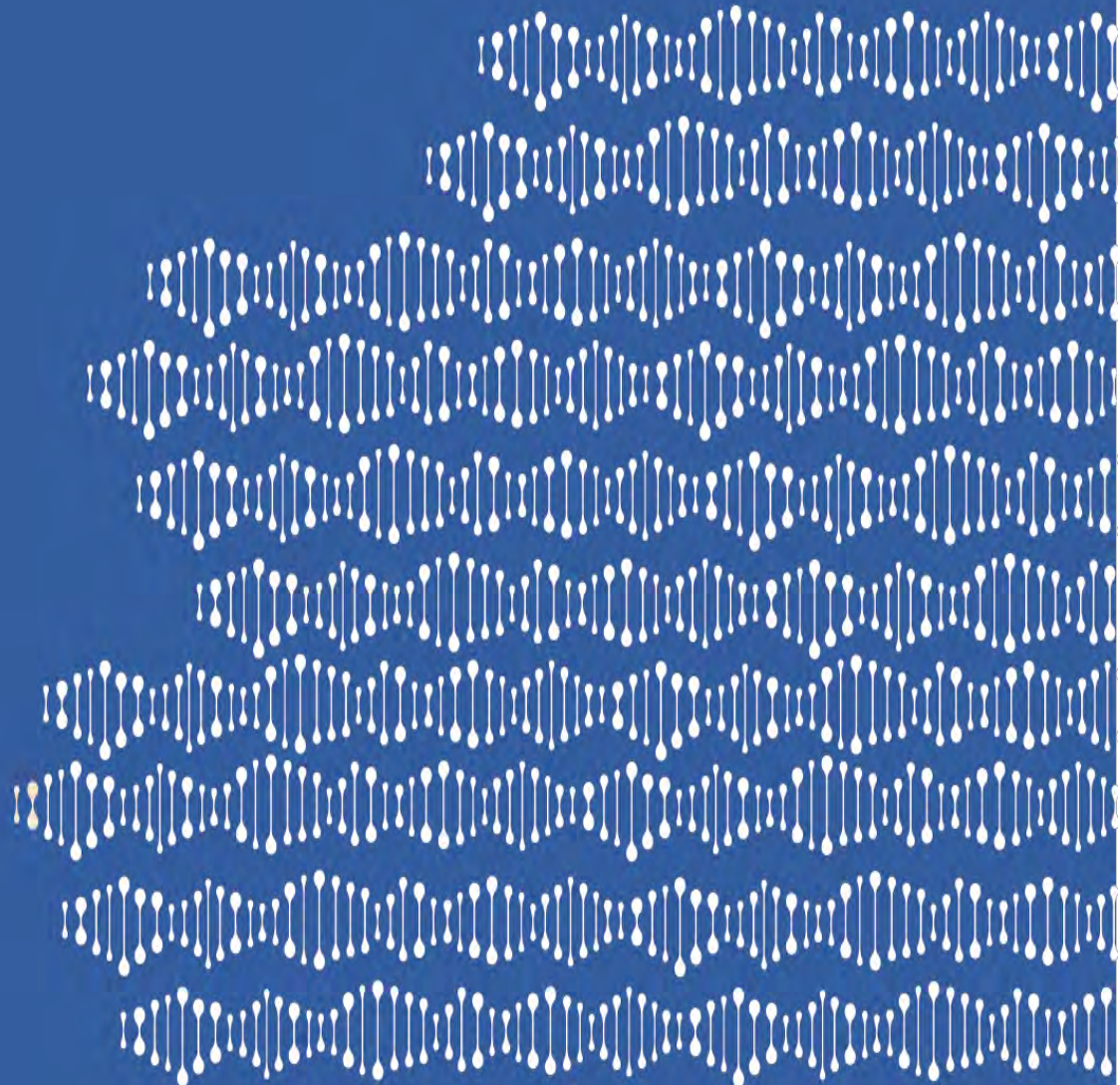




CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Oversight Committee Meeting

November 20, 2019





CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Oversight Committee Meeting Agenda

Texas State Capitol Extension
1400 N. Congress Avenue, Austin, Texas 78701
Room E1.012

November 20, 2019
10:00 a.m.

The Oversight Committee may discuss or act on 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 purpose permitted by the Act. Anyone wishing to offer 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.

1. Call to Order
2. Roll Call/Excused Absences
3. Adoption of Minutes from the August 21, 2019 meeting Tab 1
4. Public Comment
5. Chief Executive Officer Report Tab 2
6. Communications Report Tab 3
7. Chief Compliance Officer Report Tab 4
8. Chief Scientific Officer Report Tab 5
 - Grant Award Recommendations
 - FY 2021 Requests for Applications
 - RP180770
9. Chief Prevention Officer Report Tab 6
10. Chief Product Development Officer Report Tab 7
11. Scientific Research and Prevention Program Committee Appointments Tab 8
12. Health & Safety Code Section 102.1062 Waiver Tab 9
13. FY 2021 Program Priorities Tab 10
14. Internal Auditor Report Tab 11
 - Internal Audit Follow-Up Procedures Report over Communications
 - FY 2019 Internal Audit Annual Report
15. Amendments to 25 T.A.C. Chapter 703 Tab 12
 - Final Order Approving Amendments to Chapter 703
16. Texas Public Information Act and Texas Open Meetings Act legislative update Tab 13
17. Chief Operating Officer Report Tab 14
18. Contract Approvals Tab 15
 - Outside Legal Services contract amendment
19. Subcommittee Business
20. Compliance Investigation Pursuant to Health & Safety Code § 102.2631
21. Consultation with General Counsel
22. Future Meeting Dates and Agenda Items
23. Adjourn



Summary Overview of the November 20, 2019 Oversight Committee Meeting

This summary provides an overview of major agenda items and background on key issues for Committee consideration at the November 20, 2019 Oversight Committee meeting.

CEO Report

Wayne Roberts will present the CEO's report and address issues including a personnel update, grant funds available for FY 2020, the November 5 election, and other topics.

Communications Report

Chris Cutrone will update the Oversight Committee on communications activities leading up to the vote on Proposition 6, including editorial board recommendations, op-eds, other media coverage, and fall outreach efforts by staff.

Chief Compliance Officer Report

Vince Burgess will report on the status of required grantee reports, financial status report reviews, desk reviews and site visits, annual compliance attestation, single audit tracking, training, and a summary of FY 2019 compliance activities. He will also certify that the proposed academic research awards complied with statutory and administrative rule requirements.

Chief Scientific Officer Report and Grant Award Recommendations

Dr. James Willson will provide an update on the Academic Research Program and present the Program Integration Committee's 10 award recommendations for Recruitment of First-Time, Tenure-Track Faculty Members; Recruitment of Rising Stars; and Recruitment of Established Investigators totaling \$38,000,000. Dr. Willson will also present the proposed timeline and requests for applications (RFAs) for the first cycle of FY 2021 and discuss a budget change request for RP180770 (Core Facility project).

CPRIT will not publicly disclose information related to the Academic Research grant applications recommended for funding until the Oversight Committee meeting. The information is available to board members through a secure electronic portal.

Chief Prevention Officer Report

Ramona Magid will update the Oversight Committee on the on the agency's prevention activities including cycle 20.1 application receipt data, cycle 20.2 Request for Applications, FY 2021 program priorities, and other activities.

Chief Product Development Officer Report

Dr. WalkerPeach will provide an update on the Product Development Program including a cycle 20.1 application receipt data, enhancements to the due diligence review process, cycle 20.2 Request for Applications, and FY 2021 program priorities.

Appointments - Scientific Research and Prevention Programs Committee

Mr. Roberts has provisionally appointed four new members to CPRIT's Scientific Research and Prevention Programs Committees. CPRIT's statute requires Oversight Committee approval of the CEO's recommendations to finalize the appointments. CPRIT has provided biographical sketches for the appointees for the Oversight Committee's consideration.

Health & Safety Code Section 102.1062 Waiver

Mr. Roberts will present a conflict of interest waiver pursuant to Texas Health and Safety Code Section 102.1062 for Dr. Willson.

FY 2021 Program Priorities

Health and Safety Code Chapter 102 requires CPRIT's Oversight Committee to establish program priorities on an annual basis. Mr. Roberts will present the program subcommittees' recommendations for fiscal year 2021 Program Priorities for approval by the Oversight Committee. He will also discuss the process for developing fiscal year 2022 program priorities.

Internal Auditor Report

Weaver and Tidwell, CPRIT's internal auditor, will provide an internal audit update including follow up procedures report over communications and the FY 2019 internal audit report.

Amendments to 25 TAC Chapter 703

Cameron Eckel will present the final order approving amendments to the agency's Chapter 703 administrative rules, which the Oversight Committee provisionally approved at the August meeting. If approved, the amendments will become effective in December.

Texas Public Information Act (PIA) and Texas Open Meetings Act (TOMA) Legislative Update and Required Training

CPRIT's administrative rules require that the Oversight Committee receive training on TOMA and PIA after each regular legislative session. CPRIT's legal staff will present changes to the TOMA and PIA recently enacted by the 86th Legislature that are relevant to CPRIT's activities.

Chief Operating Officer Report and Contract Approvals

Heidi McConnell will discuss the operating budget, performance measures, and debt issuance history for the fourth quarter of FY 2019. She will also present a recommendation to increase the FY 2020 outside counsel contract amounts with Baker Botts, LLP, and Yudell Isidore, PLLC.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

**Oversight Committee Meeting Minutes
August 21, 2019**

NOTE: Unless the information is confidential, the reports, presentations, and grant award information referenced in the minutes are available at <http://ocmeetings.cprit.texas.gov> in the “Oversight Committee Board Packet” section for the corresponding meeting date.

Call to Order – Agenda Item 1

A quorum being present, Presiding Officer Will Montgomery called the Oversight Committee to order at 9:16 a.m.

Roll Call/Excused Absences – Agenda Item 2

Committee Members Present

Angelos Angelou
David Cummings, M.D.
Donald (Dee) Margo
Will Montgomery
Mahendra Patel, M.D.
Bill Rice, M.D.
Craig Rosenfeld, M.D.

Adoption of Minutes from the May 15, 2019 Meeting – Agenda Item 3 – Tab 1

MOTION:

On a motion by Dr. Bill Rice and seconded by Angelos Angelou, the Oversight Committee unanimously voted to approve the minutes of the Oversight Committee meeting of May 15, 2019, as presented.

Public Comment

There were no requests to provide public comment.

Presiding Officer Montgomery expressed CPRIT’s condolences to the City of El Paso and recognized Vice Presiding Officer Dee Margo’s efforts to guide the community through its recent tragedy.

Grantee Presentation – Agenda Item 5, Tab 2

Presiding Officer Montgomery recognized Chief Scientific Officer Dr. James Willson to introduce Funda Meric-Bernstam, M.D., Department Chair, Department of Investigational Cancer

Therapeutics, The University of Texas M.D. Anderson Cancer Center. Dr. Meric-Bernstam presented her CPRIT-funded Core Facility Support Award, “Precision Oncology, Decision Support Core.”

Chief Executive Officer Report – Agenda Item 6, Tab 3

Mr. Roberts provided an update on personnel and the amount of funds available.

Chief Compliance Officer Report and Compliance Certification of Grant Award Process – Agenda Item 7, Tab 4

Chief Compliance Officer Vince Burgess presented the Compliance Report for the past quarter’s activities. He reported the completion of the Annual Grantee Risk Assessment for FY 2020.

Mr. Burgess also presented the Compliance Certification for the proposed grant awards. He certified compliance with all applicable state and agency requirements for the proposed academic research grant awards, prevention grant awards, and the product development grant awards.

Chief Scientific Officer Report and Award Recommendations – Agenda Item 8, Tab 5

Presiding Officer Montgomery recognized Dr. Willson to present the academic research award recommendations and the program update.

Dr. Willson referred members to Table 1 on page 8 of the Proposed Grant Award booklet and presented the academic research award slates recommended by the Scientific Review Council (SRC) and the Program Integration Committee (PIC). The slates included applications from Cycles 19.1, 19.2 and recruitment cycles 19.10, 19.11 and some from 19.12. Dr. Willson noted that the PIC previously deferred the ten applications from cycle 19.1 that it now recommends for funding. He also reported that three recruitment applications recommended by the SRC/PIC were subsequently withdrawn by the applicants, resulting in 58 recommended awards totaling \$94,929,894.

Table 1: SRC and PIC Recommended Awards for Fiscal Year Review Cycle 2019.2*

Rank	Application ID	Award Mechanism	Score	Application Title	PI	PI Organization	Recommended Budget
1	RP190522	ETRA	1.8	Novel Endoscope-Cleaning Port for Minimally Invasive Cancer Surgery	Burt, Bryan M	Baylor College of Medicine	\$1,349,759
2	RP190674	CFSA	1.8	Business-Driven Accelerator for Cancer Therapeutics (BDACT)	McKeon, William	Texas Medical Center	\$5,440,894
3	RP190641	CAP-CAC	1.8	The Texas Collaborative Center for Hepatocellular Cancer	El-Serag, Hashem	Baylor College of Medicine	\$3,000,000

4	RP190570	HIHRRA	2.0	Expression Landscape and Biomedical Significance of Transfer RNAs in Cancer	Han, Leng	The University of Texas Health Science Center at Houston	\$199,998
5	RP190602	CFSA	2.0	New Capabilities for Cancer Research in the TMC CryoEM Cores	Ludtke, Steven J	Baylor College of Medicine	\$5,381,089**
6	RP190682	CFSA	2.1	A Targeted Proteomics and Metabolomics Mass Spectrometry Core Facility at the University of Texas Medical Branch at Galveston	Russell, William K	The University of Texas Medical Branch at Galveston	\$3,550,923
7	RP190579	HIHRRA	2.2	Novel High-Throughput Microfluidic Device for Isolating T Cells Directly From Whole Blood to Simplify Manufacturing of Cellular Therapies	Shevkopyas, Sergey	University of Houston	\$200,000
8	RP190599	HIHRRA	2.2	Epithelial Memory of Resolved Inflammation as a Driver of Pancreatic Cancer Progression	Viale, Andrea	The University of Texas M. D. Anderson Cancer Center	\$199,804
9	RP190617	CFSA	2.3	High-Performance Mass Spectrometry Imaging Core Facility	Brodbelt, Jennifer	The University of Texas at Austin	\$3,794,611
10	RP190513	CAP-RA	2.3	Patient-Centered Liver Cancer Prevention in the Houston Community	Hwang, Jessica	The University of Texas M. D. Anderson Cancer Center	\$2,456,676
11	RP190672	HIHRRA	2.4	Alleviating SN-38-Induced Late-Onset Diarrhea by Preserving Local UGTs in the Colon	Gao, Song	Texas Southern University	\$200,000

12	RP190581	CFSA	2.4	Gulf Coast Consortium High-Throughput Flow Cytometry Program (HtFCP)	Martinez-Moczygemba, Margarita	Texas A&M University Health Science Center Institute of Biosciences and Technology	\$4,690,019***
13	RP190561	CFSA	2.5	Advanced Cancer Antibody Drug Modalities Core Facility	An, Zhiqiang	The University of Texas Health Science Center at Houston	\$6,000,000
14	RP190567	HIHRRRA	2.5	Targeting Cancer-Associated Fibroblasts With Anti-IL-11-Secreting CAR T Cells	Parihar, Robin	Baylor College of Medicine	\$199,920
15	RP190658	ETRA	2.6	Engineering a Prototype for Label-Free Separation and Staining-Free Detection of Circulating Tumor Cells	Vanapalli, Siva A	Texas Tech University	\$657,222
16	RP190542	ETRA	2.6	Discovery and Development of Novel Peptibody-Drug Conjugate for Treating Cancers of the Digestive System	Liu, Qingyun	The University of Texas Health Science Center at Houston	\$2,000,000
17	RP190610	ETRA	2.7	Development of an Antibody Targeting PCDH7 for Lung Cancer Therapy	O'Donnell, Kathryn A	The University of Texas Southwestern Medical Center	\$1,999,998
18	RP190678	HIHRRRA	2.9	Radioactive Nanoseeds for Eradicating Glioblastoma Without Crossing Blood-Brain Barrier	Hao, Yaowu	The University of Texas at Arlington	\$198,039
19	RP190653	HIHRRRA	2.9	Nanosized Immunotherapies to Access and Treat Pediatric Medulloblastoma	Maynard, Jennifer A	The University of Texas at Austin	\$200,000

20	RP190587	HIHRRA	2.9	Development of a Minipig Glioma Model and Validation of Human Clinical Relevance	Rostomily, Robert	The Methodist Hospital Research Institute	\$200,000
21	RP190534	HIHRRA	3.0	Mechanism-Based Targeting of Core Module of the BAF Complex in Cancer	Gupta, Yogesh K	The University of Texas Health Science Center at San Antonio	\$199,996
22	RP190588	ETRA	3.1	Smart Surgical Microscope Powered by AI Technology and Hyperspectral Imaging	Fei, Baowei	The University of Texas at Dallas	\$1,592,405
23	RP190669	HIHRRA	3.1	A Novel Cellular-Level Imaging Approach to Assess Payload Drug Distribution in Tumors Following Administration of Targeted Drug Delivery Systems	Prideaux, Brendan	The University of Texas Medical Branch at Galveston	\$199,996
24	RP190612	HIHRRA	3.1	Real-Time Analyses of Metabolic Synergy Between Cancer and Stromal Cells by Optogenetic Control of Cell Signaling	Wang, Fen	Texas A&M University System Health Science Center	\$200,000
25	RP190497	HIHRRA	3.1	Topical Esomeprazole for Radiation-Induced Dermatitis	Ghebre, Yohannes T	Baylor College of Medicine	\$199,500
26	RP190507	CFSA	3.2	Recombinant Antibody Production Core (RAPC) at Science Park	McBride, Kevin	The University of Texas M. D. Anderson Cancer Center	\$3,505,385
27	RP190524	CFSA	3.2	TTUHSC Cancer Animal Facility	Trasti, Scott L	Texas Tech University Health Sciences Center	\$3,183,703
28	RP190539	HIHRRA	3.3	Therapeutic Targeting of EWS-FLI1	Kittler, Ralf	The University of Texas Southwestern Medical Center	\$200,000

				Turnover in Ewing Sarcoma			
29	RP190560	HIHRRA	3.3	Development of a Novel Class of PRC2 Inhibitors Comprising Mirror Image RNA	Sczepanski, Jonathan T	Texas A&M University	\$200,000
30	RP190527	HIHRRA	3.3	Targeting ROR-gt:IL-17 Pathway to Inhibit Colon Cancer	Poojary, Venuprasad K	Baylor Research Institute	\$199,942
31	RP190592	HIHRRA	3.4	Chemoprevention of Acquired Therapeutic Resistance and Disease Recurrence in Ovarian Cancer	Palle, Komaraiah	Texas Tech University Health Sciences Center	\$200,000
32	RP190556	HIHRRA	3.6	Targeting ARNT and RBFOX2 Alternative Splicing as a Novel Treatment Modality in Lymphoid Malignancies	Wright, Casey W	The University of Texas Medical Branch at Galveston	\$200,000
33	RP190655	HIHRRA	3.6	Mechanisms of Exosomal Cell Entry and Signaling in Cancer	PELLOIS, JEAN-PHILIPPE	Texas AgriLife Research	\$200,000

*This table includes ten award recommendations from review cycle 19.1 that the PIC previously deferred.

**RP190602 reflects budget as reduced by the SRC. SRC recommended the reduction in funding of personnel.

*** RP190581 reflects budget as reduced by the SRC. SRC recommended reduction in consumables.

Table 2: SRC and PIC Recommendations for Recruitment Cycles: FY19.10 and FY19.11

Rank	App ID	Candidate	Mechanism	Organization	Budget	Overall Score
1	RR190070	Tobias Meyer, Ph.D.	REI	The University of Texas Southwestern Medical Center	\$6,000,000	1.0
2	*RR190072	Benjamin Izar, Ph.D.	RFTFM	The University of Texas Southwestern Medical Center	\$2,000,000	1.0
3	RR190069	Stanley Lee, Ph.D.	RFTFM	Baylor College of Medicine	\$2,000,000	1.0
4	RR190087	Gerta Hoxhaj, Ph.D.	RFTFM	The University of Texas Southwestern Medical Center	\$2,000,000	1.0
5	RR190078	Mackenzie Wehner, M.D.	RFTFM	The University of Texas M. D. Anderson Cancer Center	\$2,000,000	1.2

6	RR190080	William Jorgensen, Ph.D.	REI	Texas Tech University	\$6,000,000	1.2
7	RR190065	Vicky Yao, Ph.D.	RFTFM	Rice University	\$1,669,997	1.4
8	RR190090	Benjamin R. Sabari, Ph.D.	RFTFM	The University of Texas Southwestern Medical Center	\$2,000,000	1.7
9	*RR190067	Eunhee Choi, Ph.D.	RFTFM	The University of Texas Health Science Center at Houston	\$2,000,000	2.0
10	RR190071	Jian Zhou, Ph.D.	RFTFM	The University of Texas Southwestern Medical Center	\$2,000,000	2.0
11	RR190077	Kevin Nead, M.D.	RFTFM	The University of Texas M. D. Anderson Cancer Center	\$2,000,000	2.0
12	*RR190066	Ritchie Chen, Ph.D.	RFTFM	Rice University	\$2,000,000	2.0
13	RR190089	Unmesh Jadhav, Ph.D.	RFTFM	Baylor College of Medicine	\$2,000,000	2.0
14	RR190091	Piya Ghose, Ph.D.	RFTFM	The University of Texas at Arlington	\$2,000,000	2.0
15	RR190076	Mary Teruel, Ph.D.	RRS	The University of Texas Southwestern Medical Center	\$4,000,000	2.6
16	RR190079	Christopher Flowers, MD.	REI	The University of Texas M. D. Anderson Cancer Center	\$6,000,000	2.8

* Withdrawn by applicant following SRC/PIC recommendation

Table 3: Scientific Review Council Recommendations for Recruitment Cycle 19.12

Rank	App ID	Candidate	Mechanism	Organization	Budget	Overall Score
1	RR190096	Taylor, Alison	RFTFM	The University of Texas M. D. Anderson Cancer Center	\$2,000,000	1.0
2	RR190104	Li, Ang	RFTFM	Baylor College of Medicine	\$2,000,000	1.3
3	RR190081	Lu , Jiaozhi (George)	RFTFM	Rice University	\$2,000,000	2.0
4	RR190101	Weyemi, Urbain	RFTFM	The University of Texas at Austin	\$2,000,000	2.0
5	RR190106	Sreelatha, Anju	RFTFM	The University of Texas Southwestern Medical Center	\$2,000,000	2.3

Conflict of Interest Notification

Presiding Officer Montgomery noted for the record that no Oversight Committee members reported conflicts of interest with any proposed academic research awards.

Approval Process – Academic Research Awards

Following the Oversight Committee’s agreement to take up the ten academic research award slates together in one vote, Presiding Officer Montgomery called for a vote on the award recommendations.

MOTION:

On a motion made by Mr. Angelou and seconded by Dr. Rice, all Oversight Committee members present and able to vote unanimously approved the PIC’s recommendations for the ten academic research award slates.

MOTION:

On a motion made by Vice Presiding Officer Margo and seconded by Dr. Rice, all Oversight Committee members voted to approve the delegation of contract negotiation authority to CPRIT’s CEO and staff and authorized the CEO to sign the contracts on behalf of CPRIT.

After the award recommendation votes, Dr. Willson presented the academic research program update, referring the members to pages 5.1 – 5.5 of the meeting book. He provided an overview of the proposed RFAs and RFA schedules for review cycle 20.2. He noted one of the proposed RFAs, the Early Clinical Investigator Award, is a new mechanism and represents CPRIT’s investment in clinical investigators. Dr. Willson also noted a decrease in the funding cap for the Core Facility Support Awards for the cycle 20.2 RFA and an increased funding cap for the cycle 20.2 High Impact/High Risk RFAs.

MOTION:

On a motion made by Dr. Rice and seconded by Vice Presiding Officer Margo, the Oversight Committee unanimously voted to approve the proposed timeline and Academic Research Program RFAs for the second cycle of FY 2020.

Chief Product Development Officer Report and Award Recommendations – Agenda Item 9, Tab 6

Presiding Officer Montgomery recognized Chief Product Development Officer Dr. Cindy WalkerPeach to present the proposed product development research award recommendations and to provide an update on the product development program.

Dr. WalkerPeach presented the PIC’s three product development award recommendations, including award contingencies, totaling \$25,874,543 for review cycles 19.1 and 19.2: OncoNano Medicine, Inc., Perimeter Medical Imaging Corporation and Rapamycin Holdings, Inc. She reminded members that one applicant, DP190046, withdrew its application from consideration after the PDRC submitted its recommendations.

An Oversight Committee member asked if Perimeter Medical Imaging Corporation’s technology was related to Dr. Livia’s Eberlin’s CPRIT-funded research. Dr. WalkerPeach confirmed that it was not related.

Compliance Certification

Presiding Officer Montgomery reminded members that Mr. Burgess previously certified compliance of the product development awards process.

Presiding Officer Montgomery informed members of his conflict of interest with DP190066, a proposed product development award recommendation for OncoNano Medicine, and requested that Vice Presiding Officer Margo preside over the vote and discussion of that proposed award.

Approval Process – Product Development Research Awards

Rank	App ID	Mechanism	Company Name	Project	Score	Maximum Budget
1	DP190066	TXCO (19.2)	OncoNano Medicine, Inc.	Tumor-Specific T-Cell–Activating Cancer Vaccines for Immunotherapy of Solid Tumors Including HPV	2.1	\$15,427,699
2	DP190087	RELCO (19.2)	Perimeter Medical Imaging Corporation	OTIS (Optical Tissue Imaging System) Impact on Final Positive Margin Rates in Breast-Conserving Surgery	3.2	\$7,446,844
3	DP190069	SEED (19.2)	Rapamycin Holdings, Inc.	Emtora Biosciences - using eRapa to treat Familial Adenomatous Polyposis (FAP)	3.2	\$3,000,000

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee voted to unanimously approve the PIC’s recommendation for Perimeter Medical Imaging and Rapamycin Holdings, including the contingencies described by Dr. WalkerPeach.

