenses, and other benefits that result from basic  
3 research, therapy development, and clinical trials with the need to  
4 ensure that essential medical research is not unreasonably hindered  
5 by the intellectual property agreement and that the agreement does  
6 not unreasonably remove the incentive of the individual researcher,  
7 research team, or institution.

8 (c) The oversight committee may authorize the institute to  
9 execute a contract with one or more qualified third parties for  
10 assistance with the management, accounting, and disposition of this  
11 state's interest in securities, equities, royalties, income, and  
12 other benefits realized from grant money awarded under this  
13 chapter. The institute shall implement practices and procedures  
14 for the management, accounting, and disposition of securities,  
15 equities, royalties, income, and other benefits the institute  
16 determines are in this state's best interest.

17 Sec. 101A.306. PREFERENCE FOR TEXAS SUPPLIERS. In a good  
18 faith effort to achieve a goal of more than 50 percent of purchases  
19 from suppliers in this state, the oversight committee shall  
20 establish standards to ensure grant recipients purchase goods and  
21 services from suppliers in this state to the extent reasonably  
22 possible.

23 Sec. 101A.307. HISTORICALLY UNDERUTILIZED BUSINESSES. The  
24 oversight committee shall establish standards to ensure grant  
25 recipients purchase goods and services from historically  
26 underutilized businesses as defined by Section [2161.001](#),  
27 Government Code, and any other applicable state law.

1 Sec. 101A.308. GRANT COMPLIANCE AND PROGRESS EVALUATION.

2 (a) The institute shall require as a condition of a grant awarded  
3 under this chapter that the grant recipient submit to regular  
4 inspection reviews of the grant project by institute employees to  
5 ensure compliance with the terms of the grant contract and ongoing  
6 progress, including the scientific merit of the research.

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

10 Sec. 101A.309. MEDICAL AND RESEARCH ETHICS. A project  
11 awarded a grant under this chapter must comply with all applicable  
12 federal and state laws regarding the conduct of the research or a  
13 prevention project.

14 Sec. 101A.310. PUBLIC INFORMATION; CONFIDENTIAL  
15 INFORMATION. (a) The following information is public information  
16 and may be disclosed under Chapter 552, Government Code:

- 17 (1) a grant applicant's name and address;  
18 (2) the amount of money requested in an applicant's  
19 grant proposal;  
20 (3) the type of research on Alzheimer's disease or  
21 related disorders to be addressed under a grant proposal; and  
22 (4) any other information the institute designates  
23 with the consent of a grant applicant.

24 (b) To protect the actual or potential value of information  
25 submitted to the institute by an applicant for or recipient of a  
26 grant under this chapter, the following information submitted by  
27 the applicant or recipient is confidential and is not subject to

1 disclosure under Chapter 552, Government Code, or any other law:

2 (1) all information, other than the information  
3 described under Subsection (a), contained in a grant application,  
4 peer review evaluation, award contract, or progress report relating  
5 to a product, device, or process, the application or use of the  
6 product, device, or process, and all technological and scientific  
7 information, including computer programs, developed wholly or  
8 partly by the applicant or recipient, regardless of whether  
9 patentable or capable of being registered under copyright or  
10 trademark laws, that has a potential for being sold, traded, or  
11 licensed for a fee; and

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

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

17 (1) information that directly or indirectly reveals  
18 the identity of an individual who reports fraud, waste, or abuse of  
19 state resources to the institute's compliance program office, seeks  
20 guidance from the office, or participates in an investigation  
21 conducted under the compliance program;

22 (2) information that directly or indirectly reveals  
23 the identity of an individual who is alleged to have or may have  
24 planned, initiated, or participated in activities specified in a  
25 report submitted to the office if, after completing an  
26 investigation, the office determines the report to be  
27 unsubstantiated or without merit; and



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

4           (d) Subsection (c) does not apply to information related to  
5 an individual who consents to the information's disclosure.

