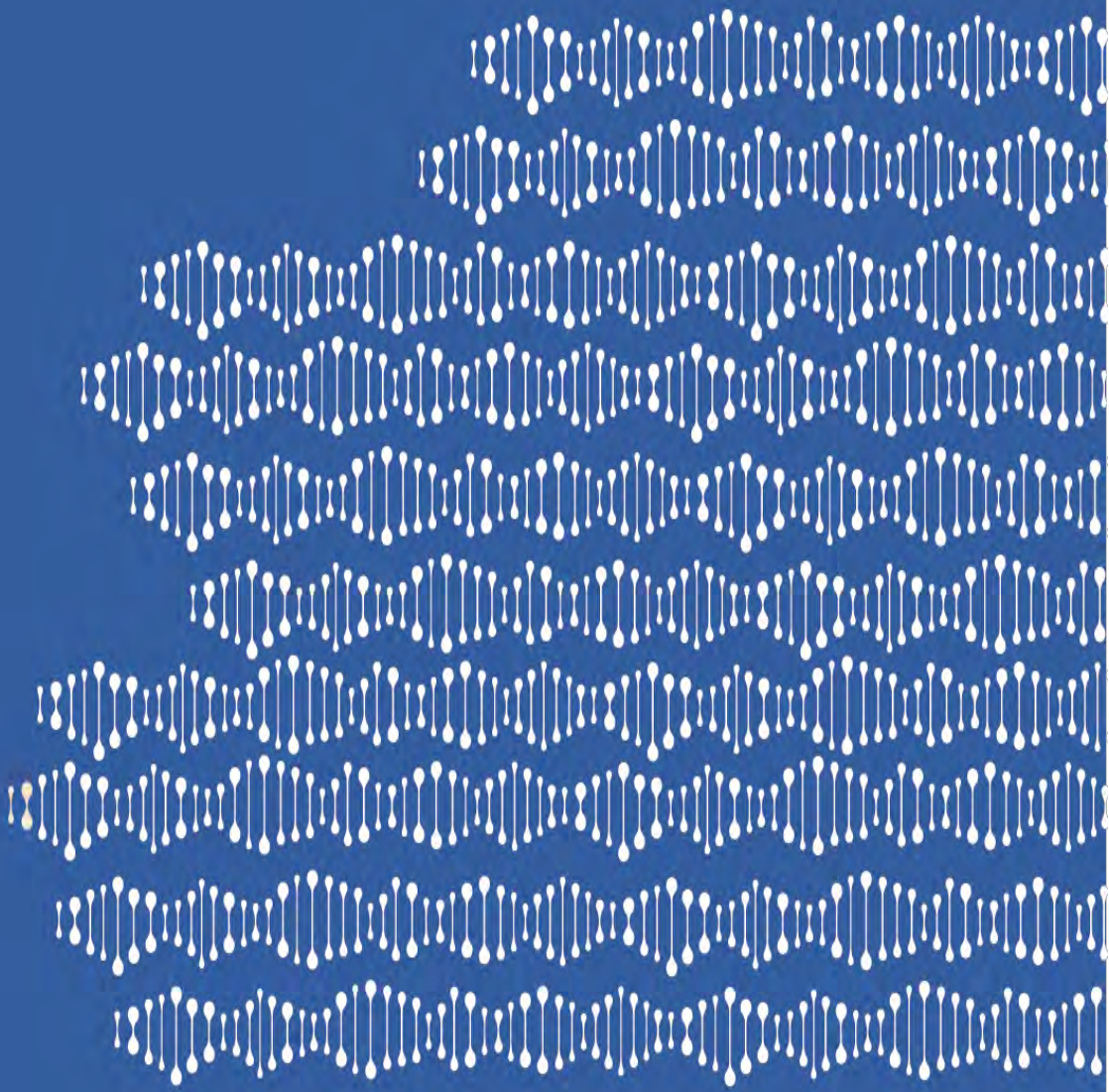
CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Oversight Committee Meeting

May 20, 2015



CANCER PREVENTION & RESEARCH
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Summary Overview of the May 20, 2015, Oversight Committee Meeting

This summary provides an overview of major agenda items and background on key issues for Committee consideration at the May 20, 2015, Oversight Committee meeting.

CEO Report
Wayne Roberts will present the CEO's report and address issues including legislative activities, agency funds available for grant awards, CPRIT staff recruitment efforts, and other issues as appropriate.

Chief Prevention and Communications Officer Report
Dr. Becky Garcia will provide an update on the Prevention Program and present the Program Integration Committee's recommendation for 11 prevention projects.

Chief Scientific Officer Report and Grant Award Recommendations
Dr. Margaret Kripke will provide an update on the Academic Research Program and present the Program Integration Committee's recommendations for 29 academic research awards. Dr. Kripke will also report on the May meeting of the University Advisory Committee.

Chief Product Development Officer Program Overview and Grant Award Recommendations
Dr. Tom Goodman will provide an update on the Product Development Research Program and present the Program Integration Committee's recommendations for two Product Development Research Awards. In addition, PIC members will discuss Mr. Roberts' minority recommendation to approve a third Product Development Research Award.

Information related to the prevention, academic research, and product development research grant applications recommended for funding is not publicly disclosed until the Oversight Committee meeting. The information has been made available to board members through a secure electronic portal.

FY 2016 Bond Issuance Resolution
Heidi McConnell will present Staff's recommendation to approve a resolution for a request for financing for FY 2016. The resolution will be submitted to the Texas Public Finance Authority (TPFA) to issue debt on behalf of CPRIT for its operations and prevention and research grant awards.

FY 2016 Contract Renewal with SRA International
Ms. McConnell will address CPRIT staff's recommendations for the proposed contract renewal with SRA International, CPRIT's third party grants management provider.

Changes to Agency Administrative Rules
Kristen Doyle, General Counsel, will present proposed changes to the agency's administrative rules. Texas Health and Safety Code § 102.108 authorizes the Oversight Committee to implement rules to administer CPRIT's statute.

- A rule change to § 703.11 is recommended for final adoption. The change provides additional clarity regarding matching fund requirements. The proposed change was initially discussed at the February 18, 2015, meeting. One comment from the public was received; no changes are recommended to the amendment as initial proposed.
- Proposed rule changes recommended for publication in the *Texas Register* provide the framework for deferring grant award recommendations until a future meeting of the Program Integration Committee or the Oversight Committee. Once the public has the opportunity to provide input regarding the changes to §§ 703.7 and 703.8, the rule changes will be brought back to the Oversight Committee in August 2015 for adoption.

Upcoming Officer Elections and Subcommittee Assignments
The Oversight Committee's bylaws call for an election of officers at August Oversight Committee meeting. The Board Governance Subcommittee will present its recommendations for the procedural aspects of the election process, including the solicitation of nominations and candidate recommendations to be presented to the Oversight Committee.

Interim Chief Compliance Officer Report
Ms. Doyle will report on the status of required grantee reports, desk reviews and site visits.

Chief Operating Officer Report
Ms. McConnell will present the operating budget, performance measures, and debt issuance history for the second quarter of FY 2015.

Chief Prevention and Communications Officer Communications Update
Dr. Garcia will report regarding the 2015 CPRIT Conference planning, the successful preview screening hosted by CPRIT of the PBS Cancer Documentary, and the efforts to publicize that CPRIT has surpassed the two million milestone in prevention services provided to Texans.

Requests for Applications (RFAs)
Mr. Roberts and the program officers will present information regarding the RFA issuance history for each of the CPRIT's three programs. This requested information may help guide the Oversight Committee's discussion of FY 2016 program priorities and future RFAs.

Status Update for the Chief Scientific Officer Search
Mr. Roberts will present the proposed timeline, process and Interview Committee for the national search to replace Dr. Kripke, who plans to retire as CPRIT's Chief Scientific Officer by August 31, 2015.

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

Oversight Committee Meeting Agenda

Texas Higher Education Coordinating Board
1200 E. Anderson Lane, Austin, Texas 78752
Board Room 1.170

May 20, 2015
10:00 a.m.

The Oversight Committee may discuss or take action regarding any item on this agenda, and as authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq., may meet in closed session concerning any and all purposes permitted by the Act.

1. Call to Order
2. Roll Call/Excused Absences
3. Adoption of Minutes from the February 18, 2015, and April 20, 2015, meetings — TAB 1
4. Public Comment*
5. Chief Executive Officer Report — TAB 2
6. Chief Prevention and Communications Officer Report — TAB 3
   - Prevention Program Report
   - Grant Award Recommendations
7. Chief Scientific Officer Report — TAB 4
   - Academic Research Program Report
   - Grant Award Recommendations
8. Chief Product Development Officer Report — TAB 5
   - Product Development Research Program Report
   - Grant Award Recommendations
   - Request to Disburse Funds in Advance
9. FY 2016 Bond Issuance Resolution — TAB 6
10. FY 2016 Contract Renewal – SRA International — TAB 7
11. Final Order Approving Amendments to 25 T.A.C. Chapter 703 — TAB 8
12. Proposed Amendments to 25 T.A.C. Chapter 703 and Authorization to Publish in the *Texas Register* — TAB 9
13. Board Governance – Upcoming Officer Elections and Subcommittee Assignments — TAB 10
14. Interim Chief Compliance Officer Report — TAB 11
15. Chief Operating Officer Report — TAB 12
16. Chief Prevention and Communications Officer – Communications Report — TAB 13
17. FY 2016 Program Priorities Process — TAB 14
18. Requests for Applications — TAB 15
19. Personnel – Chief Scientific Officer, Chief Compliance Officer — TAB 16
20. Compliance Investigation Pursuant to Health & Safety Code § 102.2631 — TAB 17
21. Subcommittee Business
22. Consultation with General Counsel
23. Future Meeting Dates and Agenda Items
24. Adjourn

** Anyone wishing to make public comments must notify the Chief Executive Officer in writing prior to the start of the meeting. The Committee may limit the time a member of the public may speak.*

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

Oversight Committee Meeting Minutes

February 18, 2015

1. Meeting Called to Order

A quorum being present, Dr. Rice called the Oversight Committee to order at 10:03 a.m.

2. Roll Call /Excused Absences

Board Members Present:
Dr. Bill Rice, Chair
Mr. Pete Geren, Vice-Chair
Ms. Amy Mitchell, Secretary
Mr. Gerry Geistweidt
Mr. Will Montgomery
Dr. Cynthia Mulrow
Dr. Craig Rosenfeld

Board Members Absent:
Mr. Angelos Angelou
Mr. Ned Holmes

MOTION:
Dr. Rice asked for a motion to approve an excused absence for Mr. Angelou and Mr. Holmes.

Motion made by Mr. Geistweidt and seconded by Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

3. Adoption of Minutes from the January 20, 2015, meeting. (TAB 1)

MOTION:
Dr. Rice called for a motion to approve the minutes of the January 20, 2015, Oversight Committee meeting.

Motion made by Dr. Mulrow and seconded by Mr. Geistweidt.

MOTION CARRIED UNANIMOUSLY

4. Chief Executive Officer Report (TAB 2)

Mr. Roberts presented his report.

Agency Move Update

The agency will be closed on Friday, February 20, while the movers work, and is expected to be fully operational by Tuesday, February 23.

Update on Legislative Activities

CPRIT testified at the following committees:

- February 3, Senate Finance Committee: CPRIT testified regarding the agency's 2016-17 budget request.
- February 11, Senate Health and Human Services Committee: CPRIT testified on Senate Bill 197 which would require CPRIT to develop a plan for the agency to be self-sufficient by 2021.
- February 16, House Committee on Appropriations Subcommittee on Article: CPRIT gave a brief overview of current budget request.

Other legislation of interest:

- House Bill 1282 by Zerwas would require CPRIT to collaborate with the Department of State Health Services on a strategic plan designed to reduce HPV-related morbidity and mortality.
- The Governor's Proposed State Budget for FY 2016-17 states that an amount of $400 million, up to $540 million, of CPRIT's budget be reserved for institutions of higher education to help fund academic research and the recruitment of nationally recognized cancer researchers to Texas universities. Mr. Roberts will follow up with the Governor's staff for clarification.

Report on Funds Available for Grant Awards in FY 2015

Mr. Roberts noted current available funds for grants this fiscal year is $105.8 million. At the May 2015 meeting, staff will present recommended priorities to the Oversight Committee (OC) for consideration in making grant funding decisions. Dr. Mulrow asked for an explanation of the prioritization process. A question was asked whether it could be possible to fund one program's applications ranking lower than other programs' applications.

There was no further discussion nor questions for Mr. Roberts.

5. Public Comments (taken out of order)

Dr. Rice announced one request for public comment had been received from Ms. Annette Leslie, who has served on CPRIT's Advisory Committee for Childhood Cancer since 2010.

Ms. Leslie gave an update on her federal activities and stated she believes that CPRIT has the opportunity to be the catalyst for change in cancer for children.

6. Chief Compliance Officer Report (TAB 3)

Mr. David Reisman, Chief Compliance Officer, updated the Oversight Committee on the following items:

- Monitoring Submission Status of Required Grant Recipient Reports.
- Grantee Desk Reviews and Site Visits.

Mr. Reisman noted the deadline for submitting Personal Financial Reports to the Texas Ethics Commission is April 30, 2015.

7. Chief Operating Officer Report (Tab 4)

Ms. Heidi McConnell, Chief Operating Officer, updated the Oversight Committee on the following items:

- FY 2015, Quarter 1 Operating Budget.
- FY 2015, Quarter 1 Performance Measures.
- Debt Issuance History.

Ms. McConnell also noted that staff is working on finalizing the Renaissance Hotel contract for CPRIT's 2015 Conference. She commented that none of the Oversight Committee members had reported a financial interest in the hotel, so the agency will move forward on the contract.

In response to an Oversight Committee member's question, Ms. McConnell provided an explanation of the performance measure reporting.

8. Chief Prevention and Communications Officer Report – Communications Report (Tab 5) (00:50)

Dr. Becky Garcia, Chief Prevention and Communications Officer, updated the Oversight Committee on the following communications activities:

- Summary of CPRIT media coverage over the last quarter.
- The American Cancer Society public opinion poll results.
- CPRIT's social media campaign, including Facebook and Twitter.
- Completion of CPRIT's Annual Report.
- Preparation of an accomplishments report.

- Preparation of a basic slide deck that can be used when members need to present information, in addition to having staff available to assist in customizing materials.
- Continuing preparations for the screening of the PBS documentary.
- CPRIT conference contract is ready for signature so staff now can move forward with speakers.

In response to a question about whether grantees will be invited to the CPRIT conference Dr. Garcia responded that they are invited to send up to two people per grant.

9. Chief Prevention and Communications Officer Report – Prevention Program Report (Tab 6) (01:00)

Dr. Garcia updated the Oversight Committee on the following Prevention items:

- No Prevention Program grant awards are before the committee today.
- Prevention Peer Review Meeting, February 23-25, 2015 in Dallas.
- RFAs for April are currently being revised to add screening for Hepatitis B and C for prevention of liver cancer.
- Discussion is continuing with the College of American Pathologists about collaboration on a project called *See, Test & Treat*, a program of community-based cervical and breast cancer screening for underserved populations in Texas.

There were no questions from the Oversight Committee for Dr. Garcia.

10. Chief Scientific Officer Report (Tab 7) (01:05)

Dr. Margaret Kripke, Chief Scientific Officer, updated the Oversight Committee on the following scientific research activities:

- Scientific Research Peer Review Meeting will take place in Dallas on March 8-18, 2015.
- By the end of the week, the next set of RFAs will be issued, which will include new research training awards or existing awards due to expire and Individual Investigator awards, including targeted and untargeted awards. The targeted awards will be for prevention and early detection, for childhood and adolescent cancers, and a new one for computational biology, in accordance with the priorities set by the Oversight Committee.

Academic Research Grant Award Recommendations:

Dr. Kripke stated that 51 applications were being recommended for funding, for a combined amount of $56,922,094.

An Oversight Committee member asked that the priorities be addressed in the recruitment RFAs as they are in other RFAs and Dr. Rice said it should be taken up in the next Research Subcommittee.

Academic Research Grant Award Slate

App ID	Award Mechanism	Organization	Application Title	Budget
RP150006	IIRACCA	The University of Texas M. D. Anderson Cancer Center	Defining and Treating Targetable Lesions in AYA Acute Lymphoblastic Leukemia	$1,989,950
RP150014	IIRAP	The University of Texas Health Science Center at Houston	Multi-component interventions for patients and providers to increase HPV vaccination in a network of pediatric clinics in Houston, TX	$2,498,986
RP150030	IIRA	The University of Texas M. D. Anderson Cancer Center	Exploring molecular and immune mechanisms of response and resistance to combined BRAF/MEK inhibition in patients with high-risk resectable metastatic melanoma	$900,000
RP150032	IIRACCA	Baylor College of Medicine	Developing New Combinatory Therapies for Pediatric High Grade Glioma	$1,945,940
RP150053*	IIRA	The University of Texas Southwestern Medical Center	Mechanisms of nuclear import and export in cancer	$900,000
RP150079	IIRA	The University of Texas M. D. Anderson Cancer Center	Elucidating the evolution of the premalignant airway genome in space and time	$886,173
RP150081	IIRACCA	Baylor College of Medicine	Genetic susceptibility to testicular germ cell tumors	$1,406,791
RP150084	IIRA	The University of Texas M. D. Anderson Cancer Center	Role of PTEN feedback mechanism in cancer	$900,000
RP150093	IIRA	The University of Texas M. D. Anderson Cancer Center	Targeting 17q23 amplicon in HER2-positive Breast Cancer	$828,242
RP150094	IIRA	The University of Texas M. D. Anderson Cancer Center	Investigating the regulation of miRNA and lncRNAs by p63 in mammary tumor progression and metastasis	$900,000
RP150102	IIRA	The University of Texas M. D. Anderson Cancer Center	Genome stability and immune diversity controlled by the POLQ pathway	$900,000
RP150129	IIRACCA	Baylor College of Medicine	Drug Discovery and Mechanistic Studies of Protein Methylation Targeting Leukemia	$1,733,813
RP150148	IIRA	The University of Texas M. D. Anderson Cancer Center	Identifying Drivers of Lung Metastasis in Triple Negative Breast Cancer	$899,637
RP150164	IIRACCA	The University of Texas Southwestern Medical Center	Using imaging and computational tools to improve risk stratification in children with bone cancer	$1,290,442
RP150166	IIRA	The University of Texas Health Science Center at San Antonio	Prostate Cancer Chemoprevention with Resveratrol	$900,000
RP150179	IIRA	The University of Texas M. D. Anderson Cancer Center	Regulation of dormancy of metastatic prostate cancer cells by bone microenvironment	$900,000
RP150195	IIRAP	The University of Texas M. D. Anderson Cancer Center	Mechanisms of DHA and EPA differential effects on colon cancer chemoprevention	$920,926

RP150197	IIRA	Baylor College of Medicine	Understanding How NCOA6 Suppresses Endometrial Cancer by Inhibiting the Wnt/beta-Catenin Pathway	$886,524
RP150224	IIRA	The University of Texas M. D. Anderson Cancer Center	Discovering the molecular mechanisms that determine replicative lifespan	$892,104
RP150228	IIRAP	The University of Texas M. D. Anderson Cancer Center	Varenicline and Combined NRT for Initial Smoking Cessation and Rescue Treatment in Smokers: A Randomized Pilot Trial	$1,493,464
RP150230	IIRA	The University of Texas Health Science Center at Houston	Counteracting tumor evasion of antibody immunity by a novel therapeutic strategy	$900,000
RP150231	IIRA	The University of Texas M. D. Anderson Cancer Center	Function of Fibroblasts and Collagen I in Pancreas Cancer	$898,811
RP150232	IIRA	Baylor College of Medicine	The Role of Progesterone Receptor in Early Stage Breast Cancer.	$864,661
RP150235	IIRA	The University of Texas M. D. Anderson Cancer Center	Role of TBK1 in Regulating Dendritic Cell Function and Antitumor Immunity.	$876,958
RP150242	IIRA	The University of Texas Southwestern Medical Center	Functional and structural characterization of a small chemical compound that arrests glioma stem cell growth with high activity and specificity	$900,000
RP150245	IIRA	The University of Texas M. D. Anderson Cancer Center	EGFR Arginine Methylations: Biomarkers for Cetuximab Resistance in colon cancer	$900,000
RP150277	IIRA	The University of Texas Health Science Center at San Antonio	Vertical targeting of the B cell receptor in leukemia and lymphoma	$899,879
RP150282	IIRA	The University of Texas M. D. Anderson Cancer Center	Mechanisms of de novo and acquired resistance to therapeutic treatment of bone-metastatic prostate cancer	$900,000
RP150292	IIRA	Baylor College of Medicine	Broad Shortening of 3' UTRs in Human Cancers: Methods, Target Genes and Functional Consequences	$900,000
RP150293	IIRA	The University of Texas M. D. Anderson Cancer Center	Identification of clinically relevant targets for radiosensitization	$899,280
RP150301	IIRACCA	The University of Texas M. D. Anderson Cancer Center	Epigenetics in Medulloblastoma Development and Therapeutics	$1,871,708
RP150316	IIRA	The University of Texas M. D. Anderson Cancer Center	T-cell activating immunotherapy for indolent B-cell malignancies	$852,595
RP150319	IIRA	The University of Texas M. D. Anderson Cancer Center	Leukemia inhibitory factor receptor signaling and function in cancer	$900,000
RP150334	IIRACCA	Baylor College of Medicine	Personalized Functionalization of Pediatric High Grade Glioma	$1,820,319
RP150343	IIRACCA	University of Houston	An ultra-sensitive nanomagnetic sensor for the early detection of anaplastic large cell lymphoma	$1,929,710

RP150346	IIRA	The University of Texas at Austin	Targeting Twist1 for Prevention and Treatment of Non-Melanoma Skin Cancer	$900,000
RP150356	IIRA	The University of Texas Southwestern Medical Center	Peripheral nerve tolerance to single-session stereotactic irradiation	$897,779
RP150386	IIRA	The University of Texas Southwestern Medical Center	A Phase I Trial of Stereotactic HYpofractionateD RadioAblative (HYDRA) Treatment of Advanced Laryngeal Cancer	$860,540
RP150403	IIRA	The University of Texas M. D. Anderson Cancer Center	On the role of DEAR1 in the regulation of cell polarity and progression from DCIS to invasive breast cancer	$899,846
RP150405	IIRA	The University of Texas M. D. Anderson Cancer Center	Tumor Cell Epithelial-Mesenchymal Transition in Regulating Immunosuppression and Metastasis in Lung Cancer	$900,000
RP150408****	IIRA	The University of Texas Health Science Center at San Antonio	Cellular mechanisms of chemotherapy- induced peripheral neuropathy	$844,746
RP150416	IIRACCA	Texas Tech University Health Sciences Center	Translational Investigations On Fenretinide and Safingol For Pediatric Cancer Use	$1,999,415
RP150421	IIRAP	Texas Engineering Experiment Station	High-throughput Screening and Detection of Circulating Tumor Cells	$1,135,450
RP150440	IIRA	Baylor College of Medicine	Effects of hormonal therapy on subclonal evolution of breast tumors with ESR1 mutations	$899,805
RP150445**	IIRACCA	The University of Texas Health Science Center at San Antonio	Ewing's sarcoma, a homologous recombination defective disease	$2,000,000
RP150449	IIRAP	The University of Texas Medical Branch at Galveston	Noninvasive multiscale imaging for optical biopsy in epithelial cancers	$852,748
RP150451***	IIRA	Baylor College of Medicine	SRC-2 driven "Metabolic Switch" in metastatic prostate cancer- Prognostic and Therapeutic implications	$900,000
RP150454	IIRA	Texas A&M University	Tumor Suppression Through the cGAMP/STING Pathway	$900,000
RP150456	IIRA	The University of Texas Southwestern Medical Center	TAMU–UT Southwestern Partnership for Breast Imaging and Spectroscopy at 7 Tesla	$897,311
RP150485	IIRA	The University of Texas Southwestern Medical Center	Translating Online Adaptive Radiotherapy from Lab to Clinical Practice	$858,356
RP150498	IIRA	The University of Texas Southwestern Medical Center	Harnessing the Cytosolic DNA Sensing Pathway for Cancer Immunotherapy	$889,185

***** RP150053 - Budget will be adjusted down during contracting to accommodate a change in the Scope of Work (removal of specific Aim 3) as recommended by the peer review panel. The total amount requested was $900,000.
**RP150445 - Budget will be adjusted down during contracting to accommodate a reduction in personnel and associated supplies and materials as recommended by the peer review panel. The total amount requested was $2,000,000.
***RP150451 - Budget will be adjusted down during contracting to accommodate a change in the Scope of Work (removal of specific Aim 3) as recommended by the peer review panel. The total amount requested was $900,000.
****RP150408 - Budget will be adjusted down during contracting to accommodate a change in the Scope of Work (removal of specific Aim 3) as recommended by the peer review panel. The total amount requested was $844,746.

Academic Research Recruitment Grant Award Recommendations

Dr. Kripke reported that three Recruitment of First-Time, Tenure-Track Faculty Members applications were being presented, for a combined amount of $6,000,000.

Academic Research Recruitment Grant Award Slate

App ID	Organization/Company	Candidate	Mechanism	Budget Requeste
RR150032	The University of Texas Southwestern Medical Center	Dr. Jenna L. Jewell	RFT	$2,000,000
RR150033	The University of Texas Southwestern Medical Center	Dr. Vincent S. Tagliabracci	RFT	$2,000,000
RR150038	Texas A&M University	Dr. Jonathan T. Sczepanski	RFT	$2,000,000

Dr. Kripke presented information showing the percentage of grants in each of the research areas, which show that the targeted RFAs are making a difference in the priority research areas of childhood and adolescent cancer, and prevention and early detection.

Dr. Kripke was asked by the Oversight Committee to make reporting on all the targeted priorities a part of her regular presentation to the committee and to provide a year-end report by category.

An Oversight Committee member asked if, when looking at the grant applications, the portfolio of grants already held by an investigator was considered.

COMPLIANCE CERTIFICATION

Mr. David Reisman, Chief Compliance Officer, presented his report on the Academic Research Awards review process and certified the recommended awards for Oversight Committee approval.

CONFLICT OF INTEREST NOTIFICATIONS – Academic Research Grant Awards

Dr. Rice noted for the record that Ms. Mitchell reported conflicts with applications submitted by the following institutions:

- Baylor College of Medicine
- The University of Texas at Austin
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio
- The University of Texas Medical Branch at Galveston
- The University of Texas MD Anderson Cancer Center
- The University of Texas Southwestern Medical Center
- The University of Houston
- Texas Tech University Health Science Center
- Texas Engineering Experiment Station
- Texas A&M University

Dr. Rice stated that in accordance with CPRIT's rules, Ms. Mitchell was recused from the discussion or action on these applications. He then confirmed there were no other conflict of interest declarations for Oversight Committee members.

MOTION:

Dr. Rice called for a motion to approve each of the PIC's recommendations for individual investigator grant awards and award amounts, for applications submitted by:

- Baylor College of Medicine
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio
- The University of Texas Medical Branch at Galveston
- The University of Texas MD Anderson Cancer Center
- The University of Texas Southwestern Medical Center
- The University of Houston
- Texas Tech University Health Science Center
- Texas Engineering Experiment Station
- Texas A&M University
- Texas University of Texas at Austin

Motion was made by Mr. Montgomery and seconded by Dr. Mulrow.

MOTION CARRIED UNANIMOUSLY

Dr. Rice noted for the record that Ms. Mitchell abstained from voting.

CONFLICT OF INTEREST NOTIFICATIONS – Recruitment Grant Awards

Dr. Rice noted for the record that Ms. Mitchell reports conflicts with applications submitted by the following institutions:

- The University of Texas Southwestern Medical Center
- Texas A&M University

In accordance with CPRIT's rules, Ms. Mitchell was recused from the discussion or action on these applications. He then confirmed there were no other conflict of interest declarations for Oversight Committee members.

Dr. Rice noted for the record that the candidate associated with RR150025 notified the institution after the PIC meeting that he has declined the appointment. Therefore the Oversight Committee will not vote on RR150025.

MOTION:

Dr. Rice called for a motion to approve each of the PIC's recommendations for recruitment grant awards and award amounts.

Motion by Mr. Montgomery and seconded by Mr. Geistweidt.

MOTION CARRIED UNANIMOUSLY

Dr. Rice noted for the record that Ms. Mitchell abstained from voting.

MOTION:

Having approved the PIC recommendations for the Individual Investigator and Recruitment grant awards, Dr. Rice called for a motion to delegate contract negotiation authority to the Chief Executive Officer and CPRIT staff and to authorize the Chief Executive Officer to sign the contracts on behalf of the Institute.

Motion by Mr. Geistweidt and seconded by Ms. Mitchell.

MOTION CARRIED UNANIMOUSLY

11. Contract Management Overview(Tab 10) (Agenda Item 13 taken out of order.)

Dr. Rice called on Heidi McConnell, Chief Operations Officer, to present an overview of CPRIT service contracts.

Ms. McConnell stated that an overview of the contracts was under TAB 10 in the meeting book materials, including a table showing the history of CPRIT service contracts (green highlights representing current service contracts).

Ms. McConnell clarified that in the table, the Oversight Committee is presented with all the significant contracts, though purchases such as travel, office supplies, and information technology, made though contracts negotiated by other state agencies (i.e., Comptroller's Office and the Department of Information Resources) are not included.

Ms. Kristen Doyle, General Counsel, stated that because of the pending Senate Bill 353 and Governor Abbott's letter to all state agencies asking them to implement its provisions to the extent possible, CPRIT is implementing the provision that prohibits an agency from contracting with an entity or person where there is a financial interest of a governing board member or key senior staff.

Contract Management Training Required by Government Code §2262.0535

Ms. Cameron Eckel advised the committee about the documentation needed to certify to the Comptroller's Office that members received the mandatory state contract training, which they were about to receive in the form of a webinar viewable to all in the meeting room.

12. Personnel – Chief Executive Officer, Chief Scientific Officer, Chief Prevention and Communications Officer, Chief Operating Officer, Chief Advisor and General Counsel, and Chief Compliance Officer. (Agenda Item 23 taken out of order.)

Dr Rice announced the Oversight Committee was going into closed session pursuant to Texas Open Meetings Act section 551.074 to deliberate the evaluation of public employees. Dr. Rice called the time at 1:00 p.m. and the meeting went into closed session.

After the closed session concluded, Dr. Rice called the meeting back to order at 1:59 p.m. He stated no further actions were required as a result of the closed session.

13. Chief Product Development Officer Report (Tab 8)

Dr. Tom Goodman, Chief Product Development Officer, presented updates on the following program items:

- Follow-on Funding for CPRIT Product Development Research Grantees
- FY2015 Cycle 1 - Product Development Research Grants
- FY2015 Cycle 4 - Product Development Research Grant Applications
- Standard Revenue Sharing Terms and Conditions

Early Translational Research Award Program Assignment:

Dr. Goodman discussed the positioning of the ETRA program in the Product Development program instead of the Academic Research program. The Early Translational Research Awards (ETRAs) were transferred to the Product Development Research Program in 2014. At the Oversight Committee meeting in November, 2014, the Oversight Committee discussed whether it was appropriate to retain the ETRAs in the Product Development Program or to have the grants administered by the Academic Research Program. Dr. Goodman stated that having the Academic Research Program evaluate and administer ETRAs would maintain consistency in the review process and contract terms, and data reporting between ETRA grants and all other research grants made to institutions of higher education. Mr. Roberts stated that he is more comfortable with returning them to the Academic Research program primarily because the grants are going to universities instead of companies. The adequacy of the peer reviewers in the Academic Research program could be addressed by adding more product development reviewers. Mr. Roberts said no specific action was required by the Oversight Committee members unless a different approach is desired. No further questions or comments on the ETRA program position.

Grant Award Recommendations

Dr. Goodman stated four applications were being recommended for product development research funding for a total cost of $48.5 million.

Dr. Goodman responded to Oversight Committee questions, stating that money used by companies for matching funds was coming from various sources including from public funding and corporate sources. Dr. Goodman also reported that even though some of the contracts were approved earlier, all of the companies currently pending contract execution would receive the contract terms most recently approved and that feedback from four of the six affected companies has been positive. An OC member observed that it means the terms are not too onerous for the companies.

Product Development Grant Award Slate

Application ID	Company Name	Project	Requested Budget
DP150021	NanoTx Therapeutics	Development of Rhenium Nanoliposomes for Cancer Therapy	$ 2,000,000
DP150029	Immatics Biotechnologies	Personalized Cellular Immunotherapy against Novel Cancer Targets	$19,652,175
DP150031	Medicenna Therapeutics, Inc.	A Multi-Targeted Approach for Recurrent Glioblastoma and Other Aggressive Cancers: Exploiting the Potential of IL-4 Fusion Proteins Treatment of Cancer	$14,140,090
DP150039	Armada Pharmaceuticals, Inc.	New Company Formation for the Development of Anti-Cancer Antibody – Drug Conjugate Therapeutics	$12,750,000

COMPLIANCE CERTIFICATION

Mr. David Reisman, Chief Compliance Officer, presented his report on the Product Development review process and certified the recommended awards for Oversight Committee approval.

CONFLICT OF INTEREST NOTIFICATIONS – New Company Product Development Awards

Dr. Rice noted for the record that no Oversight Committee members reported conflicts of interest with any of the New Company Product Development applications being considered.

MOTION:

Dr. Rice called for a motion to approve each of the Program Integration Committee recommendations for New Company Product Development Research Awards and award amounts.

Motion made by Mr. Geistweidt and seconded by Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

MOTION:

Having approved the New Company Product Development Research Awards, Dr. Rice called for a motion to delegate contract negotiation authority to the Chief Executive Officer and CPRIT staff and to authorize the Chief Executive Officer to sign the contracts on behalf of CPRIT.

Motion by Mr. Montgomery and seconded by Mr. Geistweidt.

MOTION CARRIED UNANIMOUSLY

MOTION:

Dr. Rice called for a motion, pursuant to the General Appropriations Act, Article IX, Section 4.03(a), to authorize CPRIT to disburse grant funds via advance payments to the four Product Development Awards approved by the Oversight Committee above.

Motion by Mr. Montgomery and seconded by Dr. Rosenfeld.

MOTION CARRIED UNANIMOUSLY

14. Scientific Research and Prevention Program Committee Appointments (Tab 9)

Dr. Rice presented the February 13, 2015, Nominations Subcommittee report. Recommending approval of the CEO's three appointments to CPRIT's Scientific Research and Prevention programs committees.

MOTION:

Dr. Rice called for a motion to approve the Chief Executive Officer's appointments to the Scientific Research and Prevention programs committees.

Motion by Mr. Montgomery and seconded by Dr. Rosenfeld.

MOTION CARRIED UNANIMOUSLY

15. Advisory Committee on Childhood Cancers—Annual Report (TAB 11) (02:20)

Dr. Rice recognized Dr. Gail Tomlinson, Chair of the Advisory Committee on Childhood Cancers (ACCC), to present the Annual Report of the Advisory Committee.

Dr. Tomlinson gave the Oversight Committee an update on the ACCC's activities over the past year and their priorities for research, which include: brain tumors, metastatic bone tumors, acute myeloid leukemia, relapsed acute lymphocytic leukemia, high-risk neuroblastoma, and other relapsed solid tumors. Some of the ACCC's recommendations were: emphasis on multi-investigator/multi-institutional investigator-initiated research; recognition that the current limitation of one core facility application per institution may hinder opportunities for pediatric focus whereas permitting a second grant from institutions if their focus is pediatric cancer would be highly beneficial; development of clinical trials infrastructure for pediatrics.

An Oversight Committee member asked Dr. Kripke to consider allowing a second grant from institutions targeting certain cancers.