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee voted to approve the PIC’s recommendation for OncoNano Medicine, including the contingency described by Dr. WalkerPeach.

Vice Presiding Officer Margo noted for the record that Presiding Officer Montgomery did not participate in the discussion or vote for OncoNano Medicine.

MOTION:

On a motion made by Dr. Rice and seconded by Dr. Patel, all Oversight Committee members voted to approve the delegation of contract negotiation authority to CPRIT's CEO and staff and authorized the CEO to sign the contracts on behalf of CPRIT.

MOTION:

On a motion made by Dr. Rice and seconded by Vice Presiding Officer Margo, the Oversight Committee unanimously voted pursuant to the General Appropriations Act, Article IX, Section 4.03(a) to authorize CPRIT to disburse grant funds via advance payments to DP190066, DP190087 and DP190069 upon execution of the award contracts and the successful completion of tranches.

Following the awards, Dr. WalkerPeach updated the Oversight Committee on the status of applications under review in the 20.1 cycle and notified members of the expansion of the Product Development Review Council by one member. Dr. WalkerPeach finished her report with the presentation of the proposed review timeline and three product development RFAs for the second cycle of FY 2020.

MOTION:

On a motion made by Dr. Rice and seconded by Vice Presiding Officer Margo, the Oversight Committee unanimously voted to approve the proposed timeline and Product Development Research Program RFAs for the second cycle of FY 2020.

Chief Prevention Officer Report – Agenda Item 10, Tab 7

Chief Prevention Officer Ramona Magid updated members on the Prevention Program activities and presented the ten prevention program projects, representing four grant mechanisms, recommended by the Prevention Review Council and PIC for award funding totaling \$14,497,981. Ms. Magid reported that all the recommended applications address one or more of the Prevention Program activities.

An Oversight Committee member asked if the recommended award focused on tobacco prevention in a medically underserved pediatric population would include education and awareness about electronic vapor product use; Ms. Magid responded that the project would address these topics.

Compliance Certification

Presiding Officer Montgomery reminded members that Mr. Burgess previously certified compliance of the prevention awards process.

Approval Process – Prevention Grant Awards

After the Oversight Committee agreed to consider the four slates together, Presiding Officer Montgomery called for a vote on the proposed award recommendations.

Cycle 19.2 Recommended Prevention Program Awards

App. ID	Mech	Application Title	PD	Organization	Score	Rank Order	Budget
PP190061	EPS	Salud en Mis Manos: Delivering Evidence-Based Breast & Cervical Cancer Prevention Services to Latinas in Underserved Texas South and Gulf Coast Communities	Savas, Lara S	The University of Texas Health Science Center at Houston	1.0	1	\$1,999,953
PP190070	EPS	Expanding Colorectal Cancer Screening Throughout East Texas	McGaha, Paul	The University of Texas Health Center at Tyler	2.3	2	\$1,952,724
PP190052	TCL	Integrated lung cancer screening and tobacco cessation in an urban safety-net system	Gerber, David E	The University of Texas Southwestern Medical Center	2.5	3	\$999,998
PP190080	DI	The Dissemination of a Genetic Navigation Framework for Hereditary Cancers to Increase Mutation Carrier Identification and Improve Outcomes	Ross, Theodora S	The University of Texas Southwestern Medical Center	2.7	4	\$295,453
PP190063	TCL	Centralized outreach to promote smoking cessation and lung cancer screening in vulnerable adult patients in a safety net system	Pignone, Michael	The University of Texas at Austin	3.1	5	\$999,962
PP190051	EPS	Expanding a Community Network for Cancer Prevention to Increase HPV Vaccine Uptake and Tobacco Prevention in a Medically Underserved Pediatric Population	Montealegre, Jane R	Baylor College of Medicine	3.3	6	\$1,287,834
PP190055	EPS	Expansion of the Building a Healthy Temple Cancer Prevention Program in Bexar County and Rio Grande Valley	He, Meizi	The University of Texas at San Antonio	3.4	7	\$1,999,503
PP190058	EPS	TIEMPO de VACUNARTE (TIME TO GET VACCINATED) 2	Molokwu, Jennifer C	Texas Tech University Health Sciences Center at El Paso	3.4	8	\$1,963,826
PP190075	EBP	Increasing Breast and Colorectal Cancer Screening Rates for the Medically Underserved using Population Health Strategies at a Multi-County FQHC	Flash, Charlene	Legacy Community Health Services	3.7	9	\$999,276
PP190043	EPS	Empower Her to Care Expansion (FY2020-FY2021): Increasing Access to Breast Cancer Screening and the Continuum of Care for Underserved Texas Women	Joseph, Bernice	The Rose	3.7	10	\$1,999,452

EBP: Evidence-Based Cancer Prevention Services

EPS: Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations

TCL: Tobacco Control and Lung Cancer Screening

DI: Dissemination of CPRIT-Funded Cancer Control Interventions

MOTION:

On a motion made by Dr. Rice and seconded by Vice Presiding Officer Margo, the Oversight Committee unanimously voted to approve the PIC’s recommendation for the ten prevention awards.

MOTION:

On a motion made by Vice Presiding Officer Margo and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the delegation of contract negotiation authority to CPRIT’s CEO and staff and authorized the CEO to sign the contracts on behalf of CPRIT.

Following the vote on the award recommendations, Ms. Magid presented the proposed schedule and RFAs for the second cycle of FY 2020 (page 7-2) for consideration. The proposed RFAs in the schedule include Evidence-Based Cancer Prevention Services, Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations, and Tobacco Control and Lung Cancer Screening.

MOTION:

On a motion made by Vice Presiding Officer Margo and seconded by Dr. Rice, the Oversight Committee unanimously voted to approve the Prevention Program’s plan for proposed RFAs for the second cycle of FY 2020.

Internal Auditor Report – Agenda Item 11, Tab 8

Presiding Officer Montgomery recognized CPRIT internal auditor Dan Graves with Weaver and Tidwell. Mr. Graves directed the committee (beginning on page 8-2 of the meeting book) to the *Internal Audit Follow-Up Procedures Report over Procurement and P-Cards* and summarized the status of procurement and P-cards and the FY 2020 Internal Audit Plan.

An Oversight Committee member had a question regarding information security considering the recent increase in ransomware activity and Mr. Graves responded that there were no open findings.

MOTION:

On a motion by Dr. Rice and seconded by Dr. Patel, the Oversight Committee unanimously voted to approve the *Internal Audit Follow-Up Procedures Report over Procurement and P-Cards*.

MOTION:

On a motion by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the FY 2020 Internal Audit Plan.

Scientific Research and Prevention Program Committee Appointments – Agenda Item 12, Tab 9

Presiding Officer Montgomery recognized Mr. Roberts to present his eight Scientific Research and Prevention Program Committee Appointments.

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the eight Scientific Research and Prevention Program Committee Appointments.

Advisory Committee Appointments – Item 13, Tab 10

Presiding Officer Montgomery recognized Mr. Roberts to present CPRIT's appointments to the Clinical Trials Advisory Committee and the Product Development Advisory Committee. Mr. Roberts also noted that Dr. Wood has joined the University Advisory Committee representing Baylor University.

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the appointments to the Clinical Trials and Product Development Advisory Committees.

FY 2020 Honoraria Policy – Item 14, Tab 11

Presiding Officer Montgomery recognized Mr. Roberts to present the FY 2020 CPRIT Honoraria Policy.

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the FY 2020 CPRIT Honoraria Policy.

Health & Safety Code Section 102.1062 Waivers – Item 15, Tab 12

Presiding Officer Montgomery recognized Mr. Roberts to present four Health & Safety Code Section 102.1062 waivers for FY 2020. Noting that one of the proposed waivers addresses his conflicts of interest, Presiding Officer Montgomery reported that he would not vote on the waivers and asked Vice Presiding Officer Margo to preside over the vote.

Vice Presiding Officer Margo called for a vote on the proposed waivers.

MOTION:

On a motion made by Dr. Rosenfeld and seconded by Dr. Rice, all Oversight Committee members present and able to vote approved the four proposed Health and Safety Code § 102.1062 waivers. Vice Presiding Officer Margo noted for the record that Presiding Officer Montgomery did not participate in the vote.

Resolution Transferring Management Authority to the Texas Treasury Safekeeping Trust Company – Item 16, Tab 13

The chair recognized Deputy Executive Officer and General Counsel, Kristen Doyle to explain the proposed resolution transferring asset management authority of AlloVir, formerly ViraCyte, to the Texas Treasury Safekeeping Trust Company. She noted that the Texas Treasury Safekeeping Trust Company has expertise in asset management and the Oversight Committee previously approved a similar resolution regarding four other assets in August 2017.

MOTION:

On a motion made by Dr. Rice and seconded by Vice Presiding Officer Margo, the Oversight Committee unanimously voted to approve the resolution transferring asset management and disposition authority for AlloVir to the Texas Treasury Safekeeping Trust Company and for the payment of a fee.

Amendments to 25 T.A.C. Chapter 703 – Item 17, Tab 14

Presiding Officer Montgomery recognized CPRIT staff attorney Cameron Eckel to present the proposed administrative rule changes. Ms. Eckel addressed the proposed amendments affecting Texas Administrative Code Chapter 703 rules and CPRIT's request to publish proposed changes to Chapter 703 rules.

MOTION:

On a motion by Vice Presiding Officer Margo and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the final order adopting rule changes to the Texas Administrative Code Chapter 703.

MOTION:

On a motion by Vice Presiding Officer Margo and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the publication of the proposed changes to Chapter 703 in the *Texas Register*.

Chief Operating Officer Report – Agenda Item 18, Tab 15

Presiding Officer Montgomery recognized Chief Operating Officer Heidi McConnell to review the third quarter FY 2019 budget expenditures. She also provided an update on the 2020 CPRIT conference as well as the FY 2020 budget.

An Oversight Committee member asked about the interest rate on CPRIT bonds. Ms. McConnell responded it was 3.7% for general obligation bonds and 2 - 4% for commercial paper.

Contract Approvals – Agenda Item 19, Tab 16

Ms. McConnell presented the FY 2020 service contract approvals.

She explained that the amendment to the SRA International contract is necessary because CPRIT has added a second review cycle for FY 2020. A base contract with SRA will be in place September 1 because CPRIT has previously received Legislative Budget Board approval for the base contract.

An Oversight Committee member asked how the new contract amounts compared to the previous contracts for economic assessment and internal audit services. Ms. McConnell responded that the economic assessment services contract with The Perryman Group increased by \$15,000 and that the internal services contract with Weaver and Tidwell increased about \$12,000 to \$14,000.

Ms. Doyle noted that the Texas Treasury Safekeeping Trust Company interagency agreement is for an amount not to exceed \$150,000; the final amount will depend upon the number of companies the Oversight Committee approves to transfer to the Trust Company for management in FY 2020.

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the contracts with SRA International; ICON Clinical Research;

Hahn Public Communications; Vinson & Elkins, Baker Botts, and Yudell Isidore; The Perryman Group; Weaver and Tidwell; and the Texas Treasury Safekeeping Trust Company.

Subcommittee Business – Agenda Item 20, Tab 17

Presiding Officer Montgomery presented the FY 2020 – 2021 Subcommittee assignment recommendations.

MOTION:

On a motion made by Dr. Rice and seconded by Vice Presiding Officer Margo, the Oversight Committee voted to approve the new subcommittee assignments for FY 2020-2021.

Election of Board Officers – Agenda Item 22, Tab 18

Presiding Officer Montgomery presented the slate of Oversight Committee officer candidates recommended by the Nominations Subcommittee to serve FY 2020 - 2021.

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the proposed slate of officers for FY 2020 and 2021: Dee Margo as Presiding Officer, Dr. Mahendra Patel as Vice Presiding Officer, and Dr. David Cummings as Secretary.

Following the vote, Mr. Roberts expressed CPRIT's gratitude for Presiding Officer Montgomery's service to the Oversight Committee and the agency. He presented Mr. Montgomery with an engraved gavel memorializing his tenure as presiding officer.

Presiding Officer Montgomery thanked Mr. Roberts and the Oversight Committee for CPRIT's support and for the recognition.

Compliance Investigation Pursuant to Health & Safety Code 102.2631 – Agenda Item 23

Not taken up.

Consultation with General Counsel – Agenda Item 24

Not taken up.

Future Meeting Dates and Agenda Items – Agenda Item 25, Tab 19

Presiding Officer Montgomery directed the members to the FY 2020 Meeting Dates behind tab 19 of the meeting packet.

MOTION:

On a motion made by Vice Presiding Officer Margo and seconded by Mr. Angelou, the Oversight Committee unanimously voted to approve the proposed meeting dates for the regular meetings of the Oversight Committee and the subcommittees for FY 2020.

Personnel – Agenda Item 21

Compliance Investigation Pursuant to Health and Safety Code 102.2631 – Agenda Item 23

Presiding Officer Montgomery announced that the Oversight Committee would go into closed session pursuant to Texas Open Meetings Act Section 551.074 and Texas Health & Safety Code Section 102.2631 to discuss personnel and an ongoing compliance investigation. He asked Mr. Roberts, Ms. Doyle, Mr. Burgess and Dr. Willson to join the Oversight Committee in closed session.

Presiding Officer Montgomery convened the closed session at 11:18 a.m. and reconvened the open meeting at 11:40 a.m. Regarding Agenda Item 21, Presiding Officer Montgomery called for a vote on Chief Executive Officer Wayne Roberts’ salary

MOTION:

On a motion by Dr. Rice and seconded by Dr. Patel, the Oversight Committee unanimously voted to approve an increase to Chief Executive Officer Wayne Roberts’ annual salary to \$281,875 effective September 1, 2019.

Presiding Officer Montgomery noted for the record that there was no action on Agenda Item 23 following the close session discussion.

Adjournment – Agenda Item 26

MOTION:

There being no further business, the Oversight Committee unanimously approved a motion to adjourn made by Presiding Officer Montgomery and seconded Dr. Angelou.

Meeting adjourned at 11:42 p.m.

Signature

Date



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER
SUBJECT: AGENDA ITEM 6, CHIEF EXECUTIVE OFFICER REPORT
DATE: NOVEMBER 12, 2019

As of this writing the Chief Executive Officer Report for the November 20, 2019, Oversight Committee will consist of the following:

- FY 2020 Grant Award Funds Available (attached)
- Gavel
- Proposition 6 Wrap-Up and Recognitions

Other topics may be added as warranted.

In addition, for your reference copies of the September 2019 and October 2019 CPRIT Activities Updates previously provided to you are included at the end of this tab. These reports are done in months in which the Oversight Committee does not meet.

CPRIT has awarded **1,447** grants totaling **\$2.405 billion**

- 226 prevention awards totaling \$250.0 million
- 1,221 academic research and product development research awards totaling \$2.155 billion

Of the \$2.155 billion in academic research and product development research awards,

- 31.1% of the funding (\$670.7 million) supports clinical research projects
- 25.1% of the funding (\$540.6 million) supports translational research projects
- 26.7% of funding (\$575.2 million) supports recruitment awards
- 14.3% of the funding (\$308.9 million) supports discovery stage research projects
- 2.8% of funding (\$59.9 million) supports training programs.

CPRIT has 11 open Requests for Applications (RFAs)

- 3 Research Recruitment
- 4 Academic Research
- 4 Prevention

FY 2020 GRANT AWARD FUNDS AVAILABLE

General Obligation Bond Proceeds

	Prevention	Academic / Product Development Research	1% Grant Funding Buffer	Operating Budget	Total Appropriations
Available Appropriated Funds	\$ 28,035,081	\$ 254,738,136		\$ 17,226,783	\$ 300,000,000
Unapproved Adjustment to Operating Budget		\$ (2,421,300)		\$ 2,421,300	
Appropriations Transfer to DSHS		\$ (3,118,032)		\$ 3,118,032	
Adjusted Appropriations	\$ 28,035,081	\$ 249,198,804		\$ 22,766,115	\$ 300,000,000
Total Available for All Grants			\$ 277,233,885		
1% of Total Available Grant Funding			\$ 2,772,339		
Adjusted Grant Award Funding	28,035,081	\$ 246,426,465			\$ 274,461,546
	Prevention Grants	Academic Research Grants	PD Research Grants		
Total Available for Grant Awards (Total GO Bond Proceeds Less Operating Budget)	\$ 28,035,081	\$ 174,439,163	\$ 74,759,641		\$ 277,233,885
Total Available for Grant Awards Incorporating 1% Grant Funding Buffer	\$ 28,035,081	\$ 172,498,526	\$ 73,927,940		\$ 274,461,546

Announced Grant Awards

	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -		
Announced Grant Awards	\$ -	\$ -	\$ -	\$ -	\$ -
Available Funds as of September 1, 2019	\$ 28,035,081	\$ 172,498,526	\$ 73,927,940		\$ 274,461,546

Pending Grants-PIC Recommendations

Recruitment Awards (10)	\$ -	\$ 38,000,000			
Pending Award Subtotal	\$ -	\$ 38,000,000	\$ -		\$ 38,000,000
Total Pending Grant Awards	\$ -	\$ 38,000,000	\$ -		\$ 38,000,000
Uncommittee Funds as of November 21, 2019	\$ 28,035,081	\$ 134,498,526	\$ 73,927,940		\$ 236,461,546
1% Grant Funding Buffer	\$ -	\$ 1,940,637	\$ 831,702		\$ 2,772,339

Operating Budget Detail

Indirect Administration	\$ 4,362,053
Grant Review & Award Operations	\$ 12,864,730
Unapproved Adjustment to Operating Budget	\$ 2,421,300
Subtotal, CPRIT Operating Costs	\$ 19,648,083
Cancer Registry Operating Cost Transfer	\$ 3,118,032
Total, Operating Costs	22,766,115

CPRIT MANAGEMENT DASHBOARD
FISCAL YEAR 2019

	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	CUMULATIVE (ANNUAL)	CUMULATIVE (TO DATE)
ACCOUNTABILITY														
Announced Grant Awards			4			54							73	141
New Grant Contracts Signed	3	29	11	2	9	11	10	20	16	6	3	3	123	
New Grant Contracts In Negotiation			12			28			8			51	99	
Grant Reimbursements Processed (#)	215	155	151	117	135	195	186	169	173	144	105	160	1,905	
Grant Reimbursements Processed (\$)	\$ 24,200,640	\$ 35,131,951	\$ 8,541,059	\$ 11,659,905	\$ 15,228,234	\$ 22,212,539	\$ 18,347,474	\$ 18,652,475	\$ 15,377,254	\$ 16,388,569	\$ 22,527,454	\$ 6,562,825	\$ 214,830,378	
Revenue Sharing Payments Received	\$ -	\$ -	\$ 158,052	\$ -	\$ 15,000	\$ 32,500	\$ 2,020	\$ 27,678	\$ 13,729	\$ 3,806	\$ 32,663	\$ 10,292	\$ 295,740	\$ 3,717,293
Total Value of Grants Contracted (\$)	\$ 21,386,494	\$ 63,467,857	\$ 35,654,020	\$ 2,200,000	\$ 18,649,550	\$ 38,046,886	\$ 24,674,573	\$ 22,820,536	\$ 32,974,587	\$ 9,099,991	\$ 4,086,469	\$ 9,000,000	\$ 282,060,963	
Grants Awarded (#)/ Applications Rec'd (#)	13%	13%	13%	13%	13%	17%	17%	17%	17%	16%	16%	17%	17%	
Debt Issued (\$)/Funding Awarded (\$)	74%	74%	73%	73%	73%	70%	74%	74%	73%	73%	75%	71%		
Grantee Compliance Trainings	3	1	2	2	1	1	1	2	2	4	1	1	21	
Grantee Compliance Monitoring Visits	0	3	0	3	2	1	2	1	1	1	1	1	16	
Awards with Delinquent Reimbursement Submission (FSR)			0			1			0			3	3	
Awards with Delinquent Matching Funds Verification			0			3			2			7	7	
Awards with Delinquent Progress Report Submission			2			1			0			2	2	
IA Agency Operational Recommendations Implemented	0	0	0	0	0	0	0	0	1	1	1	3	3	
IA Agency Operational Recommendations In Progress	9	9	9	9	9	9	9	9	8	8	8	6	6	
Open RFAs	10	9	12	16	15	7	8	8	8	15	10	10	10	
Prevention Applications Received	19	0	0	2	0	28	0	0	0	2	0	0	51	846
Product Development Applications Received	0	0	0	0	28	0	0	0	0	0	0	42	70	533
Academic Research Applications Received	7	2	2	5	168	7	9	16	14	397	3	4	634	7,312
Help Desk Call/Emails	111	131	83	138	270	202	109	134	203	177	202	276	2,036	
MISSION														
ACADEMIC RESEARCH PROGRAM														
Number of Research Grants Announced (Annual)	0		4			42			10			59	115	261
Recruited Scientists Announced														192
Recruited Scientists Accepted														178
Recruited Scientists Contracted														
Published Articles on CPRIT-Funded Projects (#)													1,045	
Jobs Created & Maintained (#)													3,030	
Chemical Studies (#)														109
Number of Patents Resulting from Research													3	

CPRIT MANAGEMENT DASHBOARD
FISCAL YEAR 2019

	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	CUMULATIVE (ANNUAL)	CUMULATIVE (TO DATE)
Number of Patent Applications													24	
PRODUCT DEVELOPMENT														
RESEARCH PROGRAM														
Number of Product Development Grant Announced (Annual)			0			5			0			3	8	
Life Science Companies Recruited (in TX)														9
Published Articles on CPRIT-Funded Projects													29	
Number of Jobs Created & Maintained														515
Clinical Trials (#)														15
Number of Patents Resulting from Research													8	
Number of Patent Applications													6	
PREVENTION PROGRAM														
Number of Prevention Grants Announced (Annual)			0			7			0			10	17	
People Served by CPRIT-Funded Prevention and Control Activities			223,464			241,337			234,404			250,664	949,869	
People Served through CPRIT-Funded Education and Training			136,707			165,883			177,077			177,536	657,203	
People Served through CPRIT-Funded Clinical Services			86,757			75,454			57,327			73,128	292,666	
TRANSPARENCY														
Total Website Hits (Sessions)	6,200	6,300	5,300	4,900	8,700	9,100	6,900	7,400	9,722	7,007	7,291	11,000	89,820	
Total Unique Visitors to Website (Users)	4,700	4,700	3,900	3,500	6,100	6,200	4,800	5,100	6,608	4,988	5,193	7,700	63,489	

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: WAYNE R. ROBERTS, CHIEF EXECUTIVE OFFICER
SUBJECT: CPRIT ACTIVITIES UPDATE SEPTEMBER 2019
DATE: OCTOBER 1, 2019

Topics in this memo cover CPRIT activities in September, including recent milestones in our fight against cancer, a staffing summary, CPRIT outreach efforts, and updates from Compliance, Programs, and Operations.

Recent Milestones in the Fight Against Cancer

CPRIT Grantees in the News

- CPRIT Established Investigators Carlos Arteaga, M.D. and Gail Eckhardt, M.D., were elected by their peers to serve on American Association of Cancer Institute’s (AACI) Board of Directors for three-year terms. Dr. Arteaga was appointed director of the Harold C. Simmons Comprehensive Cancer Center at University of Texas Southwestern Medical Center in 2017 and Dr. Eckhardt became the inaugural director of the LIVESTRONG Cancer Institutes of the Dell Medical School at The University of Texas at Austin, the same year. AACI is comprised of 98 premier academic and freestanding cancer research centers in the U.S. and Canada. AACI dedicates its efforts to reducing the burden of cancer by enhancing the impact of North America’s leading academic cancer centers.
- An international team of researchers that includes CPRIT Established Investigator José Onuchic, Ph.D., described in the September 18 *Proceedings of the National Academy of Sciences* a potential new drug target against cancer. The research identified how a cancer-linked version of the protein mitoNEET can close the primary gateways in the outer surface of mitochondria, the “power plants” that supply cells with chemical energy. These gateways normally open and close to allow the passage of metabolites and other small molecules between mitochondria and the rest of the cell and dysfunction of this channel is involved in cancer and fatty liver disease. This work is important because it shows how a drug could disrupt the cancer-linked altered mitochondria gateway to restore its proper function. Dr. Onuchic is Professor of Physics and Computational Biology and co- director of the National Science Foundation sponsored Center for Theoretical Biological Physics at Rice University. Rice recruited him from the University of California San Diego in 2011 with a \$6 million recruitment award from CPRIT.

