

By: Campos

H.B. No. 1747

Substitute the following for H.B. No. 1747:

By: VanDeaver

C.S.H.B. No. 1747

A BILL TO BE ENTITLED

AN ACT

relating to the administration of funding for the coordination of mental health, substance use, and public health care services in this state.

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

SECTION 1. Chapter 547, Government Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. MENTAL HEALTH, SUBSTANCE USE, AND PUBLIC HEALTH

INITIATIVES

Sec. 547.0551. DEFINITIONS. In this subchapter:

(1) "Council" means the mental health, substance use, and public health initiative council established by Section 547.0552.

(2) "Fund" means the mental health, substance use, and public health initiative trust fund established by Section 547.0553.

(3) "Trust company" means the Texas Treasury Safekeeping Trust Company.

Sec. 547.0552. MENTAL HEALTH, SUBSTANCE USE, AND PUBLIC HEALTH INITIATIVE COUNCIL. (a) The mental health, substance use, and public health initiative council is established to ensure that money allocated to the mental health, substance use, and public health initiative trust fund is allocated fairly and spent to improve the coordination between mental health, substance use, and

public health care services in this state.

(b) The council is composed of the following 14 members:

(1) one member appointed by the governor who is a current or retired health care operations professional with 10 or more years of experience in matters of mental health, substance use, and public health;

(2) one member appointed by the lieutenant governor who is a current or retired health care operations professional with 10 or more years of experience in matters of mental health, substance use, and public health;

(3) one member appointed by the speaker of the house of representatives who is a current or retired health care operations professional with 10 or more years of experience in matters of mental health, substance use, and public health;

(4) three members appointed by the executive commissioner who are from academia or the medical profession and have significant experience in matters of mental health, substance use, and public health;

(5) seven members appointed by the executive commissioner as follows:

(A) one member who is a current or former employee of a rural hospital district;

(B) one member who is a current or former employee of a local health authority;

(C) one member who is a current or former employee of a local mental health authority, as defined by Section [531.002](#), Health and Safety Code;

1 (D) one member who is a current or former
2 employee of a federally qualified health center in this state;

3 (E) one member who has lived experience with a
4 mental health condition or substance abuse condition; and

5 (F) two members with at least 10 years of
6 experience working with a health philanthropy nonprofit
7 organization or foundation; and

8 (6) the executive commissioner or the executive
9 commissioner's designee.

10 (c) The executive commissioner or the executive
11 commissioner's designee serves as the presiding officer of the
12 council and is a nonvoting member.

13 (d) In making appointments under Subsection (b)(4), the
14 executive commissioner shall appoint members from lists provided by
15 the governing bodies of six rural counties and six rural
16 municipalities selected by the executive commissioner with each
17 list naming two qualified candidates with experience in substance
18 use treatment, education, and research.

19 (e) In making appointments under Subsection (b), the
20 governor, lieutenant governor, and speaker of the house of
21 representatives shall coordinate to ensure that the membership of
22 the council reflects, to the extent possible, the ethnic and
23 geographic diversity of this state.

24 (f) The council is administratively attached to the
25 Department of State Health Services. The Department of State Health
26 Services shall provide the staff and facilities necessary to assist
27 the council in performing its duties.

1 (g) A decision by the council to award a grant under Section
2 547.0554 requires the unanimous approval of all members of the
3 council.

4 (h) The council is subject to Chapter 551.

5 Sec. 547.0553. MENTAL HEALTH, SUBSTANCE USE, AND PUBLIC
6 HEALTH INITIATIVE TRUST FUND. (a) The mental health, substance
7 use, and public health initiative trust fund is a trust fund
8 established outside the state treasury for the purposes of this
9 subchapter to be administered by the Department of State Health
10 Services. The fund is not a part of this state's general funds.

11 (b) The fund is held and invested by the trust company. The
12 trust company may authorize money from the fund to be invested with
13 money from the state treasury. The trust company may establish
14 separate accounts in the fund.

15 (c) The fund consists of:

16 (1) an initial appropriation of money by the
17 legislature to the fund as permanent principal for the fund;

18 (2) any additional legislative appropriations of
19 money for the purposes of the fund;

20 (3) interest or other earnings on money credited to or
21 allocable to the fund; and

22 (4) money from gifts, grants, or donations to the
23 fund.

24 (d) The money initially appropriated by the legislature as
25 permanent principal for the fund may be used only for the purposes
26 of this subchapter.

27 (e) Money deposited in the fund may be used to:

1 (1) provide grants in accordance with Section
2 547.0554; and

3 (2) pay the trust company's expenses of managing the
4 fund's assets.

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

14 (g) The trust company shall adopt a written investment
15 policy and a distribution policy appropriate for the fund.

16 (h) The trust company shall disburse money from the fund as
17 directed by the council.

18 (i) The trust company shall annually provide to the council
19 a written report on the investments of the fund.

20 (j) The council shall annually provide to the trust company
21 a forecast of the cash flows into and out of the fund. The council
22 shall provide updates to the forecast as appropriate to ensure the
23 trust company is able to achieve the purposes of this subchapter.

24 (k) The trust company may appoint one or more commercial
25 banks, depository trust companies, or other similar entities to
26 serve as the custodian of the fund.

27 Sec. 547.0554. ESTABLISHMENT OF GRANT PROGRAM. (a) The

1 council shall establish a grant program to award grants for
2 programs that improve the coordination between mental health,
3 substance use, and public health care services in this state
4 providing services to individuals with co-occurring mental health
5 and substance use disorders.

6 (b) A program funded through a grant awarded under this
7 subchapter must improve the coordination between mental health,
8 substance use, and public health care services in this state
9 through:

10 (1) evidence-based preventative or therapeutic
11 measures, research, the implementation of new technology, data
12 collection, education programs, or capital improvements; and

13 (2) providing an efficient and cost-effective method
14 directed to support the coordination of personnel, capital
15 improvements, data interoperability, or long-term financial
16 sustainability of mental health care, substance use treatment, and
17 public health care providers.

18 (c) Annually, the council shall establish procedures for
19 submitting, accepting, and evaluating grant applications under
20 this subchapter.

21 (d) The council, in coordination with the statewide
22 behavioral health coordinating council established under
23 Subchapter D, shall evaluate grant applications at least
24 biennially.

25 Sec. 547.0555. REPORT. Not later than October 1 of each
26 year, the council shall submit a written report to the legislature
27 detailing:

1 (1) all expenditures made by the council during the
2 preceding state fiscal year; and

3 (2) any amount of money greater than the initial
4 appropriation of permanent principal by the legislature that is
5 held in the fund.

6 Sec. 547.0556. RULES. The council shall adopt rules to
7 implement this subchapter.

8 SECTION 2. As soon as practicable after the effective date
9 of this Act, the executive commissioner of the Health and Human
10 Services Commission, the governor, the lieutenant governor, and the
11 speaker of the house of representatives shall appoint the members
12 of the mental health, substance use, and public health initiative
13 council as provided by Section 547.0552, Government Code, as added
14 by this Act.

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2025.