In response to questions, Dr. Tomlinson clarified that the diseases listed on the handout were not in priority order and she indicated that two top priorities are brain cancer and myeloid leukemia. Dr. Tomlinson also responded that extreme liability is not a hindrance to research because parents are desperate for new treatments.

16. University Advisory Committee—Annual Report (TAB 12) (02:45)

Dr. Rice recognized Dr. Mary Ann Ottinger, Vice Chair of the University Advisory Committee (UAC), to present the Advisory Committee's annual report.

Dr. Ottinger gave the Oversight Committee an update on the UAC's activities over the past year. Some of their recommendations are:

- Continuing recruitment awards
- Funding initiatives for research on diseases that disproportionately affect Texans, such as lung cancer, and obesity and diabetes which intersect with many cancers.
- Consider a mechanism to foster cooperative centers in regional and statewide infrastructure networks to help doctors, researchers and scientists keep abreast of all new technology.

An Oversight Committee member asked that the UAC develop some metrics for CPRIT to use to measure the success of the research it invests in, and that the UAC propose new and innovative areas of research that could be unique to Texas.

Dr. Ottinger responded to a question about how recruitment could be used to promote pediatric cancer research, stating it could be very useful but would like to inquire about hiring practices at the universities before making a statement.

17. CEO Report Pursuant to Health & Safety Code § 102.260(c) (TAB13)

Mr. Roberts referenced his memo on the FY2014 Report on the Merit and Progress of Programs Pursuant to Texas Health and Safety Code section 102-260(c) to report that the programs are functioning well and no action is required by the Oversight Committee at this time. An Oversight Committee member observed it is too soon to be reporting on the program progress against the program priorities that were approved in September, and asked if the report will be done again next year and include this information. Mr. Roberts said it would. There were no other comments or questions.

18. Grant Compliance Monitoring Contract (TAB 14)

Ms. McConnell said staff recommends moving forward with a grants compliance monitoring contract with CohnReznick for an amount not to exceed $336,000 for the remainder of FY 2015, or approximately six months.

Dr. Rice presented the February 9, 2015, Audit Subcommittee report recommending that the Oversight Committee authorize the agency to move forward to contract with CohnReznick to provide services.

Dr. Rice stated for the record no Oversight Committee member or their family members reported a financial interest in the company CohnReznick, and that the General Counsel informed him that no financial interests were reported. He asked if there were any conflicts not yet reported and noted that no member reported a financial interest.

MOTION:

Dr. Rice called for a motion to authorize the agency to seek approval for a contract with CohnReznick to provide grant compliance monitoring services for an amount not to exceed $336,000.

Motion made by Mr. Montgomery and seconded by Dr. Rosenfeld.

MOTION CARRIED UNANIMOUSLY

19. Internal Audit Services Contract (TAB 15)

Ms. McConnell stated that behind Tab 15 in the meeting materials was the staff recommendation to contract with Weaver and Tidwell for an amount not to exceed $217,500 to provide internal audit services for FY 2015. She noted that GrantThornton, the current internal auditor, submitted a proposal which was the lowest bid. However, since they have been the auditor for five years, staff felt it appropriate to make a change at this time.

Dr. Rice gave the February 9, 2015, Audit Subcommittee report recommending that the Oversight Committee authorize the agency move forward to contract with Weaver and Tidwell to provide internal audit services.

Dr. Rice noted that the General Counsel informed him that no financial interests in Weaver and Tidwell were reported by Oversight Committee members or their family. Dr. Rice asked if anyone had an unreported financial interest and noted for the record that no member reported a financial interest.

MOTION:

Dr. Rice called for a motion to authorize the agency to seek approval for a contract with Weaver and Tidwell to provide internal audit services for an amount not to exceed $217,500.

Motion made by Mr. Geistweidt and seconded by Mr. Rosenfeld.

MOTION CARRIED UNANIMOUSLY

20. SRA International Contract Renewal for Pre- and Post-Award Grants Management Support Services (Tab 16)

Ms. McConnell noted that behind Tab 16 in the meeting materials was the staff recommendation to move forward with exercising the 12-month renewal option for FY 2016 with SRA International for Pre- and Post-Award Grants Management Support Services.

Dr. Rice presented the February 9, 2015, Audit Subcommittee report recommending that the Oversight Committee approve the contract extension.

Dr. Rice noted for the record that the General Counsel informed him that no financial interests in SRA International were reported by Oversight Committee members or their family. Dr. Rice asked if anyone had an unreported financial interest and noted for the record that no member reported a financial interest.

MOTION:

Dr. Rice called for a motion to approve the Chief Executive Officer exercising the renewal option to extend SRA International's contract for fiscal year 2016.

Motion made by Mr. Geistweidt and seconded by Mr. Geren.

MOTION CARRIED UNANIMOUSLY

21. Final Order Approving Amendments to 25 T.A.C. Chapter703 (TAB 17)

Ms. Kristen Doyle, General Counsel, presented the final orders approving changes to CPRIT's administrative rules, which he noted were located behind Tab 17 in the meeting materials. Ms. Doyle noted there were three rule changes:

§703.6(g). The change authorizes the Chief Compliance Officer to observe and report that the agency's grant review processes are consistently followed at peer review and review council meeting, including observance of CPRIT's established conflict of interest rules.

§703.11(b). The proposed rule change clarifies how a grantee should calculate the federal indirect cost rate when the institution's indirect cost rate changes during a project year.

§703.11(c). This amendment allows funds contributed by a subcontractor or subawardee to count towards the grantee's required matching funds.

Ms. Doyle stated that in December 2014 the rule changes had been posted for comments on the CPRIT website and in the *Texas Register*. The University of Texas MD Anderson Cancer Center submitted the only response to the request for public comments. As described in the proposed final order, one comment was not germane to this rulemaking change. The second comment, a request for clarification regarding the proposed rule change to §703.11(c), was addressed without changing the text of the proposed rule amendment.

Dr. Rice noted that there was a memo from the Board Governance Subcommittee in materials behind Tab 17 recommending approval of these rule changes. He asked if there were any questions for Ms. Doyle or the Board Governance Subcommittee. None was heard.

MOTION:

Dr. Rice called for a motion to approve the final orders adopting CPRIT's rule changes and to direct staff to file the orders with the Secretary of State.

Motion made by Mr. Geistweidt and seconded by Mr. Geren.

MOTION CARRIED UNANIMOUSLY

22. Proposed Amendment to 25 T.A.C. Chapter 703 and Authorization to Publish in the *Texas Register* (TAB18)

Ms. Doyle presented the proposed amendment which is behind Tab 18 in the meeting materials. She stated the proposed amendment to §703.11(c) provides guidance on how grant funds awarded by other granting organizations or entities may be credited towards CPRIT's matching fund requirement.

Dr. Rice noted there is a memo from the Board Governance Subcommittee Chair in members' meeting materials behind Tab 18 recommending approval of the proposed changes. He asked if there were any questions for Ms. Doyle or the Board Governance Subcommittee. None was heard.

MOTION:

Dr. Rice called for a motion to instruct staff to publish the proposed rule amendments to Chapter 703 in the *Texas Register* in accordance with the requirements of the Administrative Procedure Act.

Motion made by Mr. Montgomery and seconded by Dr. Rosenfeld.

MOTION CARRIED UNANIMOUSLY

23. Subcommittee Business (Tab 19)

<u>Contract Issues Subcommittee</u>

Mr. Roberts presented the Contract Issues Subcommittee charter provided behind Tab 19 of the meeting materials. The subcommittee was initially created to help with the development of economic terms for Product Development contracts. Staff and subcommittee members agree that the subcommittee should remain in place and meet on an as-needed basis.

Ms. Mitchell presented the February 5, 2015, the Board Governance subcommittee report recommending approval of the charter.

Dr. Rice asked if there were any questions for Ms. Mitchell or the Board Governance Subcommittee. None was heard.

MOTION:

Dr. Rice called for a motion to approve the charter of the Contract Issues Subcommittee.

Motion made by Mr. Geren and seconded by Dr. Mulrow.

MOTION CARRIED UNANIMOUSLY

CPRIT FY 2014 Independent Financial Audit

Dr. Rice stated the Audit Subcommittee met in December and February to discuss the FY 2014 Independent Financial Audit. CPRIT's independent auditors, McConnell and Jones, briefed the subcommittee.

Outside Employment and Conflict of Interest Disclosure and Waiver

Mr. Roberts presented his request for a conflict of interest waiver for Donald Brandy and said detailed information could be found behind Tab 19 in the meeting materials. Additionally, Mr. Brandy has requested approval to continue his outside employment as a referee for tennis tournaments held in and around Austin, including those held at universities. Mr. Roberts also stated he notified the Audit Subcommittee regarding his approval of Mr. Brandy's outside employment and it was discussed at the December 18, 2014, subcommittee meeting.

Dr. Rice asked if there were any further questions for Mr. Roberts and none was voiced.

MOTION:

Dr. Rice called for a motion to approve the conflict of interest waiver for Donald Brandy.

Motion made by Mr. Geistweidt and seconded by Mr. Geren

MOTION CARRIED UNANIMOUSLY

Diversity Subcommittee Report

Dr. Rice noted the Diversity Subcommittee report was located behind Tab 19 in the meeting materials and that Dr. Mulrow had no further comments.

24. Consultation with General Counsel

This agenda item was not taken up.

25. Future Meeting Dates and Agenda Items (TAB 20)

Dr. Rice told members that behind Tab 20 was a calendar with future subcommittee and open meeting dates through 2016. The next regular Oversight Committee meeting is scheduled for May 20, 2015. CPRIT staff will circulate a tentative agenda prior to the meeting.

26. Adjourn

MOTION:

There being no further business, Dr. Rice asked for a motion to adjourn the meeting at 3:25 p.m.

Motion by Mr. Geren made and seconded by Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

_____ _____

Signature Date

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Oversight Committee Meeting Minutes

April 20, 2015

1. Meeting Called to Order

A quorum being present, Dr. Rice, Chair, called the Oversight Committee to order at 11:02 a.m.

2. Roll Call /Excused Absences

Board Members Present:
Dr. Bill Rice, Chair
Mr. Pete Geren, Vice-Chair
Ms. Amy Mitchell, Secretary
Mr. Angelos Angelou
Mr. Gerry Geistweidt
Mr. Ned Holmes
Mr. Will Montgomery
Dr. Cynthia Mulrow
Dr. Craig Rosenfeld

Board Member Absent:
Mr. Gerry Geistweidt

MOTION:

Dr. Rice entertained a motion to approve an excused absence for Mr. Geistweidt.

Motion made by Mr. Angelou and seconded by Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

3. Public Comments

Dr. Rice informed the committee that there had been no requests for public comment.

4. Chief Executive Officer Report

Mr. Wayne Roberts, Chief Executive Officer, announced the naming of the agency's two conference rooms in memory of Carson Leslie and James Ragan, two young men who inspired us with their determination to live and to help other young cancer victims.

Mr. Roberts updated the Oversight Committee on the status of personnel issues, contract approvals and pending legislation.

5. Academic Research Grant Award Recommendations

Dr. Kripke presented two award recommendations for approval:

Application ID	Candidate	Organization	Amount	Mechanism
RR150050	Dr. Xianochun Yu	The University of Texas Southwestern Medical Center	$4,000,000	RRS
RR150039	Dr. Margarida Santos	The University of Texas M.D. Anderson Cancer Center	$2,000,000	RFT

COMPLIANCE CERTIFICATION

Kristen Doyle, General Counsel and Interim Chief Compliance Officer, certified the two applications for Oversight Committee consideration.

CONFLICT OF INTEREST NOTIFICATIONS – Academic Research Grant Awards

Dr. Rice noted for the record that Ms. Mitchell reported conflicts with applications submitted by the following institutions:

- The University of Texas MD Anderson Cancer Center
- The University of Texas Southwestern Medical Center

MOTION:

Dr. Rice entertained a motion to approve each of the PIC's recommendations for academic research grant awards and award amounts noted in members' meeting materials for applications submitted by:

- The University of Texas MD Anderson Cancer Center, and
- The University of Texas Southwestern Medical Center.

Motion made by Dr. Rosenfeld made and seconded Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

Dr. Rice noted for the record that Ms. Mitchell abstained from voting.

MOTION:

Dr. Rice entertained a motion to delegate contract negotiation authority to the Chief Executive Officer and CPRIT staff and to authorize the Chief Executive Officer to sign the contracts on behalf of CPRIT.

Motion made by Mr. Holmes made and seconded by Mr. Angelou.

MOTION CARRIED UNANIMOUSLY

6. Grant Award Funding for FY 2015

Mr. Roberts stated it appeared likely that available awards may exceed available grant funds at some time in the future. Mr. Roberts discussed the options that were noted in his memo for how the situation could be handled when it occurs. He recommended that CPRIT develop administrative rules for a process to defer grant approvals from one meeting to the next. Proposed rules will be presented at the May or August Oversight Meeting for the members' consideration. Mr. Roberts also recommended another special meeting of the OC in September to consider recruitment awards. Dr. Kripke asked for guidance from the OC about which grants are their priority. For example, if recruitment grants are the priority, then when deferring grants, they would defer other grants before recruitment grants. Since this guidance is not needed for the May or August recommendations, the committee will discuss this at a future meeting when priorities are considered for next year. Dr. Rice asked the staff to prepare data for this discussion which would include such information as the amounts awarded in each of the programs for each RFA (rather than a yearly cumulative amount).

7. License Plate Revenue for Disbursement in FY 2015

Ms. Cameron Eckel presented background on the revenue from the sale of two cancer-related license plates, which accrues to the License Plate Trust Fund Account and is appropriated to CPRIT. Ms. Eckel then laid out the proposed process (which will not impact grantees) for use of the accrued license plate revenue to reimburse certain expenses submitted by current prevention grantees, including but not limited to transportation assistance, insurance co-payments, childcare assistance, patient incentives, colonoscopy prep kits, and survivorship services.

MOTION:

Dr. Rice entertained a motion to accept the staff recommended process for disbursing license plate revenues to prevention grantees.

Motion made by Mr. Holmes and seconded by Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

8. Health & Safety Code § 102.1062 Waiver

Dr. Rice explained that Mr. Kirk Cole, as Interim Commissioner of the Department of State Health Services (DSHS), serves on CPRIT's Program Integration Committee (PIC), and as such is called upon to exercise discretion related to whether applications proposed for grant awards by the peer review committee should be recommended to the Oversight Committee for final review. DSHS is a CPRIT grant recipient, which implicates conflict of interest concerns. The waiver is necessary for Commissioner Cole to participate in CPRIT's review process as a PIC member.

MOTION:

Dr. Rice entertained a motion finding exceptional circumstances exist and to approve the waiver of conflict of interest, pursuant to Health and Safety Code § 102.1062, for fiscal year 2015 to Mr. Kirk Cole, Interim Commissioner of the Department of State Health Services.

Motion by Mr. Holmes made and seconded by Mr. Geren.

MOTION CARRIED UNANIMOUSLY

9. Personnel – Chief Scientific Officer Position

Mr. Roberts announced that Dr. Margaret Kripke, Chief Scientific Officer, has expressed her desire to retire from CPRIT as of August 31, 2015. She has agreed to stay longer if necessary to assist in the search for a replacement.

10. Executive Search Firm Contract

Ms. Heidi McConnell presented the staff recommendation to award a contract for $125,000 to Spencer Stuart to assist the agency with conducting in a national search for a candidate to fill the Chief Scientific Officer position being vacated by Dr. Margaret Kripke. Given the amount of the contract, CPRIT must request approval from the Legislative Budget Board.

Dr. Rice asked staff to present at the next meeting the process for selecting applicants and conducting interviews.

Mr. Angelou presented the Audit Subcommittee's recommendation that the agency move forward with the signing of the contract with Spencer Stuart. Dr. Rice confirmed that no Oversight Committee member had reported a financial interest in Spencer Stuart at this time.

MOTION:

Dr. Rice entertained a motion to authorize the agency to seek approval for a contract with Spencer Stuart to provide executive search firm services in an amount not to exceed $125,000.

Motion by Mr. Holmes made and seconded by Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

11. Consultation with General Counsel

This agenda item was not taken up.

12. Future Meeting Date and Agenda Items

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The next regular Oversight Committee meeting is scheduled for May 20, 2015. CPRIT staff will circulate a tentative agenda prior to the meeting.

Additional Comments:

An Oversight Committee member asked for an update on the CPRIT 2015 conference. Dr. Becky Garcia, Chief Prevention and Communications Officer, responded by stating a meeting planner and a vendor to handle collecting the abstracts are in place. Two speakers have been confirmed. Mr. Roberts stated he sent letters of invitation to speak to the Governor, Lieutenant Governor, Speaker of the House, Senator Nelson, Representative Keffer, and Congressman McCaul. Staff will email a draft agenda to Oversight Committee members.

13. Adjourn

MOTION:

There being no further business, Dr. Rice entertained a motion to adjourn the meeting at 12:22 p.m.

Motion by Mr. Geren made and seconded by Mr. Montgomery.

MOTION CARRIED UNANIMOUSLY

_____ _____

Signature Date

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	**OVERSIGHT COMMITTEE MEMBERS**
From:	**WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER**
Subject:	**AGENDA ITEM 5, CHIEF EXECUTIVE OFFICER REPORT**
Date:	**MAY 13, 2015**

As of this writing the Chief Executive Officer Report for the May 20, 2015, Oversight Committee meeting will consist of the following items:

- verbal legislative update
- status of various CPRIT staff personnel recruitments, and
- funds available for grant awards in FY 2015.

Other topics may be added as warranted.

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CPRIT has awarded **867** grants totaling **$1.241 billion**

- 135 prevention awards totaling $121.6 million
- 732 academic research and product development research awards totaling $1.119 billion

Of the $1.119 billion in academic research and product development awards

- 31.7% of the funding ($355.1 million) supports clinical research projects
- 27.1% of the funding ($303.7 million) supports translational research projects
- 21.8% of funding ($243.5 million) supports recruitment awards
- 16.8% of the funding ($187.4 million) supports discovery stage research projects
- 2.6% of funding ($29.5 million) supports training programs.

CPRIT has 13 open Requests for Applications (RFAs)

- 3 Research Recruitment
- 5 Academic Research
- 5 Prevention

FY 2015 GRANT AWARD FUNDS AVAILABLE

General Obligation Bond Proceeds

	Prevention	Research & Product Development	Operating Budget	Total Appropriations
Available Appropriated Funds	**29,006,567**	**261,059,105**	**9,934,328**	**300,000,000**
Unexpended Bond Proceeds Carry Forward		**1,992,851**		**1,992,851**
Approved Adjustments to Operating Costs		**(9,160,324)**	**9,160,324**	
Approved Adjustment to Operating Costs		**(336,000)**	**336,000**	
Unapproved Adjustment to Operating Cost		**(125,000)**	**125,000**	
Appropriations Transfer to DSHS		**(2,969,554)**	**2,969,554**	
Adjusted Appropriations	**$ 29,006,567**	**$ 250,461,078**	**$ 22,525,206**	**$ 301,992,851**
Adjustment for 10% Prevention Awards Limit	**(1,059,802)**	**$ 1,059,802**		
Final Adjusted Appropriations	**$ 27,946,765**	**$ 251,520,880**	**$ 22,525,206**	**$ 301,992,851**
Total Available for Grant Awards (Total GO Bond Proceeds Less Operating Budget)				**$ 279,467,645**
11/19/14 Prev Awards	$ 7,271,233	$ -		
11/19/14 Rsch Recruitment Awards	$ -	$ 24,000,000		
11/19/14 PD ETRA Awards	$ -	$ 33,856,975		
2/18/15 PD Awards		$ 48,000,000		
2/18/15 Rsch II Awards		$ 56,922,094		
2/18/15 Rsch Recruitment Awards		$ 6,000,000		
4/20/15 Rsch Recruitment Awards		$ 6,000,000		
Grant Awards Subtotal	**$ 7,271,233**	**$ 174,779,069**		**$ 182,050,302**
Declined Recruit(MDACC) 11/2014 Slate		$ (2,000,000)		$ (2,000,000)
3/15 Declined Recruit(UTSW) 11/2014 Slate		$ (4,000,000)		$ (4,000,000)
4/15 2 Declined Recruits(UTSW) 11/2014 Slate		$ (8,000,000)		$ (8,000,000)
4/15 Declined Recruit (UTSW) 4/2015 Slate		$ (4,000,000)		$ (4,000,000)
5/15 Reductions to 4 Awards		$ (2,167,827)		$ (2,167,827)
Revised Grant Award Subtotal	**$ 7,271,233**	**$ 154,611,242**		**$ 161,882,475**
Available Funds as of April 29, 2015	**$ 20,675,532**	**$ 96,909,638**		**$ 117,585,170**
PD Awards Pending Approval 5/20	$ -	$ 13,700,000		
Research Awards Pending Approval 5/20		$ 50,066,421		
Rsch Recruitment Pending Approval 5/20		$ 10,000,000		
Prevention Awards Pending Approval 5/20	$ 20,619,413			
Rsch Recruitment (RRP-8) Pending Approval 8/19		$ 15,000,000		
Pending Award Subtotal	**$ 20,619,413**	**$ 88,766,421**		**$ 109,385,834**
Total Potential Available as of May	**$ 56,119**	**$ 8,143,217**		**$ 8,199,336**

Operating Budget Detail		
Indirect Administration	$	3,365,411
Grant Review & Award Operations	$	16,190,241
Subtotal, CPRIT Operating Costs	$	19,555,652
Cancer Registry Operating Cost Transfer	$	2,969,554
Total, Operating Costs		22,525,206

CPRIT MANAGEMENT DASHBOARD
FISCAL YEAR 2015

	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	CUMULATIVE (ANNUAL)	CUMULATIVE (YTD)
ACCOUNTABILITY														
Announced Grant Awards			32			58		2					92	
New Grant Contracts Signed	11	14	47	19	21	8	14	18					152	
New Grant Contracts In Negotiation			26			45							71	
Grant Reimbursements Processed (#)	2	434	0	11	109	43	30	512					1141	
Grant Reimbursements Processed ($)	$ 3,919,524	$ 30,454,155	$ -	$ 2,501,374	$ 10,721,494	$ 3,217,173	$ 3,528,675	$ 39,082,905					$ 93,425,300	
Revenue Sharing Payments Received	$ 1,000	$ -	$ -	$ 7,456	$ 6,208	$ 10,241	$ -	$ 4,500					$ 29,406	$ 2,196,148
Total Grants Contracted ($)	$ 8,316,567	$ 21,311,777	$43,594,810	$ 14,713,321	$ 23,311,979	$ 11,979,280	$ 24,396,331	$ 23,877,607					$ 171,501,672	
Grants Awarded (#)/ Applications Rec'd (#)	12%	12%	12%	12%	12%	13%	13%	13%						
Debt Issued ($)/Funding Awarded ($)	51%	51%	53%	53%	53%	49%	49%	58%						
Grantee Compliance Trainings/Monitoring Visits	1	1	0	0	2	2	2	6					14	
Awards with Delinquent Reimbursement Submission (FSR)						9								
Awards with Delinquent Matching Funds Verification			16			2								
Awards with Delinquent Progress Report Submission			10			14								
IA Agency Operational Recommendations Implemented	2	3	6	6	7	8	8	8						
IA Agency Operational Recommendations In Progress	13	12	9	9	8	7	7	7						
IA Grantee Recommendations Implemented	0	1	1	1	1	1	1	1						
IA Grantee Recommendations In Progress	20	19	19	19	19	19	19	19						
Open RFAs	7	13	10	10	6	11	8	13						
Prevention Applications Received	0	0	0	35	0	0	0	0					35	540
Product Development Applications Received	0	0	0	0	0	16	0	0					16	268
Research Applications Received	10	0	161	2	4	4	12	9					202	3,985
Help Desk Calls/Emails	230	240	210	184	149	171	144	217					1,545	
MISSION														
RESEARCH PROGRAM														
Number of Research Grants Awarded (Annual)			7			54		2					63	
Recruited Scientists Announced														84
Recruited Scientists Accepted														81
Recruited Scientists Contracted														70
Published Articles on CPRIT-Funded Projects (#)													0	

CPRIT MANAGEMENT DASHBOARD
FISCAL YEAR 2015

	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	CUMULATIVE (ANNUAL)	CUMULATIVE (YTD)
Jobs Created & Maintained (#)													0	
Trainees in CPRIT-Funded Training Programs (#)													0	
Open Clinical Trials (#)														53
Number of Patents Resulting from Research													0	
Number of Patent Applications													0	
Number of Investigational New Drugs													0	
PRODUCT DEVELOPMENT PROGRAM														
Number of Product Development Grant Awarded			20			4							24	
Life Science Companies Recruited (in TX)														2
Published Articles on CPRIT-Funded Projects													0	
Number of Jobs Created & Maintained													0	
Open Clinical Trials (#)														7
Number of Patents Resulting from Research													0	
Number of Patent Applications													0	
Number of Investigational New Drugs													0	
PREVENTION PROGRAM														
Number of Prevention Grant Awarded (Annual)			5			0							5	
People Served by CPRIT-Funded Prevention and Control Activities			178,669			165,145							343,814	
People Served through CPRIT-Funded Education and Training			46,399			42,535							88,934	
People Served through CPRIT-Funded Clinical Services			132,270			122,610							254,880	
TRANSPARENCY														
Total Website Hits (Sessions)	6,610	7,275	8,202	5,101	5,844	9,735	7,612	8,525					58,904	
Total Unique Visitors to Website (Users)	4,811	5,143	5,628	3,852	4,195	6,625	5,420	5,983					41,657	

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To: OVERSIGHT COMMITTEE MEMBERS
From: REBECCA GARCIA, PHD, CHIEF PREVENTION AND
Subject: COMMUNICATIONS OFFICER
Date: PREVENTION PROGRAM UPDATE
MAY 20, 2015

The following report provides an overview of the Prevention Program activities from February 2015 through April 2015.

Prevention

- FY2015 Review Cycle 2: We released four prevention RFAs on September 25, 2014, two of which are new. Thirty seven applications were received by the due date of December 4, 2014, two were administratively withdrawn and 35 assigned to the panels. We held a webinar January 21 for reviewers to discuss features of the new RFAs and answer questions. Peer review occurred February 23-25 in Dallas. The Prevention Review Council met April 17 and forwarded their recommendations to the PIC. The PIC's recommendations are being presented to the Oversight Committee at the May 20 meeting.

- FY2016 Review Cycle 1: We revised and released 5 RFAs in April, one of which is new. The new RFA is titled "Dissemination of CPRIT-funded Cancer Control Initiatives." Other changes to the RFAs include the addition of the approved program priorities and changes to the areas of emphasis to include screening for Hepatitis B and C for the prevention of liver cancer. Applications are due July 9, 2015.

- Other Activities:

  - Ramona Magid and I attended the Prevention Research peer review meeting on March 17-18 in Dallas.

  - We worked to create various new reports including examples of reporting against program priorities, historical patterns for release of RFAs and success rates by mechanism.

  - Grantee quarterly and annual progress reports were submitted and reviewed by staff.

  - I traveled to Houston to join Wayne Roberts and Dr. Tom Goodman to conduct a Texas Medical Center interview and panel discussion on February 27.

- We met with the Department of State Health Services to discuss their HPV immunization program and working together on a statewide strategic plan for HPV should bill HB1282 pass this legislative session.

- A meeting with the American Cancer Society took place May 7 to discuss the new CPRIT RFAs and ways they could help promote the availability of these funding opportunities.

- Discussions continue with the College of American Pathologists (CAP) Foundation around drafting of an RFA for CAP's *See, Test & Treat* programs for underserved populations in Texas.

- The OC Prevention Subcommittee met May 12 and discussed proposed FY15 Cycle 2 grant recommendations, FY16 Cycle 1 RFAs, and program reporting.

Prevention Program Statistics by Cycle

Success Rate by Prevention Mechanism by Cycle														
Year_Cycle	**Overall %**	**Overall #**	**EBP %**	**EBP #**	**EBP-CRC #**	**EBP-CRC %**	**CCE%**	**CCE#**	**CCE-Educ%**	**CCE-Educ#**	**PPE %**	**PPE #**	**PN%**	**PN#**
14.1	32%	15 of 47	29%	6 of 21			58%	7 of 12			0%	0 of 9		
15.1	31%	5 of 16	36%	4 of 11			25%	1 of 4	40%	2 of 5				
15.2	31%	11 of 35	27%	4 of 15	50%	2 of 4	50%	5 of 10	0%	0 of 1			0%	0 of 6

Type of Prevention	Cycle 14.1				Cycle 15.1				Cycle 15.2			
	#	%	$	%	#	%	$	%	#	%	$	%
Primary	4	27%	$ 3,684,187	21%	1	20%	$ 1,406,919	19%				
Secondary	10	67%	$ 13,734,292	78%	4	80%	$ 5,864,314	81%	10	91%	$ 19,356,071	94%
Tertiary	1	7%	$ 149,991	1%					1	9%	$ 1,263,342	6%
Total	15	100%	$ 17,568,470	100%	5	100%	$ 7,271,233	100%	11	100%	$ 20,619,413	100%

Note: If a grant covers multiple prevention types, it is listed only as the type that is its major focus

Cancer Site	**14.1**	**15.1**	**15.2**
	#	#	#
Breast	5		5
Cervix	7	2	3
Colorectal	5	3	5
Head & Neck			1
Liver	1		1
Tobacco-Related	1		

Note: Prevention grants may focus on more than one cancer site

May 5, 2015

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS

FROM: MARGARET KRIPKE, PH.D., CHIEF SCIENTIFIC OFFICER

SUBJECT: UPDATE OF RESEARCH ACTIVITIES

DATE: MAY 20, 2015

Research Grants

Research Applications 15.2. In response to RFAs released for Multi-investigator Research awards (MIRA), High Impact-High Risk (HIHR) Research Awards, and Core Facility Support Awards (CFSA), 159 applications were reviewed by the Research Peer Review Panels in March. Each MIRA application consisted of 3-5 projects and 1-3 support cores, for a cost of up to $10M each over five years.

Of the 42 MIRA applications reviewed, only two were recommended for funding by the peer review panels (4.7%) at a total amount of $16M. As shown in the accompanying table, 20% of the funding in this cycle was awarded to a single prevention grant, which was a MIRA addressing prevention of liver cancer ($9.8M). Both prevention and liver cancer are priority areas for CPRIT research grants.

There were 100 HIHR applications reviewed, of which 16 (16%) were recommended, for a total of $3.2M. The majority of the recommended grants address cancer biology and treatment.

Seventeen applications for CFSAs were reviewed, and six were recommended (35%), at a total amount of $30.95M. All were submitted from different institutions, since only one application per institution was allowed. One of the recommended CFSAs is for a core facility in the priority area of computational biology at an amount of $5.6M, which represents 11% of the funding in this cycle.

The total amount recommended for all three types of awards is $50,160,184. Overall, the success rate for this grant cycle was 15.1%.

These applications will be considered by the OC later in this meeting.

Research Applications 16.1. RFAs have been released for the next round of applications. They will close on May 20, 2015. They include an RFA for new and renewal applications for Research Training Awards, untargeted Individual Investigator Research Awards (IIRAs), and three targeted IIRAs for Childhood and Adolescent Cancers, Prevention and Early Detection, and Computational Biology. These applications will be reviewed by the peer review panels between September 28 and October 7, 2015.

Research Applications 16.2. We expect to release RFAs for HIHR and MIRA applications in July, 2015. These will constitute the second and final cycle of awards for FY 16.

Recruitment Applications. The SRC considered 11 applications for recruitment awards at its meeting on April 13, 2015, and forwarded 6 of these to the PIC and OC for their consideration. One of the recommended applications was withdrawn after the SRC meeting, so only 5 will be acted upon by the OC later in this meeting. The total dollar amount requested is $12M.

Eight additional applications will be reviewed by the SRC on May14, 2015. These will come to the August OC meeting for approval.

Research Subcommittee. The Research Subcommittee of the Oversight Committee met on April 14, 2015. Michael Brown gave the subcommittee a status report on current research and recruitment awards. The committee reviewed the agency budget situation and recommended that recruitment RFAs continue to be open, even though there was a possibility that none would be funded after the May, 2015 OC meeting because of lack of funds. Happily, this is not the case since several pending grants have been withdrawn or declined, so additional recruitment awards will come to the August, 2015 OC meeting for consideration. The committee also discussed funding priorities for the agency in preparation for the discussion at the April 20, 2015 OC meeting.

University Advisory Committee.
The University Advisory Committee met, via teleconference, on May 11, 2015 to discuss the status of the research grant program, program budget issues, and the focus for the upcoming year. The committee agreed to meet again in August, 2015 in Houston.

Advisory Committee Childhood Cancers. This committee has selected a new chair, Susan Blaney, M.D., Executive Vice Chair, Department of Pediatrics, Baylor College of Medicine, whose 2-year term of office will begin immediately. The members will convene by teleconference to select a vice chair and secretary and to discuss new members and criteria for membership on the committee.

Academic Research Program Statistics by Cycle

Research Area	14.1		15.1		15.2		14.1		15.1		15.2	
	#	%	#	%	#	%	$	%	$	%	$	%
Cancer Biology	38	50%	26	51%	13	54%	$28.7M	53%	$25.3M	44%	$33.6M	67%
Cancer Control and Survivorship	1	1%	0	0%	1	4%	$0.8M	1%	$0.0M	0%	$0.2M	<1%
Early detection, diagnosis, and prognosis	10	13%	5	10%	3	13%	$6.7M	12%	$6.1M	11%	$0.4M	<1%
Etiology (causes of cancer)	5	7%	1	2%	0	0%	$3.6M	7%	$1.4M	3%	$0.0M	0%
Prevention	0	0%	4	8%	1	4%	$0.0M	0%	$5.8M	10%	$9.8M	20%
Scientific model systems	2	3%	1	2%	0	0%	$0.5M	1%	$1.9M	3%	$0.0M	0%
Treatment	20	26%	14	27%	6	25%	$14.0M	26%	$16.4M	29%	$6.1M	12%
Total	76	100%	51	100%	24	100%	$54.3M	100%	$56.9M	100%	$50.1M	100%

Program Priority Area	14.1		15.1		15.2		14.1		15.1		15.2	
	#	%	#	%	#	%	$	%	$	%	$	%
Childhood and Adolescent Cancer	2	4%	10	20%	0	0%	$1.7M	3%	$17.9M	31%	$0.0M	0%
Prevention and Early Detection	10*	13%	9	18%	4	17%	$6.7M	12%	$11.9M	21%	$10.2M	20%
Computational Biology	2	2%	1	2%	1	4%	$0.7M	1%	$0.85M	1%	$5.6M	11%

*All grants in this cell are early detection

Priority Cancer Site	14.1		15.1		15.2		14.1		15.1		15.2	
	#	%	#	%	#	%	$	%	$	%	$	%
Lung	7*	9%	4	8%	1	4%	$4.9M*	9%	$4.2M	7%	$0.2M	<1%
Colon	7*	9%	2	4%	4	17%	$6.4M*	12%	$1.8M	3%	$0.8M	2%
Pancreas	0	0%	1	2%	0	0%	$0.0M	0%	$0.9M	2%	$0.0M	0%
Cervix	1	1%	1	2%	0	0%	$0.6M	1%	$2.5M	4%	$0.0M	0%
Liver	0	0%	1	2%	1	4%	$0.0M	0%	$0.9M	2%	$9.8M	20%
Total	15	19%	9	18%	6	25%	$11.9M	22%	$10.3M	18%	$10.8M	22%

*3 grants for each of these sites cover multiple sites and the awards are not fully dedicated to the priority site

14.1 Percent of Applications Recommended by SRC by Mechanism		
Mechanism	# Recommended	Percentage
IIRA	61/76	80%
HIHR	15/76	20%

15.1 Percent of Applications Recommended by SRC by Mechanism		
Mechanism	# Recommended	Percentage
IIRA	36/51	70.6%
IIRACCA	10/51	19.6%
IIRAP	5/51	9.8%

15.2 Success Rate by Mechanism (#Recommended/Total #Reviewed)			
	Peer Review	SRC	
Mechanism	Success Rate	Success Rate	Final Total Recommended
CFSA	35.3%	35.3%	6/17
HIHR	16.0%	16.0%	16/100
MIRA	4.8%	4.8%	2/42
Overall	15.1%	15.1%	24/159

15.2 Percent of Applications Recommended by SRC by Mechanism		
Mechanism	# Recommended	Percentage
CFSA	6/24	25%
HIHR	16/24	67%
MIRA	2/24	8%

May 5, 2015

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO:	MEMBERS OF THE OVERSIGHT COMMITTEE
FROM:	THOMAS C. GOODMAN, PhD, CHIEF PRODUCT DEVELOPMENT OFFICER
SUBJECT:	PRODUCT DEVELOPMENT PROGRAM UPDATE
DATE:	MAY 12, 2015

- Follow-on Funding for CPRIT Product Development Research Award Recipients; ProPep Surgical Award Declination; and On-site Company Visits: In March, Aeglea Biotherapeutics, the parent company of AERase, raised a $44 million Series B funding to support further development of the AERase product. In late April, Mirna Therapeutics closed a $41.8 million Series D funding to advance their microRNA pipeline for oncology. ProPep Surgical, in March, declined CPRIT's $4.4 million award to the Company. They had earlier wished to significantly change the size of their proposed study. They likely found another source for the money to do this. Since the last Oversight Committee meeting on February 18, 2015, CPRIT Product Development staff has made site visits to Molecular Templates and Asuragen. Visits to Cell Medica, ESSA Pharmaceuticals, and DNAtrix are scheduled for May 13, 2015. The goal is to visit each CPRIT Product Development grant recipient, at their facilities in Texas, at least once a year.