- In work suggesting new therapeutic targets to fight obesity, CPRIT Scholar Joshua Mendell, M.D., Ph.D., identified a novel mechanism that regulates the creation of fat in mammals. The research reported in the journal *Genes & Development* found that loss of a family of microRNAs, miR-26, results in a dramatic increase in fat formation and that its overexpression protected against weight gain in mice. MicroRNAs are small molecules that function to regulate gene expression and are potential drug targets. The University of Texas Southwestern Medical Center recruited Dr. Mendell, Professor of Molecular Biology and an Investigator in the prestigious Howard Hughes Medical Institute, in 2011 from Johns Hopkins with support of a \$4 million CPRIT Rising Star Award.
- The University of Texas Health Sciences Center at San Antonio biochemist Patrick Sung, D.Phil., a leading expert on BRCA1 and BRCA2 cancer biology, has received a highly competitive National Cancer Institute Outstanding Investigator Award. Dr. Sung is the first faculty member in UT Health San Antonio history to capture this prestigious NCI award, which the NCI bestows only upon researchers with august track records, elite-level scientific impact, and ascending career trajectories and research goals. The award will provide \$6.1 million through 2026. BRCA1 and BRCA2 are tumor suppressor genes. When these genes mutate, the loss of function leads to cancer. Primarily known for increasing risk of breast cancer in women, BRCA1 and BRCA2 mutations also are associated with ovarian cancer, prostate and breast cancer in men, and a childhood cancer called neuroblastoma. A related gene is associated with aggressive pancreatic cancer. UT Health San Antonio recruited Dr. Sung from Yale earlier this year with the support of a \$6 million CPRIT Established Investigator Award.
- On September 16 IQ Global, an Australian-based biotechnology company, announced that it acquired an anti-cancer drug platform developed by researchers at The University of Texas at Austin, including Chemistry Professor Jonathan Sessler, Ph.D. They will use the drug platform, TEX-Core, to develop MRI-detectable treatments targeting drug-sensitive and drug-resistant cancers with platinum-based chemotherapy. Dr. Sessler received two CPRIT grants totaling \$3.7 million to support the development of TEX-Core and oxaliTEX, a therapeutic designed to treat platinum resistant ovarian cancer. OxaliTEX is the first drug planned for development from the platform.
- Immatics Biotechnologies GmbH, headquartered in Tübingen, Germany, and its Houston-based U.S. subsidiary, Immatics US, Inc., announced the initiation of a strategic collaboration and option agreement with Celgene to develop novel adoptive cell therapies. The agreement grants Celgene with opt-in rights to assume responsibility for future worldwide development, manufacturing and commercialization of the lead candidates that are currently in development by Immatics. Under the terms of the agreement, Immatics will receive an upfront payment of \$75 million for three programs exclusively optioned by Celgene and may be eligible to receive up to \$505 million for each licensed product in option exercise payments, product development, regulatory and commercial milestone payments as well as tiered royalty payments on net sales.

“We are delighted to enter into this strategic collaboration with Celgene. This alliance leverages Immatics' excellence in developing adoptive cell therapies (ACT) and complements our proprietary clinical pipeline of ACT products and our strong portfolio of Bispecific products,” says Harpreet Singh, CEO of Immatics. “By combining Immatics' world-leading discovery engines as well as our cellular manufacturing and clinical development platforms with Celgene's broad expertise in cell therapy research, development and commercialization, the companies join forces to enable the development of truly novel opportunities for patients with solid tumors who currently have no other treatment options.”

Immatics US, Inc. received a \$19.7 million CPRIT Product Development Award in 2015 to develop a novel personalized T-cell based immunotherapy platform.

- Salarius Pharmaceuticals, Inc., a Houston-based company, announced the launch of a collaborative partnership with the Ivy Brain Tumor Center at the Barrow Neurological Institute to test Salarius' therapeutic candidate, Seclidemstat, for the treatment of glioblastoma. Salarius is currently testing Seclidemstat in a Phase 1 study for refractory or relapsed Ewing's sarcoma and a Phase 1 study for advanced solid tumors. The partnership allows Salarius to leverage the Ivy Brain Tumor Center's core capabilities to perform in-house survival studies, advanced animal imaging, toxicology assessment, and in vivo pharmaco-metabolic analyses. Salarius received an \$18.7 million CPRIT Product Development Award in 2014.
- Houston-based ESSA Pharma, Inc. announced the closing of a public offering and concurrent private placement for aggregate gross proceeds of \$26 million. Soleus Capital led the offering and included RA Capital Management as a new investor. Existing investors, including BVF Partners LP, Omega Funds and Eventide Funds, among others, also participated in the offering. ESSA Pharma, Inc. received a \$12.0 million CPRIT Product Development award in 2015.
- Bellicum Pharmaceuticals announced August 21 aggregate gross proceeds of \$69.6 million from a \$139.6 million public offering and private placement. The Houston-based company has received two CPRIT Product Development awards, including a \$5.7 million award in 2011 and a \$16.9 million award in 2016 to support drug development and clinical study for a new T-cell therapy (BPX-501) to solve critical problems associated with non-matched stem cell transplants in children and adults with leukemia.
- Perimeter Medical Imaging, Inc. announced August 21 the closing of an oversubscribed \$C4.4 million financing. CPRIT approved a \$7.4 million CPRIT relocation award for the company in August. Perimeter will move its headquarters to Texas from Toronto, Canada. The private company intends to become a public company via a reverse takeover with New World Resources by late 2019. The funds raised by the company, together with the CPRIT award, will support the commercialization of the company's FDA-cleared OTIS medical imaging technology. The company's OTIS platform provides clinicians with real-time, ultra-high resolution, sub-surface image volumes of the margin (1-2 mm below the surface) of an

excised tissue specimen. The ability to visualize microscopic tissue structures during the clinical procedure has the potential to result in better long-term outcomes for patients and lower costs to the healthcare system.

- Dr. Mike Pignone of the Dell Medical School at The University of Texas at Austin co-chaired with Dr. Samir Gupta (a former CPRIT grantee who is now at the University of California San Diego) the national summit on *Mailed FIT Outreach Promoting Colorectal Cancer Screening* hosted by the CDC's National Association of Chronic Disease Directors. Dr. Keith Argenbright and Dr. Amit Singal also presented on the CPRIT colorectal cancer screening projects they lead in North Texas. During his presentation, Dr. Pignone explained, "I wanted to reiterate that for me and my co-chair Dr. Samir Gupta, the support of CPRIT was critical to our work in this field. I would not have been able to be involved at this level without the CPRIT program."
- *Taking Texas Tobacco-Free*, the project led by Dr. Lorraine Reitzel of the University of Houston that implements tobacco-free workplace policies and provider training in behavioral health facilities, was nominated for the Society for Implementation Research Collaboration Mission Award.
- In innovation news, Baylor College of Medicine's lung cancer screening project led by Dr. Roger Zoorob, will begin using Uber Health, a HIPAA-compliant digital dashboard that allows healthcare professionals to schedule rides for patients immediately or within 30 days of an appointment, to help reduce transportation barriers. The first patient in the CPRIT-funded program to use UBER healthcare will pilot the service in September.

News outlets throughout the state reported stories about new prevention program awards approved by the Oversight Committee in August. These include:

- Dr. Meizi He of The University of Texas at San Antonio will lead a program in faith-based communities in Bexar County and the Rio Grande Valley focused on reducing cancer risks through promoting health lifestyles, obesity control and cancer prevention including colorectal cancer screening. <http://www.utsa.edu/today/2019/09/story/bhtcancerprevent.html>
- Baylor College of Medicine highlighted a CPRIT project led by Drs. Jane Montealegre and Maria Jibaja-Weiss in an August 26 press release <https://www.bcm.edu/news/lung/strategy-against-youth-e-cigarette-usage>. The CPRIT-funded project addresses the growing epidemic of vaping as well as increasing HPV vaccination in youth. Local affiliates of both Fox News and NBC ran segments on the project. KPRC 2 NBC Newscast: [Baylor College of Medicine uses grant to fight e-cigarette usage](#); Fox 26 News: http://www.fox26houston.com/good-day/morning-news/promoting-early-intervention-and-prevention-for-e-cig-use?utm_source=dlvr.it&utm_medium=twitter

Personnel

CPRIT has filled 33 of our 35 full-time equivalent (FTE) positions. We are preparing the prevention program manager and the system analyst positions for posting later this year.

The State Agency Council, which supports the Governor's Commission for Women and offers professional development training to its members, appointed CPRIT Senior Program Manager for Academic Research Dr. Patty Moore to its Executive Board.

I nominated Dr. Moore to participate in the Governor's Executive Development Program (GEDP). The GEDP is a three-week selective, intensive educational program for top executives in Texas state agencies and universities. Several CPRIT staff are GEDP alumni, including Vince Burgess (2016), Kristen Doyle (2014), Heidi McConnell (2007), and me (1999).

CPRIT Outreach

As interest grows in the ten proposed constitutional amendments on the November 5 ballot, CPRIT has accepted invitations from organizations throughout the state to present updates on the agency's past decade of accomplishments and momentum. State law prohibits state employees from advocating for the outcome of an election, so all presentations made by CPRIT staff are informational only. I have listed these below.

- San Antonio Chamber of Commerce Healthcare and Bioscience Committee on August 1 (Wayne Roberts)
- Greater Houston Partnership Health Care Council on August 20 (Wayne Roberts)
- Children's Hospital Association of Texas on August 22 (Wayne Roberts)
- Denton County Medical Society on September 10 (CPRIT Oversight Committee Member Will Montgomery)
- El Paso County Medical Society on September 10 (CPRIT Senior Communications Specialist Chris Cutrone)
- Texas Medical Association 2019 Fall Conference - Committee on Cancer meeting on September 13 (CPRIT Deputy Executive Officer and General Counsel Kristen Doyle)
- Austin-San Marcos Corridor Council on September 18 (Kristen Doyle)
- Burnet-Lampasas County Medical Society on September 19 (CPRIT Chief Operating Officer Heidi McConnell)
- Travis County Medical Society on September 19 (Kristen Doyle)
- Texas Academy of Physicians Alamo Chapter on September 24 (CPRIT Chief Scientific Officer Dr. Jim Willson)
- Tarrant County Medical Society on September 25 (Dr. Willson)
- Ector County Medical Society on September 26 (Chris Cutrone)

As of this writing we have another 29 events scheduled in October, including showcase events put on by the Texas Healthcare and Bioscience Institute on October 10 (Houston), 22 (San

Antonio), and 23 (El Paso) and the American Cancer Society Cancer Action Network on October 8 (Austin), 10 (Irving), and 23 (Houston).

Please support this outreach effort. Consider any groups that may be interested in learning about CPRIT's activities, as well as any organizations that you belong to and report that information to me. Examples include university boards of visitors and alumni organizations, chambers of commerce, church groups, social clubs (Kiwanis, Rotary, etc.), independent cancer advocacy organizations and smaller local paper editorial boards. I may ask for your help to make presentations on behalf of CPRIT when we have several obligations on the same day.

In addition to our outreach efforts related to educating Texans about CPRIT, agency staff also attended (and in some instances, presented at) several events associated with the work of our grantees.

- On September 4 Chief Prevention Officer Ramona Magid and I traveled to Houston along with Drs. Willson, Cindy WalkerPeach, and Patty Moore to meet with faculty members at Texas A&M University Health Science Center Institute of Bioscience and Technology. After the Houston meeting, we traveled to College Station to meet with Texas A&M University faculty members.
- Ms. Magid attended the Texas HPV Coalition annual meeting in Arlington on September 9. The coalition recently launched a new website, www.TexasHPVCoalition.org.
- Ms. Doyle, Ms. McConnell, and I attended an event on September 10 at Rice University's Baker Institute honoring the legacy of Dr. John Mendelsohn and discussing the future of cancer research in Texas.
- On September 11 Ms. Doyle and I attended an Opportunity Austin meeting. Senator Kirk Watson presented an overview of important legislative activities during the 86th legislative session, including the passage of House Joint Resolution No. 12 setting the stage for a statewide vote on November 5 for Prop 6 to provide additional bond authority for CPRIT.
- Dr. WalkerPeach presented a CPRIT update at the inaugural *Outsourcing Clinical Trials Texas* conference in Houston on Sept 12.
- Dr. Willson and Ms. Doyle participated in the AstraZeneca YOUR Cancer Roundtable on Precision Medicine convened by Representatives Sarah Davis and John Zerwas at the Texas Capitol on September 18.
- On September 19 and 20 I attended multiple events in Washington, DC, related to the 10th Annual Childhood Cancer Summit hosted by Representative Michael McCaul and the Congressional Childhood Cancer Caucus.

- On September 22 Dr. Willson was the keynote speaker at The University of Texas Southwestern Medical Center Kidney Cancer SPORE conference.
- I attended numerous panels and speaking events at the *2019 Tribfest*, sponsored by the *Texas Tribune* over September 26 through 28. Presiding Officer Dee Margo participated on a panel with Mayor Nan Whaley from Dayton, Ohio.
- Dr. Willson and Ms. Doyle participated in an educational session on the bioeconomy security risks hosted by The University of Texas MD Anderson Cancer Center on September 27.
- Dr. WalkerPeach spoke about the CPRIT Product Development Program opportunities and processes in El Paso at the Medical Center of the Americas on September 30.

Compliance Program Update

Submission Status of Required Grant Recipient Reports

CPRIT typically has 560+ grants that are either active or wrapping up grant activities and receives an average of 560 grantee reports each month. As of September 24, four entities have not filed nine Academic Research reports and eight Product Development Research reports. CPRIT's grant accountants and Compliance Specialists review and process incoming reports and reach out to grantees to resolve filing issues. In most cases, CPRIT does not disburse grant funds until the grantee files the required reports. In some instances, grantee institutions may be ineligible to receive a future award if the grantee does not submit the required reports.

Financial Status Report Reviews

CPRIT's Compliance Specialists performed 349 second-level reviews of grantee Financial Status Reports (FSRs) in August and September. Thirty-nine FSRs (11%) required resubmission due to insufficient or inaccurate documentation submitted by the grantee. CPRIT's grant accounting staff completes the initial review of the FSRs and supporting documentation before routing them to the Compliance Specialists for final review and disposition.

Single Audit Tracking

Compliance Specialists track the submission of grantees' independent audit reports and the resolution of issues identified in these reports. Grantees who expend \$750,000 or more in state awards in the grantee's fiscal year must submit a single independent audit, a program specific audit, or an agreed upon procedures engagement. The grantee submits the independent audit report with findings to CPRIT within 30 days of receipt, but no later than nine months after the grantee's fiscal year end.

Currently, there is one grantee with a delinquent audit. Grantees are unable to receive reimbursements or advances if they are delinquent in filing the required audit and corrective action plan unless the grantee requested additional time by the due date of the required audit and CPRIT's CEO approved the request. Compliance Specialists are working with the grantee.

Desk Reviews

Compliance Specialists performed 29 desk-based financial monitoring reviews during August and September. Desk reviews verify that grantees expend funds in compliance with specific grant requirements and guidelines and may target an organization's internal controls, current and past fiscal audits, and timeliness of required grantee report submission. Compliance Specialists are working with five grantees to remediate desk review findings.

On-Site Reviews

Compliance Specialists conducted two on-site reviews during August and September. On-site reviews examine the grantee's financial and administrative operations, subcontract monitoring, procurement and contracting procedures, inventory procedures, personnel policies and procedures, payroll and timesheet policies, travel policies and records, and single audit compliance.

Annual Compliance Attestation

CPRIT requires grantees to submit an annual Attestation Form, demonstrating compliance with statutory and administrative grant requirements, CPRIT's policies and procedures, grant contract terms, and the Uniform Grant Management Standards (UGMS). This opportunity to self-report, in the form of a checklist, provides a baseline of grantee compliance and allows Compliance Specialists to proactively work with grantees towards full compliance prior to a desk review or on-site review. As of September 24, Compliance staff are working with one grantee who requires additional corrective action related to their attestation.

Training and Support

CPRIT staff conducted a new grantee training webinar on August 29 for Icell Kealex Therapeutics. The training covered grant reporting requirements, administrative rule changes, grant closeout, and an overview of the compliance program including fraud, waste, and abuse reporting. Pursuant to Texas Administrative Code §703.22, CPRIT requires new grantees to complete the initial compliance training program prior to receiving grant award funds.

The Compliance Program will hold a series of Annual Compliance Training webinars October 9-10, one for each of the three program areas: Academic Research, Prevention, and Product Development Research. This format allows for a more interactive environment and an opportunity to focus on program topics relevant to each program. The training covers grant reporting requirements, administrative rule changes, grant closeout, and an overview of the compliance program including fraud, waste, and abuse reporting. This is the third and final training series offered this calendar year in support of the annual compliance training requirement which states that the grantee's authorized signing official and at least one other employee from each grantee organization must attend an annual compliance training by December 31st of each year.

CPRIT staff traveled to The University of Texas Southwestern Medical Center to present a compliance training on September 27 as part of UT Southwestern's Research Administration Demonstration Training Series. CPRIT's training, provided for all staff working on CPRIT grants, targeted issues related to financial reporting and compliance processes.

Academic Research Program Update

FY 2020 Cycle 1 RFAs

CPRIT released the FY2020 Cycle 1 (20.1) RFAs in January and received 387 applications by the June 5 deadline. CPRIT has scheduled peer review October 17- 24 in Dallas. Dr. Willson will present the Scientific Review Council’s (SRC) recommendations to PIC and the Oversight Committee in February 2020.

FY 20.1 Mechanism	Received	Funds Requested
Individual Investigator Research Awards	265	\$231,827,224
Individual Investigator Research Awards for Cancer in Children and Adolescents	55	\$64,930,190
Individual Investigator Research Awards for Prevention and Early Detection	38	\$40,685,739
Individual Investigator Research Awards for Clinical Translation	29	\$47,940,124
TOTAL	387	\$385,383,277

FY 2020 Recruitment Applications

The SRC met on August 15 review recruitment applications for cycle 20.1. Dr. Willson will present the SRC’s award recommendations to the PIC and the Oversight Committee at the Oversight Committee meeting in November.

20.1 Mechanisms	Received	Funds Requested	Approved by SRC	Funds Recommended
Recruitment Established Investigators	2	\$11,000,000	1	\$6,000,000
Recruitment of Rising Stars	1	\$4,000,000	1	\$4,000,000
Recruitment of First-Time, Tenure Track Faculty Members	4	\$8,000,000	3	\$6,669,997
TOTAL	7	\$23,000,000	5	\$16,000,000

FY 2020 Cycle 2 Academic Research RFAs

CPRIT posted four RFAs, described below, on July 29 for the second cycle of FY 2020 (20.2). The 20.2 application system will open on October 6 and close on January 15, 2020. CPRIT has scheduled peer review for April 17-23, 2020. Dr. Willson will present the SRC’s award recommendations for Cycle 20.2 to the PIC and the Oversight Committee in August 2020.

- *Collaborative Action Program to Reduce Liver Cancer Mortality in Texas: Investigator Initiated Research Awards (RFA-R- 20.2 CAP: RA)*
 Supports investigator-initiated research projects designed to understand the reasons for the increased incidence of hepatocellular cancer (HCC) in Texas, to identify risk factors for cirrhosis and HCC, to identify biomarkers for HCC early detection, and to develop and implement prevention and early detection strategies.
 Award: CPRIT plans to make multiple awards in response to this RFA. Up to \$500,000 (total costs); Maximum duration: 5 years.
- *Core Facility Support Awards (RFA R-20.2 CFSA)*
 Solicits applications from institutions to establish or enhance core facilities (laboratory, clinical, population-based, or computer-based) that will directly support cancer research programs to advance knowledge of the causes, prevention, and/or treatment of cancer or improve quality of life for patients with and survivors of cancer.
 Award: Up to \$4,000,000 (total costs); Maximum duration: 5 years.
- *Early Clinical Investigator Award (ECI R-20.2 ECI)*
 Solicits applications from institutions to provide cancer physicians early in their academic career the opportunity to develop clinical research skills and to gain experience in advanced methods and experimental approaches needed to become clinical investigators; to provide an opportunity to establish a partnership with a laboratory-based collaborator in order to design and conduct correlative studies needed to interpret the outcome of an interventional trial; to provide the protected time from clinical responsibilities required to develop and conduct investigator initiated clinical trials; and to Increase the pool of clinical investigators at Texas academic institutions who are conducting patient-oriented studies, capitalizing on basic discoveries and translating them through conduct of innovative clinical trials involving cancer patients or individuals at risk for cancer.
 Award: Up to \$1,500,000 (total costs) Maximum duration: 5 years
- *High Impact/High Risk Research Awards (RFA R-20.2 HIHR)*
 Provides short-term funding to explore the feasibility of high-risk projects that, if successful, would contribute major new insights into the etiology, diagnosis, treatment, or prevention of cancers.
 Award: Up to \$250,000 (total costs); Maximum duration: 2 years

Product Development Research Program Update

Product Development Research Applications FY 2019 Cycle 2

The Oversight Committee approved product development awards to three companies at the August 21 meeting. CPRIT staff is working with the companies to address contract contingencies prior to executing the award contracts.

Product Development Research FY 2020 Cycle 1

CPRIT received 42 applicants for the 20.1 cycle by the August 7 deadline, with two applications subsequently administratively withdrawn for failing to comply with submission instructions. This is the largest pool of product development applicants. CPRIT held the initial peer review meetings September 24 and 25. Seventeen applications will move forward to make in-person presentations when the peer review panels convene in Dallas October 22 - 24. Dr. WalkerPeach will present the Product Development Review Council's (PDRC) award recommendations for the 20.1 cycle to the PIC and Oversight Committee in February 2020.

Product Development Research FY 2020 Cycle 2

CPRIT will release three product development RFAs (described below) December 4, accepting applications through January 29, 2020. Dr. WalkerPeach will present the PDRC's award recommendations for the 20.2 cycle to the PIC and Oversight Committee in August 2020.

- *Texas Company Product Development Research Award (TXCO):*
This award supports early-stage and established companies in the development of innovative cancer products, services, and infrastructure with significant potential impact on patient care. The proposed project must further the development of new products for the diagnosis, treatment, or prevention of cancer; must establish ecosystem infrastructure that is critical to the development of a robust life-science industry; or must fill a treatment or research gap with a significant unmet clinical need. Companies must currently headquarter in Texas. Award: Up to \$20 million over a maximum timeline of three years.
- *Company Relocation Product Development Award (RELCO):*
This award supports early-stage and established companies in the development of innovative cancer products, services, and infrastructure with significant potential impact on patient care. The proposed project must further the development of new products for the diagnosis, treatment, or prevention of cancer; must establish ecosystem infrastructure that is critical to the development of a robust life-science industry; or must fill a treatment or research gap with a significant unmet clinical need. Companies must relocate to Texas upon receipt of award. Award: Up to \$20 million over a maximum timeline of three years.
- *Seed Award for Product Development Research (SEED):*
The award supports early stage "startup" companies that are earlier in their development timeline than CPRIT's two other Product Development Awards, the TXCO and RELCO awards. The proposed project must further the development of new products for the diagnosis, treatment, or prevention of cancer; must establish ecosystem infrastructure that is critical to the development of a robust life-science industry; or must fill a treatment or research gap with a significant unmet clinical need. Company applicants must headquarter in Texas or be willing to relocate to Texas upon receipt of award. Award: Up to \$3 million over a maximum timeline of three years.

Prevention Program Update

FY 2020 Cycle 1 Prevention Applications

CPRIT released four RFAs on June 6 for the first review cycle of FY 2020 (20.1). CPRIT received 28 applications requested \$36,840,299 by the September 4 deadline. CPRIT will hold peer review for December 11 – 12. Ms. Magid will present the Prevention Review Council’s (PRC) recommendations to the PIC and the Oversight Committee in February 2020.

20.1 Mechanism	Applications Received	Funds Requested
Evidence-based Cancer Prevention Services	12	\$11,218,838
Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations	11	\$20,873,667
Tobacco Control and Lung Cancer Screening	5	\$ 4,747,794
TOTAL	28	\$36,840,299

FY 2020 Cycle 2 Prevention RFAs

The Oversight Committee approved three FY 2020 Cycle 2 RFAs, which CPRIT will release November 18. Applications are due on February 19, 2020, and CPRIT has scheduled peer review May 11-14, 2020. Ms. Magid will present the PRC’s recommendations to the PIC and the Oversight Committee in August 2020.

Advisory Committees

The University Advisory Committee met by teleconference on September 24. Drs. Willson and Moore attended the meeting.

Communications Update

Cancer Awareness Month Activities

CPRIT created original content surrounding National Immunization Awareness Month (August), Summer Sun Safety Month (August), and Childhood Cancer Month (September) for social media. We are preparing social media postings for October’s National Breast Cancer Awareness Month and National Liver Cancer Awareness Month.

Media Relations

Several articles featured CPRIT in news coverage following the Oversight Committee meeting in August. Articles about Proposition 6 are starting as well. Below is a sampling of the coverage:

8/26/19 – Austin American Statesman: *Texas Tech, HSC researchers get grant from Cancer Prevention and Research Institute of Texas* - <https://www.statesman.com/news/20190826/texas-tech-hsc-researchers-get-grant-from-cancer-prevention-and-research-institute-of-texas>

8/27/19 – Dallas Morning News: *Texas awards \$15.4 million to Southlake biotech firm testing cancer detection method* - <https://www.dallasnews.com/business/health-care/2019/08/27/texas-awards-154-million-southlake-biotech-firm-testing-cancer-detection-method>

8/27/19 – San Antonio Business Journal: *SA biotech's CPRIT grant drawing more investor interest* - https://www.bizjournals.com/sanantonio/news/2019/08/27/sa-biotech-s-cpr-it-grant-drawing-more-investor.html?iana=hpmvp_sant_news_headline

9/18/19 – Houston Business Journal: *TMC launching entrepreneurial cancer therapy program with CPRIT grant* – <https://www.bizjournals.com/houston/news/2019/09/18/tmc-launching-entrepreneurial-cancer-therapy.html>

9/19/19 – San Antonio Business Journal: *Texas cancer companies getting major San Antonio funding assist* - <https://www.bizjournals.com/sanantonio/news/2019/09/19/texas-cancer-companies-getting-major-san-antonio>

9/19/19 – San Antonio Express-News: *Future of state's cancer-fighting agency will be left to voters* - <https://www.expressnews.com/business/article/Future-of-state-s-cancer-fighting-agency-will>

Website/Production

Communications launched a Childhood Cancer webpage featuring CPRIT's childhood cancer grantees and projects, including several recent videos we produced about childhood cancer. Visit the new webpage at <https://childhoodcancer.cpr.it.texas.gov/>.

Social Media

August Metrics

Facebook:

- Reach: 1,049
- Engagement: 714
- Most popular post: August is National Immunization Awareness Month. Did you know that HPV, hepatitis B, and hepatitis C are viruses that can cause cancer? In recognition of National Immunization Awareness Month, learn all you can about vaccines to help prevent these cancers from the Prevent Cancer Foundation.