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

9                   (1) a law enforcement agency or prosecutor;

10                   (2) a governmental agency responsible for  
11 investigating the matter specified in a compliance report,  
12 including the Texas Workforce Commission civil rights division or  
13 the Equal Employment Opportunity Commission; or

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

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

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

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

3 (c) Subsection (b)(1) does not apply to a research contract  
4 between an institution of higher education and the Cancer  
5 Prevention and Research Institute of Texas or Alzheimer's  
6 Prevention and Research Institute of Texas.

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

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

1 classified as provided in this chapter.

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

4 (c) The term means a member of:

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

1 Texas Tech University Health Sciences Center, Texas State Technical  
2 College--Harlingen, Texas State Technical College--Marshall, Texas  
3 State Technical College--Sweetwater, or Texas State Technical  
4 College--Waco;

5 (16) the Texas Higher Education Coordinating Board;

6 (17) the Texas Workforce Commission;

7 (18) the board of trustees of the Teacher Retirement  
8 System of Texas;

9 (19) the Credit Union Commission;

10 (20) the School Land Board;

11 (21) the board of the Texas Department of Housing and  
12 Community Affairs;

13 (22) the Texas Racing Commission;

14 (23) the State Board of Dental Examiners;

15 (24) the Texas Medical Board;

16 (25) the Board of Pardons and Paroles;

17 (26) the Texas State Board of Pharmacy;

18 (27) the Department of Information Resources  
19 governing board;

20 (28) the board of the Texas Department of Motor  
21 Vehicles;

22 (29) the Texas Real Estate Commission;

23 (30) the board of directors of the State Bar of Texas;

24 (31) the Bond Review Board;

25 (32) the Health and Human Services Commission;

26 (33) the Texas Funeral Service Commission;

27 (34) the board of directors of a river authority

1 created under the Texas Constitution or a statute of this state;

2 (35) the Texas Lottery Commission; ~~[or]~~

3 (36) the Cancer Prevention and Research Institute of  
4 Texas; or

5 (37) the Alzheimer's Prevention and Research Institute  
6 of Texas.

7 SECTION 5. (a) Not later than December 31, 2025, the  
8 appropriate appointing authority shall appoint the members to the  
9 Alzheimer's Prevention and Research Institute of Texas Oversight  
10 Committee as required by Section 101A.101, Health and Safety Code,  
11 as added by this Act. The oversight committee may not act until a  
12 majority of the appointed members have taken office.

13 (b) Notwithstanding Section 101A.101, Health and Safety  
14 Code, as added by this Act, in making the initial appointments under  
15 that section, the governor, lieutenant governor, and speaker of the  
16 house of representatives shall, as applicable, designate one member  
17 of the Alzheimer's Prevention and Research Institute of Texas  
18 appointed by that person to serve a term expiring January 31, 2027,  
19 one member appointed by that person to serve a term expiring January  
20 31, 2029, and one member appointed by that person to serve a term  
21 expiring January 31, 2031.

22 SECTION 6. If the voters approve the constitutional  
23 amendment proposed by the 89th Legislature, Regular Session, 2025,  
24 providing for the establishment of the Alzheimer's Prevention and  
25 Research Institute of Texas, establishing the Alzheimer's  
26 Prevention and Research Fund to provide money for research on and  
27 prevention and treatment of Alzheimer's disease and related

1 disorders in this state, and transferring to that fund \$3 billion  
2 from state general revenue, the Alzheimer's Prevention and Research  
3 Institute of Texas established by Chapter 101A, Health and Safety  
4 Code, as added by this Act, is eligible for funding to be deposited  
5 under the authority of Section 68, Article III, Texas Constitution,  
6 for the institute to engage in any activities serving the purposes  
7 of that constitutional provision.

8         SECTION 7. This Act takes effect December 1, 2025, but only  
9 if the constitutional amendment proposed by the 89th Legislature,  
10 Regular Session, 2025, providing for the establishment of the  
11 Alzheimer's Prevention and Research Institute of Texas,  
12 establishing the Alzheimer's Prevention and Research Fund to  
13 provide money for research on and prevention and treatment of  
14 Alzheimer's disease and related disorders in this state, and  
15 transferring to that fund \$3 billion from state general revenue is  
16 approved by the voters. If that amendment is not approved by the  
17 voters, this Act has no effect.