- FY2015 Cycle 1 - Product Development Research Grants: Thirty applications were received, and the review panels advanced nine into due diligence. One company withdrew itself from consideration because it failed to raise matching funds. Eight companies underwent business and intellectual property due diligence examination. Because not all eight of the companies could be reviewed simultaneously by the parties providing due diligence services, they were split into two groups of four. Due diligence on the first group was completed in late 2014, and they were subsequently approved by the Program Integration Committee. At its meeting on February 18, 2015, the Oversight Committee approved the Program Integration Committee's recommendations of these companies and announced the awards. Due diligence on the second group was completed in early April, and the Product Development Review Council recommended three of the four applications in this group to the Program Integration Committee. The Program Integration Committee has now further recommended two of these for approval by the Oversight Committee. A third application that did not

receive a majority of votes recommending it at the Program Integration Committee is the subject of a Minority Report. All three of these applications are described in a separate memorandum to the Oversight Committee.

- FY2015 Cycle 4 - Product Development Research Grant Applications: CPRIT opened the application process for three RFAs for Company Relocation, Established Company, and New Company product development awards on January 5, 2015. RFAs for this cycle specifically targeted established product development program priorities. The application period closed on February 9, 2015. Sixteen applications were received. After the teleconference screening on March 26, 2015, ten of these companies were invited for in-person presentations. The in-person presentations were held on April 27-8, 2015, and three companies were recommended by the review panel to advance into due diligence.

- Standard Revenue Sharing Terms and Conditions: Standard revenue sharing terms for CPRIT's product development grant award contracts were approved at the Oversight Committee meeting of January 20, 2015. External counsel prepared an Attachment D to the standard CPRIT contract incorporating these terms. The document was circulated to the companies awaiting contract execution and comments were received. CPRIT staff, working with the companies and with outside counsel, incorporated as many of these comments as possible into the final document that was communicated to the potential grant recipients on May 1, 2015. A copy of the Attachment D is shown below in Appendix A. Of importance to note in this document is: (i) CPRIT retains a right to extend licenses to Project Results for education, research and other non-commercial purposes; (ii) the right of the State to take over Project Results is maintained under defined conditions where the grant recipient has abandoned its efforts; and (iii) also maintained is a requirement for full repayment of the grant award amount in the case of a company leaving Texas within three years from the last payment to it of grant funds. Any such repayment is not creditable against any other revenue sharing required under the contract. As of this writing, these terms have not been agreed to by all companies involved. We hope to resolve any issues soon and will report developments as they occur.

- Changes to Beta Cat Pharmaceutical's Goals and Milestones: With the approval of the Product Development Review Council, Beta Cat Pharmaceutical's Goals and Milestones are being changed from what were earlier described to the Oversight Committee at the meeting of May 21, 2014 to what is now shown in Appendix B. In all cases, the new Goals and Milestones provide clarification, tightening, or additional requirements on the Company, as compared to the earlier Goals and Milestones.

APPENDIX A

ATTACHMENT D

INTELLECTUAL PROPERTY AND REVENUE SHARING

This Attachment D is hereby incorporated into and made a part of that certain **CANCER RESEARCH GRANT CONTRACT** ("**Contract**") by and between the Cancer Prevention and Research Institute of Texas ("**CPRIT**" or the "**INSTITUTE**") and the RECIPIENT. A capitalized term used in this Attachment shall have the meaning given the term in the Contract or in the Attachments to the Contract, unless otherwise defined herein. In the event of a conflict between the provisions of this Attachment and the provisions of the Contract, this Attachment shall control.

PART 1
OWNERSHIP AND INTELLECTUAL PROPERTY PROTECTION

Section D1.01 Ownership of Project Results. RECIPIENT and its Collaborators shall retain ownership of the Institute-Funded Technology and the Institute-Funded IPR, subject to the terms of the Contract.

Section D1.02 Transfer or Assignment of Rights to a Third Party. RECIPIENT shall notify the INSTITUTE of any proposed transfer or assignment of rights in any Project Results to a third party and provide to INSTITUTE a copy of the agreement under which the proposed transfer or assignment is to occur. RECIPIENT shall ensure that, in any assignment or transfer of Project Results, the transferee or assignee agrees in writing to: (i) recognize that the Institute-Funded IPR and Institute-Funded Technology, as applicable, is transferred or assigned subject to the licenses, interests and other rights in such Project Results provided to the INSTITUTE in the Contract and any applicable law or regulation, (ii) take all actions necessary to protect all such licenses, interests and other rights, and (iii) be responsible for and pay all amounts required under Part 4 of this Attachment D. Any attempted transfer or assignment of rights in any Project Results to a third party without written agreement to the conditions in (i) – (iii) above shall be null, void and of no effect.

Section D1.03 Protection of Institute-Funded IPR. Subject to Section D5.01, RECIPIENT shall use commercially reasonable efforts to appropriately protect the Institute-Funded IPR, including without limitation, diligently seeking registration and maintenance of patents and copyrights covering the Institute-Funded Technology, as appropriate. If RECIPIENT elects to abandon any patent applications filed or patents issued covering any Institute-Funded Technology in any Major Market Country, RECIPIENT shall provide the INSTITUTE with prior written notice of such election, with sufficient time (but no less than 60 days) for the INSTITUTE to exercise its rights in Section D5.01 in relation to the subject Institute-Funded IPR. For clarification, a determination by RECIPIENT to (i) abandon a patent application in favor of a continuation or divisional application or the like, or (ii) narrow the scope of the claimed subject matter, shall not be deemed an election to abandon such Institute-Funded IPR.

Section D1.04 Cost of Protection. The INSTITUTE shall not be responsible for, and no Grant funds may be used to pay for, any costs or expenses associated with RECIPIENT's efforts to protect the Institute-Funded IPR.

Section D1.05 Inventions.

(a) Disclosures and Patent Applications. RECIPIENT shall notify INSTITUTE of each Institute-Funded Invention by delivering to INSTITUTE a copy of the invention disclosure and all supporting documentation within thirty (30) days after RECIPIENT receives or generates it. In the event that a patent application is filed on the invention disclosure, RECIPIENT shall provide the INSTITUTE with a complete copy of such patent application and associated filing documents within (30) days of its filing.

(b) Patent Prosecution and Maintenance. For all Institute-Funded Inventions for which patent protection is pursued, RECIPIENT shall provide an annual written report to the INSTITUTE regarding the status of pending applications and issued patents that are Institute-Funded IPR.

Section D1.06 Required Agreements with Recipient Personnel and Contractors. The RECIPIENT shall have, maintain and enforce written policies or agreements applicable to Recipient Personnel and Contractors with terms sufficient to enable RECIPIENT to fully comply with all terms and conditions of this Contract, including that Recipient Personnel and Contractors agree to and hereby assign any Institute-Funded Inventions to RECIPIENT. RECIPIENT shall promptly report to INSTITUTE any material breach of such policies or agreements relating to or affecting any of the provisions of this Contract.

Section D1.07 Agreements with Collaborators. All agreements between RECIPIENT and a Collaborator relating to or affecting joint ownership of any Project Result shall recognize the licenses, interests and other rights provided to the INSTITUTE in the Contract. RECIPIENT shall provide to the INSTITUTE a copy of each such agreement affecting joint ownership of any Project Result.

PART 2
NON-COMMERCIAL LICENSES

Section D2.01 RECIPIENT License. In granting an Exclusive License to any Project Results, RECIPIENT shall retain the right to Exploit all Project Results (including material embodiments thereof) for education, research and other non-commercial purposes, and the right to grant the licenses pursuant to Section D2.02 below.

Section D2.02 INSTITUTE License. RECIPIENT agrees to grant, and does hereby grant, to the INSTITUTE a non-exclusive, irrevocable, royalty-free, perpetual, worldwide license with right to sublicense under the Project Results and, subject to any existing third party rights, any Necessary Additional IPR to Exploit all Project Results (including material embodiments of Project Results) for or on behalf of the INSTITUTE and other governmental entities and agencies of the State of Texas for education, research and other non-commercial purposes only. RECIPIENT shall make the Institute-Funded Technology available by reasonable means to the INSTITUTE in order for the INSTITUTE to exercise its rights under this Section D2.02, at no cost to RECIPIENT. A copy of any written license granted by INSTITUTE under this Section D2.02 will be provided to RECIPIENT by INSTITUTE within ten (10) days of the effective date of such license.

Section D2.03 No Implied Licenses. No implied licenses are granted under this Agreement including without limitation any license to any Intellectual Property Rights owned or controlled by RECIPIENT outside of the Institute-Funded IPR. Nothing in this Agreement shall be construed to impose an obligation on RECIPIENT to license or otherwise make available any of its Intellectual Property Rights or other resources owned or controlled by it except as expressly provided in this Agreement.

PART 3
COMMERCIALIZATION OF PROJECT RESULTS

Section D3.01 Commercialization Strategy. RECIPIENT shall be under a continuing obligation throughout the term of this Contract to enhance and improve the commercial development plan submitted with the Application and to provide an annual written report to the INSTITUTE regarding the RECIPIENT's and its

licensee's efforts to commercialize or otherwise bring to practical application Project Results. The INSTITUTE may, at its option and at any time, provide RECIPIENT with comments regarding the RECIPIENT's commercial development plan and strategy, in which case RECIPIENT shall consider in good faith and, if appropriate, use reasonable efforts to account for and incorporate the INSTITUTE's input into such commercial development plan and strategy.

Section D3.02 Commercialization Efforts. The RECIPIENT shall, including whether through its own efforts or the efforts of a licensee under a License Agreement allowed by the terms of this Attachment, use diligent and commercially reasonable efforts to commercialize at least one Commercial Product or Commercial Service or otherwise bring to practical application the Project Results in accordance with the commercial development plan submitted with the Application and including any changes to such commercial development plan in accordance with Section D3.01. For the avoidance of doubt, partnering or licensing activities shall be considered to be efforts to commercialize.

Section D3.03 Licensing of Project Results. Each License Agreement entered into by the RECIPIENT shall include an acknowledgement by the licensee that (i) such License Agreement is subject to the INSTITUTE's licenses, interests and other rights under this Contract, and (ii) to the extent that there is a conflict between the terms of the License Agreement and the terms of this Contract, the terms of this Contract shall prevail. In addition, all License Agreements shall include terms obligating the licensee to report to the RECIPIENT such information as is required for the RECIPIENT to fully comply with the terms of the Contract, including without limitation the reporting obligations set forth in Attachment E, and to allow RECIPIENT to make the grants specified in Sections D2.02. The RECIPIENT shall monitor the performance of its licensees and such licensees' compliance with the terms of the License Agreements and shall take commercially reasonable actions to enforce the terms of all License Agreements. The RECIPIENT shall promptly report to the INSTITUTE any material breach of a License Agreement relating to or affecting any of the material provisions of this Contract.

Section D3.04 Cost of Licensing Activities. The INSTITUTE shall not be responsible for, and no Grant funds may be used to pay for, any costs or expenses associated with the RECIPIENT's Licensing Activities.

Section D3.05 Survival. The licenses, rights and obligations set forth in this Attachment D, except Section D3.01, shall survive any termination of this Contract, including any termination for convenience by RECIPIENT.

Section D3.06 Recipient Opt-Out. In the event RECIPIENT determines, after diligently attempting to comply with the terms of Section D3.02, to cease its efforts, either directly or through a licensee, to commercialize or otherwise bring to practical application the Project Results, it will so notify the INSTITUTE in writing promptly thereafter. Such written notice must identify the Project Results, provide a reasonable explanation of the reasons for the RECIPIENT's election, including any feasibility studies, trial results, regulatory or freedom to operate impediments, financial analyses or similar assessments, and must identify any deadlines in relation to the Project Results that then exist. Upon receipt of such notice, and provided that RECIPIENT's determination to cease its efforts was not based on material safety concerns related to the Project Results, the INSTITUTE shall have the right, but not the obligation, to exercise its rights in Section D5.01 in relation to the Project Results at the INSTITUTE's expense. The INSTITUTE shall notify the RECIPIENT in writing within thirty (30) days of its receipt of the RECIPIENT's notice under this Section 3.06 if the INSTITUTE elects to exercise its rights in relation to the Project Results. In the event that the INSTITUTE exercises its option under this Section D3.06, the RECIPIENT shall cooperate with the INSTITUTE's efforts, in commercializing or otherwise bringing to practical application the applicable Project Results at the INSTITUTE's cost. For clarity, so long as the RECIPIENT is making efforts to commercialize at least one Commercial Product or Commercial Service, RECIPIENT shall have no obligation to provide the written notice as described in this Section D3.06.

PART 4
REVENUE SHARING

Section D4.01 Revenue Sharing Percentages. In consideration for the Grant Award Proceeds paid to the RECIPIENT by the INSTITUTE under the Contract:

a. RECIPIENT shall pay to the INSTITUTE during the Revenue Term the following payments until the INSTITUTE receives the aggregate amount of four hundred percent (400%) of the Grant Award Proceeds:

(i) a revenue sharing percentage of three percent (3%) of Revenue for Cumulative Revenue greater than five million U.S. dollars (USD$ 5,000,000) and less than or equal to five hundred million U.S. dollars (USD$ 500,000,000);

(ii) a revenue sharing percentage of four percent (4%) of Revenue for Cumulative Revenue greater than five hundred million U.S. dollars (USD$ 500,000,000) and less than or equal to one billion U.S. dollars (USD $1,000,000,000); and

(iii) a revenue sharing percentage of five percent (5%) of Revenue for Cumulative Revenue greater than one billion U.S. dollars (USD $1,000,000,000).

For clarity, no payments will be made by the RECIPIENT to the INSTITUTE under this Section D4.01(a) until the Cumulative Revenue of the Recipient is greater than five million U.S. dollars (USD $5,000,000).

b. In the event the RECIPIENT and/or its licensee is required to obtain a license under Intellectual Property Rights of one or more Third Parties in order to make Sales of Commercial Products and/or Commercial Services in any given country ("**Participating License Sources**"), then the revenue sharing percentages set forth under Section D4.01(a)(i)-(iii) may be reduced by one-half percent (0.5%) for every one percent (1%) royalty paid to such Third Parties on Commercial Products and/or Commercial Services in such country, as applicable, provided that in no event will the payments otherwise due to the INSTITUTE under Section D4.01(a) be less than fifty percent (50%) of the payments that would be payable to the INSTITUTE absent the effects of this Section D4.01(b). By way of example, if the RECIPIENT is required to obtain such a license from a Third Party in a country wherein the RECIPIENT pays a four percent (4%) royalty for Intellectual Property Rights that cover Commercial Products and Commercial Services in such country, the revenue sharing percentages under Section D4.01(a)(i), (ii), and (iii) would be reduced to one and one-half percent (1.5%), two percent (2%), and three percent (3%) in such country, respectively.

Section D4.02 Continued Revenue Sharing. In the event the INSTITUTE receives during the Revenue Term the aggregate amount of four hundred percent (400%) of the Grant Award Proceeds from the RECIPIENT, the RECIPIENT will continue to pay the INSTITUTE a revenue sharing percentage of one-half percent (0.5%) of Revenue for all Revenue generated during the remainder of the Revenue Term. For clarity, this revenue sharing percentage cannot be reduced as set forth in Section D4.01(b).

Section D4.03 Equity. Nothing herein prohibits the INSTITUTE from negotiating with the RECIPIENT for an equity share in the RECIPIENT in addition to or in lieu of the revenue sharing set forth in Sections D4.01 and D4.02, when mutually agreed to by the INSTITUTE and the RECIPIENT. But under no circumstances is the INSTITUTE obligated to negotiate for an equity share in the RECIPIENT in lieu of the revenue sharing set forth herein.

Section D4.04 Statements and Timing of Payments. All payments owed pursuant to this Part 4 shall be made to the Cancer Prevention and Research Institute of Texas, and are payable on or before the thirtieth day following the end of the calendar quarter in which the Revenue is received or, in the case of Section D4.05, the monetary recovery is received. For each payment specified in Sections D4.01 and D4.02, the payment shall be accompanied by a statement specifying for such calendar quarter: (i) the Contract to which the payment relates, (ii) the identities of, royalty percentages, and amounts actually paid to any Participating License Sources, (iii) the License Agreements, if any, to which the payment relates, (iv) the quantity of all Sales of each Commercial Product and Commercial Service since the last payment, if Sales are applicable to the current payment, (v) the gross consideration from all such Sales, if Sales are applicable to the current payment, and (vi) a calculation of the amount of the payment to the Cancer Prevention and Research Institute of Texas.

Section D4.05 Recoveries in Enforcement Actions. In the event that the RECIPIENT receives any monetary recovery from its enforcement of Institute-Funded IPR against infringement by a third party, then it shall pay to the State of Texas a share of such monetary recovery, including any punitive damages, less the documented fees and expenses that are directly associated with such enforcement and are paid by RECIPIENT to third parties, at the same rate and in the same manner as it shares Revenue pursuant to Sections D4.01 and D4.02 (including any adjustments allowed by Section D4.01(b)). For clarity, if the enforcement action is resolved by way of the execution of a License Agreement with the allegedly infringing third party and such License Agreement is consistent with this Part 4, then this Section D4.05 is not intended to apply to such License Agreement or the consideration specified therein.

Section D4.06 Revenue-Related Records. In addition to satisfying the requirements of Article IV of the Contract and Section E1.03 of Attachment E, the RECIPIENT shall keep complete and accurate Revenue-related records until the fourth anniversary of the date of the payment of the last payment owed hereunder, in sufficient detail to permit the INSTITUTE to confirm the accuracy of the statements delivered to the INSTITUTE under Section D4.04 and the calculation of the payments owed hereunder.

Section D4.07 Audit of Revenue-Related Records. Upon at least fifteen (15) days' advance written notice, the RECIPIENT shall permit the INSTITUTE or its representatives or agents, at the INSTITUTE's expense, to examine the Revenue-related records of the RECIPIENT pursuant to Section D4.06 once per calendar year during regular business hours for the purpose of and to the extent necessary to verify the RECIPIENT's compliance with this Part 4. The rights of the INSTITUTE under this Section D4.07 shall terminate on the fourth anniversary of the date of the payment of the last payment owed hereunder. In the event that any such examination reveals an underpayment to the INSTITUTE of greater than five percent (5%) of the amounts previously paid by the RECIPIENT to the INSTITUTE, then the RECIPIENT shall reimburse the INSTITUTE for the cost of such examination.

PART 5
OPT-OUT AND DEFAULT

Section D5.01 RECIPIENT Opt-Out. Upon receipt of RECIPIENT's notice of its election (i) under Section D1.03 to abandon any patent applications filed or patents issued on any Institute-Funded Technology in any Major Market Country or (ii) under Section D3.06 to cease its efforts, either directly or through a licensee, to commercialize or otherwise bring to practical application the Project Results, the INSTITUTE shall have the right, but not the obligation, to pursue protection of the Applicable Institute-Funded IPR on its own behalf, including directing the filing, prosecution and maintenance of patents covering the applicable Institute-Funded Inventions and/or to commercialize or otherwise bring to practical application Project Results covered by the Applicable Institute-Funded IPR, at its own cost, either directly or through one or more

licensees. For the purposes of this Part 5, "Applicable Institute-Funded IPR" shall mean: (a) if the election of the RECIPIENT is under Section D1.03, only those patent applications or patents that the INSTITUTE has elected to exercise its rights to hereunder, or (b) if the election of the RECIPIENT is under Section D3.06, all Project Results. If the INSTITUTE elects to exercise any such rights under this Section D5.01, it shall notify RECIPIENT in writing within thirty (30) days of its receipt of RECIPIENT's notice and RECIPIENT shall thereafter comply with the terms of Section D5.03 with regard to the Applicable Institute-Funded IPR and only for or in those venues covered by the Applicable Institute-Funded IPR.

Section D5.02 RECIPIENT Default. In the event that the INSTITUTE notifies RECIPIENT in writing of RECIPIENT's failure to materially comply with its obligations under Section D3.02, and RECIPIENT fails within sixty (60) days of such notice either: (a) to cure such failure, or in the event that such failure cannot be reasonably cured within such 60-day period, to provide to INSTITUTE a plan to cure such failure that INSTITUTE deems acceptable, or (b) to provide written notice to the INSTITUTE that such failure was due to material safety concerns, then without further action on the part of the RECIPIENT or INSTITUTE, the RECIPIENT shall be deemed to have provided the INSTITUTE the complete, written notice of its cessation of efforts as described in Section 3.06, and the INSTITUTE shall be free to exercise its rights under Section 3.06.

Section D5.03 RECIPIENT Cooperation upon Opt-Out or Default. In the event that the INSTITUTE exercises any of its rights under Section D5.01, the RECIPIENT shall:

(1) subject to any existing third party rights, transfer and assign, and does hereby assign, all of its right, title and interest in and to the applicable Project Results to the INSTITUTE or the INSTITUTE's designee, to the maximum extent allowed by law, including where relevant and necessary to facilitate the foregoing transfer, requesting and diligently attempting to obtain any approvals required by law or otherwise in relation to such transfer, and subject to any existing third party rights, hereby grants to the INSTITUTE a non-exclusive, royalty-free, perpetual, fully transferable and sublicensable license under any Institute-Funded Technology and Necessary Additional IPR to Exploit the Project Results for the development, manufacture and sale of Commercial Products and Commercial Services and for all other purposes reasonably related thereto;

(2) to the extent that RECIPIENT is unable to transfer all of its right, title and interest in and to the applicable Project Results to the INSTITUTE as specified in Section D5.03(1), and subject to any existing third party rights, RECIPIENT hereby grants to the INSTITUTE an exclusive, royalty-free, perpetual, fully transferable and sublicensable license under the Applicable Institute-Funded IPR to Exploit the Project Results for the development, manufacture and sale of Commercial Products and Commercial Services and for all other purposes reasonably related thereto, provided that the INSTITUTE may exercise the foregoing rights only after exercising its right under Section D5.01;

(3) cooperate with the INSTITUTE's efforts, and at the INSTITUTE's cost, in protecting Applicable Institute-Funded IPR and Institute-Funded Technology, and in commercializing or otherwise bringing to practical application the applicable Project Results, including making relevant Recipient Personnel (to the extent still obligated to RECIPIENT), Contractors, Collaborators, records (including without limitation, laboratory notebooks, electronic records and data), papers, information, samples, specimens and other materials related to the applicable Project Results reasonably available for such purposes and executing any documents and taking any further action reasonably necessary to effectuate the intent of this Section D5.03; and

(4) subject to applicable law, not take any action that would oppose or impede the INSTITUTE's ability to protect the applicable Project Results.

If the INSTITUTE exercises its rights under Sections D5.01, the RECIPIENT shall have no further claim to or interest in the applicable Project Results, except as set forth in Section D2.01 of this Attachment and shall not be entitled to any share of Revenue or any other compensation with respect to such Project Results, except to the minimum extent required by law, if any. To the extent that the INSTITUTE has exercised its rights under

Section D5.01 and RECIPIENT is unable to transfer all of its right, title and interest in and to the applicable Project Results to the INSTITUTE as specified in D5.03(1), then the INSTITUTE's license set forth in D5.03(2) includes the right, but not the obligation, for the INSTITUTE at its cost to: (i) direct the filing, prosecution and maintenance of patents covering the applicable Project Results, and (ii) enforce all Applicable Institute-Funded IPR relevant to the Project Results against any infringement by a third party. Subject to the statutory duties of the Texas Attorney General, if any, RECIPIENT shall cooperate fully with the INSTITUTE in any action brought by the INSTITUTE to enforce the Institute-Funded IPR in the applicable Project Results, at the INSTITUTE's cost, including without limitation, joining the enforcement action in name as a party plaintiff after all required approvals are obtained; provided that the INSTITUTE or its designee shall have full control over such enforcement action and shall receive and retain all monetary and other recoveries resulting from such enforcement actions, including any punitive damages.

PART 6
DEFINITIONS

Throughout this Attachment D, the following underlined terms shall have the meanings given below.

(1) **Commercial Product** means anything that incorporates, is based on, utilizes or is developed from Project Results and that is capable of being sold, licensed, transferred or conveyed to another party or is capable of otherwise being Exploited or disposed of, whether in exchange for consideration or not.

(2) **Commercial Service** means any service performed that incorporates, is based on, utilizes or is developed from Project Results. For clarity, Commercial Service does not include non-commercial research and development performed by RECIPIENT or its Collaborators or licensees.

(3) **Cumulative Revenue** means after the First Commercial Sale worldwide of a Commercial Product or Commercial Service, the sum of all Revenue in all years and calendar quarters up to the calendar quarter in which the applicable revenue sharing percentage in Section D4.01 is being paid.

(4) **Exclusive License** means a License Agreement under which the specific rights granted to the licensee with respect to the Project Results, including without limitation scope of use and territorial rights, are granted on an exclusive basis.

(5) **Exclusivity** means any exclusivities granted by the government in a country to provide an entity with protection from competitors in the commercial market for a defined period of time, including but not limited to patent-based exclusivities (and any patent term extensions, supplementary protection certificates or patent term adjustments thereof, and the like), and market-based "data" exclusivities (e.g., orphan drugs, new chemical entities, biologics, new formulations or combinations, and pediatric, and the like). For the avoidance of doubt, Exclusivity shall not mean any protection gained solely from either trade secrets or trademarks.

(6) **Exploit** or **Exploitation** means make, have made, use, sell, offer to sell, import, export, or otherwise commercialize, dispose of, practice, copy, distribute, create derivative works of, publicly perform or publicly display.

(7) **First Commercial Sale** means the first bona fide arm's length Sale of a Commercial Product or Commercial Service to a Third Party by or on behalf of RECIPIENT or its licensees for monetary value, for use or consumption by the end user of such Commercial Product or Commercial Service. For clarity, Sales of a Commercial Product or Commercial Service for registration samples, clinical trial purposes or compassionate use sales, named patient use, test marketing, sampling and promotional uses, inter-company transfers to affiliates of RECIPIENT or its licensees, shall not constitute a First Commercial Sale.

(8) **Grant Award Proceeds** means the sum of all monies paid by INSTITUTE to RECIPIENT under the Contract. For clarity, Grant Award Proceeds will not be diminished by the amount of any funds repaid to INSTITUTE by RECIPIENT under Section 4.07 of the Contract.

(9) **Institute-Funded IPR** means any and all Intellectual Property Rights in and to Institute-Funded Technology. In no event shall Institute-Funded IPR include any intellectual property rights and/or technology in existence and owned/controlled by the RECIPIENT prior to the receipt of funds from the INSTITUTE or arising from activities conducted independently of the Project or acquired independently of the Project.

(10) **Institute-Funded Invention** means an Invention conceived or first reduced to practice by or on behalf of RECIPIENT, including by Recipient Personnel, Contractor(s) and/or Collaborator(s) in the performance of Institute-Funded Activity.

(11) **Institute-Funded Technology** means any and all of the following resulting or arising, in whole or in part, from Institute-Funded Activity during the Contract term: (a) proprietary and confidential information, including but not limited to data, trade secrets, materials and know-how; (b) databases, compilations and collections of data; (c) tools, methods and processes; and (d) works of authorship, excluding all scholarly works, but including, without limitation, computer programs, source code and executable code, whether embodied in software, firmware or otherwise, documentation, files, records, data and mask works; and all instantiations of the foregoing in any form and embodied in any form, including but not limited to therapeutics, drugs, drug delivery systems, drug formulations, devices, diagnostics, biomarkers, reagents, methodologies and research tools. Institute-Funded Technology includes Institute-Funded Inventions. Institute-Funded Technology shall not include items that were conceived of, in existence, or owned/controlled by RECIPIENT prior to receipt of funds from the INSTITUTE or arising from activities conducted independently of the Project or acquired independently of the Project, such as: (a) proprietary and confidential information, including but not limited to data, trade secrets, materials and know-how; (b) databases, compilations and collections of data; (c) tools, methods and processes; and (d) works of authorship, excluding all scholarly works, but including, without limitation, computer programs, source code and executable code, whether embodied in software, firmware or otherwise, documentation, files, records, data and mask works; and all instantiations of the foregoing in any form and embodied in any form, including but not limited to therapeutics, drugs, drug delivery systems, drug formulations, devices, diagnostics, biomarkers, reagents, methodologies and research tools.

(12) **Intellectual Property Rights** or **IPR** means any and all of the following and all rights in, arising out of, or associated therewith: (a) all United States and foreign patents and utility models and applications therefor, and all reissues, re-examinations, divisionals, renewals, substitutions, extensions, provisionals, continuations and continuations-in part thereof, and equivalent or similar rights anywhere in the world in inventions and discoveries; (b) all trade secrets and rights in know-how, materials and proprietary information; (c) all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto throughout the world; (d) all mask works, mask work registrations and applications therefor, and any equivalent or similar rights in semiconductor masks, layouts, architectures or topology; and (e) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

(13) **Invention** means any idea, composition of matter, method, device, process or discovery that is conceived and/or reduced to practice, whether patentable or not.

(14) **License Agreement** means an agreement by which an owner of a Project Result grants any right to Exploit such Project Result to a Third Party in exchange for consideration.

(15) **Licensing Activities** means the efforts of RECIPIENT or its Collaborator to negotiate, execute or enforce a License Agreement.

(16) **Major Market Country** means one or more of the following: Canada, France, Germany, Italy, Japan, Spain, Switzerland, United Kingdom, and United States of America.

(17) **Necessary Additional IPR** means any Intellectual Property Rights (a) owned by RECIPIENT, and (b) identified by the Institute and agreed to in writing by RECIPIENT, that are not Project Results but are necessary to Exploit the Project Results for the specific purposes set forth in the applicable Section of this Attachment D.

(18) **Project Results** means any and all Institute-Funded Technology and Institute-Funded IPR.

(19) **Revenue** means the gross consideration, whether cash (for example, but not by way of limitation, any milestone fees, license fees, sublicense fees, or assignment fees) or non-cash (for example, but not by way of limitation, securities, direct equity interest, indirect equity interest, trade or barter considerations, and the like), received from Sales to a Third Party by or on behalf of the RECIPIENT and its licensees (including RECIPIENT's affiliates and sublicensees of RECIPIENT's licensee), net of: (a) trade or quantity discounts or rebates, credits, allowances or refunds given for rejected or returned Commercial Products or Commercial Services, (b) any sales, value-added or other tax or governmental charge levied on the sale, transportation or delivery of a Commercial Product or Commercial Service (but excluding any income tax owed by the RECIPIENT), and (c) any separately stated charges for freight, postage, shipping and insurance. The foregoing notwithstanding, any consideration: (i) received and used by RECIPIENT or its licensees for the purpose of research or development of Commercial Products and Commercial Services, or (ii) received from Sales made solely in the performance of clinical trials designed to obtain regulatory approval for a Commercial Product or Commercial Service, or (iii) received by RECIPIENT or its licensees from Sales made for compassionate use where no profit was obtained by RECIPIENT or its licensees shall not be included in this term.

(20) **Revenue Term** means the period commencing on the date of the First Commercial Sale of a Commercial Product or Commercial Service and ending, on a country-by-country basis, when there is not, or there no longer exists, any Exclusivity for the Commercial Product or Commercial Service in such country. If there is no Exclusivity for a Commercial Product or Commercial Service in any Major Market Country, the Revenue Term shall mean the period commencing on the date of the First Commercial Sale of such Commercial Product or Commercial Service and ending twelve (12) years later.

(21) **Sale** or **Sales** means any sale, license, lease, transfer, conveyance or other Exploitation or disposition of a Commercial Product or Commercial Service for which consideration from a first Third Party is received. For clarity, transfer or assignment of a Commercial Product or Commercial Service in connection with a merger, consolidation, transfer or sale of all, or substantially all, of RECIPIENT's business or assets, or change of control or similar transaction involving the RECIPIENT will not constitute a Sale.

(22) **Third Party** means a party other than (a) the RECIPIENT, (b) any affiliate or licensee of the RECIPIENT, either directly or through any sublicenses, or (c) an entity that enjoys any special course of dealing with any of (a) or (b) above.

Other terms may be defined elsewhere in this Attachment or in the Contract.