Twitter:

- 39,200 impressions

- Top tweet: Dr. Maura Gillison, recruited to @MDAndersonNews through a \$6M CPRIT Recruitment of Established Investigators award, is the world’s foremost expert on head and neck cancers caused by HPV. Learn more about her and other Scholars at <http://scholars.cprit.texas.gov>.

September Metrics

Facebook:

- Reach: 2,147
- Engagement: 972
- Most popular post: September is Childhood Cancer Awareness Month. Did you know that 1 in 285 Americans will be diagnosed with cancer before the age of twenty? Or that 20% of children with cancer will die within five years? Find out more from our friends at the Carson Leslie Foundation.

Twitter:

- 47,700 impressions
- Top tweet: Dr. John Mendelsohn’s Legacy and the Future of Cancer Research: The @BakerInstitute is hosting a Sept. 10 event honoring the former @MDAndersonNews president and early CPRIT champion on his work and impact on the future of cancer research: cprit.us/2kjjP9V.

Operations, Audit and Finance Update

The Texas Public Finance Authority issued \$64.3 million in general obligation commercial paper notes on September 16 in response to a request from CPRIT. This is the first tranche of funds for FY 2020. CPRIT expects to issue \$231.3 million this year.

McConnell & Jones, LLP, an independent audit firm, initiated the audit of CPRIT’s FY 2019 financial statements on September 27. Oversight Committee members will receive a request to complete both “Related Parties” and “Fraud Risks” questionnaires as part of the audit procedures. CPRIT staff has started providing documents requested by the auditors, and the McConnell & Jones audit team plans to be in CPRIT offices the week of October 28 to perform necessary testing.

Upcoming Subcommittee Meetings

Listed below are the regularly scheduled subcommittees in advance of the November 20 Oversight Committee meeting.

Board Governance	November 7 at 10:00 a.m.
Audit	November 11 at 10:00 a.m.
Prevention	November 12 at 10:00 a.m.
Academic Research	November 13 at 10:00 a.m.
Product Development	November 14 at 10:00 a.m.

Nominations

November 15 at 10:30 a.m.

CPRIT will send an agenda, call-in information, and supporting material to the subcommittees one week prior to the meeting date.

CPRIT has awarded **1,447** grants totaling **\$2.405 billion**

- 226 prevention awards totaling \$250.0 million
- 1,221 academic research and product development research awards totaling \$2.155 billion

Of the \$2.155 billion in academic research and product development research awards,

- 31.1% of the funding (\$670.7 million) supports clinical research projects
- 25.1% of the funding (\$540.6 million) supports translational research projects
- 26.7% of funding (\$575.2 million) supports recruitment awards
- 14.3% of the funding (\$308.9 million) supports discovery stage research projects
- 2.8% of funding (\$59.9 million) supports training programs.

CPRIT has 8 open Requests for Applications (RFAs)

- 3 Research Recruitment
- 4 Product Development
- 1 Prevention

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: WAYNE R. ROBERTS, CHIEF EXECUTIVE OFFICER
SUBJECT: CPRIT ACTIVITIES UPDATE OCTOBER 2019
DATE: NOVEMBER 5, 2019

Topics in this memo cover CPRIT activities in October, including preparations for the November 20 Oversight Committee meeting, recent milestones in our fight against cancer, a staffing summary, CPRIT outreach efforts, FY 2021 program priorities, and updates from Compliance, Programs, and Operations.

Support for CPRIT Statewide

As of November 1, nine editorial boards have endorsed Proposition 6. We are not aware of any editorial boards advising against Proposition 6. In addition, over the past 20 days Texas newspapers have published at least 12 opinion pieces supporting CPRIT (several papers republished some of the op-eds). Elected representatives, current and former Oversight Committee members, current and former CPRIT grantees, cancer survivors, and noted community leaders wrote many of the featured op-eds. I have included a list of the editorials and op-eds in the Communications section of this memo.

Echoing the overwhelming bipartisan backing for House Joint Resolution 12 (unanimous in the Senate) and the deep support across the state, Governor Greg Abbott, Lt. Governor Dan Patrick, and Speaker of the House Dennis Bonnen have each issued statements urging Texans to continue CPRIT's work.

Advocates at the American Cancer Society Cancer Action Network, Texas Medical Association, Texas Healthcare and Bioscience Institute, Leukemia & Lymphoma Society, Susan G. Komen Foundation, LiveStrong Foundation, and many others have worked tirelessly to spread the word about CPRIT's benefits to Texas.

We are grateful for the tremendous support. Whenever asked about CPRIT's future, I have always replied that CPRIT works to ensure that Texans find CPRIT's mission and early accomplishments worthy of reauthorization. The near universal support is a testament to the commitment of CPRIT employees, CPRIT grantees and the Oversight Committee.

Planning for the November 20 Oversight Committee Meeting

The Oversight Committee will meet November 20 in Room E1.012 of the Texas Capitol Extension. CPRIT will post the final agenda for the Oversight Committee meeting by November 12; I have attached a tentative agenda. Oversight Committee members will receive an electronic copy of the agenda packet by November 13. Hard copies of the agenda packet will be available at the meeting.

You will receive an email from CPRIT by November 8 with a link and password to access the Program Integration Committee's award recommendations via the grant award portal. The portal has supporting documentation regarding each project proposed for an award, including the application, CEO affidavit, summary statement, and grant pedigree. A summary of the award slate will also be available through the portal. Please allow some time to complete the individual conflict of interest checks and review the supporting material.

We plan to begin the meeting at 9:00 to accommodate members' travel schedules.

Because of the two vacant Oversight Committee positions, any Oversight Committee member's absence raises potential quorum issues. **Please notify me immediately if you are unable to attend the November 20 meeting or have schedule constraints that require you to arrive after 9:00 a.m. or leave prior to 12:00 p.m.**

Recent Milestones in the Fight Against Cancer

CPRIT Grantees in the News

- Congratulations to CPRIT grantee James Brugarolis, M.D., Ph.D., and The University of Texas Southwestern Medical Center Kidney Cancer Program who received the "Leaders in Clinical Excellence Program Development" award. When announcing the award UT Southwestern Medical Center President Dr. Daniel Podolsky explained that it "celebrates the innovation and collaboration that are foundational to the success of UT Southwestern Medical Center. It recognizes a group of clinical faculty and staff who have partnered to create, develop, and sustain an innovative program that significantly advances our ability to improve the care received by our patients." Dr. Brugarolis leads the NCI Kidney Cancer SPORE Program at UT Southwestern and has been the principal investigator for six CPRIT Investigator Initiated Awards focused on kidney cancer.
- The Susan G. Komen Foundation announced that CPRIT Scholar Matthew Ellis, B.Sc., M.B., B.Chir., Ph.D., Professor of Medicine and Cellular and Molecular Biology, Director of the Lester and Sue Smith Breast Center, and Associate Director for Translational Research at the Dan L. Duncan Cancer Center, Baylor College of Medicine is the 2019 recipient of the Brinker Award for Scientific Distinction in Clinical Research. Komen is honoring Dr. Ellis for his seminal contributions in understanding the genomics of breast cancer and translating this knowledge to the clinic to improve the efficacy of breast cancer treatment. His work to define the genomic landscape of breast cancer, drug resistance mechanisms and biomarkers

for breast cancer prognosis, coupled with his pioneering research in the pre-surgical treatment of breast cancer, has resulted in significant advances that are paving the way for more personalized treatments for breast cancer.

When he announced the award, Komen's Chief Scientific Advisor, Dr. George Sledge, Jr. M.D., Professor of Medicine at Stanford University, commented, "Dr. Ellis is one of the great translational researchers of our time in breast cancer. His studies of the biology of breast cancer performed in the neoadjuvant setting have changed our understanding of the hormonal therapy of breast cancer." Dr. Ellis will receive the Brinker Award and deliver a keynote lecture at the 42nd annual San Antonio Breast Cancer Symposium in December. Baylor College of Medicine brought Dr. Ellis to Texas from Washington University in 2014 with the help of a CPRIT Established Investigator recruitment award.

- The NCI Biden Moonshot Initiative awarded four researchers at The University of Texas Southwestern Medical Center - Zhijian 'James' Chen, Ph.D., Yang-Xin Fu, Ph.D., Baran Sumer, M.D., and Jinming Gao, Ph.D. - a \$5.7 million grant to develop a unique therapeutic strategy to tackle the immune refractory challenges in solid tumors. The project links the ultra-pH sensitive nanoparticles platform developed with CPRIT support by Drs. Gao and Sumer with Dr. Chen's CPRIT-funded studies to harness the innate immune response to attack cancer and CPRIT Scholar Dr. Fu's expertise on targeting the tumor microenvironment.
- CPRIT Scholar David McFadden M.D., Ph.D., Assistant Professor of Internal Medicine at The University of Texas Southwestern Medical Center, leads a recently announced \$10 million NCI Biden Moonshot initiative to develop a targeted therapy against Ewing's sarcoma. Ewing's sarcoma is the second most common bone and soft tissue malignancy in children and adolescents. The five-year survival of Ewing's sarcoma patients is 70% and falls to less than 20% for those with metastatic disease, a situation that has not improved despite many years of increasingly intensive chemotherapy regimens. Survivors of Ewing's sarcoma often suffer long-term harmful effects of treatment. The goal of this award is to develop effective, targeted therapies with decreased toxicity. UT Southwestern brought Dr. McFadden to Texas from Massachusetts General Hospital and M.I.T. with the support of a CPRIT First Time, Tenure Track recruitment grant in 2014.
- A CPRIT funded team led by Livia Eberlin, Ph.D., assistant professor of chemistry and diagnostic medicine at The University of Texas at Austin, reported in the journal *Proceedings of the National Academy of Sciences* on a new test for thyroid cancer that is faster and more accurate than the diagnostic tests doctors use today. Although more validation will be necessary before clinicians can use the test, the new metabolic thyroid test shows promise for preventing thousands of unnecessary thyroid removals each year. Using a technology called mass spectrometry imaging, the new metabolic thyroid test identifies metabolites produced by cancerous cells that act as a diagnostic fingerprint. The researchers worked on identifying these diagnostic metabolic fingerprints for over two years using 178 patient tissues before starting a pilot clinical study. The clinical study tested 68 new patients, nearly one-third of whom had received inconclusive results after fine needle aspiration. The

new metabolic thyroid test returned a false positive only about 1 time in 10 and could have prevented 17 patients in the study from undergoing unnecessary surgeries.

- A grant led by Drs. Jane Montealegre and Maria Jibaja-Weiss is helping Baylor College of Medicine doctors and researchers take preventative action against e-cigarette use among youth in Harris County. <https://www.khou.com/article/news/local/vaping-e-cigarette-screening-for-kids-baylor-medicine/285-3394fcf9-d40a-4fe1-afd7-f124f5158f82>
- The *Baylor College of Medicine News* featured “Passport for Care,” a free online resource developed by Dr. David Poplack of Baylor College of Medicine and Texas Children’s Cancer Center, which provides a survivorship care plan for both survivors and their caregivers and providers. <https://www.bcm.edu/news/cancer/passport-for-care-cancer-survivor-future>
- Aravive, Inc. announced publication of data from a nonclinical study of AVB-500, the company’s lead product candidate, which demonstrated reduction in tumor size and blood vessel density in animal models of clear cell renal cell carcinoma. The study suggests that an anti-GAS6 therapy may be a potentially effective approach to prevent and treat tyrosine kinase inhibitor-resistant disease, supporting the rationale for combining AVB-500 with antiangiogenic agents in the treatment of advanced kidney cancer.

Houston-based Aravive received a \$20 million CPRIT Product Development award in 2015 to develop their AXL-pathway decoy receptor for treating acute myeloid leukemia and solid tumors.

- Pulmotect, Inc. hired Dr. Colin Broom as its new CEO. Prior to joining Pulmotect, Dr. Broom was CEO of Ireland-based Nabriva Therapeutics, a biopharmaceutical company that went public in 2015. During Broom’s tenure at Nabriva, he helped develop the recently approved drug Xenleta, which treats bacterial pneumonia. He also served as chief scientific officer at Pennsylvania-based pharmaceutical company ViroPharma, Inc., which Shire purchased for \$4.2 billion in 2014. Dr. Broom’s hiring came on the heels of Houston-based Pulmotect naming Kumar Srinivasan to its board of directors. Dr. Srinivasan is vice president of United Kingdom-based AstaZeneca and is its global head of business development and licensing for biopharmaceuticals R&D.

Pulmotect received a \$7.1 million CPRIT Product Development award in 2012 to develop PUL-042, which reduces the incidence of pneumonia in immunosuppressed cancer patients. Researchers at MD Anderson Cancer Center and Texas A&M University invented Pulmotect's main product, PUL-042, which holds patents in nine countries.

- Salarius Pharmaceuticals, Inc. announced that the Safety Review Committees overseeing the Phase 1/2 clinical study of Seclidemstat in Ewing’s sarcoma and the Phase 2 study of Seclidemstat in patients with advanced solid tumors have approved each study to progress to the fourth level dosing cohort. Houston-based Salarius also announced the addition of Memorial Sloan Kettering Cancer Center and Nationwide Children’s Hospital as clinical

sites for their Phase 1/2 trial of Seclidemstat in Ewing's sarcoma. These additions bring the total number of active clinical trial sites to eight.

Salarius designed the Phase 1/2 clinical trial of Seclidemstat in Ewing's sarcoma and the Phase 1 advanced solid tumor clinical trial as open-label dose-finding studies to determine the maximum tolerated dose and initial safety profile of Seclidemstat. Once the Safety Review Committee determines the maximum tolerated dose, the study will expand to a larger group of patients to confirm the safety profile for Seclidemstat and to determine additional pharmacokinetics information and potential preliminary efficacy.

Salarius Pharmaceuticals, Inc. received an \$18.7 million CPRIT Product Development Award in 2014 to support their Ewing's sarcoma clinical trial.

- Medicenna Therapeutics Corp. announced the presentation of updated clinical results from its Phase 2b clinical trial of MDNA55, an IL4-guided toxin, in patients with recurrent glioblastoma, the most common and uniformly fatal form of brain cancer, at the Inaugural Targeting Innate Immunity Congress held September 23-25. Medicenna is planning for meetings with regulatory agencies related to MDNA55, which has completed enrollment in a Phase 2b clinical trial for recurrent glioblastoma, and for the further development of the lead IL-2 Superkine, MDNA19. The company will use net proceeds of an announced offering to fund preparatory activities.

Medicenna received a \$14.1 million CPRIT Product Development award in 2015 to develop MDNA55 for the treatment of glioblastoma.

Grantee Accomplishments

- Dr. Abbey Berenson of The University of Texas Medical Branch presented her findings from her CPRIT-funded project, "Postpartum Administration of HPV Vaccine," at the fourth annual Global Obstetrics and Gynaecology Congress in Prague, Czech Republic, in June.
- Ellen Shohet, program manager with the "Passport for Care" project led by Dr. David Poplack of Baylor College of Medicine, presented at the Children's Oncology Group meeting in Atlanta in September. Her comments: "I received so much positive feedback about how much users across the country are loving the "Passport for Care" and how it makes their ability to care for long term survivors better – I know we have funding from CPRIT but our reach is national and now international as we are available in almost 140 children's oncology clinics; just wanted you all to know how far and impactful your reach really is with this project!"

Personnel

CPRIT has filled 33 of our 35 full-time equivalent (FTE) positions. We are preparing the prevention program manager and the system analyst positions for posting later this year.

CPRIT Outreach

As interest continues in the ten proposed constitutional amendments on the November 5 ballot, CPRIT has accepted invitations from organizations throughout the state to present updates on the agency's past decade of accomplishments and momentum. State law prohibits state employees from advocating for the outcome of an election, so all presentations made by CPRIT staff are informational only. In addition to the outreach events in October, described below, CPRIT representatives made presentations at 13 events between June and September.

- American Cancer Society Cancer Action Network (ACS CAN) 2019 Texas Cancer Policy Forum – Pediatric Cancer and Family Health in San Antonio on October 1 (Chief Scientific Officer Jim Willson)
- Jefferson County Medical Society on October 2 (Wayne Roberts)
- Williamson County Medical Society on October 3 (CPRIT Deputy Executive Officer and General Counsel Kristen Doyle)
- RELLIS Campus Open House at Texas A&M University on October 5 (Wayne Roberts, Chief Operating Officer Heidi McConnell, Senior Program Manager for Academic Research Patty Moore, Assistant General Counsel Cameron Eckel)
- MD Anderson Pediatric Program Grand Rounds in Houston on October 7 (Dr. Willson)
- ACS CAN 2019 Texas Cancer Policy Forum – Texas' Role as a Leader in Cancer Innovations in Austin on October 8 (Dr. Willson)
- Texas Healthcare and Bioscience Institute (THBI) Regional Roundtable hosted by UT Arlington on October 8 (Wayne Roberts)
- Dallas County Medical Society on October 9 (Dr. Willson)
- ACS CAN 2019 Texas Cancer Policy Forum – Texas' Leadership in Cancer Innovations in Irving on October 10 (Dr. Willson)
- University of Houston on October 10 (Ms. Doyle)
- THBI Regional Roundtable hosted by Lonza Houston in Pearland on October 10 (Ms. Doyle)
- Texas Association of Cities and Counties Health Officials in Austin on October 10 (Ms. McConnell)
- Texas Economic Development Council in San Antonio on October 10 (Wayne Roberts)
- The Colorectal Cancer Screening Coalition in Austin on October 11 (Ms. Magid)
- Austin Healthcare Council on October 14 (Oversight Committee member Angelos Angelou)
- North Dallas Chamber of Commerce on October 15 (Wayne Roberts, Oversight Committee member Will Montgomery)
- Henderson County Medical Society in Athens on October 15 (Dr. Willson)
- Greater Houston Partnership Board of Directors in Houston on October 16 (Wayne Roberts and former Oversight Committee member Ned Holmes)
- Richardson Chamber of Commerce on October 17 (Wayne Roberts)
- San Marcos Chamber of Commerce on October 18 (Wayne Roberts)

- THBI Regional Roundtable hosted by UT Health San Antonio on October 22 (Wayne Roberts)
- Hidalgo-Starr County Medical Society in McAllen on October 22 (Chief Prevention Officer Ramona Magid)
- ACS CAN 2019 Texas Cancer Policy Forum – Texas’ Leadership in Cancer Innovation in Houston on October 23 (Ms. Doyle)
- Bexar County Medical Society in San Antonio on October 23 (Mr. Montgomery)
- The University of Texas Rio Grande Valley Biomedical Research Open House in McAllen on October 24 (Dr. Willson)
- The Bio-Houston Breakfast Forum on October 30 (Ms. Doyle, Dr. WalkerPeach)
- Central Health Board of Managers in Austin on October 30 (Ms. Doyle)
- MD Anderson Physician Assistant Senate in Houston on November 1 (Ms. Doyle)

In addition to our outreach efforts related to educating Texans about CPRIT, agency staff also attended (and in some instances, presented at) several events associated with the work of our grantees.

- Dr. WalkerPeach represented CPRIT at MD Anderson’s I-Corps kick-off event October 7 – 8 and closing event on October 29. The National Science Foundation (NSF) I-Corps program prepares scientists and engineers to extend their focus beyond the university laboratory and accelerates the economic and societal benefits of NSF-funded, basic-research projects that are ready to move toward commercialization.
- Ms. Magid attended the Healthier Texas Summit in Austin on October 17 – 18. Several CPRIT grantees participated in panel discussions and exhibited their projects at the conference.
- Dr. WalkerPeach and Senior Program Manager for Product Development Rosemary French presented current CPRIT outcomes, metrics, and available grant funding opportunities to healthcare professionals, life science researchers, and biomedical entrepreneurs at the JLABS incubator in Houston on October 17.
- I gave a brief introduction about CPRIT at the Texas Medical Association’s Distinguished Speaker Series in Austin on October 21. The four panel members were all CPRIT prevention grant recipients. They each discussed their CPRIT-supported projects and opportunities and challenges for cancer prevention efforts in Texas. In addition to the 60+ people attending the event in person, TMA reports that more than 1,000 people watched the panel discussion through TMA’s Facebook livestream.
- Dr. Willson and Ms. Doyle participated in a round table discussion with center leadership and elected officials and at The University of Texas Rio Grande Valley Biomedical Research Center in McAllen on October 24 to discuss opportunities for UTRGV in CPRIT’s academic research program.

- I participated in a panel discussion at the Texas-Israel Healthcare Innovation Conference at UT Southwestern in Dallas on October 25. The conference, attended by a cross-section of companies, investors, and institutions, showcased the Texas bioscience ecosystem and focused on building partnerships with Israel. Oversight Committee member Craig Rosenfeld also attended.
- Dr. Willson and I met with senior officials and research faculty at the Texas Tech University Health Science Center in Lubbock on October 30 to discuss ways that they can expand their involvement in all three of CPRIT's grant making programs.
- Ms. Doyle will attend *Houston's Economic Future* policy discussion on November 7 in Houston. The discussion by a small group of community leaders, hosted by the Center for Houston's Future, will focus on the future of health care and its influence on the Houston-area's economic future. The Center for Houston's Future is an independent affiliate of the Greater Houston Partnership. The Center plans to publish its research in 2020.

FY 2021 Program Priorities

The three program subcommittees will discuss program priorities for FY 2021 in their upcoming subcommittee meetings in preparation for the Oversight Committee's vote to adopt FY 2021 priorities at its November 20 meeting. We expect that the FY 2021 priorities will be substantially like the FY 2020 priorities adopted by the Oversight Committee last November because there will not be enough time to meaningfully incorporate the outcome of the November 5 election in the FY 2021 priorities. I plan to address CPRIT's future priority setting at the November meeting.

Compliance Program Update

Training and Support

CPRIT staff conducted a series of Annual Compliance Training webinars on October 9-10, one each for Academic Research, Prevention, and Product Development Research. This program-centric format allows for an interactive experience and opportunity to focus on topics relevant to each program. The trainings covered grant reporting requirements, administrative rule changes, grant closeout, and an overview of the compliance program including fraud, waste, and abuse reporting. This was the third and final training series offered this calendar year in support of the annual compliance training requirement, which requires the grantee's Authorized Signing Official (ASO) and at least one other employee from each grantee organization attend an annual compliance training by December 31 of each year.

CPRIT staff conducted two new ASO training webinars on October 24 for Baylor University and UT Health Science Center at Tyler. The trainings covered grant reporting requirements, administrative rule changes, grant closeout, and an overview of the compliance program including fraud, waste, and abuse reporting. Pursuant to Texas Administrative Code § 703.22, CPRIT requires new ASOs to complete a compliance training within 60 days of the change.

On-Site Reviews

Compliance Specialists conducted two on-site reviews during October. On-site reviews examine the grantee's financial and administrative operations, subcontract monitoring, procurement and contracting procedures, inventory procedures, personnel policies and procedures, payroll and timesheet policies, travel policies and records, match expenses, and single audit compliance. Compliance Specialists are working with one grantee to remediate on-site review findings.

Desk Reviews

Compliance Specialists performed 12 desk-based financial monitoring reviews during October. Desk reviews verify that grantees expend funds in compliance with specific grant requirements and guidelines and may target an organization's internal controls, current and past fiscal audits, and timeliness of required grantee report submission. Compliance Specialists are working with five grantees to remediate desk review findings.

Single Audit Tracking

Compliance specialists track the submission of grantees' independent audit reports and the resolution of issues identified in these reports. Grantees who expend \$750,000 or more in state awards in the grantee's fiscal year must submit a single independent audit, a program specific audit, or an agreed upon procedures engagement. The grantee submits the independent audit report with findings to CPRIT within 30 days of receipt, but no later than nine months after the grantee's fiscal year end.

Currently, there is one grantee with a delinquent audit. Grantees are unable to receive reimbursements or advances if they are delinquent in filing the required audit and corrective action plan unless the grantee requested additional time by the due date of the required audit and CPRIT's CEO approved the request. Compliance Specialists are working with the grantee.

Annual Compliance Attestation

CPRIT requires grantees to submit an annual Attestation Form, demonstrating compliance with statutory and administrative grant requirements, CPRIT's policies and procedures, grant contract terms, and the Uniform Grant Management Standards (UGMS). This opportunity to self-report, in the form of a checklist, provides a baseline of grantee compliance and allows Compliance Specialists to proactively work with grantees towards full compliance prior to a desk review or on-site review. Compliance staff is working with one grantee who requires additional corrective action related to their attestation.

Financial Status Report Reviews

Compliance Specialists performed 90 second-level reviews of grantee Financial Status Reports (FSRs) for the month of October. Fourteen FSRs (15%) required resubmission due to insufficient or inaccurate documentation submitted by the grantee. CPRIT's grant accounting staff completes the initial review of the FSRs and supporting documentation before routing them to the Compliance Specialists for final review and disposition.

Submission Status of Required Grant Recipient Reports

CPRIT typically has 560+ grants that are either active or wrapping up grant activities and receives an average of 560 grantee reports each month. As of October 22, four entities have not filed three Academic Research reports, two Prevention reports, and seven Product Development Research reports. CPRIT’s grant accountants and Compliance Specialists review and process incoming reports and reach out to grantees to resolve filing issues. In most cases, CPRIT does not disburse funds until the grantee files the required reports. Grantee institutions may be ineligible to receive a future award if the grantee does not submit the required reports.

Academic Research Program Update

FY 2020 Cycle 1 RFAs

CPRIT released the FY2020 Cycle 1 (20.1) RFAs in January and received 387 applications by the June 5 deadline. Peer review panels met October 17- 24 in Dallas. Dr. Willson will present the Scientific Review Council’s (SRC) recommendations to PIC and the Oversight Committee in February 2020.

