54. Youth Mobile Crisis Outreach Teams. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Services, is $27,000,000 from the General Revenue Fund in each fiscal year of the biennium for youth mobile crisis outreach teams (YCOTs), including funding to establish at least eight new YCOTs. It is the intent of the Legislature that the Health and Human Services Commission (HHSC) prioritize establishment of the new YCOTs in urban areas of the state.

HHSC may establish three coverage tiers for YCOTs with minimum coverage consisting of YCOT staff available for eight hours each weekday for crisis response, stabilization, follow-up care, and community outreach and engagement activities and maximum coverage to include weekday and weekend on-call coverage available 24 hours for crisis response. HHSC shall establish YCOT standards and reporting requirements to ensure program integrity and financial accountability.

No later than September 1 of each fiscal year, HHSC shall submit a report to the Legislative Budget Board, Office of the Governor, Senate Finance Committee, and House Appropriations Committee on the number of YCOTs in the state, the number of individuals served by the YCOTs, and any other information requested by the Legislative Budget Board.

55. Montgomery County Mental Health Treatment Facility. Appropriations made in this Act for the Health and Human Services Commission to contract for competency restoration beds at Montgomery County Mental Health Treatment Facility not otherwise restricted in use may also be expended by Montgomery County to pay necessary administrative fees, including the cost of bond debt accrued for the original construction of the facility.

56. Appropriate Care Settings for Individuals with Severe and Persistent Mental Illness and Co-Occurring Conditions Study. Out of funds appropriated in Strategy D.2.5, Community Behavioral Health Administration, the Health and Human Services Commission (HHSC) shall study and develop a proposal to implement a pilot program that provides residential intermediate care services for individuals with severe and persistent mental illness who may have co-occurring conditions, including traumatic brain injury, and intellectual or developmental disabilities, who, due to the acuity of their conditions, are inappropriate for community placement but no longer meet criteria for inpatient psychiatric care.

(a) For the purposes of developing the study and proposal:

(1) An individual must meet the following eligibility criteria to qualify for the pilot program:

(A) Have a diagnosis of severe and persistent mental illness and may have a co-occurring condition, such as a traumatic brain injury or intellectual and developmental disability;

(B) Spent three or more of the past five years in a psychiatric hospital;

(C) Have been incarcerated more than three times and experienced two psychiatric crises in the previous three years; and

(D) Have been admitted to hospital emergency rooms more than three times with psychiatric crises.

(2) The proposed location of the pilot program shall not be classified as an Institution of Mental Disease under federal Medicaid regulations and shall be designed to ensure compliance with federal funding requirements.

(b) The study and proposal shall:

(1) Assess the existing unmet needs in the service continuum for the target population;

(2) Assess the need for nursing-level care and other specialized services for the target population;

(3) Identify opportunities to modify or expand eligibility criteria for existing programs and services;

(4) Scalable options for implementing the program at residential care facilities and nursing facilities;

(5) Evaluate whether vacated buildings on state hospital campuses or other state facilities could be rehabilitated and used to provide intensive residential services for the target population; and

(6) Evaluate statutory changes and funding needed to establish the pilot program to serve the target population, including the estimated cost to provide intensive residential services for the eligible population and the estimated cost to rehabilitate vacated buildings on state facility campuses to serve as the location of the pilot program.

No later than October 15, 2026, HHSC shall submit findings and recommendations from the study to the Senate Finance Committee, the House Appropriations Committee, the Legislative Budget Board, the Office of the Governor, and permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services.

57. Federal Reimbursement for Certain Substance Use Services. Included in amounts appropriated above in Strategy L.1.1, HHS System Supports, is $533,356 from the General Revenue Fund in fiscal year 2026 and $652,239 from the General Revenue Fund in fiscal year 2027 for Health and Human Services Commission (HHSC) one-time administrative and salary costs related to developing a rate setting methodology and associated cost reporting for certain services reimbursable to grant recipients of the Federal Substance Use Prevention, Treatment, and Recovery Services block grant for up to three children accompanying the child or children's mother in a residential treatment setting.

HHSC shall propose reimbursement rates for these services no later than January 1, 2026, in a format that will enable HHSC to receive public comments on the proposed rates. HHSC shall consider public comments as well as characteristics of the population served and financial sustainability for the rates prior to adoption of the final rates.

58. Heart of Texas Crisis Stabilization and Inpatient Services. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Services, is $2,500,000 from the General Revenue Fund in each fiscal year of the biennium to support mental health screening and assessment, crisis services, and post-crisis services at the local mental health authority that services the Heart of Texas region. It is the intent of the Legislature that the authority coordinate services with McLennan County in expending these funds.

59. Uvalde Behavioral Health Campus. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Services, is $2,500,000 from the General Revenue Fund in fiscal year 2026 and $10,000,000 from the General Revenue Fund in fiscal year 2027 for start-up and operational funding for the Uvalde Behavioral Health Campus.

60. Youth Mental and Behavioral Health. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Services, is $2,500,000 from the General Revenue Fund in each fiscal year of the biennium to support a psychiatric residential youth treatment and mental health respite facility and educational opportunity center at the local mental health authority serving Jefferson County.

61. East Texas Crisis Stabilization Services. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Services, is $2,000,000 from the General Revenue Fund in each fiscal year of the biennium to support crisis services at the local mental health authority in East Texas serving Nacogdoches County.

62. Comal County Mental Health Facility. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Services, is $3,000,000 from the General Revenue Fund in each fiscal year of the biennium for operational costs for a mental health facility operated by the local mental health authority serving Comal County.

63. Dallas State Hospital.

(a) It is the intent of the Legislature that, out of funds appropriated above, the Health and Human Services Commission (HHSC) shall operationalize the Dallas State Hospital within