APPENDIX B

The present Goals and Milestones for Beta Cat Pharmaceuticals are:

Grant ID: **CP130058**
PI/PD/CR: Jonathan Northrup
Grant Title: Beta Cat Pharmaceuticals – Developing to Clinical Proof of Concept
Organization: Beta Cat Pharmaceuticals, LLC (Primary)

Goals and Objectives

Goal 1: Year 1 (March 2014 – February 2015) Initial Startup of Beta Cat in Texas

Objective 1: move and establish itself in Texas in rented facilities
Objective 2: Incorporate
Objective 3: continue product development to allow for a superior formulation with an enhanced tolerated dose and range
Objective 4: purchase equipment and reagents for discovery efforts
Objective 5: hire and move an initial team of at least 5 individuals
Objective 6: develop research biomarkers
Complete the beta catenin / TBL1 interaction assay using the proximity ligand assay
Complete beta catenin cellular protein levels by immunohistochemistry

Goal 2: Year 2 (March 2015 – February 2016) Complete preclinical aspects for IND submission of BC2059

Objective 1: complete all needed for IND preclinical studies for BC2059 final formulation
Objective 2: complete drug substance and drug product for GLP and initial clinical studies
Objective 3: complete cGLP toxicology studies
Objective 4: file an IND for clinical studies
Objective 5: hire another 5 individuals
Objective 6: transfer research biomarkers into animal studies
Complete the animal studies for beta catenin / TBL1 interaction assay using the proximity ligand assay
Complete the animal studies for beta catenin cellular protein levels by immunohistochemistry
Objective 7: Move second generation beta catenin program to Texas facility and continue research with chemistry and biology to advance and refine program
Objective 8: Develop a GLI1 inhibitor program and have hits by the end of the period

Goal 3: Year 3 (March 2016 – February 2017) Start and progress phase 1 trials with BC2059 in AML and a second cancer

Objective 1: begin and complete a phase 1 study in AML
Objective 2: begin and complete a second study in an additional tumor
Objective 3: do clinical biomarker studies within the trials
Clinical studies for beta catenin / TBL1 interaction assay using the proximity ligand assay
Clinical studies for beta catenin cellular protein levels by immunohistochemistry

Objective 4: hire another 5 individuals
Objective 5: complete preclinical studies to determine good combinations with BC2059 in key diseases for phase 1b
Objective 6: Have strong leads which are advancing toward clinical candidate for the second generation beta catenin program
Objective 7: Have leads in the GLI1 program
Objective 8: Add an additional program and develop hits for it

"Fall-back plan and "Go No-go" Decision points

Our forseeable non-clinical risks for BC2059 prior to IND and our strategy for risk mitigation:

Risk	**Mitigation**
Our starting toxicology dose may not be tolerated by animals in the 28 day cGLP toxicology studies, or our highest dose might not be toxic.	A pilot toxicology study will be run to ensure that animals in the toxicology study tolerate the starting dose and that the high dose appropriately brackets the toxic dose.
Substantial genotoxicity may be observed at concentrations substantially lower than anticipated for human exposure.	The starting dose for human studies would be lowered as necessary to reduce the possibility of genotoxicity to normal tissues.
The toxicity seen in animals may not be predictive of human toxicity	Experienced toxicology personnel will evaluate all toxicity findings in light of known differences between the specific animal models employed and the human to ensure that findings are appropriately extrapolated for the human. The clinical plan will be adjusted in phase 1 as needed for unexpected toxicity findings in the animal models to compensate with a reasonable dose safety factor to avoid any human toxicity of a harmful or irreversible nature in Phase 1 studies.
Toxicokinetic data in the animal may demonstrate inconsistencies due to sample collection and/or bioanalytical analysis problems.	Pilot studies will be performed prior to the conduct of pivotal (GLP) safety studies to help work out any issues and ensure the successful conduct and completion of pivotal studies.
There is inherent risk in use of contracted operations	All contracted operations will be overseen by Beta Cat personnel with years of previous experience with such operations and managing contracted projects to success.

As we go through development we may see additional risks, or the program may not perform, or we may have a problem greater than the mitigation strategies can handle.

BC2059 was originally identified as part of an extensive screening and development effort using a novel cell based phenotypic technique that did not require knowledge of the molecular target. Beta Cat licensed the series, completed the in vitro and in vivo work, and identified TBL1 as the target. Following that identification of TBL1, the company worked to advance BC2059 towards the clinic. It also developed a second generation program using in-silico drug design that yielded additional, distinct chemical structures that inhibit TBL1, to complement our clinical candidate. A second-generation program is our back-up strategy for increased potency, pharmacokinetics and circumvention of structure-based toxicity, should any become apparent during clinical testing of the lead compound.

Therefore, advance of our second generation candidates and the possible development of new series, is a key risk mitigation strategy of the program. As such, we have added milestones into

our goals and objectives for our second generation program with the intent to bring it forward very quickly.

A second risk mitigation strategy and "fall-back" plan is the development of new drug candidates – An important aspect of our business strategy is to develop a pipeline of additional drug candidates for additional targets as part our strategy to become an independent pharmaceutical company. We are interested in programs that utilize our technology and expertise in important cancer stem cell pathways such as the hedgehog pathway where GLI1 is a target with many similarities to beta catenin in the Wnt pathway, and the Yap-Taz interaction of the Hippo pathway. We have added these milestones to the program as well.

The following is a "redline" showing the changes made to the original Goals and Milestones. All other material above was added to the original Goals and Milestones.

Grant ID: **CP130058**

PI/PD/CR: Jonathan Northrup

Grant Title: Beta Cat Pharmaceuticals – Developing to Clinical Proof of Concept

Organization: Beta Cat Pharmaceuticals, LLC (Primary)

Goals or Objectives Negotiation

Goal 1: Year 1 (March 2014 – February 2015) Initial Startup ~~Funding of $2.5 Mil private and $5 Mil CPRIT~~of Beta Cat in Texas

Objective 1: move and establish itself in Texas in rented facilities Objective 2:

Incorporate

Objective 3: ~~match an initial round of financing~~continue product development to allow for a superior formulation with an enhanced tolerated dose and range

Objective 4: purchase equipment and reagents for discovery efforts Objective 5:

hire and move an initial team of at least 5 individuals Objective 6: develop

research biomarkers

Complete the beta catenin / TBL1 interaction assay using the proximity ligand assay

Complete beta catenin cellular protein levels by immunohistochemistry

Goal 2: Year 2 (March 2015 – February 2016) Complete preclinical aspects for IND submission of BC2059~~Second Tranche of Funding of $2.5 Mil private and $5 Mil CPRIT~~

Objective 1: complete all needed for IND preclinical studies for BC2059 final formulation~~prodrug or tween~~

Objective 2: complete drug substance and drug product for GLP and initial clinical studies

Objective 3: complete cGLP toxicology studies.

Objective 4: file an IND for clinical studies

Objective 5: hire another 5 individuals

Objective 6: transfer research biomarkers into animal studies

Complete the animal studies for beta catenin / TBL1 interaction assay using the proximity ligand assay

Complete the animal studies for beta catenin cellular protein levels by immunohistochemistry

Objective 7: Move second generation beta catenin program to Texas facility and continue research with chemistry and biology to advance and refine program

Objective 8: Develop a GLI1 inhibitor program and have hits by the end of the period

~~Objective 7:~~

Goal 3: Year 3 (March 2016 – February 2017) Start and progress phase 1 trials with BC2059 in AML and a second cancer~~Third Tranche of Funding of $2.969365.5 Mil private and $5.938731 Mil CPRIT~~

Objective 1: begin and complete a phase 1 study in AML

Objective 2: begin and complete a second study~~, likely in colon cancer~~ in an additional tumor

Objective 3: do clinical biomarker studies within the trials ~~on nuclear beta catenin levels in the two phase 1's~~

Clinical studies for beta catenin / TBL1 interaction assay using the proximity ligand assay

Clinical studies for beta catenin cellular protein levels by immunohistochemistry

Objective 4: hire another 5 individuals

Objective 5: complete preclinical studies to determine good combinations with BC2059 in key diseases for phase 1b

Objective 6: Have strong leads which are advancing toward clinical candidate for the second generation beta catenin progr

Objective 7: Have leads in the GLI1 program

Objective 8: Add an additional program and develop hits for it

Program Development Program Statistics by Cycle

Program Priority Area	FY14.1					FY15.1			
	# reviewed for DD/funded	%	$ requested/ granted	%		# reviewed for DD	%	$ requested	%
Impact and Return on Investment	4	100%	$58,533,944	100%		0	0%	$0	0
Geographic Distribution	0	0%	$0	0%		0	0%	$0	0
Cancer Type	0	0%	$0	0%		0	0%	$0	0%
Type of Program	0	0%	$0	0%		0	0%	$0	0
Identifying and funding projects to develop tools and technologies of special relevance to cancer research, treatment, and prevention*	0	0%	$0	0%		2	25%	$2,967,000	3%
Providing funding that promotes translation of research at Texas institutions into new companies able to compete in the marketplace*	0	0%	$0	0%		0	0%	$0	0
Funding projects at Texas companies and relocating companies that are most likely to bring important products to the market*	0	0%	$0	0%		7	78%	$94,315,271	97%

*These are the new program priorities as of FY15.1

Note: Product Development grants may focus on more than program priority area

Program Cancer Area	FY14.1					FY15.1			
	#	%	$	%		#	%	$	%
Bladder						1	11%	$967,000	1%
Brain and other Nervous System	1	25%	$7,580,185	13%		2	22%	$16,140,900	17%
Breast						1	11%	$12,750,000	13%
Head and Neck						1	11%	$22,127,423	23%
Liver and Bile Duct	1	25%	$25,147,614	43%					
Lung						1	11%	$5,330,000	5%
Melanoma	2	50%	$25,806,145	44%					
Ovarian						2	22%	$20,347,773	21%
Pancreas						1	11%	$19,652,175	20%
TOTALS	4	100%	$58,533,944			9	100%	$97,315,271	100%

14.1 Success Rate by Mechanism (Recommended/Total Reviewed)						
	Recommended for Onsite Meeting Success Rate		Recommended for DD Success Rate		Recommended to PIC Success Rate	
Mechanism	#	%	#	%	#	%
ESTCO	8/9	89%	2/9	22%	2/9	22%
NEWCO	9/26	35%	2/26	8%	2/26	8%
RELCO	2/6	33%	0/6	0%	0/6	0%
Overall	19/41	46%	4/41	10%	4/41	10%
15.1 Success Rate by Mechanism (Recommended/Total Reviewed)						
	Recommended for Onsite Meeting Success Rate		Recommended for DD Success Rate		Recommended to PIC Success Rate	
Mechanism	#	%	#	%	#	%
ESTCO	3/5	60%	1/5	20%	1/5	20%
NEWCO	11/18	61%	7/18	39%	6/17*	35%
RELCO	3/6	50%	1/6	17%	0/6	0%
Overall	17/29	59%	9/29	31%	8/28	24%

*One application was withdrawn after the peer review meeting

May 5, 2015

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

May 15, 2015

Oversight Committee Members,

Pursuant to 25 T.A.C. § 703.7(j), I request that the Oversight Committee approve authority for CPRIT to advance grant funds upon execution of a grant contract for two companies that will be considered for Product Development grant awards at the May 20, 2015, Oversight Committee meeting. The Oversight Committee will consider the PIC's recommendation at the May 20, 2015, Oversight Committee meeting.

There is one company application that was not recommended by the PIC. The Oversight Committee may consider this application upon a motion of one of the members. If that occurs, I also request authority for CPRIT to advance funds upon execution of a grant contract for the application recommended by a minority of the PIC.

Although CPRIT disburses the majority of grant funds pursuant to requests for reimbursement, CPRIT may disburse grant funds in advance payments consistent with the General Appropriations Act, Article IX, § 4.03(a). Typically, the grant amount to be paid in advance is based upon the project year budget or tranche amount. All grant recipients, including those that receive advance payment of grant funds, are required to submit quarterly financial status reports that are reviewed and approved by CPRIT's financial staff. Failure to submit the financial status reports on a timely basis will result in forfeiture of reimbursement for expenses for the quarter and may result in grant termination and repayment of grant funds.

After consultation with Dr. Thomas Goodman, CPRIT's Chief Product Development Officer, one or more of the following reasons support advance payment of grant funds for the three companies to be considered at the May 20, 2015, meeting: 1.) a larger amount of start-up funds is needed than can be advanced from cash on hand; 2.) pre-clinical trial contracts will need to be entered into with substantial upfront payments; and/or 3.) significant equipment purchases will be needed for work to begin.

Sincerely,

Wayne R. Roberts,
CPRIT Chief Executive Officer

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	**OVERSIGHT MEMBERS**
From:	**HEIDI MCCONNELL, CHIEF OPERATING OFFICER**
Subject:	**FY 2016 REQUEST FOR FINANCING OF CPRIT BONDS**
Date:	**MAY 11, 2015**

Recommendation
CPRIT staff recommends that the Oversight Committee approve the attached resolution for a request for financing to the Texas Public Finance Authority (TPFA) to issue debt on behalf of CPRIT in fiscal year 2016. The amount to be financed is $300 million in bond proceeds appropriated to CPRIT for its operations and prevention and research grant awards. I estimate that CPRIT will request TPFA issue $277.3 million in commercial paper notes four times during fiscal year 2016 to pay for CPRIT administrative operations and to pay for reimbursements or authorized advances on grant awards made in fiscal years 2011, 2012, 2013, 2014 and 2015.

Background
Through the Texas Public Finance Authority (TPFA), CPRIT has issued $169.6 million in commercial paper notes from fiscal year 2015 for agency operations and to pay expenses for grant awards. In addition, TPFA has fixed out $516.1 million in long-term general obligation bonds for debt CPRIT incurred in from fiscal year 2010 through fiscal year 2014. These bonds will yield $525.6 million in proceeds to cover CPRIT's actual expenditures and outstanding grant award obligations from those years.

In addition to the resolution and its supporting documents, there is spreadsheet with the history of CPRIT's debt issuance since fiscal year 2010.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

A RESOLUTION
AUTHORIZING A REQUEST FOR FINANCING
AND THE EXECUTION AND DELIVERY OF DOCUMENTS
REQUIRED TO EFFECT SUCH FINANCING

Whereas, the Texas Public Finance Authority (the "Authority") is authorized to issue general obligation bonds to finance the grant program for cancer research and prevention and control for the use and benefit of the Cancer Prevention & Research Institute of Texas (the "Agency") pursuant to Article III, Section 67, Texas Constitution; Texas Health & Safety Code, Chapter 102, as amended; and Texas Government Code, Chapter 1232, as amended (collectively, the "Authorizing Law");

Whereas, the Agency desires and intends to request the Authority to finance the costs of the program as permitted by the Authorizing Law; and

Whereas, the Agency recognizes that in order to finance the cost of the program, the Authority may issue short term obligations, general obligation bonds, either or both ("Obligations") in an aggregate principal amount sufficient to finance program costs in the estimated amount of $300,000,000, plus the costs of issuance and related administrative costs, if any, which will be determined at the time of issuance; and

Whereas, the form of a Request for Financing, dated as of May 20, 2015, (the "Request for Financing") from the Agency to the Authority, which includes a detailed description of the program to be financed for the Agency ("program" herein) and a proposed expenditure schedule is presently before the CPRIT Oversight Committee.

NOW THEREFORE BE IT RESOLVED by the CPRIT Oversight Committee that:

Section 1. The purpose of the financing is to provide funds sufficient to make grant awards for cancer research and prevention and control and for the operations of the Agency, and the financing thereof is appropriate at this time. Accordingly, the execution and delivery of the Request for Financing to the Authority pursuant to the Authorizing Law is hereby ratified, approved and confirmed.

Section 2. The Chief Executive Officer of the Agency is hereby empowered, authorized and directed to:

a. sign and deliver any and all documents necessary or desirable to effect the financing and provide the projects, which may include but not be limited to a Memorandum of Understanding and a Financing Agreement between the Agency and the Authority;

b. cooperate with the Authority and its consultants to prepare an Official Statement in connection with the sale of the Obligations;
c. and to take any other action necessary to assist in such sale.

Section 3. All actions not inconsistent with provisions of this Resolution heretofore taken by the Institute and the Executive Director or designee thereof and the other officers of, or consultants to the Institute, directed toward the financing of the Program, and the issuance of the Obligations are hereby ratified, approved and confirmed.

Section 4. The officers and employees of the Agency shall take all action in conformity with the Authorizing Law and the provisions of the General Appropriations Act, 84th Legislature, R.S. (2015) to effect the issuance of the Obligations and complete the Program as provided in the Agreement and take all action necessary or desirable or in conformity with the Authorizing Law for carrying out, giving effect to, and consummating the transactions contemplated by the Memorandum of Understanding, the Agreement, the Obligations, and this Request for Financing, including without limitation, the execution and delivery of any closing documents in connection with the closing of the Obligations.

Section 5. This Resolution was adopted at a meeting open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Ch. 551, Texas Government Code.

Adopted by the affirmative vote of a majority of the Cancer Prevention and Research Institute of Texas Oversight Committee present and voting on this 20th day of May, 2015.

Cancer Prevention and Research Institute of Texas Oversight Committee	Attested:
_____	_____
_____	_____
Chairman	Secretary

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

Fiscal Year 2016 Request for Financing Program Description

Purpose

The Cancer Prevention and Research Institute of Texas (CPRIT) is the state agency mandated to:

1) create and expedite innovation in the area of cancer research and in enhancing the potential for a medical or scientific breakthrough in the prevention of cancer and cures for cancer;
2) attract, create, or expand research capabilities of public or private institutions of higher education and other public or private entities that will promote a substantial increase in cancer research and in the creation of high-quality new jobs in this state; and
3) develop and implement the Texas Cancer Plan.

Powers and Duties

CPRIT will make grants to provide funds to public or private persons to implement the Texas Cancer Plan, and make grants to institutions of learning and to advanced medical research facilities and collaborations in this state for:

1) research into the causes of and cures for all types of cancer in humans;
2) facilities for use in research into the causes of and cures for cancer;
3) research, including translational research, to develop therapies, protocols, medical pharmaceuticals, or procedures for the cure or substantial mitigation of all types of cancer in humans; and
4) cancer prevention and control programs in this state to mitigate the incidence of all types of cancer in humans.

Implementation Plan

CPRIT estimates that $277.3 million in bonds proceeds must be issued on an as-needed basis consistent with Texas Government Code, Chapter 1232 to cover grant award obligations from fiscal years 2011, 2012, 2013, 2014, and 2015; new grant award obligations made during fiscal year 2016; and operating costs for general agency administration and pre- and post-award grants management processes. During fiscal year 2016, CPRIT will use the bond proceeds to disburse grant funds for grants awarded by CPRIT during the last three months of fiscal year 2011 as well as during fiscal years 2012, 2013, 2014, and 2015. CPRIT is currently authorized to obligate approximately $266 million for cancer prevention and research grant awards in fiscal year 2016.

CPRIT announces grant awards for cancer prevention education and service programs and academic and product development cancer research programs four times per year. Since CPRIT has resumed its grant pre-award peer review and decision-making processes in November 2013 following the rescission of moratorium on its grant-making processes, CPRIT has published 26 new award opportunities and implements additional review steps and certifications required by

the passage of Senate Bill 149, 83rd Regular Legislature which made significant changes to Health and Safety Code, Chapter 102, including the adoption of new rules by the Oversight Committee in February 2014. CPRIT anticipates that it will obligate all of the available $266 million for cancer prevention, product development research, and academic research

Grant funds are generally disbursed quarterly on a reimbursement basis to grant recipients. For certain types of grant awards, limited to product development, CPRIT advances funds in order to provide those specific types of recipients with working capital to meet their research milestones or objectives.

CPRIT is authorized to use bond proceeds to fund its grant review and award operations and indirect administration costs. At this time, the total budgeted amount of these two categories is $16.8 million in bond proceeds for fiscal year 2016 based on the authorized appropriations in General Appropriation Act, 84th Legislature. CPRIT must transfer $2.9 million in bond proceeds to the Texas Department of State Health Services (DSHS) for the operating costs associated with the Texas Cancer Registry. From the total of all of the agency's operating costs, CPRIT requires half of the proceeds to be available at the beginning of the state fiscal year to be able to cover the operating expenses for six months. CPRIT also requires proceeds at the beginning of each state fiscal quarter to pay for award costs reimbursed to grant recipients for the previous state fiscal quarter.

The scientific research program provides awards in the following areas: cancer biology, cancer genetics, immunology, imaging, therapeutics, prevention/epidemiology, and informatics/ computation. The product development research program focuses awards on the development of cancer drugs, diagnostics, and devices based on discoveries made in one of the seven areas described above. Prevention program grants are awarded for cancer prevention information and services, early detection and treatment, professional education and practice, cancer data acquisition and utilization, or survivorship (the areas of the Texas Cancer Plan). Awards for all programs are issued for multiple years, ranging from two to five years.

CPRIT has established a grant process that allows grant proposals for cancer prevention, scientific research, and product development research to be submitted through requests for applications (RFA) issued throughout each fiscal year. All proposals are reviewed by multiple experts in the appropriate area. CPRIT has approximately 200 national experts in cancer prevention, research and product development to review proposals and provide funding recommendations to CPRIT.

The award recommendations developed by the peer review committees are forwarded to the Program Integration Committee (PIC) for consideration. The five members of the PIC are statutorily defined as the Chief Executive Officer (CEO), Chief Scientific Officer, Chief Prevention Officer, Chief Product Development Officer, and DSHS Commissioner. The PIC finalizes award recommendations across all programs prior to every Oversight Committee meeting. When those proposed awards are forwarded to the Oversight Committee, each recommended award is accompanied by an affidavit signed by the CEO to affirm that the award followed all required pre-award grant procedures. The Oversight Committee considers these recommendations and votes to approve for funding or not.

Cancer Prevention and Research Institute of Texas

Estimated Expenditure Schedule, Fiscal Year 2016

Fiscal Year 2016	September	October	November	December	January	February	March	April	May	June	July	August	Total
Bond proceeds for Indirect Administration	$ 2,982,483	$ -	$ -	$ -	$ -	$ -	$ 2,982,482	$ -	$ -		$ -	$ -	$ 5,964,965
Bond proceeds for Grant Review and Award Operations	$ 4,646,612	$ -	$ -	$ -	$ -	$ -	$ 6,175,071	$ -	$ -	$ -	$ -	$ -	$ 10,821,683
Bond proceeds for Texas Cancer Registry (GAA 2016-17, Art. I, CPRIT Rider 5)	$ 1,484,777	$ -	$ -	$ -	$ -	$ -	$ 1,484,777	$ -	$ -	$ -	$ -	$ -	$ 2,969,554
Bond proceeds for Prevention and Research Grants	$ 62,886,128	$ -	$ -	$ 53,200,000	$ -	$ -	$ 61,457,670	$ -	$ -	$ 80,000,000	$ -	$ -	$ 257,543,798
Debt Issuance Subtotal, Fiscal Year 2016	$ 72,000,000	$ -	$ -	$ 53,200,000	$ -	$ -	$ 72,100,000	$ -	$ -	$ 80,000,000	$ -	$ -	$ 277,300,000
Cumulative Debt Total, Fiscal Year 2016	**$ 72,000,000**	**$ 72,000,000**	**$ 72,000,000**	**$ 125,200,000**	**$ 125,200,000**	**$ 125,200,000**	**$ 197,300,000**	**$ 197,300,000**	**$ 197,300,000**	**$ 277,300,000**	**$ 277,300,000**	**$ 277,300,000**	**$ 277,300,000**

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

MEMORANDUM

To:	**OVERSIGHT COMMITTEE MEMBERS**
From:	**HEIDI MCCONNELL, CHIEF OPERATING OFFICER**
Subject:	**FY 2016 CONTRACT RENEWAL FOR SRA INTERNATIONAL, INC.**
Date:	**MAY 11, 2015**

Recommendation
CPRIT staff recommends that the agency move forward with exercising the 12-month renewal option with SRA International for Pre- and Post-Award Grants Management Support Services at an estimated cost of $9,693,907 in FY 2016. This is a time and materials contract so CPRIT only pays for services provided by the vendor.

If the Oversight Committee has no conflicts of interest with the recommended vendor and approves this recommendation, CPRIT will move forward with requesting approval of this contract from the Legislative Budget Board.

Background
CPRIT issued a request for quote (RFQ) to SRA International, Inc. which is listed on the Texas Multiple Award Schedule (TXMAS) of existing competitively awarded government contracts with the State of Texas [contract no. TXMAS-14-874050] during the summer of 2015 to initiate a new contract with SRA International for FY 2015. The RFQ was sole sourced to SRA International, Inc. as the incumbent vendor providing pre- and post-award grants management support services to CPRIT because CPRIT could not contend with an interruption in these support services as it was in the process of restarting the grant-making processes after the 11-month moratorium and implementing the provisions of Senate Bill 149, 83R through administrative rules, revisions of the business processes, and functional changes to the electronic grants management system (CGMS) to match the business process revisions.

Exercising the 12-month renewal for FY 2016 allows the agency to maintain the momentum of re-establishing the grant-making processes and stabilize the electronic grants management system after making extensive changes to the system. The additional time will allow the agency to prepare a new Request for Proposal (RFP) for pre- and post-award grants management support services to vendors that provide these services, evaluate proposals received in response to the RFP, and allow ample time to transition services to a new vendor if the incumbent vendor is not selected to continue to provide these services. The agency will need approximately six months to transition these services, including the transition of the data maintained in the electronic grants management system.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	**OVERSIGHT COMMITTEE MEMBERS**
From:	**AMY MITCHELL, CHAIR, BOARD GOVERNANCE SUBCOMMITTEE**
Subject:	**INTENTION TO RECOMMEND APPROVAL OF FINAL ORDER ADOPTING CHANGES TO ADMINISTRATIVE RULES**
Date:	**MAY 13, 2015**

Summary and Recommendation

The Board Governance Subcommittee recommends that the Oversight Committee approve a final order adopting changes to 25 T.A.C. Chapter 703. The proposed amendment related to matching funds was published in the *Texas Register* on March 27 and was made available for public comment for 30 days. The Board Governance Subcommittee reviewed the final order with CPRIT's General Counsel.

Discussion

Texas Health and Safety Code § 102.255 requires CPRIT research grantees to match half of the amount of their CPRIT award with their own funds separate from the CPRIT grant. Grantees at institutions of higher education may use their federal indirect cost rate as a credit toward the required matching funds. The proposed amendment provides guidance to grantees on how closely related other funds must be to the CPRIT grant project.

CPRIT received one comment concerned that the proposed amendment would not provide enough direction for institutions of higher education and would enable the institutions to spend money on items not related to the grant. CPRIT declines to make a change to the proposed amendment based on this comment because CPRIT's administrative rules prevent misuse of funds from occurring. Grantees must submit back-up documentation regarding the use of matching funds along with their matching fund verification. CPRIT's grant accountants review and confirm that the match funds were actually expended and are appropriate.

The Board Governance Subcommittee has reviewed the final order and recommends approval by the Oversight Committee. The final order will become effective 20 days after it is filed with the Secretary of State.

TITLE 25. HEALTH SERVICES

PART 11. CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

CHAPTER 703. Grants for Cancer Prevention and Research

The Cancer Prevention and Research Institute of Texas ("CPRIT" or "the Institute") adopts the amendment to § 703.11. The proposed amendment for Chapter 703 were published in the March 27, 2015, issue of the *Texas Register* (40 TexReg 1810).

Reasoned Justification

Texas Health and Safety Code § 102.255(d) requires CPRIT grantees to have encumbered funds equal to one-half of the amount of the grant award. The proposed rule clarifies how grant funds awarded by other granting organizations or the grantee's own funds may count towards the matching fund requirement of a CPRIT grant.

Summary of Public Comments and Staff Recommendations

The Institute accepted public comments in writing and by fax through April 27, 2015. CPRIT received one comment from Dr. Wolfram Siede at Santa Fe BioLabs, LLC. Dr. Siede contends that the language does not provide enough direction to universities and would prevent funds form benefiting the CPRIT grant project. As explained below, the Institute declines to change the proposed amendment. The amendment to Chapter 703 will be adopted as published in the March 27, 2015, edition of the *Texas Register* and will not be republished.

§ 703.11 Requirement to Demonstrate Available Funds for Cancer Research Grants

Dr. Siede suggests alternative language for the proposed amendment: "must be spent directly on the Grant Project within the grant period as directed by the principal investigator." He contends that the language as originally proposed would allow too much leeway for universities. As an example, Dr. Siede expressed concern that money spent on new carpet for the library may be construed as appropriate matching funds.

Response: The Institute declines to make the requested change to § 703.11. The suggestion is too narrowly written to provide guidance to grant recipients. The amendment as originally proposed allows institutions of higher education to use non-CPRIT funds to fulfill the matching requirement if the money is spent on activities that are sufficiently related to the CPRIT project so that the work maintained by the matching funds supports, extends, or facilitates the CPRIT project. CPRIT notes other rule provisions governing matching funds address concerns raised by Dr. Siede. For example, § 703.11(a) and (g) requires that matching funds be spent after the effective date of the grant and within the project period. Section 703.11(j) requires the grant recipient to maintain adequate documentation regarding the source and use of matching funds, and such documentation may be subject to an audit annually. This permits CPRIT to examine the source of funds claimed to fulfill the matching requirement and determine whether those funds support, extent, or facilities the CPRIT project.

Statutory Authority

The rules are proposed under the authority of the Texas Health and Safety Code Annotated, §§ 102.108 and 102.251, which provides the Institute with broad rule-making authority to administer the chapter.

Certification

The Institute hereby certifies that the adoption has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

To be filed with the Office of Secretary of State on May 21, 2015.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	**OVERSIGHT COMMITTEE MEMBERS**
From:	**AMY MITCHELL, CHAIR, BOARD GOVERNANCE SUBCOMMITTEE**
Subject:	**INTENTION TO RECOMMEND APPROVAL AND PUBLICATION OF PROPOSED CHANGES TO ADMINISTRATIVE RULES**
Date:	**MAY 12, 2015**

Summary and Recommendation

The Board Governance Subcommittee recommends that the Oversight Committee approve of the publication of proposed amendments to 25 T.A.C. Chapter 703. The proposed changes to §§ 703.7 and 703.8 would establish a deferral process for the Program Integration Committee (PIC) and Oversight Committee. The Board Governance Subcommittee reviewed and discussed the proposed amendments with CPRIT's General Counsel at its meeting on May 7, 2015.

Discussion

At the April 20, 2015, Oversight Committee meeting, Wayne Roberts directed staff to draft an award deferral process for the Oversight Committee. The proposed process outlines how both the PIC and Oversight Committee may defer grant award recommendations. Both the PIC and Oversight Committee must provide an explanation for deferrals. Deferred applications could only be considered during the same fiscal year in which they were recommended by a review council. After the expiration of the fiscal year, an applicant would need to resubmit the application, which would not count against the resubmission limit.

The Board Governance Subcommittee has reviewed the proposed amendments and recommends that the Oversight Committee approve publication. After the public comment period ends, a final order for the proposed rule changes may be considered by the Oversight Committee at the August meeting.

TITLE 25. HEALTH SERVICES

PART 11. CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

CHAPTER 703. Grants for Cancer Prevention and Research

The Cancer Prevention and Research Institute of Texas (Institute) proposes an amendment to §§ 703.7 and 703.8, regarding a deferral process of grant application recommendations by the Program Integration Committee and Oversight Committee.

Background and Justification

Texas Health and Safety Code § 102.251 outlines the rules for grant award procedures, but it does not include a process to defer grant award recommendations. The proposed amendments to §§ 703.7 and 703.8 outline a deferral process for the Program Integration Committee (PIC) and Oversight Committee. The proposed process allows the Institute to manage the potential for proposed grant award recommendations exceeding available grant funding for the year.

The proposed changes provide a process for either the PIC or the Oversight Committee to defer a final decision on one or more grant award recommendations until a future meeting within the same fiscal year. In order to defer an application recommendation, either the PIC or the Oversight Committee must vote to do so and state the reason for deferral in writing. Deferred applications pending at the end of the fiscal year without recommendations from the PIC or Oversight Committee are considered "not recommended" for grant awards without further action from the PIC or the Oversight Committee. However, the applicant may resubmit the application in a subsequent review cycle; such resubmission would not count against the resubmission limit.

Fiscal Note

Kristen Pauling Doyle, General Counsel for the Cancer Prevention and Research Institute of Texas, has determined that for the first five-year period the rule changes are in effect there will be no foreseeable implications relating to costs or revenues for state or local government as a result of enforcing or administering the rules.

Public Benefit and Costs

Ms. Doyle has determined that for each year of the first five years the rule changes are in effect the public benefit anticipated as a result of enforcing the rules will be clarification of policies and procedures the Institute will follow to implement its statutory duties.

Small Business and Micro-business Impact Analysis

Ms. Doyle has determined that the rule changes shall not have an effect on small businesses or on micro businesses.

Written comments on the proposed rule changes may be submitted to Ms. Kristen Pauling Doyle,

General Counsel, Cancer Prevention and Research Institute of Texas, P. O. Box 12097, Austin, Texas 78711 no later than July 6, 2015. Parties filing comments are asked to indicate whether or not they support the rule revisions proposed by the Institute and, if a change is requested, to provide specific text proposed to be included in the rule. Comments may be submitted electronically to kdoyle@cprit.state.tx.us. Comments may be submitted by facsimile transmission to 512/475-2563.

Statutory Authority

The rule changes are proposed under the authority of the Texas Health and Safety Code Annotated, §§ 102.108 and 102. 251, which provides the Institute with broad rule-making authority to administer the chapter. Kristen Pauling Doyle, the Institute's General Counsel, has reviewed the proposed amendment and certifies the proposal to be within the Institute's authority to adopt.

There is no other statute, article or code that is affected by these rules.

RULE §703.7 Program Integration Committee Funding Recommendation

(a) The Institute uses a Program Review process undertaken by the Institute's Program Integration Committee to identify and recommend for funding a final list of meritorious Cancer Research projects, including those projects with Cancer Research Product Development prospects, and evidence-based Cancer Prevention and Control Program projects that are in the best overall interest of the State.

(b) Program Review shall be conducted pursuant to the requirements set forth in Chapter 702 of this title (relating to Institute Standards on Ethics and Conflicts, Including the Acceptance of Gifts and Donations to the Institute) and Chapter 102, Texas Health and Safety Code.

(c) The Program Integration Committee shall meet pursuant to a schedule established by the Chief Executive Officer, who serves as the Committee's presiding officer, to consider the prioritized list of Grant Applications submitted by the Prevention Review Council, the Product Development Review Council, or the Scientific Review Council.

(d) The Program Integration Committee shall approve by a majority vote a final list of Grant Applications recommended for Grant Awards to be provided to the Oversight Committee, including a list of Grant Applications, if any, that have been deferred until a future meeting of the Program Integration Committee. In composing the final list of Grant Applications recommended for Grant Award funding, the Program Integration Committee shall:

(1) Substantially base the list upon the Grant Award recommendations submitted by the Review Council.

(2) To the extent possible, give priority for funding to Grant Applications that:

(A) Could lead to immediate or long-term medical and scientific breakthroughs in the area of Cancer Prevention or cures for cancer;

(B) Strengthen and enhance fundamental science in Cancer Research;

(C) Ensure a comprehensive coordinated approach to Cancer Research and Cancer Prevention;

(D) Are interdisciplinary or interinstitutional;

(E) Address federal or other major research sponsors' priorities in emerging scientific or Technology fields in the area of Cancer Prevention, or cures for cancer;

(F) Are matched with funds available by a private or nonprofit entity and institution or institutions of higher education;

(G) Are collaborative between any combination of private and nonprofit entities, public or private agencies or institutions in this state, and public or private institutions outside this state;

(H) Have a demonstrable economic development benefit to this state;

(I) Enhance research superiority at institutions of higher education in this state by creating new research superiority, attracting existing research superiority from institutions not located in this state and other research entities, or enhancing existing research superiority by attracting from outside this state additional researchers and resources;

(J) Expedite innovation and commercialization, attract, create, or expand private sector entities that will drive a substantial increase in high-quality jobs, and increase higher education applied science or Technology research capabilities; and

(K) Address the goals of the Texas Cancer Plan.

(3) Document the factors considered in making the Grant Award recommendations, including any factors not listed in paragraph (2) of this subsection;

(4) Explain in writing the reasons for not recommending a Grant Application that was recommended for a Grant Award by the Review Council or for deferring a Grant Application recommendation until a future meeting date;

(5) Specify the amount of Grant Award funding for each Grant Application.

(A) Unless otherwise specifically stated, the Program Integration Committee adopts the changes to the Grant Award amount recommended by the Review Council.

(B) If the Program Integration Committee approves a change in the Grant Award amount that was not recommended by the Review Council, then the Grant Award amount and a written explanation for the change shall be provided.

(6) Specify changes, if any, to the Grant Application's goals and objectives or timeline recommended for a Grant Award and provide an explanation for the changes made; and

(7) Address how the funding recommendations meet the annual priorities for Cancer Prevention, Cancer Research and Product Development programs and affect the Institute's overall Grant Award portfolio established by the Oversight Committee.

(e) In the event that the Program Integration Committee's vote on the final list of Grant Award recommendations or deferrals is not unanimous, then the Program Integration Committee Member or Members not voting with the majority may submit a written explanation to the Oversight Committee for the vote against the final list of Grant Award recommendations or deferrals. The explanation may include the Program Integration Committee Member or Members' recommended prioritized list of Grant Award recommendations or deferrals.