FY 20.1 Mechanism	Received	Funds Requested
Individual Investigator Research Awards	265	\$231,827,224
Individual Investigator Research Awards for Cancer in Children and Adolescents	55	\$64,930,190
Individual Investigator Research Awards for Prevention and Early Detection	38	\$40,685,739
Individual Investigator Research Awards for Clinical Translation	29	\$47,940,124
TOTAL	387	\$385,383,277

FY 2020 Q1 Recruitment Applications

The SRC met on August 15 and October 10 to review recruitment applications for the first quarter of FY 2020 (cycles 20.1 - 20.3). Dr. Willson will present the SRC’s award recommendations to the PIC and the Oversight Committee at the Oversight Committee meeting in November.

FY 2020 Q1 Mechanisms	Received	Funds Requested	Approved by SRC	Funds Recommended
Recruitment Established Investigators	4	\$23,000,000	3	\$18,000,000
Recruitment of Rising Stars	1	\$4,000,000	1	\$4,000,000
Recruitment of First-Time, Tenure Track Faculty Members	10	\$20,000,000	5	\$10,000,000
TOTAL	15	\$47,000,000	9	\$32,000,000

FY 2020 Cycle 2 Academic Research RFAs

CPRIT posted four RFAs, described below, on July 29 for the second cycle of FY 2020 (20.2). The application portal opened October 6 and will close January 15, 2020. CPRIT has scheduled peer review for April 17-23, 2020. Dr. Willson will present the SRC's award recommendations for Cycle 20.2 to the PIC and the Oversight Committee in August 2020.

- Collaborative Action Program to Reduce Liver Cancer Mortality in Texas: Investigator Initiated Research Awards (RFA-R- 20.2 CAP: RA)*
 Supports investigator-initiated research projects designed to understand the reasons for the increased incidence of hepatocellular cancer (HCC) in Texas, to identify risk factors for cirrhosis and HCC, to identify biomarkers for HCC early detection, and to develop and implement prevention and early detection strategies.
 Award: CPRIT plans to make multiple awards in response to this RFA. Up to \$500,000 (total costs); Maximum duration: 5 years.
- Core Facility Support Awards (RFA R-20.2 CFSA)*
 Solicits applications from institutions to establish or enhance core facilities (laboratory, clinical, population-based, or computer-based) that will directly support cancer research programs to advance knowledge of the causes, prevention, and/or treatment of cancer or improve quality of life for patients with and survivors of cancer.
 Award: Up to \$4,000,000 (total costs); Maximum duration: 5 years.
- Early Clinical Investigator Award (ECI R-20.2 ECI)*
 Solicits applications from institutions to provide cancer physicians early in their academic career the opportunity to develop clinical research skills and to gain experience in advanced methods and experimental approaches needed to become clinical investigators; to provide an opportunity to establish a partnership with a laboratory-based collaborator in order to design and conduct correlative studies needed to interpret the outcome of an interventional trial; to provide the protected time from clinical responsibilities required to develop and conduct investigator initiated clinical trials; and to Increase the pool of clinical investigators at Texas academic institutions who are conducting patient-oriented studies, capitalizing on basic discoveries and translating them through conduct of innovative clinical trials involving cancer patients or individuals at risk for cancer.

Award: Up to \$1,500,000 (total costs) Maximum duration: 5 years

High Impact/High Risk Research Awards (RFA R-20.2 HIHR)

Provides short-term funding to explore the feasibility of high-risk projects that, if successful, would contribute major new insights into the etiology, diagnosis, treatment, or prevention of cancers.

Award: Up to \$250,000 (total costs); Maximum duration: 2 years

Product Development Research Program Update

Product Development Research Applications FY 2020 Cycle 1

CPRIT received 42 applicants for the 20.1 cycle by the August 7 deadline, with two applications subsequently administratively withdrawn for failing to comply with submission instructions. This is the largest pool of product development applicants in agency history. CPRIT held initial peer review meetings September 24 and 25. Sixteen applications moved forward to present their business and scientific plans in-person to the peer review panels convened in Dallas October 22 - 25. The review panels recommended seven companies to move forward to intellectual property and business/regulatory due diligence review. Following the Product Development Review Council’s (PDRC) evaluation of the due diligence reports in January, Dr. WalkerPeach will present the PDRC’s award recommendations for the 20.1 cycle to the PIC and Oversight Committee in February 2020.

20.1 Mechanism	Applications Received	Funds Requested (millions)	In Person Review	Funds Requested (millions)	Invited to Due Diligence	Funds Requested (millions)
Texas Company	8	\$115.8	5	\$57.8	1	\$9.9
Relocation Company	16	\$222.6	4	\$59.8	2	\$29.8
Seed Company	16	\$43.9	7	\$20.0	4	\$12.0
TOTAL	40	\$382.3	16	\$137.5	7	\$51.7

Due Diligence Review Enhancements FY 2020 Cycle 1

The CPRIT Product Development Research Program is piloting improvements to the application review process to place greater emphasis on the discussion, review, and prioritization of key questions for the companies and the evaluators to address during due diligence review. The

modifications include enhanced communication between the PDRC and ICON, CPRIT's contractor conducting business/regulatory due diligence.

Key enhancements include:

- Panel chairs will place greater emphasis during the initial peer review screening teleconference on the process for discussing/recording/prioritizing peer reviewers' questions that each company moving forward to the in-person presentation review should address in their presentations;
- CPRIT will add 10 minutes at the conclusion of the review of each company's in-person presentation for the peer review panel to discuss and prioritize key due diligence issues/questions for companies moving forward to due diligence;
- The PDRC chair and vice chair will assign individual PDRC members to each application undergoing due diligence who will work with ICON to clarify key issues and questions and participate in calls with the applicant; and
- ICON will reformat due diligence reports to highlight the reviewers' key diligence issue and questions.

These process improvements will neither impact the applicant nor materially change CPRIT's established peer review process. No administrative rule changes or other Oversight Committee action is necessary to test and apply these enhancements. However, to implement fully these enhancements, CPRIT's CEO will approve communication waivers using the process set out in CPRIT administrative rule §702.19.

The § 702.19 communication waivers are necessary because the modified process now includes at least one PDRC member participating in a discussion between ICON and each company applicant undergoing due diligence prior to the final decision on whether to recommend the application for an award. CPRIT's conflict of interest rules prohibit a reviewer from discussing the application with the applicant while it is under review to avoid even the appearance of favoritism or undue influence. In the case of the applications undergoing due diligence, CPRIT justifies the waiver because the PDRC member's participation in the discussion between ICON and the applicant ensures that both fully address the key diligence issues. This will lead to a more informed PDRC award recommendation and does not advantage any applicant in the due diligence process over another. CPRIT will include the waivers granted in the supporting information for any grant recommendation.

Overall, these enhancements aim to support the PDRC's focus on critical issues associated with each application during the critical due diligence phase, bolstering informed funding recommendations. The PDRC will continue to evaluate the process changes with CPRIT Product Development Program and may further adjust as needed for future review cycles.

Product Development Research FY 2020 Cycle 2

CPRIT will accept applications for three product development RFAs (described below) December 4 through January 29, 2020. Dr. WalkerPeach will present the PDRC's award recommendations for the 20.2 cycle to the PIC and Oversight Committee in August 2020.

- *Texas Company Product Development Research Award (TXCO):*
Supports early-stage and established companies in the development of innovative cancer products, services, and infrastructure with significant potential impact on patient care. The proposed project must further the development of new products for the diagnosis, treatment, or prevention of cancer; must establish ecosystem infrastructure that is critical to the development of a robust life-science industry; or must fill a treatment or research gap with a significant unmet clinical need. Companies must currently headquarter in Texas. Award: Up to \$20 million over a maximum timeline of three years.
- *Company Relocation Product Development Award (RELCO):*
Supports early-stage and established companies in the development of innovative cancer products, services, and infrastructure with significant potential impact on patient care. The proposed project must further the development of new products for the diagnosis, treatment, or prevention of cancer; must establish ecosystem infrastructure that is critical to the development of a robust life-science industry; or must fill a treatment or research gap with a significant unmet clinical need. Companies must relocate to Texas upon receipt of award. Award: Up to \$20 million over a maximum timeline of three years.
- *Seed Award for Product Development Research (SEED):*
Supports early stage “startup” companies that are earlier in their development timeline than CPRIT's two other Product Development Awards, the TXCO and RELCO awards. The proposed project must further the development of new products for the diagnosis, treatment, or prevention of cancer; must establish ecosystem infrastructure that is critical to the development of a robust life-science industry; or must fill a treatment or research gap with a significant unmet clinical need. Company applicants must headquarter in Texas or be willing to relocate to Texas upon receipt of award.
Award: Up to \$3 million over a maximum timeline of three years.

Prevention Program Update

FY 2020 Cycle 1 Prevention Applications

CPRIT released four RFAs on June 6 for the first review cycle of FY 2020 (20.1). Twenty-eight applications requesting \$36,840,299 will undergo peer review December 10 – 11. Chief Prevention Officer Ramona Magid will present the Prevention Review Council's (PRC) recommendations to the PIC and the Oversight Committee in February 2020.

20.1 Prevention Mechanism	Applications Received	Funds Requested
Evidence-based Cancer Prevention Services	12	\$11,218,838
Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations	11	\$20,873,667
Tobacco Control and Lung Cancer Screening	5	\$ 4,747,794
TOTAL	28	\$36,840,299

FY 2020 Cycle 2 Prevention RFAs

The Oversight Committee approved three FY 2020 Cycle 2 RFAs, which CPRIT released October 15. Applications are due on February 12, 2020, and CPRIT has scheduled peer review May 11-14, 2020. Ms. Magid will present the PRC’s recommendations to the PIC and the Oversight Committee in August 2020.

- Evidence-Based Cancer Prevention Services*
 Funds projects that will deliver evidence-based cancer prevention and control clinical services. CPRIT will give priority to projects that propose to address CPRIT areas of emphasis and serve areas of the state not well addressed by current CPRIT funded projects. Award: Maximum of \$1M; Maximum duration of 36 months.
- Tobacco Control and Lung Cancer Screening*
 Funds programs on tobacco prevention and cessation, as well as screening for early detection of lung cancer. Through release of this RFA, CPRIT’s goal is to stimulate more programs across the state, thereby providing greater access for underserved populations and reducing the incidence and mortality rates of tobacco-related cancers. This RFA seeks to promote and deliver evidence-based programming designed to significantly increase tobacco cessation among adults and/or prevent tobacco use by youth. Award: Maximum of \$1M for new projects and \$2 M for expansion projects; Maximum duration of 36 months.
- Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations*
 Funds the coordination and expansion of evidence-based services to prevent cancer in underserved populations who do not have adequate access to cancer prevention interventions and health care, bringing together networks of public health and community partners to carry out programs tailored for their communities. Projects should identify cancers that cause the most burden in the community and use evidence-based models shown to work in similar communities to prevent and control these cancers. Currently funded CPRIT projects should propose to expand their programs to include additional types of prevention clinical services and/or an expansion of current clinical services into additional counties. In either case, the expansion must include delivery of services to nonmetropolitan and medically underserved counties in the state.

Award: Maximum of \$2M; Maximum duration of 36 months.

Advisory Committees

The University Advisory Committee will meet in Houston on November 14.

The Advisory Committee on Childhood Cancer plans to meet November 18.

Communications Update

Cancer Awareness Month Activities

CPRIT created original content released via social media for National Breast Cancer Awareness and National Liver Cancer Awareness Months in October. One highlight is our [video](#) on Texas Tech University Health Sciences Center's Dr. Rakhshanda Rahman and the Access to Breast and Cervical Care of West Texas project. We also re-released a video we produced last year on [liver cancer](#).

Support for CPRIT and Proposition 6 in Editorials and Op-Eds

CPRIT received overwhelmingly positive coverage on opinion pages across the state. I have listed many; due to the volume of coverage I may have missed some individual opinions. I have also included other media coverage about CPRIT and Proposition 6.

- *Editorial Board Recommendations*

11/05/2019 – Waco Tribune-Herald: *Editorial Board: Zoo, schools, taxes on Election Day voters' minds* - https://www.wacotrib.com/opinion/editorials/editorial-zoo-schools-taxes-on-election-day-voters-minds/article_db78a8e8-45e4-54b9-ba80-dbbcc33cf71e.html

11/05/2019 – Lubbock Avalanche-Journal: *Editorial Board: Make time to vote, have voice heard Tuesday* - <https://www.lubbockonline.com/news/20191103/our-view-make-time-to-vote-have-voice-heard-tuesday>

10/23/19 - Longview News-Journal: *Editorial Board: Vote 'yes' on all but one Texas constitutional amendment* - https://www.news-journal.com/opinion/editorial-vote-yes-on-all-but-one-texas-constitutional-amendment/article_702cde14-f454-11e9-8cd8-bf7dc30d31e6.html

10/21/19 – Fort Worth Star-Telegram: *Editorial Board: We recommend voting this way on Texas income tax proposal, other state propositions* - <https://www.star-telegram.com/opinion/editorials/article236408668.html>

10/21/19 – Bryan-College Station Eagle: *Editorial Board: Recommendations for 10 constitutional amendments* - https://www.theeagle.com/opinion/editorials/recommendations-for-constitutional-amendments/article_f0302ef2-f2f8-11e9-9c50-b37b62789f1c.html

10/19/19 – Houston Chronicle: *Editorial Board: Our recommendations for voting on the 10 proposed constitutional amendments* - <https://www.houstonchronicle.com/opinion/editorials/article/Our-recommendations-for-voting-on-the-10-proposed-14546251.php>

10/18/19 – Dallas Morning News: *Editorial: We recommend these 7 amendments to the Texas constitution* - <https://www.dallasnews.com/opinion/editorials/2019/10/18/we-recommend-these-7-amendments-to-the-texas-constitution/>

10/18/19 – El Paso Times: *Editorial Board: Why should you vote? Our recommendations for the 10 amendments on the Nov. 5 ballot* <https://www.elpasotimes.com/story/opinion/2019/10/18/why-vote-texas-nov-5-election-what-are-amendments/4012383002/>

10/18/19 – Beaumont Enterprise: *Editorial Board: Recommendations listed for amendments 6 through 10* - <https://www.beaumontenterprise.com/opinions/editorials/article/ENTERPRISE-EDITORIAL-Recommendations-listed-for-14545854.php>

10/17/19 – Austin American Statesman: *Editorial: Yes on Prop 6: Critical cancer research should continue* – <https://www.statesman.com/opinion/20191017/editorial-yes-on-prop-6-critical-cancer-research-should-continue>

10/17/19 – San Antonio Express-News: *From the Editorial Board: A voters guide for Props 1 through 10*- <https://www.expressnews.com/opinion/editorials/article/The-full-list-Our-recommendations-for-Props-1-10-14542008.php>

10/17/19 – San Antonio Express-News: *Editorial Board: In-depth analysis of Props 6 through 10* - <https://www.expressnews.com/opinion/editorials/article/Our-recommendations-Propositions-6-through-10-14542002.php>

- *Op-Eds*

10/31/19 – Houston Chronicle: *McCaul: “Yes” on Prop 6 provides hope for youngest cancer patients by U.S. Rep. Michael McCaul* - <https://www.houstonchronicle.com/opinion/outlook/article/McCaul-Yes-on-Prop-6-provides-hope-for-14625750.php>

10/31/19 – Denton Record-Chronicle: *State Sen. Jane Nelson: Voting yes on Prop 6 will continue fight against cancer* - https://dentonrc.com/opinion/columnists/state-sen-jane-nelson-voting-yes-on-prop-will-continue/article_26be4ef6-5203-5504-9df9-c4424ec9699e.html

10/25/19 - El Paso Times: *Opinion: CPRIT-funded scientists make cancer prevention and cures possible by Dee Margo and Richard Lange* - <https://www.elpasotimes.com/story/opinion/2019/10/25/continuing-cancer-research-funding-good-el-paso-column-dee-margo-richard-lange/2454188001/>

10/25/19 – El Paso Times: *Opinion: Texas constitutional measures are vital and impact us all* by Sen. José Rodríguez - <https://www.elpasotimes.com/story/opinion/2019/10/25/texas-constitutional-measures-impact-us-all-state-sen-jose-rodriguez/2458209001/>

10/24/19 - Victoria Advocate: *Opinion: Vote for Propositions 4 and 6* by Rep. Geanie W. Morrison - https://www.victoriaadvocate.com/opinion/guest-column-vote-for-propositions-and/article_3b8edf2c-f65c-11e9-a393-db0658379bd7.html

10/23/19 - Houston Chronicle: *Opinion: Bolstering Texas' cancer research program will help defeat the dreaded disease* by C. Kent Osborne and Michelle Barton - <https://www.houstonchronicle.com/opinion/outlook/article/Bolstering-Texas-cancer-research-program-will-14556827.php>

10/20/19 – Midland Reporter-Telegram: *Nadine Craddick: Texans can choose to fight cancer* A vote of “Yes” for Proposition 6 would keep paving the way for this cure <https://www.mrt.com/opinion/article/Nadine-Craddick-Texans-can-choose-to-fight-cancer-14548467.php> Mrs. Craddick’s opinion piece also ran in the Lubbock Avalanche Journal, Odessa American, and San Antonio Express-News.

10/19/19 - San Antonio Express-News: *Opinion: Support Proposition 6 and continued cancer research* by Ruben Mesa, George B. Hernández Jr. and Jaime Wesolowski - <https://www.expressnews.com/opinion/commentary/article/Support-Proposition-6-and-continued-cancer-14545610.php?cmpid=gsa-mysa-result>

10/19/19 – Rivard Report: *Opinion: Why Voting ‘Yes’ for Proposition 6 is a Good Business Decision* by Harry Bushong - <https://therivardreport.com/why-voting-yes-for-proposition-6-is-a-good-business-decision/>

10/14/19 – Fort Worth Star-Telegram: *Opinion: Texans, here’s how you can help fight cancer — from the ballot box* by James Huffines and Tom Luce - <https://www.star-telegram.com/opinion/opn-columns-blogs/other-voices/article236035823.html> Mr. Huffines and Mr. Luce’s opinion piece also ran in the Dallas Morning News.

10/13/19 – Austin American-Statesman: *Opinion: Continue Texas’ investment in cancer research, prevention to save lives* by Sen. Kirk Watson - <https://www.statesman.com/opinion/20191013/opinion-continue-texas-investment-in-cancer-research-prevention-to-save-lives>

10/11/19 – Corpus Christi Caller-Times: *Opinion: Please vote Nov. 5 in support of Texas’ cancer-fighting agency* by Rebecca Esparza - <https://www.caller.com/story/opinion/2019/10/11/please-vote-nov-5-support-texas-cancer-fighting-agency-cprit-constitutional-amendments-election/3942422002/>

- *Other Media Coverage*

11/3/19 – Dallas Morning News: *Who's afraid of big government? Texas' public push into cancer research pays off* - <https://www.dallasnews.com/business/commentary/2019/11/03/whos-afraid-of-big-government-texas-public-push-into-cancer-research-pays-off/>

11/3/19 – McAllen Monitor: *State props could have major local impact* - <https://www.themonitor.com/2019/11/03/state-props-major-local-impact/>

10/25/19 – Houston Chronicle: *Voters to decide if state cancer program gets another \$3B* - <https://www.houstonchronicle.com/local/prognosis/article/Voters-to-decide-if-state-cancer-program-gets-14562727.php#photo-18500058>

10/24/19 – Texas Tribune: *Texas voters could give cancer research organization \$3 billion in November* - <https://www.texastribune.org/2019/10/24/texas-would-give-cancer-research-organization-3-billion-if-prop-6-pass/>

10/18/19 – D CEO Healthcare: *Cancer Research is on the Ballot This November* - <https://healthcare.dmagazine.com/2019/10/18/cancer-research-is-on-the-ballot-this-november/>

10/18/19 – KSAT (San Antonio): *Proposition 6 to be voted on Nov. 5* - <https://www.ksat.com/news/news-at-9/voters-to-decide-on-proposition-to-increase-bond-amount-for-cancer-research-institute>

10/14/19 – Austin American-Statesman: *Prop 6 would authorize another \$3 billion in bonds for the state's cancer-fighting agency* - <https://www.statesman.com/news/20191014/prop-6-would-authorize-another-3-billion-in-bonds-for-states-cancer-fighting-agency>

10/12/19 – KXAN/Nexstar markets: *More than half of Texas voters support Prop 6* - <https://www.ktsm.com/news/local-news/poll-more-than-half-of-texas-voters-support-prop-6/>

10/3/19 – KLTV (Tyler/East Texas): *Voters will decide future of cancer research in Texas* - <https://www.kltv.com/2019/10/03/voters-will-decide-future-cancer-research-texas/>

10/2/19 – Spectrum News (Austin): *\$3 Billion More for Texas Cancer Fund? Voters Will Decide* - <https://spectrumlocalnews.com/tx/san-antonio/news/2019/10/02/-3-billion-more-for-texas-cancer-fund--voter-will-decide->

9/18/19 – San Antonio Express-News: *Future of state's cancer-fighting agency will be left to voters* - <https://www.expressnews.com/business/article/Future-of-state-s-cancer-fighting-agency-will-14451070.php?cmpid=gsa-mysa-result>

Social Media

October Metrics

Facebook:

- Reach: 3,187
- Engagement: 887
- Most popular post: Thanks to CPRIT cancer prevention grants, Texas Tech University Health Sciences Center's Dr. Rakhshanda Rahman and the Access to Breast and Cervical Care of West Texas project, women in uninsured and under-served populations across 60 West Texas counties have had access to breast and cervical cancer screenings.

Twitter:

- 48,400 impressions
- Top tweet: #CPRIT grantee, @UTAustin and @TexasScience's @livia__se and her amazing team, along with @BCMHouston, have developed a revolutionary preoperative test for thyroid cancer that is faster & about 2/3 more accurate than current diagnostic tests: <https://cprit.us/31fPkRu> .

Operations, Audit and Finance Update

CPRIT submitted its FY 2019 Annual Financial Report (AFR) to the Comptroller of Public Accounts on October 23 ahead of the November 20 due date.

The audit of CPRIT's FY 2019 financial statements in the AFR continued through October. The McConnell & Jones audit team was at the CPRIT offices the week of October 28 to perform necessary testing.

The Weaver and Tidwell internal audit team completed the final internal audit report for FY 2019, Internal Audit Follow-Up Procedures Report over Communications, and the FY 2019 Annual Internal Audit Report. The Oversight Committee will consider these reports at its November 20 meeting.

Upcoming Subcommittee Meetings

Listed below are the regularly scheduled subcommittees in advance of the November 20 Oversight Committee meeting. Please note that the Board Governance Subcommittee will not meet in November.

Audit	November 11 at 10:00 a.m.
Prevention	November 12 at 10:00 a.m.
Academic Research	November 13 at 10:00 a.m.
Product Development	November 14 at 10:00 a.m.
Nominations	November 15 at 10:30 a.m.

CPRIT will send an agenda, call-in information, and supporting material to the subcommittees one week prior to the meeting date.

CPRIT has awarded **1,447** grants totaling **\$2.405 billion**

- 226 prevention awards totaling \$250.0 million
- 1,221 academic research and product development research awards totaling \$2.155 billion

Of the \$2.155 billion in academic research and product development research awards,

- 31.1% of the funding (\$670.7 million) supports clinical research projects
- 25.1% of the funding (\$540.6 million) supports translational research projects
- 26.7% of funding (\$575.2 million) supports recruitment awards
- 14.3% of the funding (\$308.9 million) supports discovery stage research projects
- 2.8% of funding (\$59.9 million) supports training programs.

CPRIT has 8 open Requests for Applications (RFAs)

- 3 Research Recruitment
- 4 Academic Research
- 4 Prevention



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: CHRIS CUTRONE, SENIOR COMMUNICATIONS SPECIALIST
SUBJECT: COMMUNICATIONS UPDATE
DATE: NOVEMBER 20, 2019

CPRIT received uniformly positive coverage on editorial pages across the state throughout October and November, as well as other media coverage about Proposition 6 and CPRIT. Several publications interviewed CPRIT CEO Wayne Roberts about CPRIT's accomplishments and activities. I have included a compilation of editorial board recommendations, op-eds, and other media coverage.

In response to the overwhelming passage of Proposition 6, we released a statement from Mr. Roberts thanking Texas voters on behalf of the agency for their endorsement of CPRIT and its mission. Read the statement on our website [here](#).