(f) The Program Integration Committee's decision to not include a Grant Application on the prioritized list of Grant Applications submitted to the Oversight Committee is final. A Grant

Application not included on the prioritized list created by the Program Integration Committee shall not be considered further during the Grant Review Cycle, except for the following:

(1) In the event that the Program Integration Committee's vote on the final list of Grant Award recommendations is not unanimous, then, upon a motion of an Oversight Committee Member, the Oversight Committee may also consider the Grant Award recommendations submitted by the non-majority Program Integration Committee Member or Members; ~~or~~

(2) A finding of an undisclosed Conflict of Interest as set forth in §703.9 of this chapter (relating to Limitation on Review of Grant Process)~~.~~; or

(3) A decision by the Program Integration Committee to defer a decision to include a Grant Application on the prioritized list of Grant Applications submitted to the Oversight Committee until a future meeting of the Program Integration Committee, subject to subsection (k).

(g) The Chief Compliance Officer shall attend and observe Program Integration Committee meetings to document compliance with Chapter 102, Texas Health and Safety Code and the Institute's administrative rules.

(h) At the time that the Program Integration Committee's final Grant Award recommendations are formally submitted to the Oversight Committee, the Chief Executive Officer shall prepare a written affidavit for each Grant Application recommended by the Program Integration Committee containing relevant information related to the Grant Application recommendation.

(1) Information to be provided in the Chief Executive Officer's affidavit may include:

(A) The Peer Review process for the recommended Grant Application, including:

(i) The Request for Applications applicable to the Grant Application;

(ii) The number of Grant Applications submitted in response to the Request for Applications;

(iii) The name of the Peer Review Panel reviewing the Grant Application;

(iv) Whether a preliminary review process was used by the Peer Review Panel for the Grant Mechanism in the Grant Review Cycle;

(v) An overview of the Conflict of Interest process applicable to the Grant Review Cycle noting any waivers granted; and

(vi) A list of all final Overall Evaluation Scores for all Grant Applications submitted pursuant to the same Grant Mechanism, de-identified by Grant Applicant;

(B) The final Overall Evaluation Score and Numerical Ranking Score assigned for the Grant Applications recommended during the Peer Review process; and

(C) A high-level summary of the business operations and management due diligence and intellectual property reviews, if applicable, conducted for a Cancer Research Product Development Grant Application.

(2) In the event that the Program Integration Committee's final Grant Award recommendations are not unanimous and the Program Integration Committee Member or Members in the non-majority recommend Grant Applications not included on the final list of Grant Award recommendations, then the Chief Executive Officer shall also prepare a written affidavit for each Grant Application recommended by the non-majority Program Integration Committee Member or Members.

(i) To the extent that the information or documentation for one Grant Application is the same for all Grant Applications recommended for Grant Award funding pursuant to the same Grant Mechanism, it shall be sufficient for the Chief Executive Officer to provide the information or documentation once and incorporate by reference in each subsequent affidavit.

(j) At least three business days prior to the Oversight Committee meeting held to consider the Grant Applications for Grant Award funding, the Chief Executive Officer shall provide a list of Grant Applications, if any, recommended for an advance of Grant Award funds upon execution of the Grant Contract. The list shall include the reasons supporting the recommendation to advance funds.

(k) The Program Integration Committee’s decision to defer the final Grant Award recommendation for a Grant Application is only effective for the state fiscal year in which the Program Integration Committee’s deferral decision is made.

(1) A Grant Application that is deferred by the Program Integration Committee and is pending a final Grant Award recommendation at the end of the state fiscal year shall be considered not recommended for a Grant Award without further action from the Program Integration Committee.

(2) A Grant Application that is deferred and pending a final Grant Award recommendation at the end of the state fiscal year may be resubmitted by the Grant Applicant in a subsequent review cycle. Such resubmission will not count against the resubmission limit, if any, stated in the Request for Applications.

RULE §703.8 Oversight Committee Consideration of the Program Integration Committee's Funding Recommendation

The Oversight Committee must vote to approve each Grant Award recommendation submitted by the Program Integration Committee.

(1) Prior to the Oversight Committee's consideration and approval of the Program Integration Committee's Grant Award recommendations, the Chief Compliance Officer must review the process documentation for each Grant Application recommended for a Grant Award by the Program Integration Committee and report the findings to the Chief Executive Officer and to the Oversight Committee. The Chief Compliance Officer's report shall:

(A) Publicly certify that the Grant Review Process complied with the Institute's administrative rules and procedures, including those procedures stated in the Request for Applications.

(B) Indicate variances, if any, in the Grant Review Process.

(C) Compare the list of Grant Applicants recommended for a Grant Award to a list of donors from any nonprofit organization established to provide support to the Institute.

(2) The Chief Executive Officer may recommend corrective actions to address variances, if any, identified by the Chief Compliance Officer. The Oversight Committee shall consider and may approve proposed corrective actions at that time that the Grant Award recommendations are approved by a vote of a simple majority of Oversight Committee members present and voting.

(3) Two-thirds of the Oversight Committee Members present and voting must approve each Grant Award recommendation. At the time that the Oversight Committee approves the Grant Award recommendation:

(A) The total amount of money approved to fund a multiyear project must be specified.

(B) The Chief Executive Officer's recommendation, if any, regarding an advance of Grant Award funds must be approved by a majority vote of the Oversight Committee.

(4) If the Oversight Committee does not approve a Grant Award recommendation made by the Program Integration Committee, the minutes of the meeting shall record the explanation for the failure to follow the Grant Award recommendation.

(5) The Oversight Committee may not award more than $300 million in Grant Awards in a fiscal year.

(6) No Oversight Committee action is necessary related to the Program Integration Committee’s decision made pursuant to § 703.7 to defer a final Grant Award recommendation for one or more Grant Applications.

(7) Nothing herein prevents the Oversight Committee from voting to defer a final decision on a Grant Award recommendation made by the Program Integration Committee until a future meeting date pursuant to the following process:

(a) The motion to defer a final decision on a Grant Award recommendation must be made by an Oversight Committee member that is not recused from taking action on the Grant Application;

(b) The motion must be approved by two-thirds of the Oversight Committee Members present and voting;

(c) The reason for deferring a final decision on one or more Grant Award recommendations must be recorded in the minutes of the Oversight Committee meeting;

(d) Applications that have been deferred shall be considered by the Program Integration Committee at a future meeting date pursuant to § 703.7;

(e) The decision to defer the final Grant Award recommendation is only effective for the state fiscal year in which the deferral decision is made;

(f) A Grant Application that is deferred and pending a final Grant Award recommendation at the end of the state fiscal year shall be considered not recommended for a Grant Award without further action from the Program Integration Committee or the Oversight Committee; and

(g) A Grant Application that is deferred and pending a final Grant Award recommendation at the end of the state fiscal year may be resubmitted by the Grant Applicant in a subsequent review cycle. Such resubmission will not count against the resubmission limit, if any, stated in the Request for Applications.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	**OVERSIGHT COMMITTEE MEMBERS**
From:	**KRISTEN P. DOYLE, GENERAL COUNSEL**
Subject:	**DEFERRAL PROCESS**
Date:	**MAY 13, 2015**

Summary and Recommendation:

CPRIT's statute and administrative rules establish the process for the consideration of grant award recommendations made by CPRIT's Review Councils. In order to better manage the potential for proposed grant award recommendations exceeding available grant funding, the Oversight Committee is considering the option to defer until a future meeting a final decision on one or more grant recommendations. Currently, the statute and administrative rules are silent regarding the ability of the PIC or the Oversight Committee to postpone making a final decision on a grant award recommendation. The Oversight Committee is authorized to adopt administrative rules governing the grant award process. The proposed changes to CPRIT's administrative rules 25 T.A.C. §§ 703.7 and 703.8 provide a transparent process for either the PIC or the Oversight Committee to defer a final decision on grant award recommendations. I recommend the proposed process because it is consistent with the statute and provides the PIC and the Oversight Committee greater flexibility to address limited funding.

Background:

Following discussion at the April 20, 2015, Oversight Committee meeting regarding grant award recommendations, CEO Wayne Roberts directed CPRIT staff to create a process for deferring one or more grant award recommendations until a future meeting date. The proposed amendments to two administrative rules, 25 T.A.C. §§ 703.7 and 703.8 (attached, with proposed changes underlined and in red), provide a framework for deferral decisions to be made by the PIC or the Oversight Committee.

The proposed amendments were discussed with the Board Governance Subcommittee at its meeting on May 7, 2015. Once approved by the Oversight Committee, the proposed rule amendments will follow the administrative rulemaking process, including publication in the *Texas Register* and a public comment period. Should the Oversight Committee approve the proposed changes for publication at the May meeting, the final rule will be eligible for approval at the August Oversight Committee meeting.

The Board Governance Subcommittee discussed other potential rule changes affecting the subsequent review process for grant applications left pending at the end of the fiscal year, but agreed to take the issue up at a future subcommittee meeting.

Statutory and Administrative Rule Guidance

CPRIT's statute and administrative rules provide a framework for the PIC and the Oversight Committee to consider, recommend, and approve CPRIT grant awards.[1] The current process contemplates that a grant award recommendation will either be approved by the Oversight Committee or rejected (by failing to receive the required two-thirds vote).[2] However, the statute and administrative rules are silent regarding the ability of the PIC or the Oversight Committee to defer a decision on a grant application that has been recommended by one of CPRIT's Review Councils until a future meeting date.

Deferring the decision on a grant award recommendation until a future meeting date is consistent with the scope of powers provided to the PIC and the Oversight Committee related to grant award decisions. However, without specific guidance regarding a deferral process, the PIC and Oversight Committee risk the appearance of arbitrary decision making. The ability to adopt rules regarding grant award procedures is granted to the Oversight Committee by Texas Health & Safety Code § 102.251(a), which provides that: "The Oversight Committee shall issue rules regarding the procedure for awarding grants to an applicant under this chapter…"

Another legal issue to consider when framing the deferral process is the permissible time period for a deferral. The statute limits consideration of grant award recommendations to the same fiscal year in which the Review Council makes the grant award recommendation.[3] This means that a grant award recommendation made by one of CPRIT's Review Councils (referred to as a "research and prevention program committee" in the statute) must be acted upon within the same fiscal year the recommendation is made and cannot be deferred until the next fiscal year.

Discussion and Proposed Deferral Process

As described in the proposed amendments to §§ 703.7 and 703.8, the deferral process may be initiated by the PIC or the Oversight Committee.

[1] See Texas Health & Safety Code §§ 102.251, 102.252 and 25 T.A.C. § 703.7, 703.8.
[2] See, for example, Texas Health & Safety Code §§ 102.252: "Two-thirds of the members of the Oversight Committee present and voting must vote to approve each funding recommendation of the program integration committee. If the oversight committee does not approve a funding recommendation of the program integration committee, a statement explaining the reasons a funding recommendation was not followed must be included in the minutes of the meeting."
[3] Texas Health & Safety Code § 102.257 mandates that, "…The total amount [to fund the multiyear project] is considered for purposes of this subchapter to have been awarded in the state fiscal year that the project is approved by the research and prevention program committee."

PIC Deferral Process

The PIC may determine that a final decision on one or more applications recommended by the Review Councils should be delayed until a future meeting date. The PIC-initiated deferral process includes the following:

- The decision to defer the final decision on a grant application must be approved by a majority vote of the PIC. (Proposed change to § 703.7(d).)

- In the event that the deferral decision is not unanimous, a PIC member or members not voting in the majority may provide a letter to the Oversight Committee explaining the vote against the majority decision. The PIC member's explanation may include a separate list of Grant Applications, if any, to be deferred. (Proposed change to § 703.7(e).)

- The PIC must create a list of grant applications that have been deferred. The list should include the amount of funding requested for each deferred application and a written statement explaining the reason for deferring grant application. (Proposed change to § 703.7(d)(4).)

- To the extent that a grant recommendation is deferred but the PIC does not make a grant award decision within the same fiscal year, the grant application is automatically considered "not recommended" without further action from the PIC or the Oversight Committee. *This is necessary in order to follow the statutory directive that a decision to award grant funds be made in the same fiscal year as the recommendation is made by the Review Council.* (Proposed new subsection § 703.7(k).)

- The PIC's list of proposed deferrals is provided to the Oversight Committee at the same time that the list of grant recommendations is made available. The proposed deferrals list is for informational purposes only; no further action from the Oversight Committee is necessary related to the deferrals. (Proposed new subsection § 703.8(6).)

Oversight Committee Deferral Process

Although the Oversight Committee does not need to act to authorize the PIC's action to defer a final grant award recommendation(s) until a future PIC meeting, the Oversight Committee may decide to defer a decision for one or more grant recommendations on its own initiative. The Oversight Committee-initiated deferral process includes the following steps:

- The Oversight Committee may vote to defer consideration of one or more grant recommendations until a future meeting within the same fiscal year. The motion to

approve the deferral must be approved by a two-thirds majority of those members present and able to vote. (Proposed new subsection §703.8(7)(a) and (b).)

- The reason for deferring a decision on a grant award recommendation must be recorded in the minutes of the Oversight Committee meeting. (Proposed new subsection § 703.8(7)(c).)

- The PIC shall consider the grant applications that were deferred by the Oversight Committee at a future meeting within the same fiscal year. (Proposed new subsection § 703.8(7)(d).)

- To the extent that a grant recommendation is deferred but not taken up again within the same fiscal year, the grant application is automatically considered "not recommended" without further action from the PIC or the Oversight Committee. *This is necessary in order to follow the statutory directive that a decision to award grant funds be made in the same fiscal year as the recommendation is made by the Review Council.* (Proposed new subsection §703.8(7)(e) and (f).)

In the event that a deferred grant application is left pending at the end of the fiscal year by either the PIC or the Oversight Committee, a proposed change to the administrative rules permits the applicant to resubmit the application in a future review cycle without being counted against the resubmission limit for the grant mechanism.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO:	OVERSIGHT COMMITTEE MEMBERS
FROM:	AMY MITCHELL, CHAIR, BOARD GOVERNANCE SUBCOMMITTEE
SUBJECT:	UPCOMING OFFICER ELECTIONS
DATE:	MAY 13, 2015

Summary and Recommendation:

Oversight Committee Bylaws Section 5.2 provides that the Oversight Committee Chair and Vice Chair shall be elected by a simple majority at the last regular meeting of the State fiscal year in each odd-numbered year. This will be the first election of new officers since Chair Rice and Vice Chair Geren were elected in November 2013. The Board Governance Subcommittee recommends that the outgoing Chair work with the Nominations Subcommittee to manage the procedural aspects of the upcoming board elections, including solicitation of nominations and recommendations to the Oversight Committee.

Background:

The Board Governance Subcommittee met on May 7 to discuss items for upcoming Oversight Committee meetings, including officer elections to take place at the August Oversight Committee meeting. Since this is the first election of new officers to take place since officers were elected by the new Oversight Committee in November 2013, the Board Governance Subcommittee reviewed the officer election process described in Article 5 of the Oversight Committee Bylaws.

Recommendation:

The subcommittee recommends the additions/changes described below for the Oversight Committee's consideration. Conforming changes to the Bylaws and Nominations Subcommittee charter are attached.

- A process for accepting nominations – The Bylaws do not assign any person or subcommittee the task of accepting nominations for officer candidates. We recommend that the Oversight Committee assign this task to the Nominations Subcommittee and the outgoing Oversight Committee Chair (the chair is prohibited from holding the office for consecutive terms). The Nominations Subcommittee, working with the Oversight Committee Chair, would accept and record nominations from individual members following the May Oversight Committee meeting. Assigning the responsibility to the Nominations Subcommittee avoids inadvertent violations of the Texas Open Meetings Act.
- A process for recommending officer candidates – The subcommittee agrees that a unanimous election of board officers is preferable. To that end, we recommend that the Nominations Subcommittee, working in conjunction with the outgoing Oversight Committee Chair, recommend a slate of officer candidates for the consideration at the time of the election.

CHARTER OF THE NOMINATIONS SUBCOMMITTEE FOR THE CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

BACKGROUND

The Oversight Committee of the Cancer Prevention and Research Institute of Texas ("CPRIT" or "Institute") established a Nominations Subcommittee (the "Subcommittee") on November 19, 2008. This Charter, adopted by the Oversight Committee on _____, supersedes any other documents relating to the Nominations Subcommittee.

PURPOSE

The primary purpose of the Subcommittee is to advise the Oversight Committee on the composition and effectiveness of the Institute advisory committees, including identifying and nominating qualified candidates for appointment to Institute's advisory committees. The Subcommittee also facilitates the Oversight Committee's biannual officer election process.

COMPOSITION

The Subcommittee shall be composed of at least three members of the Oversight Committee; such members to be appointed from time to time by a majority vote of the Oversight Committee at a meeting at which a quorum is present and approved by the Oversight Committee. The Oversight Committee shall designate the Chairperson of the Subcommittee from among its members. A member of the Nominations Subcommittee will serve until his or her successor is duly appointed and qualified unless the member resigns or is removed from the Nominations Subcommittee. The Oversight Committee may replace any member of the Subcommittee by a majority vote of the Oversight Committee.

MEETINGS AND QUORUM

The Subcommittee shall meet as often as the Chairperson of the Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under the Bylaws. The Subcommittee shall keep regular minutes of its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Institute, and report the same to the Oversight Committee at its next regular meeting.

If a member of the Subcommittee is absent from any meeting, or disqualified from voting at that meeting, then the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may, by a unanimous vote, appoint another member of the Oversight Committee to act at the meeting in the place of

any such absent or disqualified member. Unless the Oversight Committee provides otherwise, at all meetings of the Subcommittee, a majority of the then authorized members of the Subcommittee will constitute a quorum, and the vote of a majority of the members of the Subcommittee present at any meeting at which there is a quorum will be the act of the Subcommittee.

Unless the Oversight Committee provides otherwise, the Subcommittee may make, alter, and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures, the Subcommittee shall conduct its business in the same manner as the Oversight Committee conducts its business, except that meetings of the Subcommittee are not required to be conducted pursuant to the Open Meetings Act.

DUTIES AND RESPONSIBILITIES

The Subcommittee has the following duties and responsibilities:

- Annually review and report to the Oversight Committee regarding the composition and effectiveness of the Institute's advisory committees;
- Identify qualified individuals for appointment as members of advisory committees; ~~and~~
- Circulate to Oversight Committee members in advance of a public meeting, written notification of the committee's intent to make the nomination, along with such information about the nominee as may be relevant; and
- Facilitate the Oversight Committee's officer election process by accepting nominations and recommending candidates for Oversight Committee consideration. The Subcommittee may work together with the outgoing Oversight Committee Chair to fulfill duties related to board elections.

OTHER DUTIES

The Subcommittee will submit this Charter to the Oversight Committee for its approval; evaluate the Subcommittee's performance on a periodic basis, periodically review the adequacy of this Charter and perform any other activities consistent with this Charter, the Bylaws, and applicable laws as the Subcommittee or the Oversight Committee deems necessary or appropriate.

In addition to its duties and responsibilities, the Subcommittee shall perform such additional special functions, duties or responsibilities related thereto as may from time to time be designated to it by the Oversight Committee Chair.

THE CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS

OVERSIGHT COMMITTEE BYLAWS

CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS
OVERSIGHT COMMITTEE BYLAWS

ARTICLE 1
ESTABLISHMENT AND PURPOSES

Section 1.1 Establishment. The Cancer Prevention and Research Institute of Texas (the "Institute") was established by the Texas Legislature in 2007, as authorized by Article 3, Section 67 of the Constitution of the State of Texas. The statutory provisions establishing the Institute are set forth in Chapter 102 of the Health and Safety Code of the State of Texas (the "Health and Safety Code"). Administrative rules governing the Institute are set forth in Title 25, Chapters 701–704, of the Texas Administrative Code.

Section 1.2 Purposes. The Institute is established to:

(a) create and expedite innovation in the area of cancer research and in enhancing the potential for a medical or scientific breakthrough in the prevention of cancer and cures for cancer;

(b) attract, create, or expand research capabilities of public or private institutions of higher education and other public or private entities that will promote a substantial increase in cancer research and in the creation of high-quality new jobs in this state; and

(c) develop and implement the Texas Cancer Plan.

ARTICLE 2
AUTHORITY, AMENDMENT, AND INTERPRETATION

Section 2.1 Rulemaking Authority. These Bylaws ("Bylaws") have been adopted by the Oversight Committee (as defined herein) pursuant to the authority granted to the Oversight Committee in Section 102.108 of the Health and Safety Code.

Section 2.2 Amendment. These Bylaws may be amended or modified only with the approval of a simple majority of the members of the Oversight Committee as set forth in Section 3.13; provided, that no amendment or modification to these Bylaws may be made if such amendment or modification would cause these Bylaws to conflict with applicable law. All approved amendments or modifications shall be noted in a "Statement of Revisions" at the end of these Bylaws.

Section 2.3 Interpretation. These Bylaws are adopted subject to any applicable law, including, but not limited to, Chapter 102 of the Health and Safety Code and Title 25, Chapters 701–704, of the Texas Administrative Code. Whenever these Bylaws may conflict with applicable law, the conflict will be resolved in favor of the applicable law. If at any time the Oversight Committee determines that these Bylaws conflict with applicable law, then the Oversight Committee shall promptly act to amend these Bylaws to cause them to conform to applicable law.

ARTICLE 3
THE OVERSIGHT COMMITTEE

Section 3.1 General Powers. The Oversight Committee of the Institute (the "Oversight Committee") is the governing body of the Institute. The Oversight Committee may adopt such policies and practices, consistent with applicable law, as it may deem proper for the conduct of its meetings and the management of the Institute.

Section 3.2 Number. The Oversight Committee is composed of the following nine (9) members:

(a) three members appointed by the Governor of the State of Texas;

(b) three members appointed by the Lieutenant Governor of the State of Texas; and

(c) three members appointed by the Speaker of the House of Representatives of the State of Texas

Section 3.3 Composition; Disqualification.

(a) The members of the Oversight Committee must represent the geographic and cultural diversity of the State of Texas. In making appointments to the Oversight Committee, the Governor, Lieutenant Governor, and Speaker of the House of Representatives of the State of Texas shall each appoint at least one person who is a physician or a scientist with extensive experience in the field of oncology or public health and should attempt to include cancer survivors and family members of cancer patients if possible.

(b) A person may not be a member of the Oversight Committee if the person or the person's spouse: (i) is employed by or participates in the management of a business entity or other organization receiving money from the Institute; (ii) owns or controls, directly or indirectly, an interest in a business entity or other organization receiving money from the Institute; or (iii) uses or receives a substantial amount of tangible goods, services, or money from the Institute, other than reimbursement authorized by law for Oversight Committee membership, attendance, or expenses.

Section 3.4 Term. Each member of the Oversight Committee will hold office for such member's term or until such member's earlier death, resignation, disqualification, or removal. Members of the Oversight Committee appointed by the Governor, Lieutenant Governor, and Speaker of the House of Representatives of the State of Texas serve at the pleasure of the appointing office for staggered six-year terms, with the terms of three members expiring on January 31 of each odd-numbered year. Not later than the 30th day after the date an Oversight Committee member's term expires, the appropriate appointing authority shall appoint a replacement.

Section 3.5 Vacancy. If a vacancy occurs on the Oversight Committee, then the appropriate appointing authority shall appoint a successor, in the same manner as the original appointment, to serve for the remainder of the unexpired term. The appropriate appointing authority shall appoint the successor not later than the 30th day after the date the vacancy occurs.

Section 3.6 Resignation. Any appointed or designated member of the Oversight Committee may resign at any time by notice given in writing to the appropriate appointing authority and to the Chair of the Oversight Committee or to the Vice Chair if the Chairman is resigning. The resigning member will continue to serve until such time that the appropriate appointing authority appoints a successor.

Section 3.7 Removal. It is a ground for removal from the Oversight Committee that a member: (a) is ineligible for membership of the Oversight Committee under Section 3.3(b) of these Bylaws; (b) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or (c) is absent from more than half of the regularly scheduled Oversight Committee meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the Oversight Committee. If the Chief Executive Officer has knowledge that a potential ground for removal exists, then the Chief Executive Officer shall notify the Chairperson of the potential ground. The Chairperson shall then notify the appointing authority and the Attorney General of the State of Texas that a potential ground for removal exists. If the potential ground for removal involves the Chairperson, then the Chief Executive Officer shall notify the next highest ranking officer of the Oversight Committee, who shall then notify the appointing authority and the Attorney General of the State of Texas that a potential ground for removal exists. Notwithstanding, the foregoing, the validity of an action of the Oversight Committee is not affected by the fact that it is taken when a ground for removal of a committee member exists.

Section 3.8 Strategic Partnerships. To the fullest extent permitted by applicable law, the Oversight Committee retains the authority and power to approve strategic partnerships, alliances, and coalitions of the Institute subject to vote of the simple majority of the members of the Oversight Committee as set forth in Section 3.13.

Section 3.9 Regular Meetings. The Oversight Committee shall hold a public meeting at least once in each quarter of the calendar year, with appropriate notice and with a formal public comment period.

Section 3.10 Special Meetings. Special meetings of the Oversight Committee may be held upon the call of the Chairperson of the Oversight Committee, or the Vice Chairperson of the Oversight Committee when performing the duties of the Chairperson, as he or she may deem necessary, with appropriate notice and with a formal public comment period. Emergency meetings and telephonic meetings may be held only as provided under applicable law.

Section 3.11 Notice of Open Meetings. All meetings of the Oversight Committee are subject to the terms of the Open Meetings Act, Chapter 551 of the Texas Government Code (the "Open Meetings Act"). The Open Meetings Act provides that the public must be given notice of the time, place, and subject matter of meetings of governmental bodies. In absence of an emergency, notice of a meeting must be posted at a place that is readily accessible to the public at all times at least seven (7) days preceding the scheduled time of the meeting. In case of an emergency of urgent public necessity, which shall be clearly identified in the notice, it shall be sufficient if the notice is posted two hours before the meeting is convened.

Section 3.12 Quorum. The presence of a simple majority of the members of the Oversight Committee present is necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Oversight Committee.

Section 3.13 Action By Simple Majority Vote. Except as otherwise provided by these Bylaws or applicable law, the vote of a simple majority of the members of the Oversight Committee present at a meeting at which a quorum is present will be the prevailing action of the Oversight Committee.

Section 3.14 Expenses. A member of the Oversight Committee is not entitled to compensation, but is entitled to reimbursement for actual and necessary expenses incurred in attending meetings of the Oversight Committee or performing other official duties authorized by the Chairperson.

Section 3.15 Training. The Institute's General Counsel and Chief Compliance Officer shall provide training to all new members of the Oversight Committee and shall provide ongoing or continuing training to all members of the Oversight Committee not less than once a year. The form and substance of such training will be in the discretion of the Institute's General Counsel and Chief Compliance Officer. Each new member of the Oversight Committee shall also complete a course of training regarding his or her responsibilities under the Open Meetings Act within 90 days of becoming a member of the Oversight Committee.

ARTICLE 4
SUBCOMMITTEES OF THE OVERSIGHT COMMITTEE

Section 4.1 Generally. The Oversight Committee may designate one or more subcommittees of the Oversight Committee, each subcommittee to consist of three or more of the members of the Oversight Committee. The Oversight Committee shall appoint and approve members of the subcommittees specifically listed in Section 4.2, except for the members of the Executive Committee, which shall be comprised of the designated members as set forth below in Section 4.3. The Oversight Committee may designate one or more members of the Oversight Committee as alternate members of any subcommittee, who may replace any absent or disqualified member at any meeting of the subcommittee. If a member of a subcommittee is absent from any meeting, or disqualified from voting thereat, then the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may, by a unanimous vote, appoint another member of the Oversight Committee to act at the meeting in the place of any such absent or disqualified member. Unless the Oversight Committee provides otherwise, at all meetings of a subcommittee, a majority of the then authorized members of the subcommittee will constitute a quorum, and the vote of a majority of the members of the subcommittee present at any meeting at which there is a quorum will be the act of the subcommittee. Unless the Oversight Committee provides otherwise, each subcommittee designated by the Oversight Committee shall adopt a subcommittee charter and may make, alter, and repeal rules and procedures for the conduct of its business. The Subcommittee charter shall be approved by a vote of a simple majority as set forth in Section 3.13. In the absence of a subcommittee charter, each subcommittee shall conduct its business in the same manner as the Oversight Committee conducts its business. Each subcommittee will have a chairperson, who will be selected by the Oversight Committee at large.

Section 4.2 Certain Subcommittees. Without limiting in any way the previous Section, the following are subcommittees of the Oversight Committee (each of which has the powers and authority set forth in this Article in addition to any other powers and authority as may be delegated to it by the Oversight Committee):

(a) Executive Subcommittee;

(b) Audit Subcommittee;

(c) Board Governance and Ethics Subcommittee;

(d) Nominations Subcommittee;

(e) Product Development Subcommittee;

(f) Scientific Research Subcommittee;

(g) Prevention Subcommittee; and

(h) Diversity Subcommittee.

Section 4.3 Executive Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Executive Subcommittee (the "Executive Subcommittee").

(a) The purpose of the Executive Subcommittee is to transact all normal business referred to it by the Oversight Committee and to conduct the Chief Executive Officer's annual performance review.

(b) The Executive Subcommittee will be composed of no more than four (4) members of the Oversight Committee. Members of the Executive Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal from their positions by action of the Oversight Committee.

(c) The Executive Subcommittee shall meet as often as the Chair deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

(d) Meetings of the Executive Subcommittee shall be conducted in accordance with the Texas Open Meetings Act.

Section 4.4 Audit Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Audit Subcommittee (the "Audit Subcommittee").

(a) The purpose of the Audit Subcommittee is to review and make recommendations to the Oversight Committee with respect to the following:

(i) The annual operating budget and strategic plan;

(ii) Policies for monitoring grant performance;

(iii) Variances in the operating budget of the Institute of more than 5% or $25,000;

(iv) Non-grant contracts exceeding $100,000; and

(v) Any variance of more than 10% in any announced grant award.

(b) The members of the Audit Subcommittee will be appointed by the Oversight Committee. The Audit Subcommittee will be composed of not less than three members of the Oversight Committee. Members of the Audit Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal. The Oversight Committee may replace any member of the Audit Subcommittee.

(c) The Audit Subcommittee shall meet as often as the Chairperson of the Audit Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

Section 4.5 Board Governance and Ethics Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Board Governance and Ethics Subcommittee (the "Board Governance and Ethics Subcommittee").

(a) The purpose of the Board Governance and Ethics Subcommittee is to review and recommend proposed changes for approval to the Oversight Committee with respect to the following:

(i) These Bylaws;

(ii) Any policies or administrative rules of the Institute;

(iii) Legislation regarding or affecting the Institute;

(iv) The delegation of authority to the Chief Executive Officer;

(v) The ethics policies of the Institute and their administration; and

(vi) An annual review of the internal policies and processes of the Oversight Committee.

(b) The members of the Board Governance and Ethics Subcommittee will be appointed by the Oversight Committee. The Board Governance and Ethics Subcommittee will be composed of not less than three members of the Oversight Committee. Members of the Board Governance and Ethics Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal. The Oversight Committee may replace any member of the Board Governance and Ethics Subcommittee.

(c) The Board Governance and Ethics Subcommittee shall meet as often as the Chairperson of the Board Governance and Ethics Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

Section 4.6 Nominations Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Nominations Subcommittee (the "Nominations Subcommittee").

(a) The purpose of the Nominations Subcommittee is to identify members for the Institute's advisory committees and to accept nominations for and recommend candidates to serve as Oversight Committee officers.

(b) The members of the Nominations Subcommittee will be appointed by the Oversight Committee. The Nominations Subcommittee will be composed of not less than three members of the Oversight Committee. Members of the Nominations Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal. The Oversight Committee may replace any member of the Nominations Subcommittee.

(c) The Nominations Subcommittee shall meet as often as the Chairperson of the Nominations Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

Section 4.7 Product Development Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Product Development Subcommittee (the "Product Development Subcommittee").

(a) The purpose of the Product Development Subcommittee is to develop policies for the Oversight Committee's adoption that will ensure that the Institute properly exercises its duty to award grants for research, including translational research, to develop therapies, protocols, medical pharmaceuticals, or procedures for the cure or substantial mitigation of all types of cancer. In addition, the Product Development Subcommittee will work with CPRIT staff to oversee the design and improvement of processes for the solicitation, review, award and performance monitoring of CPRIT product development research grants.

(b) The members of the Product Development Subcommittee will be appointed by the Oversight Committee. The Product Development Subcommittee will be composed of not less than three members of the Oversight Committee. Members of the Product Development Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal. The Oversight Committee may replace any member of the Product Development Subcommittee.

(c) The Product Development Subcommittee shall meet as often as the Chairperson of the Product Development Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

Section 4.8 Scientific Research Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Scientific Research Subcommittee (the "Scientific Research Subcommittee").

(a) The purpose of the Scientific Research Subcommittee is to provide appropriate program oversight and feedback to the Oversight Committee related to program policies, including, but not limited to, policies for implementing, monitoring, and revising the Texas Cancer Plan. In addition, the Scientific Research Subcommittee will work with CPRIT staff to oversee the design and improvement of processes for the solicitation, review, award and performance monitoring of CPRIT scientific research grants. The purpose of the Scientific Research Subcommittee is to develop policies for the Oversight Committee's adoption that will ensure that the Institute properly exercises its duty to award grants for research into the causes of

and cures for all types of cancer in humans and to create and expedite innovation in the area of cancer research and in enhancing the potential for a medical or scientific breakthrough in the prevention of cancer and cures for cancer. In addition, the Scientific Research Subcommittee will work with CPRIT staff to oversee the design and improvement of processes for the solicitation, review, award and performance monitoring of CPRIT research grants.

(b) The members of the Scientific Research Subcommittee will be appointed by the Oversight Committee. The Scientific Research Subcommittee will be composed of not less than three members of the Oversight Committee. Members of the Scientific Research Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal. The Oversight Committee may replace any member of the Scientific Research Subcommittee.

(c) The Scientific Research Subcommittee shall meet as often as the Chairperson of the Scientific Research Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

Section 4.9 Prevention Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Prevention Subcommittee (the "Prevention Subcommittee").

(a) The purpose of the Prevention Subcommittee is to provide appropriate program oversight and feedback to the Oversight Committee related to program policies, including, but not limited to, policies for implementing, monitoring, and revising the Texas Cancer Plan. In addition, the Prevention Subcommittee will work with CPRIT staff to oversee the design and improvement of processes for the solicitation, review, award and performance monitoring of CPRIT prevention grants. The purpose of the Prevention Subcommittee is to develop policies for the Oversight Committee's adoption that will ensure that the Institute properly exercises its duty to award grants for cancer prevention and control programs to mitigate the incidence of all types of cancers in humans and to implement the Texas Cancer Plan. In addition, the Prevention Subcommittee will work with CPRIT staff to oversee the design and improvement of processes for the solicitation, review, award and performance monitoring of CPRIT prevention grants.

(b) The members of the Prevention Subcommittee will be appointed by the Oversight Committee. The Prevention Subcommittee will be composed of not less than three members of the Oversight Committee. Members of the Prevention Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal. The Oversight Committee may replace any member of the Prevention Subcommittee.

(c) The Prevention Subcommittee shall meet as often as the Chairperson of the Prevention Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

Section 4.10 Diversity Subcommittee. There is a subcommittee of the Oversight Committee to be known as the Diversity Subcommittee (the "Diversity Subcommittee").

(a) The purpose of the Diversity Subcommittee is to ensure that the Institute makes every effort to outreach to all communities about the cancer research and prevention funding opportunities in the State of Texas.

(b) The members of the Diversity Subcommittee will be appointed by the Oversight Committee. The Diversity Subcommittee will be composed of not less than three members of the Oversight Committee. Members of the Diversity Subcommittee will serve until their successors are duly appointed and qualified or their earlier resignation or removal. The Oversight Committee may replace any member of the Diversity Subcommittee.

(c) The Diversity Subcommittee shall meet as often as the Chairperson of the Diversity Subcommittee deems appropriate, but at least quarterly, to perform its duties and responsibilities under these Bylaws.

ARTICLE 5
CHAIRPERSON AND VICE CHAIRPERSON

Section 5.1 Election. The Oversight Committee shall elect from among its members a Chairperson and a Vice Chairperson in accordance with the selection provisions of these Bylaws. Nothing herein restricts the ability of the Oversight Committee to elect additional officers from among its members by a vote of a simple majority of the members of the Oversight Committee.

Section 5.2 Election, Term of Office and Removal. At the first regular Oversight Committee meeting following the adoption of these bylaws, the members of the Oversight Committee shall elect the Chairperson and Vice Chairperson by a vote of a simple majority as set forth in Section 3.13. Thereafter, the members of the Oversight Committee shall elect the Chairperson and Vice Chairperson by a vote of a simple majority of as set forth in Section 3.13 at the last regular Oversight Committee meeting of the state fiscal year in each odd-numbered year. The Nominations Subcommittee may recommend candidates for the Oversight Committee's consideration prior to the vote by the Oversight Committee. The Chairperson and the Vice Chairperson will hold office until death, resignation, or removal from office, or the election and qualification of a successor, whichever occurs first; provided, however, that neither the Chairperson nor the Vice Chairperson may hold office for two consecutive terms. If the person holding the office or Chairperson or Vice Chairperson holds office for one term, and a successor has not been elected by the Oversight Committee to take office at the expiration of the term, then the person holding the office of Chairperson or Vice Chairperson, as applicable, shall continue to hold the office until such time that a quorum of the Oversight Committee can meet and elect a successor. The Chairperson or the Vice Chairperson may be removed at any time, with or without cause, by the vote of a simple majority of the members of the Oversight Committee as set forth in Section 3.13. If the office of the Chairperson or the Vice Chairperson becomes vacant for any reason, including by the expiration of the term, then the vacancy must be filled by the vote of a simple majority of the members of the Oversight Committee as set forth in Section 3.13.

Section 5.3 Chairperson. The Chairperson is the presiding officer of the Oversight Committee. The Chairperson shall preside at each meeting of the Oversight Committee. The Chairperson will also have such authority, duties, roles, and responsibilities as may be assigned by applicable law or recommended by the Board Governance and Ethics Subcommittee and approved by the Oversight Committee. The Chairperson may authorize official duties of members of the Oversight Committee, the University Advisory Committee, or any Ad Hoc Advisory Committee in accordance with applicable law. The Chairperson may not serve as the presiding officer for any other foundation or organization created to specifically benefit the Institute.

Section 5.4 Vice Chairperson. The Vice Chairperson shall, in the absence of the Chairperson, preside at each meeting of the Oversight Committee. The Vice Chairperson will also have such authority, duties, roles, and responsibilities as may be assigned by the Board Governance and Ethics Subcommittee or applicable law and approved by the Oversight Committee.

Section 5.5 Presiding Officers in the Absence of the Chairperson and Vice Chairperson. In the absence of the Chairperson and Vice Chairperson, the Chairperson of the Scientific Research Subcommittee shall preside at each meeting of the Oversight Committee. In the absence of Scientific Research Subcommittee Chairperson, then the Chairperson of the Product Development Subcommittee shall preside. In the absence of the Chairpersons of the Scientific Research and Product Development Subcommittees, then the Chairperson of the Prevention Subcommittee shall preside.

ARTICLE 6
THE CHIEF EXECUTIVE OFFICER

Section 6.1 General Powers. There will be one Chief Executive Officer of the Institute (the "Chief Executive Officer"). The Chief Executive Officer has such powers as are delegated to the Chief Executive Officer by the Oversight Committee and such powers as are vested in the Chief Executive Officer pursuant to applicable law.

Section 6.2 Selection by the Oversight Committee. The Oversight Committee shall hire the Chief Executive Officer.

Section 6.3 Performance of Duties. The Chief Executive Officer shall perform the duties of the Chief Executive Officer as provided by these Bylaws, applicable law, or the Oversight Committee.

Section 6.4 Grant Review. The Chief Executive Officer shall oversee the grant review process and may terminate grants that do not meet contractual obligations.

Section 6.5 Quarterly Report. Each quarter, the Chief Executive Officer shall report to the Oversight Committee on any new grant awards and the progress and continued merit of scientific research and prevention programs previously awarded funding. The report must include a summary of the allocation of funding among scientific research and prevention programs and details regarding the final results of completed projects under these programs.

Section 6.6 Duties Regarding Foundations or Organizations Created to Specifically Benefit CPRIT. The Chief Executive Officer shall annually report to the Oversight Committee on guidelines for the governance of any foundation or organization created specifically to benefit CPRIT and the relationship between the Institute and the foundation or organization. The Chief Executive Officer shall also annually solicit a report from the foundation or organization created specifically to benefit the Institute regarding the funds the foundation or organization holds, the pledges it has received, and the identities of contributors.

ARTICLE 7
OTHER OFFICERS OF THE INSTITUTE

Section 7.1 Creation and Selection of Other Officers of the Institute. The Oversight Committee may direct the Chief Executive Officer to create other officer positions of the Institute and to hire individuals to fill such positions.

Section 7.2 Certain Officers. Without limiting in any way the previous Section, the following officer positions of the Institute have been created (each of which has the duties and authority set forth in this Article in addition to any other duties and authority as may be delegated to such officer by the Oversight Committee):

(a) Chief Operating Officer, whose duties include oversight of the Institute's daily operations, including financial administration, grants management administration, communications, governmental relations, and information technology services;

(b) Chief Compliance Officer, whose duties include reporting to the Oversight Committee on the agency's compliance with applicable law, administrative rules, and policies, and building, developing, and maintaining a compliance program that fosters ethical business behavior and includes requirements for risk assessments, program governance, metrics, and reporting;

(c) Chief Scientific Officer, whose duties include oversight of the scientific research application submission process, coordinating the review of research proposals, monitoring grant progress, and fostering collaboration among the cancer and disease scientific research community to maximize the Institute's impact

(d) Chief Product Development Officer, whose duties include oversight of the cancer research development application submission process, coordinating review of the cancer research product development proposals, monitoring grant progress and fostering collaboration among the bioscience community to maximize the Institute's impact;

(e) Chief Prevention Officer, whose duties include oversight of the prevention application submission process, coordinating the review of prevention proposals, monitoring grant progress, and fostering collaboration among the cancer and disease prevention community to maximize the Institute's impact; and

(f) General Counsel, whose duties include oversight of the legal issues that arise as part of the Institute's operations.

ARTICLE 8
COMMITTEES OF THE INSTITUTE

Section 8.1 Creation of Committees of the Institute. Pursuant to applicable law and in accordance with this Article, the Oversight Committee may create Committees of the Institute and appoint and approve members of such committees.

Section 8.2 Scientific Research and Prevention Program Committee. There will be one or more scientific research and prevention programs committees of the Institute (each, a "Scientific

Research and Prevention Programs Committee"). Each Scientific Research and Prevention Programs Committee has such powers as are vested in it pursuant to applicable law. The Chief Executive Officer, with approval by simple majority of the members of the Oversight Committee as set forth in Section 3.13, shall appoint as members of one or more Scientific Research and Prevention Programs Committees experts in the field of cancer research, prevention, and patient advocacy to serve for terms as determined by the Chief Executive Officer. Individuals appointed to a Scientific Research and Prevention Programs Committee may be residents of another state. A member of a Scientific Research and Prevention Programs Committee may receive an honorarium according to a policy developed by the Chief Executive Officer in consultation with the Oversight Committee.

Section 8.3 University Advisory Committee. There will be one university advisory committee of the Institute (the "University Advisory Committee"). The University Advisory Committee has such powers as are vested in it pursuant to applicable law. The University Advisory Committee shall advise the Oversight Committee and each Scientific Research and Prevention Programs Committee regarding the role of institutions of higher education in cancer research. The University Advisory Committee is composed of the following members to serve for the term as determined by the appropriate appointing authority appointing such member:

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

(i) The University of Texas Southwestern Medical Center at Dallas;

(ii) The University of Texas Medical Branch at Galveston;

(iii) The University of Texas Health Science Center at Houston;

(iv) The University of Texas Health Science Center at San Antonio;

(v) The University of Texas Health Center at Tyler; or

(vi) The University of Texas M. D. Anderson Cancer Center;

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

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

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

(c) one member appointed by the chancellor of the Texas Tech University System to represent the Texas Tech University Health Sciences Center;

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

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

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

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

(h) one member appointed by the president of Rice University; and

(i) members appointed at the Chief Executive Officer's discretion by the chancellors of other institutions.

Section 8.4 Ad Hoc Advisory Committee on Childhood Cancers. The Oversight Committee shall create an ad hoc committee of experts to address childhood cancers. Members of the Ad Hoc Advisory Committee on Childhood Cancers shall be appointed by the Oversight Committee and serve for terms determined by the Oversight Committee. The Ad Hoc Advisory Committee on Childhood Cancers has the duties and authority set forth in the advisory committee's charter in addition to any other duties and authority as may be delegated by the Oversight Committee.

Section 8.5 Other Ad Hoc Advisory Committees of the Institute. The Oversight Committee, as necessary, may create additional ad hoc committees of experts to advise the Oversight Committee on issues relating to cancer. The number of members of each Ad Hoc Committee will be determined by the Oversight Committee. Ad Hoc Advisory Committee members are appointed by the Oversight Committee and serve for terms determined by the Oversight Committee.

Section 8.6 Certain Ad Hoc Advisory Committees of the Institute. Without limiting in any way the previous Section, the following are the Ad Hoc Advisory Committees of the Institute (each of which has the powers and authority set forth in this Article in addition to any other powers and authority as may be delegated to it by the Oversight Committee):

(a) Scientific and Prevention Advisory Council; and

(b) Product Development Advisory Committee;

Section 8.7 Annual Report to the Oversight Committee. Each Committee of the Institute shall report to the Oversight Committee at least annually regarding the work undertaken by such committee pursuant to a schedule and format dictated by the Oversight Committee.

ARTICLE 9
CODE OF CONDUCT AND ETHICS POLICY

Section 9.1 Adopted by Reference. The Oversight Committee herein by reference incorporates the *Code of Conduct and Ethics Policy* as approved by the Oversight Committee on February 25, 2013 and all approved amendments.

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STATEMENT OF REVISIONS

Approved November 1, 2013

Changes made to Sections 2.2, 3.2, 3.3(a) and (b), 3.4, 3.7, 3.15, 4.1, 4.2, 4.3(a) and(b), 4.4(a)(iii), 4.5(a)(iv), 4.6, 4.7, 4.8(a) and(b), 4.9(a) and(b), 5.1, 5.2, 5.3, 5.4, 5.5, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 7.1, 7.2(b) and (d), 8.2, 8.3(i), 8.4, 9.1, Article 6 (title), and Article 9 (title) and text.

Reason for change(s): Revisions made to reflect statutory changes adopted in 2013 legislative session.

Approved May 21, 2014

Changes made to Sections 4.4(a)(ii), 8.6(b)

Reason for change(s): Revision made to reflect statutory changes adopted in 2013 legislative session and to change name of certain ad hoc advisory committees.

Approved May 20, 2015

Changes made to Section 4.6(a) and Section 5.2

Reason for change(s): Revision made to assign Nominations Subcommittee the responsibilities associated with officer elections.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO:	OVERSIGHT COMMITTEE MEMBERS
FROM:	KRISTEN P. DOYLE, INTERIM CHIEF COMPLIANCE OFFICER
SUBJECT:	INTERIM CHIEF COMPLIANCE OFFICER UPDATE
DATE:	MAY 13, 2015

Summary:

CPRIT's grant management system (CGMS) reports that 127 grantee reports are missing or have not been submitted. CPRIT's grantees typically submit approximately 6,400 grantee reports throughout the year. More than half of the missing or late reports (68 reports) are matching fund forms to be submitted by research grantees. In most cases, CPRIT holds the grantee's reimbursement until all required reports are submitted.

CPRIT staff is working on the second part of a three-phase reconciliation project to update the reporting data in CGMS. The second phase is focused on ensuring that all grantee information related to required matching funds forms is up to date and complete. This phase is expected to be completed this summer.

CPRIT's grant compliance specialists have completed 21 desk reviews and nine on-site compliance visits for product development research and prevention grantees. The grant compliance specialists have also provided second reviews of nearly 1,400 grantee financial status reports over the past nine months. With the recent addition of the CohnReznik team, the grant compliance program will significantly expand the number of desk reviews and site visits to include academic research grants. CohnReznik will work with CPRIT staff to complete a risk assessment of the CPRIT grant portfolio to guide the scope and number of compliance reviews.

Submission Status of Required Grant Recipient Reports:

CPRIT typically has 530+ grants that are either active or wrapping up grant activities. Grantees submit between 12 – 15 reports each year per grant project. This means that CPRIT grantees should submit approximately 6,400 reports annually. A summary of the required reports that a grantee must file each project year is attached.

All grantee reports are submitted for CPRIT review via CGMS. CPRIT relies upon CGMS to assist monitoring the number of late or missing grantee reports. A summary of missing reports is produced by CGMS every week; the summary is the primary source for CPRIT's compliance staff to assess the status of missing or late reports and follow up with grantees.

As of the most recent CGMS report (May 7, 2015), 127 required grantee reports from 14 institutions, organizations, and companies have not been filed in the system by the set due date. In most cases, CPRIT does not disburse grant funds until the required reports are filed. In some instances, grantee institutions may be ineligible to receive a future award if required reports are not submitted. For the 127 missing grantee reports:

- One grant project has not submitted a required quarterly financial status report (FSR) by the deadline. The missing FSR covers a one-day period (August 31).
- Four grant projects have not filed required annual progress reports by the deadline. All grant projects must file annual progress reports. Annual progress reports are due within 60 days following the anniversary of the contract effective date. CPRIT will not disburse grant funds to the grantee until the progress report is submitted.
- 68 annual matching fund certification forms from 12 entities have not been submitted by the deadline. Annual matching fund certification forms must be filed with CPRIT within 60 days following the anniversary of the contract effective date. CPRIT will not disburse grant funds to the grantee until the matching fund certification is filed. CPRIT's ongoing reconciliation project related to grantee matching fund forms is described in the attached memo.

Other missing reports include annual inventory reports (18), Historically Underutilized Business (HUB) forms (17), revenue sharing forms (2), and single audit determination forms (17).

CPRIT's grant compliance specialists and the grant accountants have continued reviewing and processing incoming reports and reaching out to grantees to expeditiously resolve filing issues. As a result, significant progress has been made over the past year in identifying and processing past due reports.

CPRIT's Grant Reports Reconciliation Project

Accurate, up-to-date grantee reporting data produces the most reliable CGMS results, which are crucial to CPRIT's compliance monitoring efforts. CPRIT staff initiated a comprehensive reconciliation project in 2014 to ensure that all grantee reporting data submitted to CGMS is correct and current. The grant reports reconciliation project is divided into three phases:

- The first phase, which was completed in November 2014, focused on financial status reports (FSRs). Over the course of several months, CPRIT grant accounting staff, assisted by the grant compliance specialists, reviewed and approved hundreds of late FSRs and processed $100+ million in grantee reimbursements. Due to the diligent efforts and support of CPRIT's grant accountants, grant compliance specialists, and program staff, all grantees have maintained up-to-date quarterly FSRs for the subsequent reporting cycles.

- The second phase of the reconciliation project, which began in December 2014, involves updating and verifying all information related to required matching funds forms. The matching funds reconciliation phase is the subject of a separate memo. CPRIT staff is currently focusing on matching fund data for active research grants; historical matching fund information on closed grants should be incorporated into CGMS by this summer.

- The third phase of the reconciliation project, which will begin this summer, focuses on other financial reporting forms (*i.e.*, inventory forms, HUB reports, single audit determination forms, and revenue sharing forms). CPRIT staff will work with grantees to update and verify all information related to these financial forms. The last phase is expected to last through this summer.

Some grantees have been unable to submit select annual financial reports through CGMS due to contradictory programming requirements necessary to carry out ongoing reconciliation efforts. We have instituted various work-arounds, such as receiving reports in alternative formats and/or via email (and subsequently uploaded into CGMS), when necessary until the issue is resolved. However, until the grant reports reconciliation project is complete, the CGMS monitoring reports will not be completely comprehensive.

Compliance Program Activities

The Chief Compliance Officer is responsible for creating, supporting, and promoting an effective Ethics and Compliance Program and assuring the CPRIT Oversight Committee that controls are in place to prevent, detect and mitigate compliance risk. CPRIT's grant compliance program is based on five main components:

- Training: To date, CPRIT's grant compliance specialists, along with other CPRIT staff, have made five major compliance training presentations, including one grantee webinar training available to all CPRIT grantees. Another training presentation is planned for grantees the DFW area this summer.

- FSR reviews: Over the past nine months, CPRIT's grant compliance specialists have performed nearly 1,400 second reviews for grantee FSRs. CPRIT's grant accounting staff completes the first review of the FSRs and supporting documentation before handing them off to the compliance specialists.

- Desk reviews: A total of 21 desk reviews covering 25 product development research and prevention grant projects have been completed to date. Desk-based financial monitoring/reviews are conducted during the course of grant awards to verify grantees expend funds in compliance with specific grant requirements and guidelines. Desk reviews may target areas such as the grantee's administrative, fiscal, and/or operating

policies and procedures, project budget and payroll records, time reporting records, project accounting and financial expenditure records, general ledger records, and programmatic reports.

- On-site visits: The grant compliance specialists have completed 9 on-site reviews covering 15 product development research and prevention grant projects. On-site reviews may include an examination of the grantee's financial and administrative operations, procurement and inventory procedures, personnel policies and practices, payroll and timesheet policies, travel policies and records, and single audit compliance.

- Reporting: CPRIT's Administrative Rule § 701.7, provides in part that, "The Chief Compliance Officer is responsible and will be held accountable for apprising the Oversight Committee and the Chief Executive Officer of the institutional compliance functions and activities." The required reporting includes quarterly updates to the Oversight Committee on CPRIT's compliance with applicable laws, rules and agency policies. In addition, the compliance officer must inquire into and monitor the timely submission status of required grant recipient reports. The Chief Compliance Officer has presented a compliance report to the Oversight Committee at every regular meeting since December 2012.

To date, compliance desk reviews and on-site visits have focused exclusively on product development research and prevention program grant projects. The addition of the CohnReznik team will allow CPRIT's compliance program to substantially expand the breadth and scope of compliance reviews, including reviews of academic research projects at universities.

CohnReznik Begins Work April 30, New Chief Compliance Officer Begins June 15

On April 24, 2015, the Legislative Budget Board approved CPRIT's contract with CohnReznik to provide compliance program support services. CPRIT compliance staff has met several times with CohnReznik since the contract was approved. CohnReznik's first priority is to complete a grantee risk assessment that will serve as the basis for identifying grantee projects to be reviewed. This work is expected to coincide with the June 15 start date of CPRIT's new Chief Compliance Officer.

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

Required Reports		
Report	**Filer**	**Due Date**
Quarterly Financial Status Report	All grant recipients	90 days after the end of the state fiscal quarter Tex. Admin. Code § 703.21(b)(1)
Final Financial Status Report	All grant recipients	90 days after the end of state fiscal quarter Tex. Admin. Code § 703.14(d)
Quarterly Progress Report	Prevention grant recipients	15 days after the end of the state fiscal quarter
Annual Progress Report	All grant recipients	60 days after the anniversary of the grant contract effective date Tex. Admin. Code § 703.21(b)(3)(B)
Tranche Report	Commercialization/ Product Development grant recipients	Upon completion of milestones for specific tranche Tex. Admin Code § 703.21(b)(3)(G)
Final Progress Report	All grant recipients	Within 90 days of grant contract termination date Tex. Admin. Code § 703.21(b)(3)(C)
Matching Funds Certification/ Verification Form	Research grant recipients (including Commercialization/Product Development)	Contract execution (certification), 60 days after the anniversary of the grant contract effective date Tex. Admin. Code § 703.21(b)(3)(B)(x)
Inventory Report	All grant recipients	60 days after the anniversary of the grant contract effective date Tex. Admin. Code § 703.21(b)(3)(B)(iv)
Revenue Sharing Form	All grant recipients	60 days after the anniversary of the grant contract effective date Tex. Admin. Code § 703.21(b)(3)(B)(xi)
HUB/Buy Texas Form	All grant recipients	60 days after the anniversary of the grant contract effective date Tex. Admin. Code § 703.21(b)(3)(B)(vi)
Single Audit Determination Form	All grant recipients	60 days after the anniversary of the grant contract effective date Tex. Admin. Code § 703.21(b)(3)(B)(xii)
Audit	Recipients that expend $500,000 or more in state awards in the recipient's fiscal year	Within 30 days of receipt, but no more than 270 days after the recipient's fiscal year end Tex. Admin. Code § 703.13(b)(3)
Close Out Documents	All grant recipients	Within 180 days of grant contract termination date Tex. Admin. Code § 703.14(d)

Consequences for Failing to File Required Reports in a Timely Manner

(Note – in addition to the consequences stated below, the failure to timely file required reports may also serve as grounds for contract termination)

Report	Due Date	Consequence
Quarterly Financial Status Report	90 days after the end of the state fiscal quarter The recipient may request to defer submission of the reimbursement request for the current fiscal quarter until the next quarter. The request must be submitted on or before the FSR due date.	Reimbursement of project costs incurred during the reporting period will be waived if the FSR is not submitted within 30 days of the FSR due date. Tex. Admin. Code § 703.21(b)(2)
Final Financial Status Report	90 days after the end of state fiscal quarter	Reimbursement of project costs incurred during the reporting period will be waived if the FSR is not submitted within 30 days of the FSR due date. Tex. Admin. Code § 703.14(d)(1)
Quarterly Progress Report	15 days after the end of the state fiscal quarter	
Annual Progress Report	60 days after the anniversary of the grant contract effective date	No disbursement of grant funds will be made until the progress report is filed. Tex. Admin. Code § 703.21(b)(3)(G)
Tranche Report	Upon completion of milestones for specific tranche	The next tranche of grant funds will not be disbursed until the tranche report is approved. Tex. Admin. Code § 703.21(b)(3)(H)(ii)
Final Progress Report	Within 90 days of grant contract termination date The recipient may request that CPRIT waive the final submission of close out documents for exceptional circumstances. Tex. Admin. Code § 703.14(d)(2)	The final reimbursement of grant expenditures will not be disbursed until the progress report and other close out documents are approved. Failure to submit the progress report within 180 days of the termination date will cause the recipient to be ineligible to receive new grant awards until all information has been submitted or a waiver of final submission is approved by CPRIT. Tex. Admin. Code § 703.14(d)(2)
Matching Funds Certification/ Verification Form	At the time of contract execution (certification), 60 days after the anniversary of the grant contract effective date (verification and certification)	The grant contract will not be executed until the initial certification is submitted by the recipient. Grant funds for the next project year (or tranche, if applicable) will not be disbursed until the matching funds verification for the previous year and certification for the upcoming year has been approved. Tex. Admin. Code § 703.11(f)
Inventory Report	60 days after the anniversary of the grant contract effective date	Grant funds for the next project year will not be disbursed until the other annual financial reports, including the inventory report, have been submitted. Tex. Admin. Code § 703.21(b)(3)(G)
Revenue Sharing Form	60 days after the anniversary of the grant contract effective date	Grant funds for the next project year will not be disbursed until the other annual financial reports, including the revenue sharing form, have been submitted.
HUB/Buy Texas Form	60 days after the anniversary of the grant contract effective date	Grant funds for the next project year will not be disbursed until the other annual financial reports, including the HUB Report/Buy Texas form, have been submitted. Tex. Admin. Code § 703.21(b)(3)(G)
Single Audit Determination Form	60 days after the anniversary of the grant contract effective date	Grant funds for the next project year will not be disbursed until the other annual financial reports, including the single audit determination form, have been submitted. Tex. Admin. Code § 703.21(b)(3)(G)
Audit	Within 30 days of receipt, but no more than 270 days after the recipient's fiscal year end The recipient may request additional time to file the audit and corrective action plan. The request must be submitted on or before the audit due date.	Grant funds will not be disbursed until the delinquent audit and corrective action plan, if any, have been approved. The recipient is ineligible to receive a grant award during the time that the audit and corrective action plan is delinquent. Tex. Admin. Code § 703.13(c) and (d)
Close Out Documents	Within 180 days of grant contract termination date	The final reimbursement of grant expenditures will not be disbursed until the progress report and other close out documents are approved. Failure to submit the progress report and other close out documents within 180 days of the termination date will cause the recipient to be ineligible to receive new grant awards until all information has been submitted or a waiver of final submission is approved by CPRIT. Tex. Admin. Code § 703.14(d)(2)

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO:	CPRIT OVERSIGHT COMMITTEE MEMBERS
FROM:	HEIDI MCCONNELL, CHIEF OPERATING OFFICER
SUBJECT:	CPRIT FINANCIAL OVERVIEW FOR FY 2015, QUARTER 2
DATE:	MAY 11, 2015

FY 2015, Quarter 2 Operating Budget

For the first six months of FY 2015, CPRIT expended approximately $5.2 million between the Indirect Administration and Grant Review and Award Operations strategies out of an operating budget of $20.3 million for the year. The primary items of these expenditures are staff salaries and service contracts, particularly the contract with SRA International that provides support for the peer review meetings including processing peer review honoraria and travel.

During this period, CPRIT received $23,905 in revenue sharing payments which was deposited into the General Revenue Fund (0001).

FY 2015, Quarter 2 Performance Measures

In March 2015, CPRIT reported to the LBB on the two output measures that have quarterly reporting requirements. These measures are number of people served by CPRIT prevention and control activities and the number of entities performing cancer research relocating to Texas. The other four measures are reported annually after the end of the fiscal year so they are reflected as not applicable at this time.

Debt Issuance History

The Texas Public Finance Authority issued $112 million in commercial paper notes on CPRIT's behalf in April 2015. The total debt issued to date is approximately $718.4 million.

Attachments: FY 2015 Quarterly Financial Report
FY 2015 Performance Measure Report
Commercial Paper and G.O. Bond Issuance History

Cancer Prevention and Research Institute of Texas
LBB Quarterly Financial Report
As of February 28, 2015

Indirect Administration (B.1.1.)

		2015 Appropriated	2015 Budgeted	% of Total Budget	Actual Expenditures & Grant Encumbrances (FYTD)	Remaining Budget	Percent Expended	Estimated Expenditures (YTD)	Lapse/Overspent
1001	Salaries and Wages	$ 1,571,528	$ 1,571,528		$ 556,957	1,014,571	35%	$ 742,609	$ 828,919
1002	Other Personnel Costs	50,000	50,000		8,897	41,103	18%	11,862	38,138
2001	Professional Fees and Services	867,290	867,290		202,380	664,910	23%	269,839	597,451
2003	Consumable Supplies	25,750	25,750		5,417	20,333	21%	7,223	18,527
2004	Utilities	63,648	63,648		37,776	25,872	59%	50,368	13,280
2005	Travel	24,176	24,176		15,941	8,235	66%	21,255	2,921
2006	Rent - Building	181,875	181,875		166,891	14,984	92%	222,522	(40,647)
2007	Rent-Machine and Other	29,644	29,644		6,607	23,037	22%	8,809	20,835
2009	Other Operating Expenses	456,500	456,500		92,799	363,702	20%	123,731	332,769
5000	Capital	979,514	979,514		659,779	319,735	0%	-	979,514
	Subtotal - Indirect Administration (B.1.1.)	**$ 4,249,925**	**$ 4,249,925**	**1.42%**	**$ 1,753,443**	**$ 2,496,482**	**41%**	**$ 1,458,219**	**$ 2,791,706**

Grant Review and Award Operations (A.1.3.)

		2015 Appropriated	2015 Budgeted	% of Total Budget	Actual Expenditures & Grant Encumbrances (FYTD)	Remaining Budget	Percent Expended	Estimated Expenditures (YTD)	Lapse/Overspent
1001	Salaries and Wages	$ 2,654,617	2,654,617		$ 1,140,909	$ 1,513,708	43%	$ 1,521,212	$ 1,133,405
1002	Other Personnel Costs	100,000	100,000		14,180	85,820	0%	18,907	81,093
2001	Professional Fees and Services	13,378,211	13,278,211		11,670,261	1,607,950	88%	15,560,348	(2,282,137)
2003	Consumable Supplies	-	-		-	-	0%	-	-
2005	Travel	35,000	35,000		23,787	11,213	68%	31,716	3,284
2006	Rent - Building	32,400	32,400		18,071	14,329	56%	24,094	8,306
2007	Rent-Machine and Other	5,013	5,013		1,131	3,882	23%	1,508	3,505
2009	Other Operating Expenses	-	-		-	-	0%	-	-
	Subtotal - Grant Operations (A.1.3.)	**$ 16,205,241**	**$ 16,105,241**	**5.37%**	**$ 12,868,339**	**$ 3,236,902**	**80%**	**$ 17,157,786**	**$ (1,052,545)**

Grants

		2015 Appropriated	2015 Budgeted	% of Total Budget	Actual Expenditures & Grant Encumbrances (FYTD)	Remaining Budget	Percent Expended	Estimated Expenditures (YTD)	Lapse/Overspent
4000	Grants - Prevention (A.1.2)	$ 29,037,567	$ 29,037,567		$ -	$ 29,037,567	0%	$ -	$ 29,037,567
4000	Grants - Research (A.1.1.)	250,586,078	$ 250,586,078		-	$ 250,586,078	0%	-	250,586,078
	Subtotal - Grants	**$ 279,623,645**	**$ 279,623,645**	**93.21%**	**$ -**	**$ 279,623,645**	**0%**	**$ -**	**$ 279,623,645**
	Grand Totals	**$ 300,078,811**	**$ 299,978,811**	**100.00%**	**$ 14,621,783**	**$ 285,357,029**	**5%**	**$ 18,616,005**	**$ 281,362,807**

* 2015 Appropriated and budgeted includes a transfer from strategy A.1.1. (Research) into strategies A.1.3. (Grant Operations) and B.1.1. (Indirect Administration) approved by the Legislative Budget Board pursuant to the 2014-15 General Appropriation Act, CPRIT Rider 5, Transfer Authority.

Cancer Prevention and Research Institute of Texas

Cancer Prevention and Research Institute Fund Account - 5136

As of February 28, 2015

	02/01/2015 thru 02/28/2015	AY 15 Year to Date as of 02/28/2015
Beginning Balance : 002/01/2015		**$ 600,506**
Increases:		
(1)	-	
(2)	-	
Total Increases	**$ -**	**$ -**
Reductions:		
Expenditures - Appropriated	$ -	$ -
	$ -	$ -
	$ -	$ -
Total Reductions	**$ -**	**$ -**
Ending Balance, 02/28/2015		**$ 600,506**

Note: (1) The Institute received a settlement from the Texas Cancer Coalition (TCC). This amount represents the final distribution and transfer of all funds ($303,877) from the TCC which ceased operations in May 2013. These funds are in the State Treasury but are not appropriated to CPRIT. The beginning balance reflects the transfer of all TCC funds.

Cancer Prevention and Research Institute of Texas

License Plate Trust Fund Account - 0802

As of February 28, 2015

	02/01/2015 thru 02/28/2015	AY 15 Year to Date as of 02/28/2015
Beginning Balance : 02/01/2015		**$ 15,080.00**
Increases:		
(1) License Plate Revenue Received	$ 1,371.52	$ 7,014.52
Total Increases	**$ 1,371.52**	**$ 22,094.52**
Reductions:		
Expenditures - Appropriated	$ 0.00	$ 0.00
	-	-
	-	-
Total Reductions	**$ 0.00**	**$ 0.00**
Ending Balance, 02/28/2015		**$ 22,094.52**

Note:

Cancer Prevention and Research Institute of Texas

Appropriated Receipts - 666

As of February 28, 2015

		002/01/2015 thru 02/28/2015	AY 15 Year to Date as of 02/28/2015
Beginning Balance : 02/01/2015			**$ 24,000.00**
Increases:			
(1)	Product Development Application Fees Received	$ 14,000.00	$ 15,000.00
(2)	Appropriated Receipts applied to payments	$ -	$ -
Total Increases		**$ 14,000.00**	**$ 15,000.00**
Reductions:			
	Expenditures - Appropriated		$ (24,000.00)
		$ -	$ -
		$ -	$ -
Total Reductions		**$ -**	**$ (24,000.00)**
Ending Balance, 02/28/2015			**$ 15,000.00**

Cancer Prevention and Research Institute of Texas

General Revenue Fund Account - 0001

As of February 28, 2015

		02/01/2015 thru 02/28/2015	AY 15 Year to Date as of 02/28/2015
Beginning Balance : 02/01/2015			**$ 1,000.00**
Increases:			
(1)	Revenue Sharing / Royalties	$ 10,241.25	$ 23,905.59
Total Increases		**$ 10,241.25**	**$ 24,905.59**
Reductions:			
	Expenditures - Appropriated	$ -	$ -
	Sweep Account	$ (10,241.25)	$ (24,905.59)
		$ -	$ -
Total Reductions		**$ (10,241.25)**	**$ (24,905.59)**
Ending Balance, 02/28/2015			**$ -**

Note:

Cancer Prevention and Research Institute of Texas

FY 2015 Performance Measure Report

Measure	Targeted Performance	QTR 1	QTR 2	QTR 3	QTR 4	Sum of QTRs	% of Mandate Attained
Number of People Served by Institute Funded Prevention and Control Activities	400,000	178,669	165,145			343,814	85.95%
Number of Entities Relocating to TX for Cancer Research Related Projects	7.00	0.00	1.00			1.00	14.29%
Percentage of Texas Regions w/ Cancer Prevention Services and Activities Initiated	100%	N/A	N/A	N/A	N/A	0%	0%
Annual Age-adjusted Cancer Mortality Rate	176.5	N/A	N/A	N/A	N/A	0	0.00%
Number of Published Articles on CPRIT-Funded Research Projects	400	N/A	N/A	N/A	N/A	0	0.00%
Number of New Jobs Created and Maintained	200	N/A	N/A	N/A	N/A	0	0.00%

Variance Explanations

Number of People Served by Institute Funded Prevention and Control Activities
CPRIT grantees deliver these education and clinical services throughout the year, so the reported number of people served is not allocated evenly for each fiscal quarter.
Number of Entities Relocating to TX for Cancer Research Related Projects
This output is dependent on the number of companies applying for CPRIT Company Relocation Awards that can successfully advance through CPRIT's rigorous review and evaluation process, receive and award and actually relocate operations to Texas.