- *Editorial Board Recommendations*

11/05/2019 – Waco Tribune-Herald: *Editorial Board: Zoo, schools, taxes on Election Day voters' minds* - https://www.wacotrib.com/opinion/editorials/editorial-zoo-schools-taxes-on-election-day-voters-minds/article_db78a8e8-45e4-54b9-ba80-dbbcc33cf71e.html

11/05/2019 – Lubbock Avalanche-Journal: *Editorial Board: Make time to vote, have voice heard Tuesday* - <https://www.lubbockonline.com/news/20191103/our-view-make-time-to-vote-have-voice-heard-tuesday>

10/23/19 - Longview News-Journal: *Editorial Board: Vote 'yes' on all but one Texas constitutional amendment* - https://www.news-journal.com/opinion/editorial-vote-yes-on-all-but-one-texas-constitutional-amendment/article_702cde14-f454-11e9-8cd8-bf7dc30d31e6.html

10/21/19 – Fort Worth Star-Telegram: *Editorial Board: We recommend voting this way on Texas income tax proposal, other state propositions* - <https://www.star-telegram.com/opinion/editorials/article236408668.html>

10/21/19 – Bryan-College Station Eagle: *Editorial Board: Recommendations for 10 constitutional amendments* - https://www.theeagle.com/opinion/editorials/recommendations-for-constitutional-amendments/article_f0302ef2-f2f8-11e9-9c50-b37b62789f1c.html

10/19/19 – Houston Chronicle: *Editorial Board: Our recommendations for voting on the 10 proposed constitutional amendments* - <https://www.houstonchronicle.com/opinion/editorials/article/Our-recommendations-for-voting-on-the-10-proposed-14546251.php>

10/18/19 – Dallas Morning News: *Editorial: We recommend these 7 amendments to the Texas constitution* - <https://www.dallasnews.com/opinion/editorials/2019/10/18/we-recommend-these-7-amendments-to-the-texas-constitution/>

10/18/19 – El Paso Times: *Editorial Board: Why should you vote? Our recommendations for the 10 amendments on the Nov. 5 ballot*
<https://www.elpasotimes.com/story/opinion/2019/10/18/why-vote-texas-nov-5-election-what-are-amendments/4012383002/>

10/18/19 – Beaumont Enterprise: *Editorial Board: Recommendations listed for amendments 6 through 10* - <https://www.beaumontenterprise.com/opinions/editorials/article/ENTERPRISE-EDITORIAL-Recommendations-listed-for-14545854.php>

10/17/19 – Austin American Statesman: *Editorial: Yes on Prop 6: Critical cancer research should continue* – <https://www.statesman.com/opinion/20191017/editorial-yes-on-prop-6-critical-cancer-research-should-continue>

10/17/19 – San Antonio Express-News: *From the Editorial Board: A voters guide for Props 1 through 10*- <https://www.expressnews.com/opinion/editorials/article/The-full-list-Our-recommendations-for-Props-1-10-14542008.php>

10/17/19 – San Antonio Express-News: *Editorial Board: In-depth analysis of Props 6 through 10* - <https://www.expressnews.com/opinion/editorials/article/Our-recommendations-Propositions-6-through-10-14542002.php>

- *Op-Eds*

10/31/19 – Houston Chronicle: *McCaul: “Yes” on Prop 6 provides hope for youngest cancer patients by U.S. Rep. Michael McCaul* - <https://www.houstonchronicle.com/opinion/outlook/article/McCaul-Yes-on-Prop-6-provides-hope-for-14625750.php>

10/31/19 – Denton Record-Chronicle: *State Sen. Jane Nelson: Voting yes on Prop 6 will continue fight against cancer* - https://dentonrc.com/opinion/columnists/state-sen-jane-nelson-voting-yes-on-prop-will-continue/article_26be4ef6-5203-5504-9df9-c4424ec9699e.html

10/25/19 - El Paso Times: *Opinion: CPRIT-funded scientists make cancer prevention and cures possible by Dee Margo and Richard Lange* - <https://www.elpasotimes.com/story/opinion/2019/10/25/continuing-cancer-research-funding-good-el-paso-column-dee-margo-richard-lange/2454188001/>

10/25/19 – El Paso Times: *Opinion: Texas constitutional measures are vital and impact us all by Sen. José Rodríguez* - <https://www.elpasotimes.com/story/opinion/2019/10/25/texas-constitutional-measures-impact-us-all-state-sen-jose-rodriguez/2458209001/>

10/24/19 - Victoria Advocate: *Opinion: Vote for Propositions 4 and 6 by Rep. Geanie W. Morrison* - https://www.victoriaadvocate.com/opinion/guest-column-vote-for-propositions-and/article_3b8edf2c-f65c-11e9-a393-db0658379bd7.html

10/23/19 - Houston Chronicle: *Opinion: Bolstering Texas' cancer research program will help defeat the dreaded disease by C. Kent Osborne and Michelle Barton* - <https://www.houstonchronicle.com/opinion/outlook/article/Bolstering-Texas-cancer-research-program-will-14556827.php>

10/20/19 – Midland Reporter-Telegram: *Nadine Craddick: Texans can choose to fight cancer A vote of “Yes” for Proposition 6 would keep paving the way for this cure* <https://www.mrt.com/opinion/article/Nadine-Craddick-Texans-can-choose-to-fight-cancer-14548467.php> Mrs. Craddick's opinion piece also ran in the Lubbock Avalanche Journal, Odessa American, and San Antonio Express-News.

10/19/19 - San Antonio Express-News: *Opinion: Support Proposition 6 and continued cancer research by Ruben Mesa, George B. Hernández Jr. and Jaime Wesolowski* - <https://www.expressnews.com/opinion/commentary/article/Support-Proposition-6-and-continued-cancer-14545610.php?cmpid=gsa-mysa-result>

10/19/19 – Rivard Report: *Opinion: Why Voting ‘Yes’ for Proposition 6 is a Good Business Decision by Harry Bushong* - <https://therivardreport.com/why-voting-yes-for-proposition-6-is-a-good-business-decision/>

10/14/19 – Fort Worth Star-Telegram: *Opinion: Texans, here's how you can help fight cancer — from the ballot box by James Huffines and Tom Luce* - <https://www.star-telegram.com/opinion/opn-columns-blogs/other-voices/article236035823.html> Mr. Huffines and Mr. Luce's opinion piece also ran in the Dallas Morning News.

10/13/19 – Austin American-Statesman: *Opinion: Continue Texas' investment in cancer research, prevention to save lives by Sen. Kirk Watson* - <https://www.statesman.com/opinion/20191013/opinion-continue-texas-investment-in-cancer-research-prevention-to-save-lives>

10/11/19 – Corpus Christi Caller-Times: *Opinion: Please vote Nov. 5 in support of Texas' cancer-fighting agency by Rebecca Esparza* - <https://www.caller.com/story/opinion/2019/10/11/please-vote-nov-5-support-texas-cancer-fighting-agency-cprit-constitutional-amendments-election/3942422002/>

- *Other Media Coverage*

11/3/19 – Dallas Morning News: *Who's afraid of big government? Texas' public push into cancer research pays off* - <https://www.dallasnews.com/business/commentary/2019/11/03/whos-afraid-of-big-government-texas-public-push-into-cancer-research-pays-off/>

11/3/19 – McAllen Monitor: *State props could have major local impact* - <https://www.themonitor.com/2019/11/03/state-props-major-local-impact/>

10/25/19 – Houston Chronicle: *Voters to decide if state cancer program gets another \$3B* - <https://www.houstonchronicle.com/local/prognosis/article/Voters-to-decide-if-state-cancer-program-gets-14562727.php#photo-18500058>

10/24/19 – Texas Tribune: *Texas voters could give cancer research organization \$3 billion in November* - <https://www.texastribune.org/2019/10/24/texas-would-give-cancer-research-organization-3-billion-if-prop-6-pass/>

10/18/19 – D CEO Healthcare: *Cancer Research is on the Ballot This November* - <https://healthcare.dmagazine.com/2019/10/18/cancer-research-is-on-the-ballot-this-november/>

10/18/19 – KSAT (San Antonio): *Proposition 6 to be voted on Nov.5* - <https://www.ksat.com/news/news-at-9/voters-to-decide-on-proposition-to-increase-bond-amount-for-cancer-research-institute>

10/14/19 – Austin American-Statesman: *Prop 6 would authorize another \$3 billion in bonds for the state's cancer-fighting agency* - <https://www.statesman.com/news/20191014/prop-6-would-authorize-another-3-billion-in-bonds-for-states-cancer-fighting-agency>

10/12/19 – KXAN/Nexstar markets: *More than half of Texas voters support Prop 6* - <https://www.ktsm.com/news/local-news/poll-more-than-half-of-texas-voters-support-prop-6/>

10/3/19 – KLTV (Tyler/East Texas): *Voters will decide future of cancer research in Texas* - <https://www.kltv.com/2019/10/03/voters-will-decide-future-cancer-research-texas/>

10/2/19 – Spectrum News (Austin): *\$3 Billion More for Texas Cancer Fund? Voters Will Decide* - <https://spectrumlocalnews.com/tx/san-antonio/news/2019/10/02/-3-billion-more-for-texas-cancer-fund--voter-will-decide->

9/18/19 – San Antonio Express-News: *Future of state's cancer-fighting agency will be left to voters* - <https://www.expressnews.com/business/article/Future-of-state-s-cancer-fighting-agency-will-14451070.php?cmpid=gsa-mysa-result>

CPRIT Fall Outreach

Responding to interest in the ten constitutional amendments on the November 5 ballot, CPRIT accepted invitations from organizations throughout the state to present updates on the agency's past decade of accomplishments and momentum. State law prohibits state employees from advocating for the outcome of an election, so all presentations made by CPRIT staff are informational only. As reflected on the list below, CPRIT staff and Oversight Committee members made over 40 presentations between August and November. CPRIT is committed to continuing these outreach efforts in 2020.

- San Antonio Chamber of Commerce Healthcare and Bioscience Committee on August 1 (Chief Executive Officer Wayne Roberts)

- Greater Houston Partnership Health Care Council on August 20 (Mr. Roberts)
- Children’s Hospital Association of Texas on August 22 (Mr. Roberts)
- Denton County Medical Society on September 10 (CPRIT Oversight Committee Member Will Montgomery)
- El Paso County Medical Society on September 10 (CPRIT Senior Communications Specialist Chris Cutrone)
- Texas Medical Association 2019 Fall Conference - Committee on Cancer meeting on September 13 (CPRIT Deputy Executive Officer and General Counsel Kristen Doyle)
- Austin-San Marcos Corridor Council on September 18 (Ms. Doyle)
- Burnet-Lampasas County Medical Society on September 19 (CPRIT Chief Operating Officer Heidi McConnell)
- Travis County Medical Society on September 19 (Ms. Doyle)
- Texas Academy of Physicians Alamo Chapter on September 24 (CPRIT Chief Scientific Officer Dr. Jim Willson)
- Tarrant County Medical Society on September 25 (Dr. Willson)
- Ector County Medical Society on September 26 (Mr. Cutrone)
- American Cancer Society Cancer Action Network (ACS CAN) 2019 Texas Cancer Policy Forum – Pediatric Cancer and Family Health in San Antonio on October 1 (Dr. Willson)
- Jefferson County Medical Society on October 2 (Mr. Roberts)
- Williamson County Medical Society on October 3 (Ms. Doyle)
- RELIS Campus Open House at Texas A&M University on October 5 (Mr. Roberts, Ms. McConnell, Senior Program Manager for Academic Research Patty Moore, Assistant General Counsel Cameron Eckel)
- MD Anderson Pediatric Program Grand Rounds in Houston on October 7 (Dr. Willson)
- ACS CAN 2019 Texas Cancer Policy Forum – Texas’ Role as a Leader in Cancer Innovations in Austin on October 8 (Dr. Willson)
- Texas Healthcare and Bioscience Institute (THBI) Regional Roundtable hosted by UT Arlington on October 8 (Mr. Roberts)
- Dallas County Medical Society on October 9 (Dr. Willson)
- ACS CAN 2019 Texas Cancer Policy Forum – Texas’ Leadership in Cancer Innovations in Irving on October 10 (Dr. Willson)
- University of Houston on October 10 (Ms. Doyle)
- THBI Regional Roundtable hosted by Lonza Houston in Pearland on October 10 (Ms. Doyle)
- Texas Association of Cities and Counties Health Officials in Austin on October 10 (Ms. McConnell)
- Texas Economic Development Council in San Antonio on October 10 (Mr. Roberts)
- The Colorectal Cancer Screening Coalition in Austin on October 11 (Chief Prevention Officer Ramona Magid)
- Austin Healthcare Council on October 14 (Oversight Committee member Angelos Angelou)
- North Dallas Chamber of Commerce on October 15 (Mr. Roberts, Oversight Committee member Will Montgomery)

- Henderson County Medical Society in Athens on October 15 (Dr. Willson)
- Greater Houston Partnership Board of Directors in Houston on October 16 (Mr. Roberts and former Oversight Committee member Ned Holmes)
- Richardson Chamber of Commerce on October 17 (Mr. Roberts)
- San Marcos Chamber of Commerce on October 18 (Mr. Roberts)
- THBI Regional Roundtable hosted by UT Health San Antonio on October 22 (Mr. Roberts)
- Hidalgo-Starr County Medical Society in McAllen on October 22 (Ms. Magid)
- ACS CAN 2019 Texas Cancer Policy Forum – Texas’ Leadership in Cancer Innovation in Houston on October 23 (Ms. Doyle)
- Bexar County Medical Society in San Antonio on October 23 (Oversight Committee member Will Montgomery)
- The University of Texas Rio Grande Valley Biomedical Research Open House in McAllen on October 24 (Dr. Willson, Ms. Doyle)
- The Bio-Houston Breakfast Forum on October 30 (Ms. Doyle, Dr. WalkerPeach)
- Central Health Board of Managers in Austin on October 30 (Ms. Doyle)
- MD Anderson Physician Assistant Senate in Houston on November 1 (Ms. Doyle)

Cancer Awareness Month Activities

CPRIT created original content that was released via social media for Childhood Cancer Awareness Month in September and National Breast Cancer Awareness and National Liver Cancer Awareness Months in October. One highlight is our [video](#) on Texas Tech University Health Sciences Center's Dr. Rakhshanda Rahman and the Access to Breast and Cervical Care of West Texas project. We also re-released a video we produced last year on [liver cancer](#).

Website/Production

Communications launched a Childhood Cancer webpage featuring CPRIT’s childhood cancer grantees and projects, including several recent videos we produced about childhood cancer. Visit the new webpage at <http://childhoodcancer.cprit.texas.gov/>. We also plan to launch a Clinical Trials webpage early next year.

Social Media Metrics

Facebook (last 28 days):

- Reach: 4,112
- Engagement: 1,473
- Most popular post: Yesterday, Texans approved Proposition 6, continuing the state’s unprecedented fight against cancer. Visit CPRIT’s newsroom for our statement on the passage of Prop 6.

Twitter:

- September:
 - 47,700 impressions
 - Top tweet: Dr. John Mendelsohn’s Legacy and the Future of Cancer Research: The @BakerInstitute is hosting a Sept. 10 event honoring the former

@MDAndersonNews president and early CPRIT champion on his work and impact on the future of cancer research: cprit.us/2kjjP9V.

(<https://twitter.com/CPRITTexas/status/1169307192903815169?s=20>)

- October:
 - 54,600 impressions
 - Top tweet: #CPRIT grantee, @UTAustin and @TexasScience's @livia__se and her amazing team, along with @BCMHouston, have developed a revolutionary preoperative test for thyroid cancer that is faster & about 2/3 more accurate than current diagnostic tests: <https://cprit.us/31fPkRu>.
(<https://twitter.com/CPRITTexas/status/1184495904235163650?s=20>)
- November:
 - 32,700 impressions
 - Top tweet: Yesterday, Texans approved Proposition 6, continuing the state's unprecedented fight against #cancer. Visit the #CPRIT newsroom for our statement on the passage of Prop 6. #ElectionResults2019: <https://cprit.us/2NNRZNw>.
(<https://twitter.com/CPRITTexas/status/1192080357908193281?s=20>)



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: VINCE BURGESS, CHIEF COMPLIANCE OFFICER
SUBJECT: COMPLIANCE PROGRAM UPDATE
DATE: NOVEMBER 12, 2019

The Chief Compliance Officer is responsible for apprising the Oversight Committee and the Chief Executive Officer of institutional compliance functions and activities, and assuring the Oversight Committee that controls are in place to prevent, detect and mitigate compliance risk. 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 is responsible for monitoring the timely submission status of required grant recipient reports and notifying the Oversight Committee and General Counsel of a grant recipient's failure to meaningfully comply with reporting deadlines.

Training and Support

CPRIT staff conducted a series of Annual Compliance Training webinars on October 9-10, one for each of the three program areas: Academic Research, Prevention, and Product Development Research. This format allows for an interactive experience and opportunity to focus on topics relevant to each program. The trainings covered grant reporting requirements, administrative rule changes, grant closeout, and an overview of the compliance program including fraud, waste, and abuse reporting. This was the third and final training series offered this calendar year in support of the annual compliance training requirement which states that the grantee's Authorized Signing Official (ASO) and at least one other employee from each grantee organization must attend an annual compliance training by December 31 of each year.

CPRIT staff conducted two new ASO training webinars on October 24 for Baylor University and UT Health Science Center at Tyler. The trainings covered grant reporting requirements, administrative rule changes, grant closeout, and an overview of the compliance program including fraud, waste, and abuse reporting. Pursuant to Texas Administrative Code §703.22, CPRIT requires new ASOs to complete a compliance training within 60 days of the change.

OnSite Reviews

Compliance Specialists conducted five onsite reviews during August, September and October. Onsite reviews examine the grantee's financial and administrative operations, subcontract monitoring, procurement and contracting procedures, inventory procedures, personnel policies and procedures, payroll and timesheet policies, travel policies and records, match expenses, and

single audit compliance. Compliance Specialists are working with one grantee to remediate onsite review findings.

Desk Reviews

Compliance Specialists performed 52 desk-based financial monitoring reviews during August, September and October. Desk reviews verify that grantees expend funds in compliance with specific grant requirements and guidelines and may target an organization's internal controls, current and past fiscal audits, and timeliness of required grantee report submission. Compliance Specialists are working with five grantees to remediate desk review findings.

Single Audit Tracking

Compliance specialists track the submission of grantees' independent audit reports and the resolution of issues identified in these reports. Grantees who expend \$750,000 or more in state awards in the grantee's fiscal year must submit a single independent audit, a program specific audit, or an agreed upon procedures engagement. The grantee submits the independent audit report with findings to CPRIT within 30 days of receipt, but no later than nine months after the grantee's fiscal year end.

Currently, there is one grantee with a delinquent audit. Grantees are unable to receive reimbursements or advances if they are delinquent in filing the required audit and corrective action plan unless the grantee requested additional time by the due date of the required audit and CPRIT's CEO approved the request. Compliance Specialists are working with the grantee.

Annual Compliance Attestation

CPRIT requires grantees to submit an annual Attestation form, demonstrating compliance with statutory and administrative grant requirements, CPRIT's policies and procedures, grant contract terms, and the Uniform Grant Management Standards (UGMS). This opportunity to self-report, in the form of a checklist, provides a baseline of grantee compliance and allows Compliance Specialists to proactively work with grantees towards full compliance prior to a desk review or onsite review. Compliance staff is working with one grantee who requires additional corrective action related to their attestation.

Financial Status Report Reviews

Compliance Specialists performed 543 second-level reviews of grantee Financial Status Reports (FSRs) for the months of August, September and October. Sixty-seven FSRs (12%) required resubmission due to insufficient or inaccurate documentation submitted by the grantee. CPRIT's grant accounting staff completes the initial review of the FSRs and supporting documentation before routing them to the Compliance Specialists for final review and disposition.

Submission Status of Required Grant Recipient Reports

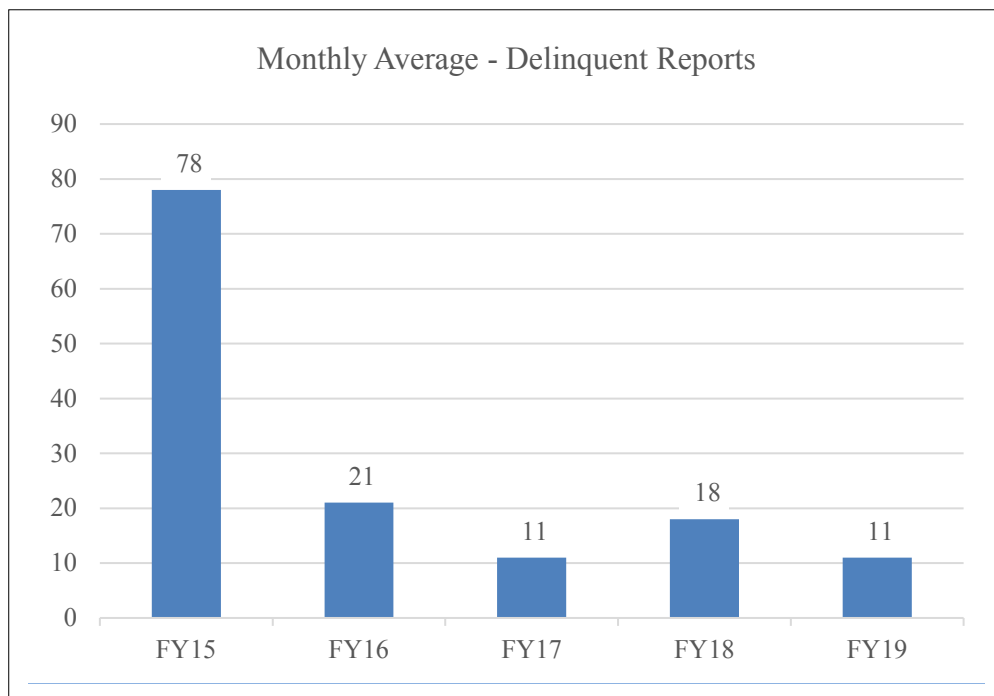
CPRIT typically has 560+ grants that are either active or wrapping up grant activities and receives an average of 560 grantee reports each month. As of October 29, four entities have not

filed one Academic Research report, one Prevention report, and seven Product Development Research reports. CPRIT’s grant accountants and Compliance Specialists review and process incoming reports and reach out to grantees to resolve filing issues. In most cases, CPRIT does not disburse grant funds until the grantee files the required reports. In some instances, grantee institutions may be ineligible to receive a future award if the grantee does not submit the required reports.

FY19 Compliance Program Activities Summary

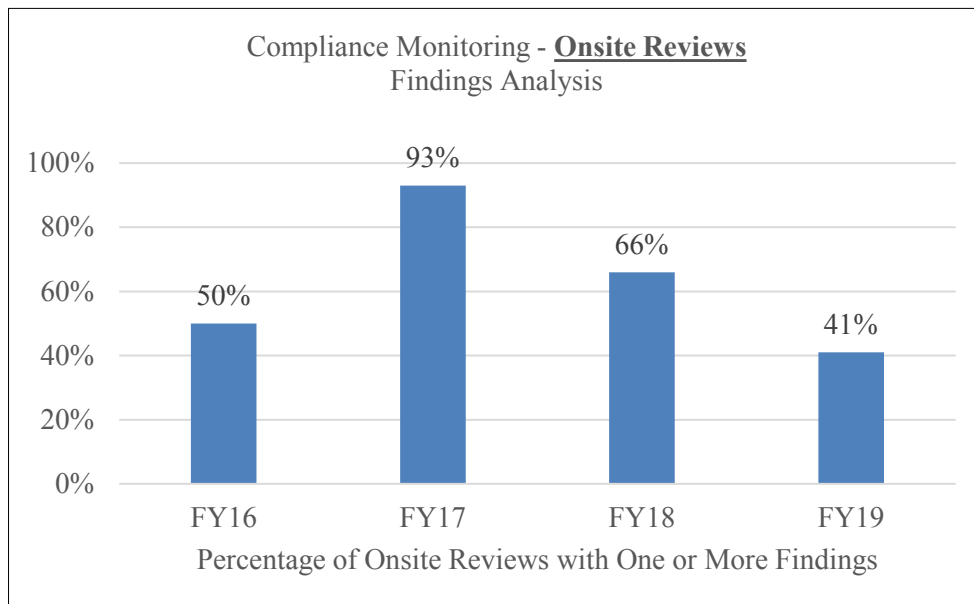
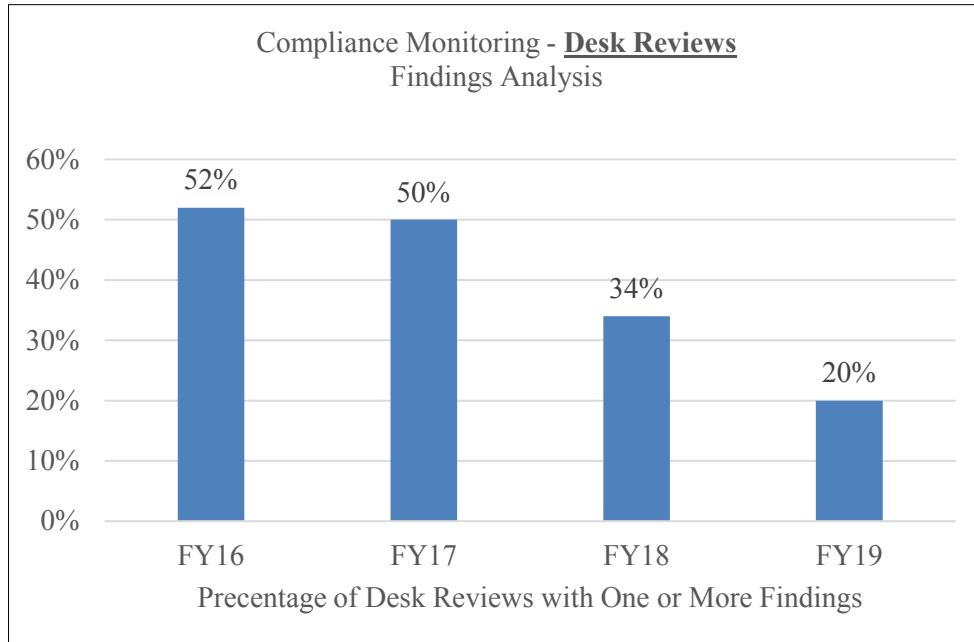
CPRIT’s Compliance Program functions are designed to actively support the integrity and transparency of CPRIT’s agency processes. FY19 Compliance Program highlights include:

- Grant Recipient Report Monitoring – The number of delinquent reports in FY19 decrease from FY18, down to an average of 11 reports per month. CPRIT staff meet weekly to review and discuss delinquent reporting and actively work with grantees to submit required reports timely. The average number of delinquent reports for the past five fiscal years are represented in the chart below.



- Training and Education – In FY19, CPRIT staff provided 26 grantee trainings including annual compliance trainings, new grantee trainings, and trainings for new Authorized Signing Officials (ASOs). Over 530 grantee staff attended these training opportunities provided to our active grantees.
- Annual Compliance Attestation – The Compliance team reviewed and processed 45 attestations submitted by grantees, and collaboratively worked with six grantees to remediate deficiencies.

- Compliance Monitoring Reviews (Desk and Onsite) – The Compliance team performed 349 compliance reviews (332 desk reviews, 17 on-site reviews) during FY19. The percentage of reviews with at least one finding has shown a steady decrease since FY17. This data is represented in the charts below:



- Second-level Reviews of Financial Status Reports (FSRs) – The Compliance team performed a second-level review of approximately 2,030 FSRs. FSRs are grantee expenditure reports that detail how project costs from the previous quarter were

incurred. CPRIT's grant accounting staff completes the initial review of the FSRs and supporting documentation before routing them to the Compliance Specialists for final review and disposition.

- Single Audit Reviews – The Compliance team reviewed over 40 audits and agreed upon procedures (AUP) reports and actively worked with seven grantees to remediate audit findings.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: JAMES WILLSON, MD., CHIEF SCIENTIFIC OFFICER
SUBJECT: ACADEMIC RESEARCH PROGRAM UPDATE
DATE: NOVEMBER 20, 2019

Proposed FY2021 Academic Research Program Priorities

The Texas Legislature has charged the CPRIT Oversight Committee with establishing program priorities on an annual basis. These priorities are intended to provide transparency with regard to how the Oversight Committee directs the orientation of the agency's funding portfolio.

Established Principles:

- Scientific excellence and impact on cancer
- Targeting underfunded areas
- Increasing the life sciences infrastructure

The program priorities for academic research adopted by the Oversight Committee include

- Recruitment of outstanding cancer researchers to Texas
- Investment in core facilities
- A broad range of innovative, investigator-initiated research projects
- Implementation research to accelerate the adoption and deployment of evidence-based prevention and screening interventions.
- Computational biology and analytic methods
- Childhood cancers
- Hepatocellular cancer
- Expand access to innovative clinical trials

Table 1: FY19 Data: By Cycle, Mechanism, Submissions, Approval and Success Rates

Cycle	Mechanism	# Applications Submitted	Total \$ Amount	Applications Recommended by SRC	Total \$ Approved by Oversight Committee	Success Rate
19.1	Individual Investigator Research	268	233,976,917	29	26,021,344	11%
19.1	Individual Investigator Research for Childhood Cancers	37	44,382,130	7	7,889,942	19%
19.1	Individual Investigator Research for Prevention and Early Detection	36	34,294,805	3	3,890,151	8%
19.1	Individual Investigator Research for Computational Biology	27	20,580,933	3	2,677,342	11%
19.1	Individual Investigator Research for Clinical Translation	33	52,321,758	4	7,488,820	12%
FY 19.1 IRA Total		401	385,556,543	46	47,967,599	11%
19.2	Collaborative Action Program to Reduce Liver Cancer Mortality in Texas:					
 Collaborative Action Center	2	5,999,901	1	3,000,000	50%
 Individual Investigator Research	15	36,556,484	1	2,456,676	7%
19.2	Core Facilities Support	19	96,666,954	8	35,495,696	42%
19.2	Early Translational Research	28	47,527,689	5	7,599,384	18%
19.2	High Impact/High Risk Research	97	19,379,981	18	3,597,195	19%
FY19.2 Total		161	206,131,009	33	52,148,951.00	
19	Established Investigators	15	90,000,000	3	18,000,000	
19	Rising Stars	18	72,000,000	1	4,000,000	
19	First-Time, Tenure Track Faculty	51	102,000,000	20	39,669,997	
*FY 19 Recruitment Total		84	264,000,000	24	61,669,997	
FY 2019 Total		646	\$855,687,552	103	\$161,786,547	

*Recruitment totals include SRC/Oversight Committee Approved and Candidate **Accepted** Awards.

Table 2: Academic Research Funded Research Impact by Mechanism Across All Time

Mechanism	# of Awards	Number of Published Publications	Number of Filed Patents	Number of Granted Patents	Follow on Funds	CPRIT Award
Core Facilities Support Awards	51	394	18	1	311,261,774	223,240,000
Shared Instrumentation Awards	8	28	0	0	36,892,340	12,440,000
Early Translational Research Awards	41	74	32	16	8,115,072	56,461,408
High-Impact/High-Risk Research Awards	165	175	25	3	31,599,470	32,930,000
Individual Investigator Research Awards	407	1261	73	22	311,531,057	376,560,000
Individual Investigator Research Awards for Cancer in Children and Adolescents	38	67	2	1	5,592,638	50,090,000
Individual Investigator Research Awards for Clinical Translation	9	3	0	0	-	16,950,000
Individual Investigator Research Awards for Computational Biology	8	13	1	0	-	6,600,000
Individual Investigator Research Awards for Prevention and Early Detection	22	27	2	0	2,131,434	24,780,000
IIRA Totals	484	1371	78	23	319,255,129	474,980,000
*Multi-Investigator Research Awards	38	931	33	7	233,597,195	277,647,797
Recruitment of Established Investigators	39	420	176	1	190,252,781	207,806,371
Recruitment of Rising Stars	17	194	0	0	41,123,436	61,970,259
Recruitment of Missing Links	3	25	1	0	13,624,589	5,880,000
Recruitment of First-Time, Tenure-Track Faculty Members	122	469	31	6	138,370,788	232,316,096
Scholar Totals	181	1108	208	7	383,371,594	507,972,726
Research Training Awards	23	550	9	2	21,269,311	59,880,000
Grand Total	991	4631	403	59	1,345,361,885	1,645,551,931

*MIRA #awards are rolled up by project

Source: Annual Progress Reports as of 10/1/2019

FY 2020 Cycle 1 (20.1) RFAs

CPRIT released FY2020 Cycle 1 RFAs (described below) on January 10, 2019. Applications were due on June 5, 2019. CPRIT has scheduled peer review October 17- 24, 2019 in Dallas. Dr. Willson will present the Scientific Review Council's recommendations to PIC and the Oversight Committee in February 2020.

- **Individual Investigator Research Awards (IIRA)**

Supports applications for innovative research projects addressing critically important questions that will significantly advance knowledge of the causes, prevention, and/or treatment of cancer. Areas of interest include laboratory research, translational studies, and/or clinical investigations. Competitive renewal applications accepted.

Award: Up to \$300,000 per year. Exceptions permitted if extremely well justified; maximum duration: 3 years.

- **Individual Investigator Research Awards for Cancer in Children and Adolescents (IIRACCA)**

Supports applications for innovative research projects addressing questions that will advance knowledge of the causes, prevention, progression, detection, or treatment of cancer in children and adolescents. Laboratory, clinical, or population-based studies are all acceptable. CPRIT expects the outcome of the research to reduce the incidence, morbidity, or mortality from cancer in children and/or adolescents in the near or long term. Competitive renewal applications accepted.

Award: Up to \$300,000 per year. Applicants that plan on conducting a clinical trial as part of the project may request up to \$500,000 in total costs. Exceptions permitted if extremely well justified; maximum duration: 4 years.

- **Individual Investigator Research Awards for Prevention and Early Detection (IIRAP)**

Supports applications for innovative research projects addressing questions that will advance knowledge of the causes, prevention, early-stage progression, and/or early detection of cancer. Research may be laboratory-, clinical-, or population- based, and may include behavioral/intervention, dissemination or health services/outcomes research to reduce cancer incidence or promote early detection. Competitive renewal applications accepted.

Award: Up to of \$300,000 per year for laboratory and clinical research; Up to \$500,000 per year for population-based research. Exceptions permitted if extremely well justified; maximum duration: 3 years.

- **Individual Investigator Research Awards for Clinical Translation (IIRACT)**

Supports applications which propose innovative clinical studies that are hypothesis driven and involve patients enrolled prospectively on a clinical trial or involve analyses of biospecimens from patients enrolled on a completed trial for which the outcomes are known. Areas of interest include clinical studies of new or repurposed drugs, hormonal therapies, immune therapies, surgery, radiation therapy, stem cell transplantation, combinations of interventions, or therapeutic devices.

Award: Up to \$400,000 per year. Maximum duration: 3 years. Applicants that plan on conducting a clinical trial as part of the project may request up to \$600,000 in total costs and a maximum duration of 4 years. Exceptions permitted if extremely well justified.

FY 2020 Cycle 2 (20.2) RFAs

CPRIT released FY2020 Cycle 2 RFAs (described below) on August 26, 2019. Applications are due on January 15, 2020. CPRIT has scheduled peer review April 17-23, 2020 in Dallas. Dr. Willson will present the Scientific Review Council's recommendations to PIC and the Oversight Committee in August 2020.

- **Collaborative Action Program to reduce liver cancer mortality in Texas: Investigator Initiated Research Awards (RFA-R- 20.2 CAP: RA)**
Supports investigator-initiated research projects designed to understand the reasons for the increased incidence of hepatocellular cancer (HCC) in Texas, to identify risk factors for cirrhosis and HCC, to identify biomarkers for HCC early detection, and to develop and implement prevention and early detection strategies.
Award: CPRIT plans to make multiple awards in response to this RFA. Up to \$500,000 (total costs); Maximum duration: 5 years.
- **Core Facility Support Awards (RFA R-20.2 CFSA)**
Solicits applications from institutions to establish or enhance core facilities (laboratory, clinical, population-based, or computer-based) that will directly support cancer research programs to advance knowledge of the causes, prevention, and/or treatment of cancer or improve quality of life for patients with and survivors of cancer.
Award: Up to \$4,000,000 (total costs); Maximum duration: 5 years.
- **Early Clinical Investigator Award (ECI R-20.2 ECI)**
Solicits applications from institutions to provide cancer physicians early in their academic career the opportunity to develop clinical research skills and to gain experience in advanced methods and experimental approaches needed to become clinical investigators; to provide an opportunity to establish a partnership with a laboratory-based collaborator in order to design and conduct correlative studies needed to interpret the outcome of an interventional trial; to provide the protected time from clinical responsibilities required to develop and conduct investigator initiated clinical trials; and to Increase the pool of clinical investigators at Texas academic institutions who are conducting patient-oriented studies, capitalizing on basic discoveries and translating them through conduct of innovative clinical trials involving cancer patients or individuals at risk for cancer.
Award: Up to \$1,500,000 (total costs) Maximum duration: 5 years
- **High Impact/High Risk Research Awards (RFA R-20.2 HIHR)**
Provides short-term funding to explore the feasibility of high-risk projects that, if successful, would contribute major new insights into the etiology, diagnosis, treatment, or prevention of cancers.
Award: Up to \$250,000 (total costs); Maximum duration: 2 years.

Proposed FY21 RFAs

- **Individual Investigator Research Awards (RFA R-21.1 IIRA)**
Supports applications for innovative research projects addressing critically important questions that will significantly advance knowledge of the causes, prevention, and/or treatment of cancer. Areas of interest include laboratory research, translational studies, and/or clinical investigations. Competitive renewal applications accepted.
Award: Up to \$300,000 per year; maximum duration: 3 years.
- **Individual Investigator Research Award for Childhood and Adolescent Cancers (RFA R-21.1 IIRACCA)**
Supports applications for innovative research projects addressing questions that will advance knowledge of the causes, prevention, progression, detection, or treatment of cancer in children and adolescents. Laboratory, clinical, or population-based studies are all acceptable. CPRIT expects the outcome of the research to reduce the incidence, morbidity, or mortality from cancer in children and/or adolescents in the near or long term. Competitive renewal applications accepted.
Award: Up to \$300,000 per year; maximum duration: 4 years.
- **Individual Investigator Research Awards for Computational Biology (RFA R-21.1 IIRACB)**
Supports applications for innovative mathematical or computational research projects addressing questions that will advance our knowledge in any aspect of cancer. Areas of interest include data analysis of cellular pathways, microarrays, cellular imaging, cancer imaging or genomic, proteomic, and metabolomic databases; descriptive mathematical models of cancer, as well as mechanistic models of cellular processes and interactions and use of artificial intelligence approaches to build new tools for mining cancer research and treatment databases.
Award: Up to \$300,000 per year; maximum duration: 3 years
- **Individual Investigator Research Awards for Clinical Translation (RFA R-21.1 IIRACT)**
Supports applications which propose innovative clinical studies that are hypothesis driven and involve patients enrolled prospectively on a clinical trial or involve analyses of biospecimens from patients enrolled on a completed trial for which the outcomes are known. Areas of interest include clinical studies of new or repurposed drugs, hormonal therapies, immune therapies, surgery, radiation therapy, stem cell transplantation, combinations of interventions, or therapeutic devices.
Award: Up to \$400,000 per year. Maximum duration: 3 years. Applicants that plan on conducting a clinical trial as part of the project may request up to \$600,000 per year in total costs and a maximum duration of 4 years.

- **IIRA Prevention and Early Detection (RFA-R-21.1 IIRAP)**

Supports applications for innovative research projects addressing questions that will advance knowledge of the causes, prevention, early-stage progression, and/or early detection of cancer and research. Research may be laboratory, clinical, or population-based, and may include behavioral/intervention, dissemination or health services/outcomes research and strategies for implementation research to reduce cancer incidence or promote early detection. Research projects that propose to conduct implementation research designed to accelerate the adoption and deployment of sustainable, evidence-based cancer prevention and screening interventions at multiple levels and in different clinical and community settings are encouraged.

Award: Up to of \$300,000 per year for laboratory and clinical research; Up to \$500,000 per year for population-based research. Exceptions permitted if extremely well justified; maximum duration: 3 years.

- **Research Training Awards (RFA R-21.1 RTA)**

Supports applications for *integrated institutional research training programs* to support promising individuals who seek specialized training in the area of cancer research. CPRIT expects institutions to provide trainees with broad access to research opportunities across disciplinary and departmental lines and to maintain high standards for intellectual rigor and creativity.

Award: Up to \$800,000 per year (total costs); Maximum duration: 5 years.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER
SUBJECT: RP180770 BUDGET REALLOCATION REQUEST
DATE: NOVEMBER 13, 2019

Summary and Recommendation

CPRIT staff recommends that the Oversight Committee approve a budget reallocation of \$133,000 from The University of Texas Southwestern Medical Center (UTSW) for academic research grant RP180770 to install a cooling system and electrical upgrades to a room that houses equipment purchased with CPRIT funds. Although UTSW did not include the system and upgrade costs in the grant application, the expenses were unforeseen, are necessary to make the equipment fully functional, and are consistent with the grant’s purpose. Approval of the request will not increase the total amount approved for RP180770 because UTSW was able to purchase more advanced equipment for a lower price than it originally projected in its application.

The money UTSW spends for the cooling system and electrical upgrades does not count against the five percent annual cap imposed in statute on grant funds used for facility purchases, improvements, and renovation purposes. The proposed modifications also do not constitute a “capital improvement” triggering a requirement that CPRIT seeks a lien against UTSW for the cost of the modifications.

Background

The Oversight Committee approved a core facility support award in August 2018 totaling \$3,723,260 to UTSW for project RP180770 “Preclinical Radiation Core Facility.” Pursuant to the RP180770 grant award contract, UTSW purchased new equipment, including animal irradiator and MRI machines. In the time lag between application submission and approval, the manufacturers of the animal irradiator and MRI units updated the available equipment. UTSW was able to purchase more powerful units for a lower price, which resulted in \$133,000 in cost savings. However, due to the increased power required by the more advanced machines, UTSW must install a cooling system and provide more electrical power to the room that houses the equipment.

The grantee requests to reallocate \$133,000 of award funds originally approved by the Oversight Committee for purchasing equipment under RP180770 to reimburse costs associated with facility changes necessary to accommodate the animal irradiator and MRI machines.

Discussion

Although approval of UTSW's request will not increase the total amount approved for the award, the proposed change to the RP180770 contract involves reimbursing more than \$100,000 in expenses not addressed in the grant application. I recommend that the Oversight Committee approve UTSW's request because the changes to the facility housing the advanced equipment are necessary to make the units fully functional.

UTSW's request triggers a potential statutory issue regarding CPRIT spending limits and contractual requirements related to facility purchases, improvements, and renovations. Texas Health and Safety Code Chapter 102 and Texas Administrative Code Chapter 703 impose a cap on grant funds related to facility purchases, construction, remodel, or renovation to no more than five percent of the money CPRIT awards and require that the state retain a lien or other interest on a "capital improvement." However, neither the statute nor CPRIT's administrative rules define what qualifies as a capital improvement.

Absent a CPRIT-specific definition, we looked to the Comptroller's Uniform Grant Management Standards (UGMS) for guidance. Although UGMS does not define a "capital improvement," it does address a "capital expenditure." According to UGMS, a capital expenditure is the cost of the asset as well as the cost to put it in place. More specifically, a capital expenditure for equipment includes the cost of equipment and the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable. Pursuant to UGMS' guidance, UTSW's equipment purchase and the cost of necessary modifications are appropriately categorized as capital expenditures.

While UTSW's equipment and necessary modifications are allowable capital expenditures under UGMS, it is CPRIT's opinion that the installation of a cooling system and electrical changes to increase power for the equipment do not rise to the level of a capital improvement in the context of CPRIT's statute and administrative rules. The grantee is not requesting expenses for the purchase, construction, remodel, or general maintenance of a UTSW building. Instead, these minor (albeit important) modifications are necessary to support equipment that UTSW purchased as part of the CPRIT grant and to make that equipment usable.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: RAMONA MAGID, CHIEF PREVENTION OFFICER
SUBJECT: PREVENTION PROGRAM UPDATE
DATE: NOVEMBER 21, 2019

FY 2020 Cycle 1 (20.1) Prevention Applications

CPRIT released four RFAs in June 2018 for the first grant cycle of FY 2019. Thirty applications were received by the September 5 deadline. After administrative review, twenty-eight applications requesting \$36,840,299 (see table below) will undergo peer review, scheduled for December 10-11. Ms. Magid will present the PIC recommendations to the Oversight Committee in February 2020.

Mechanism	Number Received	Total \$ Requested
Evidence-based Cancer Prevention Services	12	\$11,218,838
Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations	11	\$20,873,667
Tobacco Control and Lung Cancer Screening	5	\$ 4,747,794
TOTAL	28	\$36,840,299

FY 2020 Cycle 2 (20.2) Prevention RFAs

FY2020 Cycle 2 RFAs were released on November 11. Applications are due on February 12, 2020, peer review is scheduled for May 11–14, and presentation of the PIC recommendations to the Oversight Committee in August 2020.

RFA Descriptions

Evidence-Based Cancer Prevention Services

Evidence-Based Cancer Prevention Services - This award mechanism seeks to fund projects that will deliver evidence-based cancer prevention and control clinical services. Priority will be given to projects that propose to address CPRIT areas of emphasis and serve areas of the state not well addressed by current CPRIT funded projects.

Award: Maximum of \$1M; Maximum duration of 36 months.

Tobacco Control and Lung Cancer Screening

This award mechanism seeks to fund programs on tobacco prevention and cessation, as well as screening for early detection of lung cancer. Through release of this RFA, CPRIT's goal is to stimulate more programs across the state, thereby providing greater access for underserved populations and reducing the incidence and mortality rates of tobacco-related cancers. This RFA seeks to promote and deliver evidence-based programming designed to significantly increase tobacco cessation among adults and/or prevent tobacco use by youth.

Award: Maximum of \$1M for new projects and \$2M for expansion projects; Maximum duration of 36 months.

Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations

This award mechanism seeks to support the coordination and expansion of evidence-based services to prevent cancer in underserved populations who do not have adequate access to cancer prevention interventions and health care, bringing together networks of public health and community partners to carry out programs tailored for their communities. Projects should identify cancers that cause the most burden in the community and use evidence-based models shown to work in similar communities to prevent and control these cancers. Currently funded CPRIT projects should propose to expand their programs to include additional types of prevention clinical services and/or an expansion of current clinical services into additional counties. In either case, the expansion must include delivery of services to nonmetropolitan and medically underserved counties in the state.

Award: Maximum of \$2M; Maximum duration of 36 months.

FY 2021 Program Priorities

The Oversight Committee Prevention Subcommittee met November 13 and recommends to the Oversight Committee approval of the staff recommended FY 2021 Prevention Program priorities which would remain unchanged from those adopted for FY 2020.

Other activities

I presented an overview of CPRIT accomplishments and funding opportunities at the quarterly Cancer Alliance of Texas meeting on November 14, 2019.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: CINDY WALKERPEACH, PHD
 CHIEF PRODUCT DEVELOPMENT OFFICER
SUBJECT: PRODUCT DEVELOPMENT PROGRAM UPDATE
DATE: NOVEMBER 12, 2019

Product Development Research Award Update

Product Development Research FY 2020 Cycle 1

The application portal for the 20.1 cycle opened on June 27, 2019 and closed on August 7, 2019. Forty-two (42) applicants were received, the largest intake pool for CPRIT’s Product Development program. Two (2) applicants were administratively withdrawn, leaving forty (40) applicants for initial evaluation during the Screening Teleconference meetings held on Sept 24th and Sept 25th. As a result of the Screening Teleconference meetings, a total of seventeen (17) applicants from the 20.1 cycle were invited to present at the In-Person Peer Review Meeting held in Dallas October 22-25. One (1) of the seventeen (17) invited applicants withdrew prior to presenting in Dallas, and therefore a total of sixteen (16) companies presented at the In-Person Peer Review Meeting. As a result of the In-Person Peer Review Meeting, the reviewer panels selected seven (7) applications for the Diligence Evaluation phase of peer process. Proposed awards for the 20.1 cycle will be presented for Oversight Committee approval during the February 2020 meeting.

Review Cycle 20.1 Application Data by Mechanism

Mechanism	Applications Received	Funds Requested (millions)	Invited to In Person	Funds Requested (millions)	Invited to Due Diligence	Funds Requested (millions)
Texas Company	8	\$115.8	5	\$57.8	1	\$9.9
Relocation Company	16	\$222.6	4	\$59.8	2	\$29.8
Seed Company	16	\$43.9	7	\$20.0	4	\$12.0
TOTAL	40	\$382.3	16	\$137.5	7	\$51.7

Due Diligence Review Enhancements FY 2020 Cycle 1

The CPRIT Product Development Research Program is piloting improvements to the application review process to place greater emphasis on the discussion, review, and prioritization of key questions for the companies and the evaluators to address during due diligence review. The modifications include enhanced communication between the PDRC and ICON, CPRIT's contractor conducting business/regulatory due diligence.

Key enhancements include:

- Panel chairs will place greater emphasis during the initial peer review screening teleconference on the process for discussing/recording/prioritizing peer reviewers' questions that each company moving forward to the in-person presentation review should address in their presentations;
- CPRIT will add 10 minutes at the conclusion of the review of each company's in-person presentation for the peer review panel to discuss and prioritize key due diligence issues/questions for companies moving forward to due diligence;
- The PDRC chair and vice chair will assign individual PDRC members to each application undergoing due diligence who will work with ICON to clarify key issues and questions and participate in calls with the applicant; and
- ICON will reformat due diligence reports to highlight the reviewers' key diligence issue and questions.

These process improvements will neither impact the applicant nor materially change CPRIT's established peer review process. No administrative rule changes or other Oversight Committee action is necessary to test and apply these enhancements. However, to implement fully these enhancements, CPRIT's CEO will approve communication waivers using the process set out in CPRIT administrative rule § 702.19.

The § 702.19 communication waivers are necessary because the modified process now includes at least one PDRC member participating in a discussion between ICON and each company applicant undergoing due diligence prior to the final decision on whether to recommend the application for an award. CPRIT's conflict of interest rules prohibit a reviewer from discussing the application with the applicant while it is under review to avoid even the appearance of favoritism or undue influence. In the case of the applications undergoing due diligence, CPRIT justifies the waiver because the PDRC member's participation in the discussion between ICON and the applicant ensures that both fully address the key diligence issues. This will lead to a more informed PDRC award recommendation and does not advantage any applicant in the due diligence process over another. CPRIT will include the waivers granted in the supporting information for any grant recommendation.

Overall, these enhancements aim to support the PDRC's focus on critical issues associated with each application during the critical due diligence phase, bolstering informed funding recommendations. The PDRC will continue to evaluate the process changes with CPRIT Product Development Program and may further adjust as needed for future review cycles.

Product Development Research FY 2020 Cycle 2

Dr. WalkerPeach presented, and the Oversight Committee approved, the following three (3) RFAs during the August Oversight Committee meeting:

- *Texas Company Product Development Research Award (TXCO):*
RFA supporting TX based company product development projects
Award: Up to \$20 million over a maximum timeline of three years.
- *Company Relocation Product Development Award (RELCO):*
RFA supporting product development projects from companies relocating to TX
Award: Up to \$20 million over a maximum timeline of three years.
- *Seed Award for Product Development Research (SEED):*
RFA supporting product development projects from newly formed companies
Award: Up to \$3 million over a maximum timeline of three years.

The application portal for the 20.2 cycle is planned to open on December 4, 2019 and will close on January 29, 2020. The Screening Teleconference will be held on March 23-24, 2020, and the In-Person Peer Review Meetings are scheduled for April 21-24, 2020. Proposed awards for the 20.2 cycle will be presented for Oversight Committee approval during the August 2020 meeting.

Proposed Product Development Research Program Priorities for 2021

The Product Development Research Program priorities were established in 2019 based on the following principles:

- Support commercial product development of novel technologies that address unmet cancer healthcare services and treatment needs;
- Stimulate the Texas life sciences ecosystem by supporting product development funding gaps that lack adequate private investment;
- Invest in projects based on sound scientific and business merit, with potential to attract additional private funding necessary to launch cancer healthcare related products and services.

With the Oversight Committee's approval, the Product Development Program recommends continuing with the current program priorities for FY 2021, as detailed below:

Product Development Research Program Priorities

- Funding novel projects that offer therapeutic or diagnostic benefits not currently available; i.e., disruptive technologies
- Funding projects addressing large or challenging unmet medical needs
- Investing in early stage projects when private capital is least available
- Stimulating commercialization of technologies developed at Texas institutions
- Supporting new company formation in Texas or attracting promising companies to Texas that will recruit staff with life science expertise, especially experienced C-level staff to lead to seed clusters of life science expertise at various Texas locations
- Providing appropriate return on Texas taxpayer investment



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: CAMERON ECKEL, ASSISTANT GENERAL COUNSEL
SUBJECT: APPOINTMENTS TO THE SCIENTIFIC RESEARCH AND
PREVENTION PROGRAMS COMMITTEE
DATE: NOVEMBER 12, 2019

Summary and Recommendation

The Chief Executive Officer has appointed four experts to CPRIT's Scientific Research and Prevention Programs Committee. CPRIT's statute requires that the Oversight Committee approve the appointments. The Nominations Subcommittee will discuss the appointments at its meeting on November 15th and vote on whether to recommend that the Oversight Committee vote to approve the appointments.