CPRIT Commercial Paper and G.O. Bond Issuance

Fiscal Year	Amount Appropriated	Dated Issued	Amount Issued	Amount Issued for Fiscal Year	Commercial Paper or GO Bond Issuance	Series	Comments	Interest Rate
2010	$ 225,000,000	September 9, 2009	$ 9,100,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2010		September 9, 2009	$ 3,600,000		Commercial Paper Notes	Series B, Tax-Exempt	Defeased with cash July 2011	Footnote 1
2010		March 12, 2010	$ 63,800,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2010		August 26, 2010	$ 148,500,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
				$ 225,000,000				
2011	$ 225,000,000	September 7, 2010	$ 11,800,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2011		August 10, 2011	$ 50,775,000		G.O. Bonds	Taxable Series 2011	Par amount of new money	Fixed Rate Bonds All-In-True Interest Cost 4.0144%
2011		August 10, 2011	$ 232,045,000		G.O. Bonds (Refunding Bonds)	Taxable Series 2011	Par amount of refunding; Refunded $233.2M of GOCP CPRIT Series A (9/9/09, 3/12/09, 8/26/09, 9/7/10)	Fixed Rate Bonds All-In-True Interest Cost 4.0144%
				$ 62,575,000				
2012	$ 300,000,000	September 7, 2011	$ 3,200,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2012		December 8, 2011	$ 3,200,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2012		March 2, 2012	$ 12,300,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2012		June 21, 2012	$ 15,000,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2012		August 16, 2012	$ 42,000,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
				$ 75,700,000				
2013	$ 300,000,000	September 5, 2012	$ 9,600,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2013		May 16,2013	$ 13,400,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
				$ 23,000,000				
2014	$ 300,000,000	November 22, 2013	$ 55,200,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2014		March 12, 2014	$ 47,000,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2014		June 17, 2014	$ 60,300,000		Commercial Paper Notes	Series A, Taxable		Footnote 1
2014		July 8, 2014	$ 233,280,000		G.O.Bond (Refunding Bonds)	Taxable Series 2014	Par amount of refunding; Refunded $237.88M of GOCP CPRIT Series A	Fixed Rate Bonds All-In-True Interest Cost 3.327184%
				$ 162,500,000				
2015	$ 300,000,000	November 5, 2014	$ 57,600,000		Commercial Paper Notes	Series A, Taxable		
2015		April 29, 2014	$ 112,000,000		Commercial Paper Notes	Series A, Taxable		
				$ 169,600,000				
TOTAL ISSUED TO DATE				**$ 718,375,000**				

[1]The weighted average interest rates for Commercial Paper Notes maturing in each year is as follows: FY 2010 = 0.30%; FY 2011 = 0.32%; FY 2012 = 0.23%; FY 2013 = 0.19%; FY 2014 = 0.20%.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	OVERSIGHT COMMITTEE MEMBERS
From:	REBECCA GARCIA, PH.D. CHIEF PREVENTION AND COMMUNICATIONS OFFICER
Subject:	COMMUNICATIONS UPDATE
Date:	MAY 20, 2015

The following report provides an overview of the agency's communications activities from Feb. 2015 through May 2015.

EARNED MEDIA

The communications team worked with and pitched individual publications and reporters to secure positive coverage for CPRIT, including coordinating interviews with the *Houston Chronicle* and *The Texas Tribune* regarding the Oversight Committee's Program Priorities Project. CPRIT was featured on the cover of the March issue of Texas Medicine magazine. Also, the April 15 issue of Texas Medical Center Pulse ran a Q&A interview with Wayne Roberts and a feature story on CPRIT.

Additionally, in advance of her retirement announcement, the communications team assisted Dr. Margaret Kripke in drafting a statement and talking points, which resulted in positive articles in the *Houston Chronicle* and *The Cancer Letter*.

Grant Awards Announcement: Following the Oversight Committee's approval, on Feb. 18, 2015, CPRIT distributed a press release to and pitched local, regional and national media announcing the awarding of four product development grants and 54 research grants which resulted in some of the coverage as represented below. Following the Oversight Committee's approval, on April 20, 2015, CPRIT distributed another press release announcing two academic research grants, also represented in the coverage below.

Coverage: (Feb. 1, 2015 – April 31, 2015)

- 10 articles featured CPRIT
- 58 additional articles mentioned CPRIT (stories primarily focused on work of grantees)

Coverage Highlights: (see clipped articles following report)

- Feb. 18, 2015, *Austin American-Statesman*, Business Digest: CPRIT awards $111.4 Million in Grants
- Feb. 18, 2015, *San Antonio Business Journal*, CPRIT Awards Nearly $7 Million to San Antonio Cancer Researchers

- Feb. 26, 2015, *Houston Chronicle*, New Priorities Reflected in Latest Cancer Agency Funding
- March 20, 2015, *Texas Medicine Magazine*, The Next Generation of Cancer Research & Prevention
- April 2015, *Texas Medical Center Pulse Magazine*, Business: Fueling the Future; Spotlight: Wayne Roberts
- April 21, 2015, *Houston Chronicle*, CPRIT's Chief Scientific Officer Announces Retirement

CPRIT 2015 CONFERENCE
Planning for the Nov. 9-10, 2015 conference continues. A tentative schedule is attached. The call for abstracts goes out this month and registration for the conference is expected to begin sometime next month.

CPRIT MESSAGES AND ACCOMPLISHMENTS
A brochure highlighting CPRIT's accomplishments from its grant programs was completed and distributed extensively at the Capitol. The achievements report is posted on CPRIT's website and the link has been included in posts on our social media platforms. The report's statistics will be updated quarterly. The achievements report was provided to CPRIT's advocates and to science reporters at *The Wall Street Journal*, *The New York Times*, *Time*, *Forbes*, and NPR to promote CPRIT on a national level. A CPRIT overview slide deck is available and can be customized for presentation. The communications team has also prepared a speech that can be tailored for specific audiences when speaking opportunities arise.

PBS CANCER DOCUMENTARY SCREENING
More than 150 people attended CPRIT's preview screening of Ken Burns' documentary, *The Story of Cancer: The Emperor of All Maladies*, on March 25 at the Capitol Extension Auditorium. Dr. Rice moderated a panel discussion of cancer experts (Drs Emil Freireich, Margaret Kripke, Debra Patt, and Greg Aune) following the screening. A video of the discussion is posted on CPRIT's website. Dr. Freireich was featured in the documentary for his work to help cure childhood leukemia.

PATIENT VIDEOS
On April 20-21, the communications team videotaped a series of interviews with cancer patients who are grateful for CPRIT-supported prevention programs. The interviews took place over two days at Moncrief Cancer Institute in Fort Worth and the Bridge Breast Network in Dallas. The patients' stories are being produced into short vignettes that will be posted to the CPRIT website, shared on social media, and publicized in a press release announcing that CPRIT has surpassed the 2 million milestone in prevention services provided to Texans.

SOCIAL MEDIA
The communications team continues to use social media outreach, including Twitter and Facebook, to publicize CPRIT-generated content along with news and information about and from grantees, advocates and other trusted sources.

HOUSTON CHRONICLE

CPRIT's chief scientific officer announces retirement

Kripke says Texas cancer agency is flourishing now

By Todd Ackerman | April 21, 2015 | Updated: April 21, 2015 5:14pm

Dr. Margaret Kripke is stepping down as the chief scientific officer of Texas' state cancer agency, 2½ years after she was brought on help restore integrity to its grant awarding process.

The Cancer Prevention and Research Institute of Texas announced Monday that Kripke, 71, will retire as soon as the agency can find a successor and no later than Aug. 31. She said in a statement that she felt she'd met key goals necessary for the agency to regain its footing.

"I'm pleased to say that CPRIT is now flourishing, the research program is making rapid progress, priority areas for research have been established, and so I feel that I have accomplished what I set out to do," said Kripke, who previously retired from M.D. Anderson Cancer Center in 2007. "It seems like a good time for me to allow someone else to take on the responsibilities of being CPRIT's chief scientific officer."

Kripke became CPRIT's second chief officer in January 2013, amid a huge scandal that threatened the agency's continued existence. The scandal, involving the mismanagement of three grants totaling $56 million, resulted in the agency being shut down for 10 months and the Legislature's passage of a reform bill that removed the entire governing board and instituted additional safeguards to prevent abuse from occurring again.

The first of the scandals, involving alleged board interference in the awarding of a grant, prompted Dr. Al Gilman, the agency's initial chief scientific officer, to resign in protest. Most of the members of the elite peer-review scientific panels he recruited from out of state followed suit.

Kripke's first order of business was to reconstitute those panels and restart the research grants program, frozen December 2012 by then Gov. Rick Perry, Lt. Gov. David Dewhurst and House Speaker Joe Straus.

Under Kripke's watch since the agency rebooted in Oct. 2013, CPRIT has awarded 193 research grants. It also shifted priorities to focus more on some underfunded cancers, such as those that afflict children.

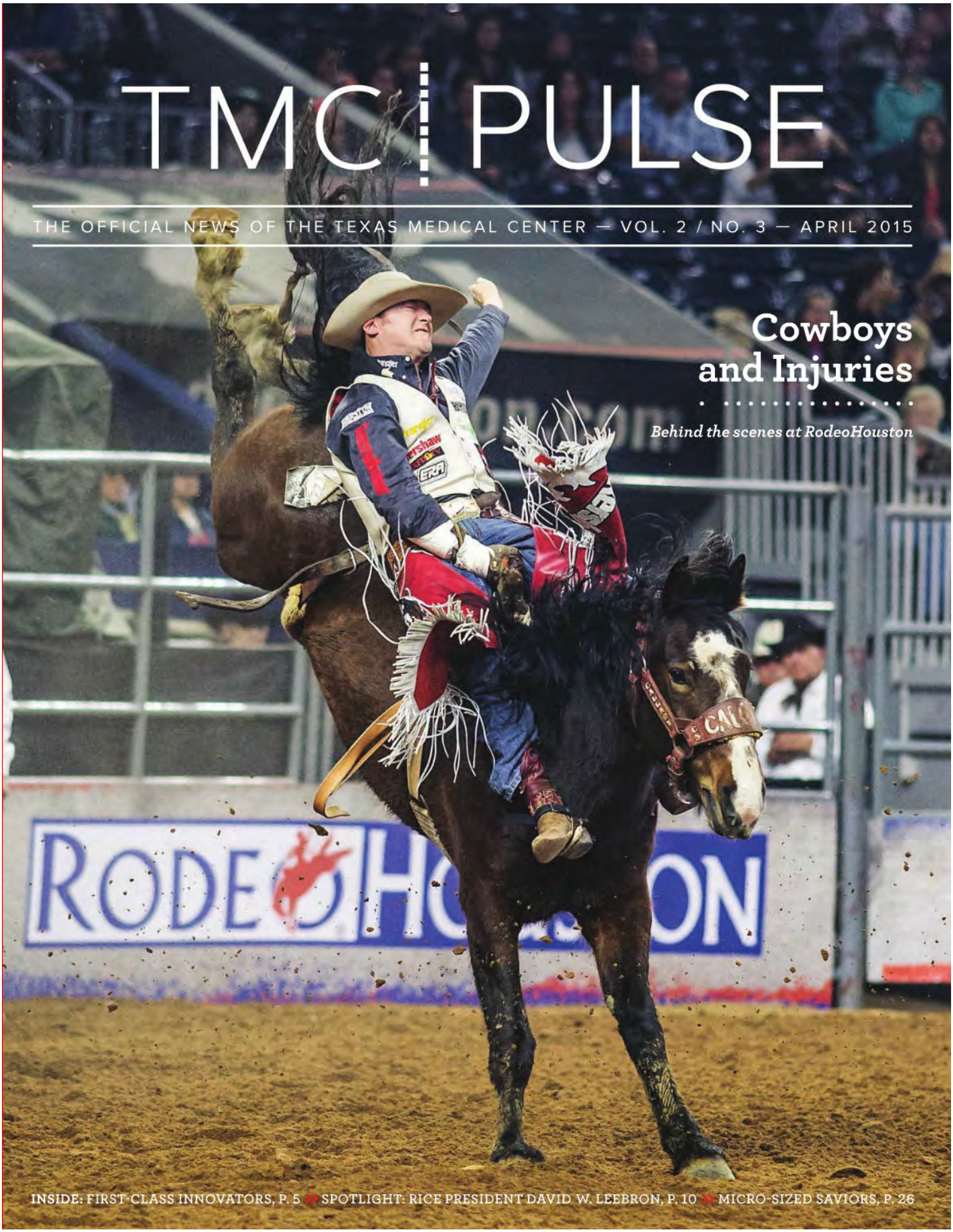
In all, CPRIT has now awarded 868 awards totaling $1.24 billion. The 10-year, $3 billion assault on cancer was launched in 2009, after voters approved a bond issue in 2007 to fund the program.

At a meeting Monday at which Kripke's retirement was announced, CPRIT's board approved a $125,000 contract with the Spencer Stuart executive consulting firm to help conduct the national search for her successor.

http://www.houstonchronicle.com/local/prognosis/article/CPRIT-chief-scientific-officer-announces-plan-to-6214599.php

TMC PULSE

THE OFFICIAL NEWS OF THE TEXAS MEDICAL CENTER — VOL. 2 / NO. 3 — APRIL 2015



Cowboys and Injuries

Behind the scenes at RodeoHouston

WAYNE ROBERTS, *CHIEF EXECUTIVE OFFICER OF THE CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS, OVERSEES A PASSIONATE AND ENTHUSIASTIC STAFF, DEDICATED TO HELPING TEXAS' RESEARCHERS AND PUBLIC HEALTH SPECIALISTS IN THE FIGHT AGAINST CANCER. HE SAT DOWN WITH TEXAS MEDICAL CENTER EXECUTIVE VICE PRESIDENT AND CHIEF STRATEGY AND OPERATING OFFICER WILLIAM F. McKEON TO DISCUSS CPRIT'S VISION FOR THE FUTURE.*

Q | *Let's start at the very beginning. Can you tell us where you were born and raised?*

A | I was born in Marion, Ohio, home to Warren G. Harding. Between my birth and arrival in Houston we lived in two places in Chicago, two places in Detroit, and Cincinnati. I viewed moving and new classrooms as par for the course.

I didn't understand what was happening. My father was a copywriter in the ad business, and this was during the 1950s recession. He kept being last in, first out. Finally he got tired of it, and asked 'Where is there no recession?' Someone said, 'Go to Texas,' and so we came to Houston. He finished his career here and clearly made the right choice. We arrived as I entered the third grade.

We lived in Westbury and I remember that every other weekend we would go downtown to Foley's. We'd drive up South Main and I'd look over to the right and see that first Baylor Medical building. I've enjoyed watching the medical center campus grow—I'm an old Houston boy.

Q | *Where did you go to school?*

A | Middle school was Johnston Junior High—the Greyhounds. Then Westbury. Back then we were the kicking boy for Bellaire High, probably still are. Westbury has undergone major demographic change from then. In 1969, when I graduated, we were considered fully integrated. We had one black teacher and one black student. Back then it was a solid college preparatory high school. I went from there to The University of Texas.

Q | *I was going to ask you about that. Why The University of Texas? Obviously, it's a great school...*

A | I grew up following University of Houston sports and used UH as my backup. I thought about Rice, since I had some interest in the sciences. But I wanted somewhere away from Houston. I never considered A&M, because at the time, they didn't admit women. I had a hard enough time getting a date in high school, so why would I want to go there? Seriously. As I learned later in my career from admissions officers, kids choose colleges for many reasons, many not the reasons their parents might expect.

I was lucky for choosing UT, but it was largely happenstance. Looking back, I attribute what success I've had to UT.

Q | *Did you have a particular interest in government affairs? What led you in that direction?*

A | At UT, I was looking at social sciences. I had a broad interest in a lot of fields. I didn't consider myself math-oriented, although I did well in math. I settled on government after my freshman year, and never looked back, though I did have a strong interest in English. I actually have more hours in English than

> With prevention, CPRIT has provided some two million services to Texans who might not otherwise have gotten cancer screenings or other preventive services.

government. But in government, my interest was political socialization.

I was intrigued with how people develop their entire political and social belief structures. What is it that determines how you vote and establish your political biases? I had an inspiring professor who, in my sophomore year, introduced us to political socialization and I ran with it. For a time, I thought I'd get a master's and Ph.D. in political socialization. But it was not to be.

Q | *When you look back on your professional career, what are some of your experiences that led to CPRIT?*

A | Most of us know how we got to where we are today, but we never could have planned it from the outset. Looking back, my career is a logical progression but it took some unexpected turns. When I went to LBJ, I was interested in energy and environmental policy. Mind you, the oil embargo was affecting the economy and I'd had trouble getting a job, so why not energy policy? There would always be jobs in energy, or so I thought. After my master's, I was torn between staying in Austin with a fiancée who didn't want to relocate, or taking a job with the state energy office in Albany, New York. In Austin, the job being offered was state budget work, something I'd never considered. So two different career paths were available. I took the Austin job to make my fiancée happy, turned down New York and she promptly dumped me. That's it. That's how I started at the Legislative Budget Board, the budget-writing arm of the state legislature.

And it's great! Although I'd never considered state budgeting as a career, I quickly saw it was a fortuitous place to start. In fact, the job I started at the age of 26—and this says a lot about my self-confidence at the time—would've been a job I'd have been happy to retire from. Back then, the LBB gave enormous responsibility and latitude to entry-level staff. We'd meet with the lieutenant governor and speaker, senators and representatives. Our recommendations mattered and we were encouraged to make them. Furthermore, I started lucky by budgeting for agencies of higher education. This was key. The contacts I made in the early 1980s, I still use today at CPRIT.

After 17 years, again, fate reappeared in the form of then Lieutenant Governor Bullock who tapped me for his staff. This began my period on the staffs of statewide elected officials. When Mr. Bullock retired, I was recruited as Deputy Budget Director for George W. Bush. When Governor Bush became president, I opted to stay with incoming Governor Perry. The skills and contacts that led to success in those offices were honed by budgeting.

When I speak to students, I always promote budgeting as a career. You can be interested in all the policy there is, but if you don't have the budget there is no policy. Sooner or later all policy crosses the budgeteer's desk. I think good CEOs everywhere—government, private sector, university—recognize this. This is why fiscal staff, along with lawyers, populate high levels of organizations. My connections acquired through budget work were deep and wide. I know people at all levels of state government in nearly every state agency and institution of higher education in Texas.

Success in the office of a statewide elected official depends upon one's ability to solve problems, to make government run. You fix problems through connections and trust built up over time. The staff are the ones that allow politicians—the policy makers—to govern effectively.

I'd gone to work at the UTHealth Science Center here in the medical center when CPRIT hit its bump in the road in 2012. Friends in state leadership offices were looking for someone to bring in who knew the legislative process, knew what legislators needed, and who appreciated the bureaucratic processes that may have been skirted by CPRIT. I got fingered. So those contacts, those problem-solving skills, that ability to connect the dots in the Capitol, that's how I got here.

Q | *What excites you most about CPRIT?*

A | Energetic innovation. The energy, the positive nature of the staff. It's best understood by example. I had someone who was hesitant to apply at CPRIT because she'd lost a daughter to cancer and thought CPRIT would be a grim or depressing place to spend a day. It's just the opposite. It's hope. It's a mission we're going to accomplish. Our staff is small but passionate, perhaps due to the high number of cancer survivors on board, all who want to beat this thing. It's also the interaction with our peer reviewers who are leaders in their fields. And it's the enthusiasm of our researchers, public health specialists and our translational researchers in early-stage companies working to get an idea to the bedside. It's an exciting, intellectually stimulating place with a heart.

Q | *If you could wave a wand and have three things happen over the next five years, what would be really meaningful to you?*

A | I would like several innovative advances to come out of our research programs. Whether that's knowledge that advances understanding for a treatment, or knowledge to prevent cancer—doesn't matter. I want at least three advances that Texans who put their trust in us can point to and say, 'There it is.' But I'm realistic enough to understand that scientific progress usually takes time and one advance builds upon another. I am confident—because we aren't even half way through awarding the funds entrusted to us—that in the future, CPRIT will provide those advances. Will we completely cure cancer? Probably not. That's the nature of cancer. It mutates. It's ever changing.

Through product development, I'd like to stimulate the biotech life sciences industry in Texas. The innovations that you are doing here in the medical center—and you are certainly making them—will create the synergy to advance the biotech industry in Houston. I want our CPRIT awardees not only to be part of what is going on here, but also to make all of Texas the major player in life sciences in the nation. I not only want Texas to challenge the east and west coasts, I want Texas to surpass them. Big dreams for a big state.

The biotech life sciences are a frontier for the human spirit, just like the space program was in the '60s and '70s. What better place to do it than in Texas and through the wonderful institutions here in the Texas Medical Center. This is thrilling stuff.

With prevention, CPRIT has provided some two million services to Texans who might not otherwise have gotten cancer screenings or other preventive services. We have identified nearly 3,000 cancer precursors and detected nearly 1,400 cancers. We are giving people a chance, on a very personal level, to win their battle. Through our prevention programs CPRIT is saving lives now, and will continue to do so for our remaining years.

We have three legs to our stool: product development research, academic research and prevention. I expect big things from all three.

Q | *Any closing thoughts?*

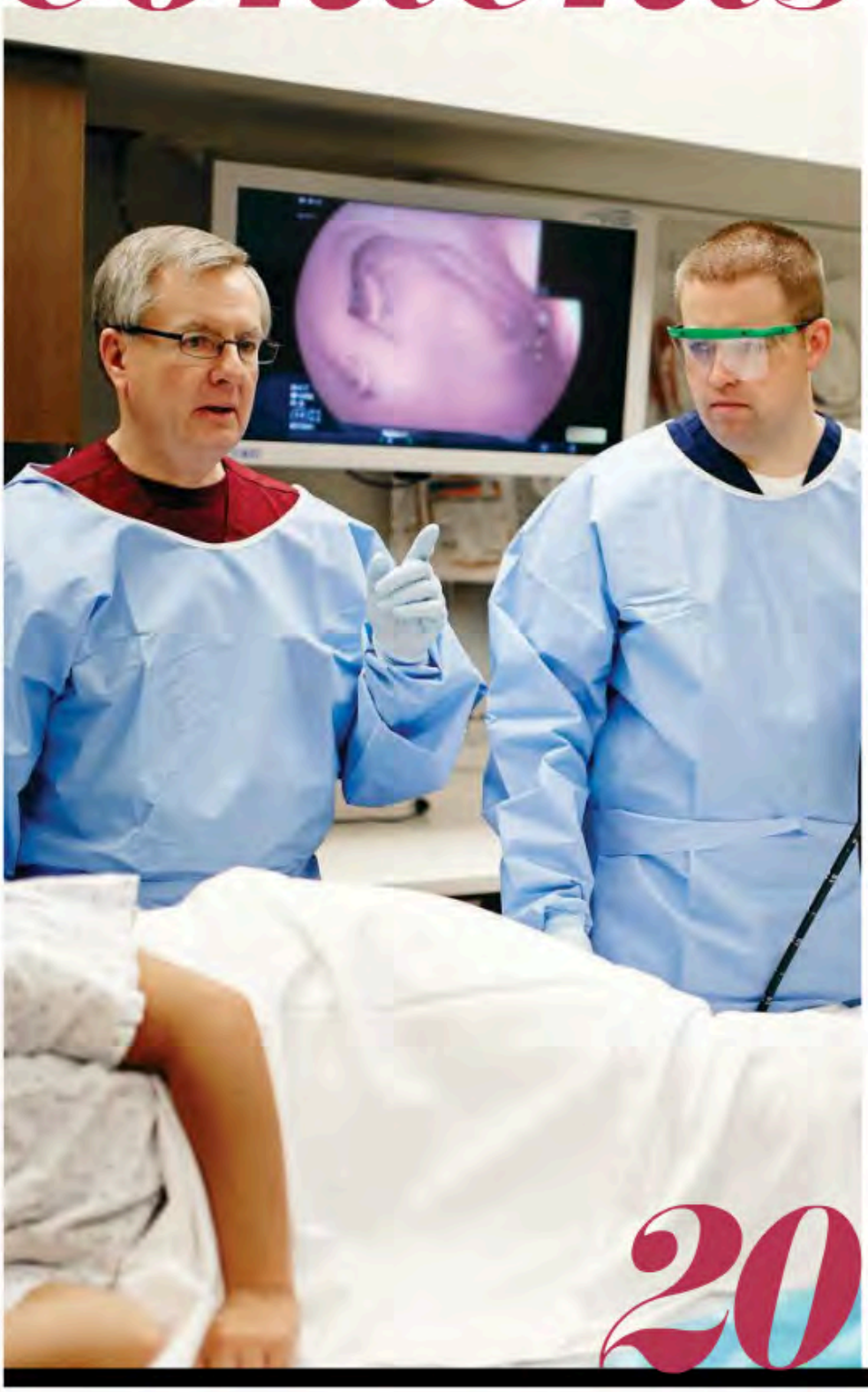
A | I want to acknowledge Margaret Kripke, our chief scientific officer. She came to CPRIT in 2012 because she was angry that Texas might lose a golden opportunity with CPRIT. What a pillar of strength and human dynamo! Although I intended to be here only briefly in a fixer role, I remained because I wanted to see the original buzz and passion completely restored. And it is. The passion of our awardees, peer reviewers, the board and staff is infectious, and I caught it.

What overarches CPRIT is it's so Texan. I mentioned NASA. Why was NASA put here? Because it's Texan. It's our frontier mentality. Texans reach out to do big things. And in CPRIT, Texas is reaching out in ways that the rest of the country and world only dream about. Mark my words, by the time CPRIT is done, Texas will have a cluster of expertise unparalleled anywhere in the world. From that expertise will be the victories Texans deserve. And many of those victories will be here in Houston, right where we're sitting now. ■


TEXAS MEDICINE
TEXAS MEDICAL ASSOCIATIO
MARCH 2015
The next generation of
CANCER RESEARCH
& PREVENTION
CPRIT funds train future physicians and attract talent to Texas

MARCH 2015

contents



« David McClellan, MD, assistant professor with the family medicine residency program at Texas A&M Health Science Center, trains family medicine residents like Heath Eggleston, MD, to perform colonoscopies using a grant from CPRIT.

feature

The next generation of cancer research and prevention

With restored funding from the 2013 Texas Legislature, the Cancer Prevention and Research Institute of Texas (CPRIT) is up and running again, with an emphasis on funding cancer prevention projects and recruiting top cancer researchers to Texas.

BY KARA NUZBACK

David McClellan, MD, assistant professor with the family medicine residency program at Texas A&M Health Science Center, trains family medicine residents like Heath Eggleston, MD, to perform colonoscopies using a grant from CPRIT.

The next generation of

CANCER

RESEARCH & PREVENTION

CPRIT FUNDS TRAIN FUTURE PHYSICIANS AND ATTRACT TALENT TO TEXAS

BY KARA NUZBACK / PHOTO BY MATT RAINWATERS

Before David McClellan, MD, became an assistant professor with the family medicine residency program at Texas A&M Health Science Center, he was a family physician in Spearman, a small, rural town just north of Amarillo. With no specialists in the area, Dr. McClellan started performing flexible sigmoidoscopies himself to screen his patients for colorectal cancer.

"It made perfect sense to me," he said. Now, using a grant from the Cancer Prevention and Research Institute of Texas (CPRIT), Dr. McClellan and his colleagues train family medicine residents at Texas A&M to perform colonoscopies — a similar, more thorough procedure — to examine and remove polyps from the large intestine.

Texas voters approved a constitutional amendment in 2007 to create CPRIT. The state-funded organization awards grants for cancer-related research, cancer prevention programs, and cancer-related services by public and private Texas entities.

Using funds from CPRIT, Dr. McClellan and the family residency program teamed up with the Texas A&M School of Public Health to create the Texas Cancer Screening, Training, Education, and Prevention (C-STEP) program. C-STEP provides free cancer screenings to residents of the Brazos Valley region who are uninsured or low-income qualifiers through the Texas A&M Physicians Family Medicine Center.

"It was a really beautiful blending of two major parts of the Texas A&M Health Center," he said. In addition to providing training opportunities for residents, Dr. McClellan says, the program serves patients who would not otherwise get screened for colorectal cancer.

"The CPRIT funding has really been a boon to the people in the Brazos Valley area," he said. "We're providing a needed service to patients, and we're really doing something good for colon cancer prevention."

Since its creation, CPRIT has put an emphasis on funding cancer prevention projects and recruiting top cancer researchers to Texas institutions, says Chief Executive Officer Wayne Roberts. But the organization suffered a setback in 2012, when a top official awarded an $11 million grant without going through the necessary channels.

The state placed a moratorium on grants but later replenished the funds. Now, CPRIT is bouncing back with renewed gusto, and Mr. Roberts says the organization is making rare and hard-to-treat cancers, including juvenile and adolescent cancers, a priority in 2015.

TRAINING RURAL DOCTORS, HELPING RURAL PATIENTS

Mr. Roberts says CPRIT puts great importance on funding cancer prevention projects like C-STEP.

"Prevention efforts present our best opportunity for immediate results," he said. Mr. Roberts added the organization plans to focus on prevention for populations in which significant disparities in cancer incidence and mortality exist.

Last year, in addition to continuing and expanding the grant for colorectal cancer screening and prevention, CPRIT awarded Texas A&M another grant to train family medicine residents and nursing students to screen for breast and cervical cancer. Dr. McClellan says though the program is still new, it has already identified one breast cancer case.

"A grant like this that allows us to do good clinical work and help the citizens in our region is helpful on a number of fronts," he said.

CPRIT grant recipients must submit quarterly and annual reports to the institute that outline spending line by line. Grantees collect data that can lead to scientific publication, allowing others in Texas and around the nation to learn from the projects' best practices and outcomes.

Jane Bolin, PhD, interim department chair and professor of Health Policy and Management at the Texas A&M School of Public Health, is principal investigator for both grants. She handles community outreach to let patients know about the free screenings, and she reports back to CPRIT with results showing how the grants have helped improve access to care.

She says in the three years since C-STEP was created, Texas A&M residents have performed 1,155 colonoscopies, removed precancerous polyps in 27 percent of those cases, and diagnosed 11 cases of colorectal cancer. Medicaid often covers cancer treatment for the uninsured, but, Dr. Bolin said, "income eligibility for Medicaid insurance in Texas is more difficult to meet than in some other states. Consequently, many individuals who are low-income and who should be screened do not qualify. This is especially true for adult men between the ages of 50 and 65."

While CPRIT funds don't cover cancer treatment for patients, the institute will pay for navigation services, also known as case management. CPRIT-funded navigation services help patients determine whether they qualify for Medicare, Medicaid, or the Texas Breast and Cervical Cancer Services program.

In the first nine months of the new breast and cervical cancer screening grant, Texas A&M performed more than 100 Pap tests, clinical breast exams, and mammograms, Dr. Bolin says. In addition, family medicine residents performed 15 colposcopies when a Pap test resulted in abnormal findings, one removal of a lesion from the cervix, nine breast ultrasounds, and four breast biopsies, she says.

"This is all being done in the context of training family medicine doctors," Dr. Bolin said. "The majority of them will stay in Texas, practice in smaller areas. These types of skills are important." Dr. Bolin says the program recently expanded to include a 10-county region — all in underserved areas, where many patients live in poverty.

"The CPRIT grant has been a real blessing," she said. "It's basically training the next generation of family physicians."

Dr. McClellan says only about half the people who should see a doctor for a colorectal cancer screening actually get a colonoscopy. "We're making a dent in that 50 percent of the population that wouldn't otherwise be getting screened," he said.

The training program is not an effort to cut into the business of gastrointestinal (GI) specialists, but rather a chance to teach future rural family physicians a new skill set, he says.

"We very much appreciate our GI colleagues," he said. But, he added, "Well-trained family physicians can do a lot of care that is somewhat specialized."

In rural communities, he says, patients often put a lot of trust in their local physician and are more likely to go to him or her than travel to a more metro-

politan area to see a specialist. He adds many Texas A&M graduates will put this skill to use in their own practices.

"It gives them a more in-depth understanding of the need for their patients to be screened," he said. Dr. McClellan also admits a personal stake in the game: His mother died of colon cancer at age 67.

"If she had had a screening colonoscopy, she might be alive today," he said. He notes other faculty involved in C-STEP have lost family members to colon cancer.

"All of us have some skin in the game and are passionate about this because we realize the importance of early detection," he said.

SCANDAL STRIPS FUNDING

Mr. Roberts says CPRIT funding supports a variety of measures to prevent cancer across the state.

"To date, CPRIT grants have supported cancer prevention, education and training, evidence-based screening for the early detection of cancer, and survivorship services for nearly 2 million Texans," he said.

The Texas Public Health Coalition declared its support for CPRIT at its December 2014 meeting. In a one-pager, the group says, "CPRIT is leading the charge against cancer in Texas. We must continue to support strong public health activities that complement CPRIT's work and make sure prevention, early detection, and survivorship programs remain strong."

Mr. Roberts also notes the economic impact of the organization. "A report by The Perryman Group shows that through the end of fiscal year 2014, CPRIT's activities and investments resulted in $3.6 billion in Texas business activity, 37,690 jobs created through direct and indirect economic activity, and $197 million in state tax receipts, along with $92.1 million in local government tax receipts."

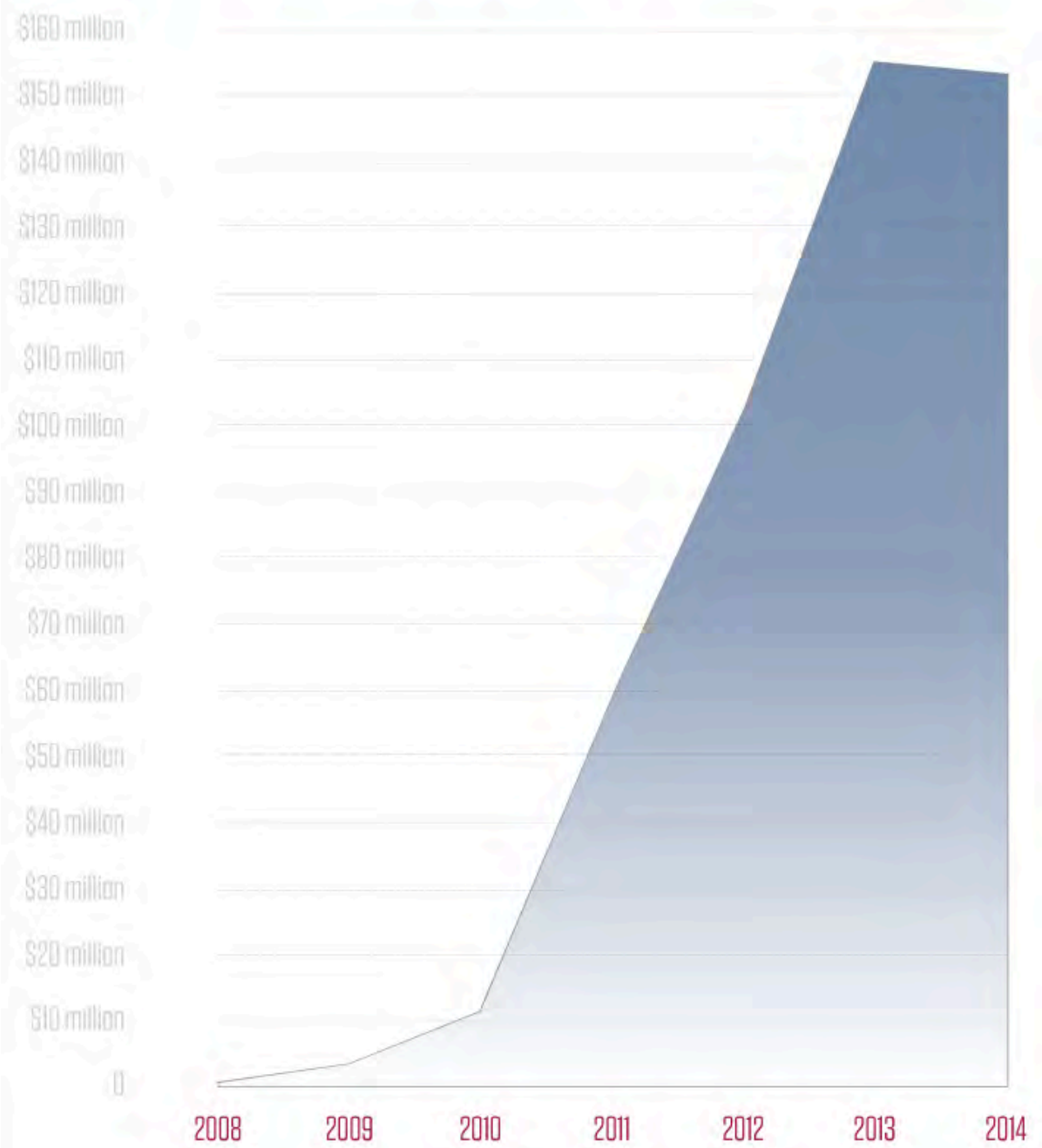
But the righteous path wasn't without its hiccups. Five years after the legislature created CPRIT, the institute's oversight committee disclosed that it had awarded an $11 million grant for Dallas-based Peloton Therapeutics without proper scientific review. State leaders placed a moratorium on new grants in December 2012. In addition, former Chief Commercialization Officer Jerry Cobbs, who was responsible for presenting the Peloton grant to the CPRIT oversight board for approval, resigned shortly after the disclosure. A Travis County grand jury indicted him on first-degree felony charges in December 2013.

Lawmakers restored funding during the 2013 legislative session, when they passed Senate Bill 149, spearheaded by Sen. Jane Nelson (R-Flower Mound) and Rep. Jim Keffer (R-Eastland) and supported by the Texas Medical Association, to overhaul CPRIT operations, ensure transparency within the organization, and restore its multimillion-dollar budget.

Before the legislature approved the bill, TMA testified before the Senate Health and Human Services Committee in its favor. TMA noted the bill modified CPRIT's structure, established salary restrictions, and changed the composition of the oversight committee. SB 149 also established conflict-of-interest rules that govern institute committees and employees. The bill required the oversight committee to adopt a code of conduct applicable to the members of the oversight and program integration committees and CPRIT employees.

CPRIT is now up and running again, and Mr. Roberts says the statutory changes allowed the agency to make a new start with an increased focus on transparency and accountability.

STATE SPENDING ON CPRIT (BY FISCAL YEAR)



"CPRIT's grant award processes include numerous checks and balances, and the agency has sought public input on important initiatives such as administrative rule changes and establishing program policies," he said.

ON THE AGENDA

The legislature appropriated $600 million in bond proceeds for 2014–15 and required a transfer of $6 million in bond proceeds to the Texas Department of State Health Services (DSHS) to support the Texas Cancer Registry. By law, CPRIT can allocate a maximum of 10 percent of total annual grant awards to prevention. That means up to $30 million will be available to fund prevention initiatives in 2015.

CPRIT funding is split among research, prevention efforts, and product development. In November 2014, CPRIT announced it awarded 32 new grants — 20 through its product development program, five through its prevention program, and seven recruitment grants through its research program — totaling more than $65 million toward advancing the fight against cancer. Recipients included Baylor College of Medicine, several branches of The University of Texas, including MD Anderson Cancer Center, and Texas Tech University. CPRIT did not award any new grants to private businesses.

Mr. Roberts says the organization's biggest challenge is finding ways to leverage its $300 million a year.

"We want to make sure we're not just mimicking what is going on elsewhere in cancer research," he said. The oversight committee's new annual process of setting program priorities provides for greater transparency in how the agency allocates its funding and helps staff decide which grant applications it approves, he says. CPRIT now reviews and adjusts its priorities every year as circumstances change and new information surfaces, Mr. Roberts says.

The oversight committee adopted its first set of priorities at its November 2014 meeting, where it decided to focus on prevention and research of rare and hard-to-treat cancers, including juvenile and adolescent cancers.

"The private sector tends to focus on cancers where they can produce a product or drug for the maximum number of patients to increase profits. Children's cancers are relatively rare to begin with, and some people believe these and other rare cancers haven't received the attention they deserve," Mr. Roberts says.

CPRIT also plans to continue recruiting top cancer researchers to Texas, Mr. Roberts says.

"A talented researcher, particularly a young one, represents 25 to 30 years of research. By the time we're done, I predict we will have created in Texas the finest cluster of cancer expertise in the world," he said.

NEW HURDLES

A new bill seeks to end funding to CPRIT forever. Senate Bill 197, prefiled last December by Sen. Charles Schwertner, MD (R-Georgetown), would terminate state funding to CPRIT upon its sunset date in 2021. The bill tasks the organization with finding a way to operate without state funds. Senator Schwertner did not respond to a request for comment.

Mr. Roberts says the bill instructs CPRIT to plan for the future.

"It's still early in the process, and at this point quite a lot remains to be considered, but we appreciate lawmakers thinking ahead and planning for the future of the agency. We look forward to this dialogue," he said.

Austin oncologist Debra Patt, MD, is director of public policy for Texas Oncology and a member of TMA's Committee on Cancer. She understands the legislature's desire to spend state funds wisely, but cutting off CPRIT too early could jeopardize Texas' investment, she says.

"There were some flaws in the system," she said. But, she says, CPRIT has done much to correct transparency issues and ensure oversight.

She says not only does the organization work to lower cancer rates in Texas, but it also serves as a "carrot" to bring talent to the state. Dr. Patt credits CPRIT with bringing researcher James Allison, PhD, to MD Anderson Cancer Center to chair the Department of Immunology. Dr. Allison is known for his groundbreaking research toward a drug that helps the immune system recognize and destroy cancer cells. He arrived at MD Anderson in 2012 with the help of a $10 million CPRIT scientific recruitment grant for established investigators.

She says the organization also led CPRIT scholar Sean Morrison, PhD, to The University of Texas Southwestern Medical Center, where he is the founding director of the Children's Research Institute and the Mary McDermott Cook Chair in Pediatric Genetics. Dr. Morrison investigates the role of stem cells in cancer treatment.

"It's attracting truly first-rate scientists to Texas institutions," she said. "That will then drive health care innovation for decades." ■

CPRIT
BY THE NUMBERS

817 grants
awarded since 2010

$1,149,249,373
total amount awarded

83
recipients

Source: www.cprit.state.tx.us/funded-grants

HOUSTON CHRONICLE

New priorities reflected in latest cancer agency funding

By Todd Ackerman | February 26, 2015 | Updated: February 26, 2015 5:35pm

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Houston, as usual, received the most funding of any Texas city in the latest round of state cancer grants, but the real winners were the agency's two new favored causes.

Product development and pediatric tumor research, priorities identified last fall, received more than 55 percent of the $118 million in grant money the Cancer Prevention and Research Institute of Texas approved this month. Officials at the agency, known as CPRIT, in November said the shift in emphasis is an attempt "to make the most of the opportunity we have."

The agency approved $48.5 million for product development grants, an even bigger chunk of the pie than the agency has been allocating for such awards since it rebooted in October 2013 and began provindg more funding for commercialization. The money, some of it contingent on the attainment of milestones, is going to four new companies, two in Houston, one in College Station and one in San Antonio.

The new Houston companies are Immatics Biotechnologies, which is relocating from Germany next week and will work with University of Texas M.D. Anderson Cancer Center doctors developing several types of immunotherapies that activate a patient's T-cells to battle cancer; and Armada Pharmaceuticals, the new parent of a Toronto-based subsidiary called AvidBiologics, Inc., which plans to office at the Texas Medical Center Innovation Centre Accelerator facility. Immatics' grant is for $19.65 million, Armada's for $12.75 million.

Nearly $18 million, or 15 percent of CPRIT's outlay of grants, was approved for pediatric cancer research, a long underfunded target. The National Cancer Institute, for instance, spends 4 percent of its budget on childhood cancers, and pharmaceutical companies spend close to zero. In the last 20 years, the U.S. Food and Drug Administration has approved only two drugs for a childhood cancer.

Baylor College of Medicine got the most pediatric cancer funding, $6.9 million for four grants, followed by M.D. Anderson, which got $3.86 million for two grants. The University of Houston got one for $1.9 million.

M.D. Anderson and Baylor ranked 1-2 in overall research funding by institutions. M.D. Anderson received $22.3 million and Baylor $11.3 million. UT Southwestern at Dallas was third, with $10.5 million.

CPRIT's press release, with a listing and brief summaries of all 58 grants, is here.

CPRIT has now awarded $1.258 million in grants. The initiative, a $3 billion attack on cancer over 10 years, was approved by voters in 2007 and launched in 2009. Scandals involving the mismanagement of $56 million in grants threatened its existence in 2013, but the Legislature ultimately opted to continue its funding, contingent on reforms.

Questions persist, meanwhile, about the level of the state's commitment to CPRIT under the new leadership in Austin. The Texas Tribune examines that issue here.

http://www.houstonchronicle.com/local/prognosis/article/New-priorities-reflected-in-latest-cancer-agency-6103655.php

Austin American-Statesman

Business Digest: CPRIT awards $111.4 million in grants

Posted: 5:44 p.m. Wednesday, Feb. 18, 2015

By Staff - American-Statesman staff

GOVERNMENT

CPRIT awards $111.4 million in grants

The state's cancer-fighting agency awarded $111.4 million in research grants Wednesday.

The 58 grants, funded out of the $3 billion in bonds voters approved in 2007, will "focus on oncology-focused research and development conducted by Texas-based companies," as well as a slew academic grants, according to the Cancer Prevention and Research Institute of Texas.

Recipients of the biggest grants include Houston-based Immatics Biotechnologies ($19.7 million), College Station-based Medicenna Therapeutics, Inc. ($14.1 million), and Houston-based Armada Pharmaceuticals, Inc. ($12.8 million). The academic research grants range from $844,746 to $2 million.

The agency - commonly called CPRIT - disburses up to $300 million a year over the course of a decade. But the agency's mishandling of three grants, totaling $56 million, caused three executives to resign, one to be indicted and the Legislature in 2013 to reconsider CPRIT's future. The agency now has a new oversight committee and executive team, eight additional staffers focused on compliance and oversight, and a rebuilt slate of out-of-state experts who do the initial review of applications to avoid conflicts of interest with Texas grant recipients.

http://www.mystatesman.com/news/business/business-digest-cprit-awards-1114-million-in-grant/nkDnG/#979c2298.3473355.735726

SAN ANTONIO
BUSINESS JOURNAL

CPRIT awards nearly $7 million to San Antonio cancer researchers

Feb 18, 2015, 4:19pm CST | **UPDATED:** Feb 18, 2015, 4:23pm CST

W. Scott Bailey
Reporter/Project Coordinator-
San Antonio Business Journal
Email | Twitter | Google+ |
Facebook

The Cancer Prevention and Research Institute of Texas (CPRIT) has awarded 58 new grants worth more than $111 million to a number of organizations across the state — including several to the University of Texas Health Science Center at San Antonio.

CPRIT has awarded more than $2.6 million to the Health Science Center for a trio of Individual Investigator Research Awards. The Health Science Center has secured an additional $2 million Individual Investigator Research Award for Cancer in Children and Adolescents.

In addition, CPRIT has awarded a $2 million product development research grant to San Antonio's NanoTx Therapeutics for the development of rhenium nanoliposomes for cancer therapy.

Health care and the biosciences is San Antonio's largest industry. The CPRIT funding will support further research efforts in the Alamo City, which could lead to additional commercialization of products and therapies.

Texas voters approved a constitutional amendment in 2007 establishing the Cancer Prevention and Research Institute of Texas and authorizing the State to issue $3 billion in bonds to fund ground-breaking cancer research and prevention programs. To date, CPRIT has awarded more than $1 billion in grants to Texas researchers, institutions, nonprofits and private enterprises.

Health care and the biosciences is San Antonio's largest industry. The CPRIT funding will support further research efforts in the Alamo City, which could lead to additional commercialization of products and therapies.

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http://www.bizjournals.com/sanantonio/news/2015/02/18/cprit-awards-nearly-7-million-to-san-antonio.html

Margaret Kripke to Step Down As CPRIT Chief Scientific Officer
The Cancer Letter

MARGARET KRIPKE is leaving her position as chief scientific officer at the Cancer Prevention and Research Institute of Texas.

In a statement, Kripke said she had met her goals at the institute:

"I came to CPRIT nearly two-and-a-half years ago to see if I could help reconstitute the research peer review committees and restart the research grants program," she wrote.

"I also wanted to make sure that CPRIT's investments in cancer research were strategically directed to some underfunded areas where there was opportunity for progress, such as prevention, early detection, and childhood cancers.

"I'm pleased to say that CPRIT is now flourishing, the research program is making rapid progress, priority areas for research have been established, and so I feel that I have accomplished what I set out to do.

"It seems like a good time for me to allow someone else to take on the responsibilities of being CPRIT's chief scientific officer. I'll do whatever I can to make sure there is a smooth transition and expect to remain a strong supporter of CPRIT and its mission."

Kripke, 71, will retire as soon as the agency can find a successor, no later than Aug. 31.

"CPRIT is now hitting its stride due in large part to Dr. Kripke's leadership of the academic research program," CPRIT CEO Wayne Roberts said to The Cancer Letter. "The one person I credit with CPRIT's turnaround is Margaret Kripke.

"She recruited and retained eminent peer reviewers who will help launch the next chief scientific officer. Dr. Kripke identified early detection, intractable and rare cancers, especially pediatric and juvenile cancers, to become board adopted agency priorities.

"Everything CPRIT is today is part of her legacy to Texas. The board and I are happy Margaret gets to resume her retirement, but we'll miss our daily interaction with this cherished colleague."

According to CPRIT, Kripke brought "tremendous credibility" to the institute as the former executive vice president and chief academic officer of MD Anderson, anchoring the agency's research program during its restart after Senate Bill 149 (The Cancer Letter, Dec. 14, 2012).

"She reconstituted the research panel peer review process with amazing experts from around the country," CPRIT said in a statement.

The agency approved a $125,000 contract April 27 with Spencer Stuart, an executive search and leadership consulting firm to recruit Kripke's successor.

CPRIT was launched in 2009, after a bond issue to fund the program was approved by voters in 2007. To date, CPRIT's 868 awards have invested $1.24 billion in cancer research.

"Margaret stepped into a very difficult situation and put her scientific reputation on the line to help restore the credibility of CPRIT in the eyes of the Texas State Legislature," said Ted Yank, associate director for administration of the Dan L. Duncan Cancer Center at Baylor College of Medicine. Yank has been involved with the creation of CPRIT from the beginning—reviewing legislation, participating in oversight committees, and coordinating Baylor's responses to CPRIT.

"She conducted herself with grace, professionalism and took an ecumenical approach that achieved that goal," Yank said to The Cancer Letter. "Anyone with stake in this tough fight against cancer owes her a debt of gratitude."

DRAFT CPRIT 2015 Conference Agenda

(Changing daily)

Day 1

PLENARY	RESEARCH	PROD DEV	PREVENTION

	Breakfast on own		
8:30-8:45am (15 min)	**Welcome and Introductions** Wayne Roberts and OC Chair		
8:45-10:15 (1.5 hrs)	**Plenary session: The Promise and Perils of Immunotherapy** Speakers: TBD, Margaret to moderate		
10:15-10:30	15 minute coffee break		
10:30-11:15 (45 min)	**Plenary session: Modern Epidemiology: Dark Wood, Glimmer of Hope** Speaker: Dr.David Katz—Director, Yale University Prevention Research Center		
11:15-12:30	Lunch Provided – No Program		
12:30-1:15pm (45 min)	**Joint Research/Product Development session Texas Biotech production/mfg capabilities—** Speakers: TBD		**Adapting and Disseminating EVB programs –** Dr. Ross Brownson, Washington University
	5 min. to change rooms		
1:20-2:05 (45 min)	**Joint Research/Prevention session: Environmental Carcinogens-**Julia Brody, Executive Director, Silent Spring Institute		Two PD company presentations.
	5 min. to change rooms		
2:10-2:55 (45 min)	**MIRA presentations** Grantees (2) 1. Childhood cancer 2. Lung cancer	**Elements of successful applications**: Steve Wyatt	Two other companies **or** Elements of successful applications- Jack Geltosky
3:00-4:30pm (1.5 hrs)	**Posters (Group A) With Coffee break**		

Day 2

	Breakfast on own		
8:00-8:45 (45 min)	**Plenary session: Product Development (need title)** George Poste, Arizona State University		
8:45-9:30 (45 min)	**Plenary session**: **President's Cancer Panel report**: **Accelerating HPV Vaccine Uptake** Abby Sandler, NCI & Exec Secretary President's Cancer Panel		
9:30-9:45	Coffee break & Move to breakouts		
9:45-10:45 **(60 min)**	**Joint Research/Prevention on HPV/cervical cancer issues panel** Speakers: TBD		**Texas' Incubator programs** Speakers: TBD
10:45-12:15 1.5 hrs	**Posters Group B**		
12:15-1:15	Lunch Provided- No program		
1:15-2:00 (45 min)	**CPRIT Scholars (2)**	**How to get programs into Rural areas:** Speakers: CPRIT grantees	**Venture capital presentation**
	5 min. to change rooms		
2:05-2:50 (45 min)	**Grantee Presentations** (2)	**Academic/Community org collaborations**: Wyatt to moderate, speakers TBD	Two PD company presentations.
2:50-2:55	5 minute to change rooms (no coffee break –use $$ elsewhere)		
2:55-3:40 (45 min)	**Grantee Presentations** (2)	**Networking Interest Groups: by cancer? Rural vs urban? Health care setting?**	Two PD company presentations.
	END PROGRM		

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	**OVERSIGHT COMMITTEE MEMBERS**
From:	**WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER**
Subject:	**AGENDA ITEM 17, FY 2016 PROGRAM PRIORITIES DISCUSSION**
Date:	**MAY 13, 2015**

At the April 20, 2015, Oversight Committee meeting you instructed CPRIT staff to begin arranging the FY 2016 Annual Program Priorities review mandated in state law. This request resulted from the discussion concerning the possible need to prioritize recommended program awards in the event that the amount recommended by the peer review panels to the Program Integration Committee exceeded the amount available for the remainder of FY 2015. Although the immediate need to revisit priorities dissipated since sufficient funding exists to cover foreseeable Program Integration Committee recommendations in this fiscal year, the need to consider how to address the same issue in future fiscal years requires resolution.

Interest was expressed in starting this conversation at the May 20, 2015, Oversight Committee meeting and for staff to frame the discussion. Considering the length of the agenda for the May 20 meeting compared to that projected for the August 19, 2015, meeting, I recommend that this item be postponed until August.

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO:	OVERSIGHT COMMITTEE MEMBERS
FROM:	WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER
SUBJECT:	AGENDA ITEM 18, REQUESTS FOR APPLICATIONS
DATE:	MAY 13, 2015

At the April 20, 2015, Oversight Committee meeting you instructed CPRIT staff to provide a history of the release of Requests for Applications (RFAs) for each program by mechanism and to identify expected future releases in FY 2016. As with the Program Priorities Discussion related to Agenda Item 17, this request resulted from the discussion concerning the possible need to prioritize recommended program awards in the event that the amount recommended by the peer review panels to the Program Integration Committee exceeded the amount available for the remainder of FY 2015. Although the immediate need to revisit priorities dissipated since sufficient funding exists to cover foreseeable Program Integration Committee recommendations in this fiscal year, the need to consider how to address the same issue in future fiscal years requires resolution.

The requested information has been prepared for your use in the Program Priorities discussion and follows this memo.

ACADEMIC RESEARCH RFA RELEASE BY MECHANISM

FY 2010				
Mechanism	**RFA**	**Release**	**Due**	**Award**
High-Impact/High-Risk Research Awards	R-10-H1	08/21/09	10/08/09	01/20/10
Individual Investigator Research Awards	R-10-I1	08/21/09	10/08/09	01/20/10
Multi-Investigator Research Awards	R-10-MIRA1	10/30/09	03/10/10	06/18/10
Research Training Awards	R-10-RTA1	01/08/10	03/01/10	06/18/10

FY 2011				
Mechanism	**RFA**	**Release**	**Due**	**Award**
High-Impact/High-Risk Research Awards	R-11-HIHR-1	03/01/10	06/10/10	10/29/10
Individual Investigator Research Awards	R-11-IIRA-1	03/01/10	06/10/10	10/29/10
Multi-Investigator Research Awards	R-11-MIRA-1	07/26/10	11/15/10	03/24/11
Shared Instrumentation Awards	R-11-SIA-1	10/13/10	11/15/10	03/24/11

FY 2012				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Core Facility Support Awards	R-12-CFSA-1	02/15/11	05/31/11	11/02/11
High-Impact/High-Risk Research Awards	R-12-HIHR-1	02/15/11	05/31/11	11/02/11
Individual Investigator Research Awards	R-12-IIRA-1	02/15/11	05/31/11	11/02/11
Bridging the Gap: Early Translational Research Awards	R-12-ETRA-1	06/16/11	11/22/11	03/29/12
Shared Instrumentation Awards	R-12-SIA-1	07/07/11	11/22/11	03/29/12
Multi-Investigator Research Awards	R-12-MIRA-1	08/01/11	11/22/11	08/02/12

FY 2013				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Bridging the Gap: Early Translational Research Awards	R-13-ETRA-1	11/05/12	12/14/12	Withdrawn
Core Facility Support Awards	R-13-CFSA-1	02/16/12	05/31/12	12/05/12
High-Impact/High-Risk Research Awards	R-13-HIHR-1	02/16/12	05/31/12	12/05/12
Individual Investigator Research Awards	R-13-IIRA-1	02/16/12	05/31/12	12/05/12

FY 2014				
Mechanism	**RFA**	**Release**	**Due**	**Award**
High-Impact/High-Risk Research Awards	R-14-HIHR-1	12/09/13	02/03/14	08/20/14
Individual Investigator Research Awards	R-14-IIRA-1	12/09/13	02/03/14	08/20/14
Multi-Investigator Research Awards - Continuation for Years 4 and 5	R-14-MIRA-C-1	12/16/13	01/10/14	02/19/14
Research Training Awards - Continuation for Years 4 and 5	R-14-RTA-C-1	12/09/13	01/03/14	02/19/14

FY 2015				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Individual Investigator Research Awards	R-15-IIRA-1	03/31/14	06/26/14	02/18/15
Individual Investigator Research Awards for Cancer in Children and Adolescents	R-15-IIRACCA-1	03/31/14	06/26/14	02/18/15
Individual Investigator Research Awards for Prevention and Early Detection	R-15-IIRAP-1	03/31/14	06/26/14	02/18/15
Core Facility Support Awards	R-15-CFSA-2	07/14/14	11/17/14	05/20/15
High-Impact/High-Risk Research Awards	R-15-HIHR-2	07/14/14	11/17/14	05/20/15
Multi-Investigator Research Awards	R-15-MIRA-2	07/24/14	11/17/14	05/20/15

FY 2016				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Individual Investigator Research Awards	R-16-IIRA-1	02/20/15	05/20/15	11/18/15
Individual Investigator Research Awards for Cancer in Children and Adolescents	R-16-IIRACCA-1	02/20/15	05/20/15	11/18/15
Individual Investigator Research Awards for Prevention and Early Detection	R-16-IIRAP-1	02/20/15	05/20/15	11/18/15
Individual Investigator Research Awards for Computational Biology	R-16-IIRACB-1	02/20/15	05/20/15	11/18/15
Research Training Awards	R-16-RTA-1	02/20/15	05/20/15	11/18/15
High-Impact/High-Risk Research Awards	R-16-HIHR-2	07/06/15	10/13/15	05/18/16
Multi-Investigator Research Awards	R-16-MIRA-2	07/06/15	10/13/15	05/18/16

PREVENTION RFA RELEASE BY MECHANISM

FY 2010				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Evidence-Based Cancer Prevention Services	P-10-EBP-1	9/25/2009	11/13/2009	3/10/2010
Health Promotion, Public Education and Outreach Programs	P-10-HPP-1	9/25/2009	11/13/2009	3/10/2010
Community Collaborative Prevention Programs and Services	P-10-CCP-1	12/7/2009	3/1/2010	6/18/2010
Health Care Professional Education and Training	P-10-PET-1	12/7/2009	3/1/2010	6/18/2010
Health Promotion, Public Education and Outreach Programs	P-10-HPP-2	12/7/2009	3/1/2010	6/18/2010

FY 2011				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Cancer Prevention Microgrants	P-11-CPMG-1	6/4/2010	9/21/2010	1/27/2011
Evidence-Based Cancer Prevention Services	P-11-EBP-1	6/4/2010	9/21/2010	1/27/2011
Health Behavior Change Through Public and Professional Education and Training	P-11-PPE-1	6/4/2010	9/21/2010	1/27/2011
Cancer Prevention Microgrants	P-11-CPMG-2	12/3/2010	3/22/2011	7/27/2011
Evidence-Based Cancer Prevention Services	P-11-EBP-2	12/3/2010	3/22/2011	7/27/2011
Health Behavior Change Through Public and Professional Education and Training	P-11-PPE-2	12/3/2010	3/22/2011	7/27/2011

FY 2012				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Evidence-Based Cancer Prevention Services	P-12-EBP-1	6/9/2011	9/16/2011	1/18/2012
Cancer Prevention Microgrants	P-12-CPMG-1	11/23/2011	2/21/2012	8/2/2012
Evidence-Based Cancer Prevention Services	P-12-EBP-2	11/23/2011	2/21/2012	8/2/2012
Health Behavior Change Through Public and Professional Education and Training	P-12-PPE-1	11/23/2011	2/21/2012	8/2/2012

FY 2013				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Cancer Prevention Microgrants	P-13-CPMG-1	5/31/2012	8/28/2012	11/22/2013
Evidence-Based Cancer Prevention Services	P-13-EBP-1	5/31/2012	8/28/2012	11/22/2013
Health Behavior Change Through Public Education	P-13-PE-1	5/31/2012	8/28/2012	11/22/2013

FY 2014				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Competitive Continuation/Expansion	P-14-CCE-1	12/9/2013	2/27/2014	8/20/2014
Evidence-Based Cancer Prevention Services	P-14-EBP-1	12/9/2013	2/27/2014	8/20/2014
Health Behavior Change Through Public Education	P-14-PE-1	12/9/2013	2/27/2014	8/20/2014

FY 2015				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Competitive Continuation/Expansion	P-15-CCE-1	3/31/2014	7/10/2014	11/19/2014
Evidence-Based Cancer Prevention Services	P-15-EBP-1	3/31/2014	7/10/2014	11/19/2014
Evidence-Based Cancer Prevention Services Colorectal Cancer Prevention Coalition	P-15-EBP-CRC-1	9/25/2014	12/4/2014	5/20/2015
Cancer Prevention Promotion and Navigation to Clinical Services	P-15-PN-1	9/25/2014	12/4/2014	5/20/2015
Competitive Continuation/Expansion	P-15-CCE-2	9/25/2014	12/4/2014	5/20/2015
Evidence-Based Cancer Prevention Services	P-15-EBP-2	9/25/2014	12/4/2014	5/20/2015

FY 2016				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Cancer Prevention Promotion and Navigation to Clinical Services	P-16-PN-1	4/16/2015	7/9/2015	11/18/2015
Competitive Continuation/Expansion	P-16-CCE-1	4/16/2015	7/9/2015	11/18/2015
Dissemination of CPRIT-Funded Cancer Control Interventions	P-16-DI-1	4/16/2015	7/9/2015	11/18/2015
Evidence-Based Cancer Prevention Services	P-16-EBP-1	4/16/2015	7/9/2015	11/18/2015
Evidence-Based Cancer Prevention Services Colorectal Cancer Prevention Coalition	P-16-EBP-CRC-1	4/16/2015	7/9/2015	11/18/2015
Cancer Prevention Promotion and Navigation to Clinical Services	P-16-PN-2	9/24/2015	12/3/2015	5/18/2016
Competitive Continuation/Expansion	P-16-CCE-2	9/24/2015	12/3/2015	5/18/2016
Dissemination of CPRIT-Funded Cancer Control Interventions	P-16-DI-2	9/24/2015	12/3/2015	5/18/2016
Evidence-Based Cancer Prevention Services	P-16-EBP-2	9/24/2015	12/3/2015	5/18/2016
Evidence-Based Cancer Prevention Services Colorectal Cancer Prevention Coalition	P-16-EBP-CRC-2	9/24/2015	12/3/2015	5/18/2016
Evidence-Based Cancer Prevention Services - See, Test, Treat® Program	P-16-SST-1	9/24/2015	12/3/2015	5/18/2016

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PROCUCT DEVELOPMENT RFA RELEASE BY MECHANISM

FY 2010				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Company Commercialization Awards	R-10-COMP-1	11/20/09	03/01/10	08/01/10
Company Recruitment, Relocation, and Formation	R-10-RCO-1	06/18/10	Continuous	08/01/10

FY 2011				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Company Commercialization Awards	R-11-COMP-1	07/23/10	09/30/10	07/01/11
Company Recruitment, Relocation, and Formation	R-11-RCO-1	09/01/10	Continuous	No Awards

FY 2012				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Company Commercialization Awards	C-12-COMP-1	01/14/11	03/15/11	12/01/11
Company Commercialization Awards	C-12-COMP-2	06/30/11	08/25/11	06/01/12
Company Commercialization Awards	C-12-COMP-3	02/02/12	03/15/12	No Awards
Company Formation Awards	C-12-FORM-1	01/14/11	03/05/11	10/30/11
Company Formation Awards	C-12-FORM-2	06/30/11	08/25/11	06/01/12
Company Formation Awards	C-12-FORM-3	02/02/12	03/15/12	No Awards
Company Relocation Awards	C-12-RELO-1	01/14/11	03/15/11	No Awards
Company Relocation Awards	C-12-RELO-2	06/30/11	08/25/11	06/01/12
Company Relocation Awards	C-12-RELO-3	02/02/12	03/15/12	No Awards
Texas Life Science Incubator Infrastructure Awards	C-12-INCU-1	05/11/11	09/22/11	No Awards
Texas Life Science Incubator Infrastructure Awards	C-12-INCU-2	09/29/11	04/19/12	No Awards

FY 2013				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Company Commercialization Awards	C-13-COMP-1	07/06/12	08/30/12	03/01/14
Company Commercialization Awards	C-13-COMP-2	10/18/12	11/15/12	No Awards
Company Commercialization Awards	C-13-COMP-3	11/29/12	01/17/13	No Awards
Company Formation Awards	C-13-FORM-1	07/06/12	08/30/12	03/01/14
Company Formation Awards	C-13-FORM-2	10/18/12	11/15/12	03/01/14
Company Formation Awards	C-13-FORM-3	11/29/12	01/17/13	No Awards
Company Relocation Awards	C-13-RELO-1	07/06/12	08/30/12	03/01/14
Company Relocation Awards	C-13-RELO-2	10/18/12	11/15/12	No Awards
Company Relocation Awards	C-13-RELO-3	11/29/12	01/17/13	No Awards

FY 2014				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Company Relocation Product Development Awards	C-14-RELCO-1	12/09/13	01/31/14	No Awards
Established Company Product Development Awards	C-14-ESTCO-1	12/09/13	01/31/14	06/01/14
New Company Product Development Awards	C-14-NEWCO-1	12/09/13	01/31/14	08/31/14

FY 2015				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Company Relocation Product Development Awards	C-15-RELCO-1	03/31/14	05/29/14	No Awards
Company Relocation Product Development Awards	C-15-RELCO-2	12/01/14	02/09/15	TBA: 12/15
Established Company Product Development Awards	C-15-ESTCO-1	03/31/14	05/29/14	No Awards
Established Company Product Development Awards	C-15-ESTCO-2	12/01/14	02/09/15	TBA: 12/15
New Company Product Development Awards	C-15-NEWCO-1	03/31/14	05/29/14	03/01/15
New Company Product Development Awards	C-15-NEWCO-2	12/01/14	02/09/15	TBA: 12/15
Bridging the Gap: Early Transitional Research Awards	C-15-ETRA-1	05/23/14	08/07/14	12/01/14

FY 2016				
Mechanism	**RFA**	**Release**	**Due**	**Award**
Company Relocation Product Development Awards	C-16-RELCO-1	07/06/15	09/14/15	05/30/16
Established Company Product Development Awards	C-16-ESTCO-1	07/06/15	09/14/15	05/30/16
New Company Product Development Awards	C-16-NEWCO-1	07/06/15	09/14/15	05/30/16

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CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To:	**Oversight Committee Members**
From:	**Wayne Roberts, Chief Executive Officer**
Subject:	**Agenda Item 19: Chief Scientific Officer Recruitment Process**
Date:	**May 11, 2015**

The attached tables contains the current timeline, process and Interview Committee for the national search for a chief scientific officer to replace Dr. Kripke who is retiring on or about August 31, 2015.

The timeline is contingent upon getting Legislative Budget Board approval of the contract to engage Spencer Stuart by mid-June. Absent that approval, this already aggressive schedule will have to be adjusted to accommodate any delay.

The Interview Committee, to be chaired by Dr. Mulrow, is confirmed. I intend to schedule the first meeting of the Interview Committee to organize and go over my charge to them sometime in the first two weeks of June. It may be set by the May 20 Oversight Committee meeting.

Chief Scientific Officer Search Timeline/Process

Action	Assigned To	Timeline	Status/ Date	Notes
Prepare Chief Scientific Officer (CSO) job posting	CPRIT Staff	March 2015	Complete 3/11/2015	
Issue Request for Proposals for services contractor to conduct a nationwide executive search to provide CPRIT with pre-screened, pre-qualified applicants for consideration as CSO based on job description prepared by CPRIT	CPRIT Staff		Complete 3/15/15	
Responses evaluated and request to the Oversight Committee Audit Subcommittee for a recommendation to the full Oversight Committee (OC) to approve staff selection of Spencer Stuart	CPRIT Staff		Complete 4/13/15	
Recommendation to the OC by the Audit Subcommittee to approve staff selection of Spencer Stuart	CPRIT/OC	April 2015	Complete 4/20/2015	
OC approval of Audit Subcommittee recommendation to engage Spencer Stuart	CPRIT/OC	April 2015	Complete 4/20/2015	
Submit request for Legislative Budget Board (LBB) approval of a contract in excess of $100,000	CPRIT Staff	April 2015	Complete 4/20/2015	
LBB approval of contract in excess of $100,000 to engage Spencer Stuart	LBB			
Spencer Stuart formally engaged	CPRIT Staff	~ Mid June 2015		
Provide Spencer Stuart with draft state job posting for comment and suggested revision	CPRIT Staff	~ Mid June 2015		
CEO announces CPRIT Interview Committee	WRR	May 20, 2015		
First meeting of Committee and CEO charge to the Committee. Discussion of Committee processes	Committee	June 1-15, 2015		

Second meeting of Committee to select candidates for interviews	Committee	August 3-7, 2015		
Committee conducts interviews	Committee	August 10-21, 2015		
Committee meets and recommends finalist(s) to CEO for interview and/or second round of interviews	Committee	August 24-28, 2015		
CEO Interview(s)	WRR	August 24-September 4, 2015		
Final candidate negotiation	WRR	September 7-11, 2015		
Job Offer/Estimated start date	WRR	October 5, 2015		

Interview Committee	
Chair, Cynthia Mulrow, M.D	CPRIT Oversight Committee
William (Bill) Rice, M.D	CPRIT Oversight Committee
Amy Mitchell	CPRIT Oversight Committee
Margaret Kripke, PhD	CPRIT Chief Scientific Officer
Rebecca (Becky) Garcia, PhD	CPRIT Chief Prevention Officer
Thomas (Tom) Goodman, PhD	CPRIT Chief Product Development Officer
Richard Kolodner, PhD	Chair, CPRIT Scientific Review Council; Ludwig Institute for Cancer Research; Distinguished Professor of Medicine and of Cellular and Molecular Medicine, UCSD School of Medicine
James Willson, M.D.	Director, Harold C. Simmons Cancer Center, The University of Texas Southwestern Medical Center; CPRIT University Advisory Committee
Susan Blaney, M.D.	Professor (BCOM) & Deputy Director, Texas Children's Cancer and Hematology Centers, CPRIT Advisory Committee on Childhood Cancer

Staff, Lisa Nelson CPRIT Operations Manager

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

NOTICE

SUBJECT: ITEM 20: COMPLIANCE INVESTIGATION PURSUANT TO HEALTH & SAFETY CODE § 102.2631

Information related to Item 20 has been provided to the Oversight Committee members.