Discussion

Scientific Research and Prevention Programs committee members (also referred to as "peer reviewers") are responsible for reviewing grant applications and recommending grant awards for meritorious projects addressing cancer prevention and research, including product development research. Peer reviewers perform a significant role for the state; all CPRIT grant awards must first be recommended by a Scientific Research and Prevention Programs committee. Individuals appointed to serve as CPRIT's Scientific Research and Prevention Programs committee members must be exceptionally qualified, highly respected, well-established members of the cancer research, product development research, and prevention communities.

Texas Health and Safety Code Section 102.151(a) directs the Chief Executive Officer to appoint members to the Scientific Research and Prevention Programs committees. The CEO's appointments are final once approved by a simple majority of the Oversight Committee. The Nominations Subcommittee charter assigns the subcommittee with the responsibility "to 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."

The nominations subcommittee will review the peer reviewer appointments at its November 15th meeting.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Academic Research Peer Review Panels

- Jeri Francoeur, M.S. (advocate reviewer)
- Geri Stayman (advocate reviewer)
- Ann Thacher, M.S. (advocate reviewer)

BIOGRAPHICAL SKETCH

NAME: Jeri Holland Francoeur

eRA COMMONS USER NAME (credential, e.g., agency login):

POSITION TITLE: Patient/Research Advocate

EDUCATION/TRAINING

INSTITUTION AND LOCATION	DEGREE	Completion Date	FIELD OF STUDY
Santa Fe Community College, Gainesville, FL	AA	1973	Liberal Arts
	AS	1975	Radiology
University of Florida, Gainesville, FL	BS	1986	Sports Medicine
University of Florida, Gainesville, FL	MS	1987	Emergency/Sports Medicine
Internships: University of Florida, Shands Teaching Hospital, Gainesville, Florida		1984-87	Clinical Internship
Additional Training: National Breast Cancer Coalition, Denver, CO		08/08	Project Lead Institute
National Breast Cancer Coalition, Washington, DC		11/08	Project Lead Clinical Trials
National Breast Cancer Coalition, Washington, DC		11/09	Project Lead Quality Care
National Breast Cancer Coalition, Washington, DC		02/09	NBCC Leadership Training
Susan G Komen for the Cure Leadership Training, Dallas, TX		02/11, 02/12, 02/13	Komen Leadership Training
Harold P Freeman Institute for Patient Navigation		05/15 05/14	Certified Patient Navigator

A. Personal Statement

As a breast cancer survivor, and in addition to a background in medicine, I am committed to cancer research as well as to the patient community. Following my initial diagnosis in 2003, I have worked with patients and scientists in all areas of cancer, at the local, state and national levels. My training as a Radiologic Technologist, Physician's Assistant, Athletic Trainer, Orthopedic Tech, Massage Therapist and Patient/Research Advocate and Certified Patient Navigator has allowed me to serve as a much needed conduit of information and expertise between the lay public, patients, healthcare providers and scientists as well as trying to help eliminate healthcare disparities.

B. Presentations/Publications

2012 Presented poster- FORCE Conference on Advocates in Science
2013 Alamo Breast Cancer Foundation "Hot Topics" Research Article titled, "Circulating Tumor Cells in Metastatic Breast Cancer: The New Golden Egg?"
2014-2015 Presented poster- AACR National Conferences on Research Advocacy
2016 Speaker on Advocacy and Virtual Communities-PRO & eCOA Congress
2017 Presented two posters-NIH Site Visit for PS-OC at Moffitt Cancer Center on Research Advocacy

- 2017 Presented poster and spoke at MIT regarding the importance of research advocacy in basic science for young researchers
- 2018 Presented poster at NIH PSON Annual Meeting for researchers in how to use patient advocates
- 2018 Published in National MS magazine, November issue of FOCUS, "What is Advocacy?"
- 2019 Speaker at SNMMI Annual Meeting, "The Role of an Advocate-A Cancer Patient's Voice"

C. Positions and Honors

Positions

- 2003-2013 Appointed by Governor Jeb Bush (reappointed by Governors Charlie Crist and Rick Scott) as board member for Medical Quality Assurance Board, State of Florida, Department of Health, Agency for Health Care Administration
- 2006-present Advocate Reviewer, Florida Breast Cancer Foundation (FBCF) Education Grants and FBCF Research Grants
- 2008-2014 Chair, FBCF Education and Grants Committees
- 2008-present Member, FBCF Scientific Research Committee
- 2008-2010 Team Leader NBCC Lobby Day
- 2010-present Advocate Reviewer, Susan G. Komen, Central Florida Affiliate Community Grants
- 2010-present Advocate in Science (AIS), Susan G. Komen
- 2010-present Consumer Reviewer, Department of Defense BCRP (Served as Mentor for new reviewers)
- 2010-2011 Chair, State of Florida Medical Quality Assurance Board of Nursing Home Administrators
- 2011-present Team Leader Susan G Komen Lobby Day
- 2011-present Board Member, FBCF
- 2011-2016 Board President, Susan G Komen, Central Florida Affiliate
- 2011-present Chair, Public Policy and Grant Committees, Komen Central Florida Affiliate
- 2011-2017 State Chapter President, Community Oncology Alliance
- 2010, 2012 Era of Hope, Department of Defense Breast Cancer Research Program
- 2012-present Vice President, I'M STILL HERE FOUNDATION
- 2012-2013 Chair, Public Policy, Susan G Komen, State of Florida, helped draft, developed and led coalition for Parity which passed 2013
- 2012-present University of Florida Breast Cancer Research Committee Member
- 2012-present Moffitt-Breast Cancer Research Committee Member
- 2013-present Florida Atlantic University Breast Cancer Research Committee Member
- 2013-present University of Miami-Breast Cancer Research Committee Member
- 2013-present Florida Cancer Collaborative Research Advisory Council Committee Member (C-CRAB)
- 2012-present Member PS-OC, worked with Jerry Lee, PhD, Nastaran Kuhn, PhD
- 2014-present University of Central Florida Breast Cancer Research Committee Member
- 2014-present Member Probable Cause Committee, Florida Department of Health
- 2015-present NIH/NCI Office of Advocacy Relations Advisory Board Member
- 2015-present Grant Reviewer for New York State Department of Health Breast Cancer Research
- 2015-present Fred Hutchinson Cancer Center Breast Cancer Research Committee Member
- 2015-present The Johns Hopkins Breast Cancer Research Committee Member
- 2016-present Ambassador for PCORI
- 2016-present Judge for Research Competition of Researchers Projects for NIH-PS-OC
- 2017-present Society of Nuclear Medicine and Molecular Imaging (SNMMI) Patient Advocacy Advisory Board
- 2018-present Member of SABCS Planning Committee for Advocacy Program
- 2019 Vice Chair, Florida Breast Cancer Foundation

Honors

- 1998 M. S. Society Award, Central Florida Multiple Sclerosis
- 2000 Clinical Athletic Trainer of the Year, Florida Athletic Trainers Association
- 2002 President's Backbone Award, Florida Athletic Trainers Association
- 2006 Award of Excellence
- 2008 Angel Award, Seniors Today 2008, 2013 Scholarship recipient, San Antonio Breast

2011 Cancer Symposium Advocacy Training, San Antonio, TX
 2011 Leaders in Action, Florida Breast Cancer Foundation
 2010, 12, 15 Advocate of the Month, Florida Breast Cancer Foundation
 2013, 2015 Scholarship recipient, ASCO Breast Cancer Symposium
 2014, 2015 Scholarship recipient, AACR Health Disparities
 2014, 2015 Scholarship recipient, AACR Annual Meeting
 2013, 2014 Scholarship recipient, ASCO Annual Meeting
 2014 Nominated for Leadership Award for Public Policy for passing Chemo Parity Bill
 2014 Governor Rick Scott award for Dedication and Invaluable Service for Floridians

D. Professional Experience

1973-1984 Radiologic Technologist
 1981-2004 Physician's Assistant-Trauma
 1985-1987 Graduate Assistant, University of Florida, Gainesville, FL
 1986-1989 Physician's Assistant/Athletic Trainer/Physician Extender-Sports Medicine
 1989-1991 Associate Professor, Southwest Texas State University, San Marcos, TX
 1991-1999 Orthopedic Technician
 1992-1999 Massage Therapist
 1991-1997 Adjunct Professor, Daytona Community College, Daytona Beach, FL
 1997-2004 Consultant in Rehabilitation
 2004-present Patient Advocate, Research Advocate, Public Policy Advocate
 2014-present Certified Patient Navigator, Harold P Freeman Institute for Patient Navigation

E. Memberships

Alamo Area Breast Cancer Foundation
 American Association of Cancer Research
 American Cancer Society
 American Society of Clinical Oncology
 Community Oncology Alliance/CPAN-State Chapter President
 Florida Breast Cancer Foundation-Vice Chair, Advocacy Chair
 I'm Still Here Foundation-Vice President
 National Breast Cancer Coalition
 NIH Physical Sciences Oncology Network/Physical Sciences Oncology Center (PSOC) Moffitt
 PCORI-Ambassador
 Sister's Alive
 Susan G. Komen Advocacy Alliance/Susan G. Komen Advocates in Science (AIS)

F. Symposiums/Conferences Attended

AACR Health Disparities, 2013, 2015, 2016, 2017
 AACR National Meeting, 2014, 2015, 2016, 2017, 2018
 ASCO Annual Meeting, 2014, 2015, 2016, 2017, 2018, 2019
 ASCO Breast Cancer Symposium, 2010, 2012, 2015
 Community Oncology Alliance, 2012, 2013, 2015, 2016, 2017
 Era of Hope, 2010, 2012
 Florida Breast Cancer Foundations Seminars, 2008-present
 Lynn Sage Breast Cancer Symposium, 2018
 National Breast Cancer Coalition Lobby Day, 2008-2012
 PCORI-2016, 2018
 PS-OC-2016, 2017, 2018
 PSON Annual Meeting 2017, 2018
 San Antonio Breast Cancer Symposium, 2008-present
 Susan G Komen Lobby Day, 2011, 2015
 SNMMI Annual Meeting, 2017, 2018, 2019

Gerri Stayman

Albuquerque, NM

Personal Cancer Experience

- My breast cancer diagnosis at 40 years of age was a factor in my involvement in breast cancer activism. My treatment included lumpectomy with axillary node dissection, chemotherapy and radiation.
- My mother's diagnosis, a few months after mine, started my involvement as a patient advocate. I guided my mother through the web of providers with her personal chosen treatment plan. I have been active in patient advocacy and support since.

Relevant Experience

- Department of Defense: Department of Defense Congressionally Directed Medical Research Program Breast Cancer Medical Research Program 2010 – present
As a consumer, I represent the collective views of survivors, patients, family members, and persons affected by and at risk for breast cancer.
- Cancer Support Now (Albuquerque, NM): 2011 – present
Volunteer facilitator for women's cancer group. I provide support to women in every stage of a cancer diagnosis and offer referrals to our information network and other community resources.
- University of New Mexico Health Science Center Institutional Research Board 2013 – present
Community Member/Non-Scientific Reviewer
- Ithaca Breast Cancer Alliance Ithaca, NY 1998 – 2007
Board of Directors member; Hotline volunteer (first point of contact for newly diagnosed); Information Network volunteer (speaking with people about their choices for care, both locally and nationally; Active planning for Annual walkathon (four years) Participated in Albany Lobby Day (four years); Participated in Washington D.C. Advocacy Day.
- Susan G. Komen Cancer Foundation 2003
Advocate Review Meeting
- San Antonio Breast Cancer Symposium December 2002
- NBCC Fund 2002
Annual Advocacy Training Conference, Washington D.C.
- Project Lead November 2001
National Breast Cancer Coalition Fund's training for understanding science for advocacy purposes
- New York State Health Research Science Board 2001
Scientific peer review panel

Ann Kelsey Thacher, MS

Providence, Rhode Island

Education

City University of New York-Hunter College 1976 – 1978
MS, Community Health Education

Brown University, Providence, RI 1966 – 1971
AB, American History

Experience

Consultant and volunteer 2012 – Present

National Ovarian Cancer Research Alliance:

Survivors Teaching Students at Tufts University Medical School
National Advocacy work

Department of Defense, Congressionally Directed Research Program:

Consumer Reviewer for Ovarian Cancer Research Program (4 Reviews)
Consumer Reviewer for Alzheimer Disease Research Program (1 Review)

Livestrong at the YMCA:

Grant writing Volunteer

Providence Art Club:

Exhibiting Artist Member

Employment

Directors of Health Promotion and Education 2009 – 2012

Director of State and Community Support September 2010 – January 2012

Oversee programs to support policy and environmental change at the state and local level, including school health initiatives, training including Shaping Policy for Health TM, and capacity building assistance for policy development and change.

Coordinated School Health Project February 2009 – September 2010

Consultant July 2008 – February 2009

Quality Improvement Toolkit for primary care providers to implement the latest screening guidelines for breast and colorectal cancer. Prepared for the American Cancer Society, New England Division to be submitted to ACS national and ultimately distributed throughout the country. (completed August 2008)

Sustainability Planning Retreat for MASSPINN, the injury prevention coalition in Massachusetts. (Held September 11, 2008)

American Cancer Society, New England Division

Director of Planning and Evaluation

March 2007 – July 2008

Developed and presented protocols and tools for integrated planning across business lines (income development, cancer control, employer initiative, advocacy and communications.) Trained staff on use of data for program planning and evaluation. Developed evaluation protocols for interventions to increase patient outreach. Developed charts and graphs to interpret monthly data for field staff.

Rhode Island Department of Health

1986 – 2007

Chief Health Program Administrator

May 2006 – March 2007

Program and Policy Development, Integration & Support Services: Strengthen programs by identifying new opportunities and areas for collaboration and program integration and providing support for effective program management.

Chief, Office of Health Promotion and Chronic Disease Prevention

January 1995 – April 2006

Responsible for implementation of prevention programs in community sites, including injury and violence prevention, RI SAFEKIDS, rape prevention education, physical activity and nutrition promotion (obesity control), school health; managed program staff of 20; participated in Division Steering Team. Principal Investigator for the US Centers for Disease Control and Prevention (CDC) programs: Arthritis, Asthma, Injury and Violence Prevention, Obesity Prevention and Tobacco Control.

Injury Prevention Program Director.

December 1989 – December 2005

Founded and directed CDC funded program to develop Department of Health capacity for injury control (1989-1994). Managed \$1.4 million in grants; developed state injury plan; supervised staff of six. Wrote numerous funded prevention proposals for CDC. Directed programs in unintentional injury, including RI SAFEKIDS Coalition and Core Injury program and represented injury issues at state and national level.

Chief, Office of School and Worksite Health.

January 1993 – January 1995

Developed and coordinated new office. Managed statewide advisory committees, including committees for school health and Injury Control (Healthy Rhode Islanders 2000). Oversaw bicycle injury and violence against women prevention programs. Led grants from Robert Wood Johnson Foundation and CDC to develop comprehensive school health programs and services.

Adverse Drug Reaction Reporting Project Director.

July 1987 – January 1989

Directed Food and Drug Administration project to promote physician use of voluntary reporting system. Prepared educational materials; lectured to professional groups; wrote and administered grant.

Assistant Project Director/Community Coordinator

January 1986 – July 1987

Community Alcohol Abuse/Injury Prevention Project funded by CDC. Developed community based prevention programs (e.g. policy development and training for liquor licensees). Work-ed with police enforcement and training programs. Maintained media relations. Represented project in community. Assisted with preparation of federal reports.

Child and Family Services of Newport County Rhode Island

1981 – 1985

Director of Education and Training



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Product Development Research Peer Review Panels

- Stephen Amato



Dr. Stephen F. Amato has over 25 years of experience in the pharmaceutical, biotechnology and medical device industries. Prior to his position as Department Chair of Regulatory Affairs/Quality Assurance/Advanced Manufacturing at Northeastern University, Steve was the Founder and Managing Director of tJun17 Life Sciences, LLC, and also a Managing Director for Cardinal Health Regulatory Sciences (CHRS). Additionally, as an Executive with GfK Health, Dr. Amato managed and worked on client global regulatory affairs and reimbursement projects in the areas of market access, pricing, and payer coverage, coding and payment strategy. As an Executive Director at Anika Therapeutics Steve managed all aspects of the company's product portfolio including regulatory, reimbursement, market segmentation, targeting, positioning, pricing and promotional strategies. From 2000 to 2007 he was the Group Director of Knee Repair at Smith & Nephew Endoscopy where he managed a \$200 M orthopedic product portfolio. Earlier in his career, Steve worked for Visible Genetics, where he was responsible for developing and launching genomic molecular diagnostics products used for subtyping Human Papilloma Virus (HPV) and other infectious disease agents. He has also worked with Critical Therapeutics on the development and commercialization of treatments for gram-negative sepsis.

Steve holds an AB in Biochemical Sciences from Harvard University, a Ph.D. in Molecular and Cellular Biology from Boston College's Graduate School of Arts & Sciences, and an MBA from the Carroll School of Graduate Management at Boston College. He has also received the US and EU Regulatory Affairs Certification (RAC) designations and is a Consultant for the Regulatory Affairs Professional Society (RAPS).



CANCER PREVENTION & RESEARCH
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MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER
SUBJECT: SECTION 102.1062 WAIVER – DR. JAMES WILLSON
DATE: NOVEMBER 13, 2019

Waiver Request and Recommendation

I request that the Oversight Committee approve a conflict of interest waiver for FY 2020 for Chief Scientific Officer and Program Integration Committee (PIC) member Dr. James Willson, pursuant to Health & Safety Code Section 102.1062 “Exceptional Circumstances Requiring Participation.” Dr. Willson’s son is a senior lecturer in the computer science department at The University of Texas at Dallas (UTD). The waiver is necessary for Dr. Willson to participate in CPRIT’s review process as a PIC member. I recommend approval because together with the waiver’s proposed limitations, adequate protections are in place to mitigate factors other than merit and the established grant criteria affecting the award of grant funds.

Background

Dr. Willson’s son is an employee of UTD, which is an active grant recipient and may apply for additional CPRIT awards in the future. Texas Health & Safety Code § 102.106(c)(3) makes it a professional conflict of interest for a PIC member when a relative of the member is an employee of a grant recipient or grant applicant. Dr. Willson’s son falls within the definition of “relative” because he is related within the second degree of consanguinity to Dr. Willson.

Furthermore, CPRIT’s administrative rule §702.13(c) classifies this type of professional conflict of interest as one that raises the presumption that the existence of the conflict may affect the impartial review of all other grant applications submitted pursuant to the same grant mechanism in the grant review cycle. A person involved in the review process that holds one of the conflicts included in the § 702.13(c) “super conflict” category must be recused from participating in the “review, discussion, scoring, deliberation and vote on all grant applications competing for the same grant mechanism in the entire grant review cycle, unless a waiver has been granted...”

It is reasonable to expect that the same conflict will affect Dr. Willson’s participation in more than one grant review cycle in this fiscal year as well as other grant monitoring activities that Dr. Willson will undertake. CPRIT’s administrative rule § 702.17(3) authorizes the Oversight Committee to approve a waiver that applies for all activities affected by the conflict during the fiscal year.

Exceptional Circumstances Requiring Dr. Willson's Participation

To approve a conflict of interest waiver, the Oversight Committee must find that there are exceptional circumstances justifying the conflicted individual's participation in the review process. In this case, the statute requires the Chief Scientific Officer to participate in the review process as a PIC member. Granting the proposed waiver fulfills legislative intent that Dr. Willson serve a role in recommending grant applications for the Oversight Committee's consideration. In addition, the proposed limitations mitigate any potential for bias.

Dr. Willson's expertise and experience is important not only to address scientific and technical questions raised by the PIC and Oversight Committee, but also when he acts as the Oversight Committee's "eyes and ears" into the peer review process. Peer review committees are primarily responsible for the work necessary to evaluate grant applications and recommend awards. CPRIT employees may attend peer review meetings but cannot participate in the peer review panel's discussion or scoring of grant applications. By attending the peer review committee meetings, Dr. Willson can credibly relay the peer reviewers' impression of the grant applications and effectively address questions the Oversight Committee may have related to a grant recommendation. Without the waiver Dr. Willson will be unable to attend some peer review committee meetings, limiting his ability to successfully perform his job.

Dr. Willson's attendance at peer review meetings is valuable even for those applications that the review panel does not recommend for grant awards. Grant applicants often contact the program officer after receiving the peer reviewers' written comments and overall score for their applications. Dr. Willson can provide meaningful guidance and feedback to the applicant on the proposal's strengths and weaknesses because he attended the peer review committee meeting when the review panel discussed the application.

Proposed Waiver and Limitations

In granting the waiver of the conflict of interest set forth in Section 102.106(c)(3), I recommend that the Oversight Committee permit Dr. Willson to continue to perform the following activities and duties associated with CPRIT's review process subject to the stated limitations:

1. Assign grant applications, including UTD grant applications, to various peer review committees for peer review evaluation;
2. Attend scientific research peer review committee meetings as an observer, including meetings where the review committee discusses UTD applications;
3. Attend and participate fully in the PIC meetings, subject to the limitation set forth under "Limitations on Duties and Activities."
4. Have access to grant application information developed during the grant review process, including information related to UTD applications;
5. Provide information about grant applications recommended for grant awards to the Oversight Committee or CPRIT personnel, including answering questions raised by the Oversight Committee or CPRIT staff about UTD grant applications. To the extent that information is provided by Dr. Willson on his own initiative (e.g. the Chief Scientific Officer's summary of the recommended awards) and not in response to a specific question or request, it should be

general information related to the overall grant application process and not advocate specifically for a UTD grant application at the expense of another recommended application.

6. Following the Oversight Committee's approval of a grant award to UTD, Dr. Willson may review and approve programmatic requests associated with UTD grant contracts and grant monitoring activities.

Regarding item number 2, Dr. Willson will continue to follow CPRIT's established policy that prohibits CPRIT employees from actively participating in peer review committee meetings. Dr. Willson may attend the peer review committee meetings as an observer but may not participate in substantive discussion of any grant application, may not score any application, and may not vote on any application. CPRIT contracts with an independent third-party observer to document that all participants follow CPRIT's observer policy. The independent third-party observer report is available to the Oversight Committee prior to any action taken related to the grant award recommendations. Following Oversight Committee action, the independent third-party observer report is publicly available.

LIMITATION ON DUTIES AND ACTIVITIES

Dr. Willson is a member of the PIC. As a PIC member, Dr. Willson exercises discretion related to recommending to the Oversight Committee which applications proposed for grant awards by the peer review committees should receive final approval. Dr. Willson shall not vote on any award recommendation for a grant to UTD.

CPRIT's Chief Compliance Officer attends PIC meetings to document compliance with CPRIT's rules and processes, including adherence to this limitation. Additionally, CPRIT will maintain records documenting any necessary recusal by Dr. Willson under this waiver.

Important Information Regarding this Waiver and the Waiver Process

- The Oversight Committee may amend, revoke, or revise this waiver, including but not limited to the list of approved activities and duties and the limitations on duties and activities. Approval for any change to the waiver granted shall be by a vote of the Oversight Committee in an open meeting.
- CPRIT limits this waiver to the conflict of interest specified in this request. To the extent that Dr. Willson has a conflict of interest with an application that is not the conflict identified in Section 102.106(c)(3), then Dr. Willson will follow the required notification and recusal process.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER
SUBJECT: FY 2021 PROGRAM PRIORITIES
DATE: NOVEMBER 20, 2019

Summary and Recommendation

I recommend that the Oversight Committee approve the fiscal year 2021 program priorities. Texas Health and Safety Code § 102.107 requires the Oversight Committee to set priorities for the grant programs annually. Each program officer discussed the priorities proposed for fiscal year 2021 with their respective subcommittee in meetings earlier this month.

The 2021 program priorities are the same as the priorities adopted by the Oversight Committee last November for fiscal year 2020 and will govern the last awards funded with the original \$3 billion dollars authorized in 2007. CPRIT staff plans to propose for the Oversight Committee's consideration in November 2020 the near and long-term goals to guide CPRIT's activities for the next ten years. I discuss the process for developing the next ten-year plan in this memo, which will include regular updates to the Oversight Committee.

FY 2021 Priorities

Legislation adopted in 2013 modified CPRIT's statute to include enhancements to the agency's governance and operations. One of the specific enhancements requires the Oversight Committee to establish program priorities on an annual basis. CPRIT uses the priorities to provide transparency in how it directs the orientation of the agency's funding portfolio between and within its three programs as well as guide CPRIT staff and the peer review panels on the development and issuance of program-specific Requests for Applications (RFAs) and the evaluation of applications submitted in response to those RFAs.

The Oversight Committee reviews its priorities annually and adjusts as circumstances change and to incorporate the latest information concerning cancer-related advances in prevention, academic research, and product development research. After consideration and discussion at the Oversight Committee's special meeting in January 2018, the Oversight Committee elected to move up the timeline for approving the annual program priorities to provide CPRIT staff more lead time for preparing and releasing RFAs. The timeline change instituted by the Oversight Committee allows the priorities to guide, rather than follow, the fiscal year 2021 RFA process.

Each of the program subcommittees discussed the program priorities proposed for fiscal year 2021. The Prevention, Product Development Research, and Academic Research Subcommittees recommend proposed fiscal year 2021 priorities for their respective programs that are unchanged

from the priorities adopted for fiscal year 2020. CPRIT program staff support the subcommittees' recommendation to approve the fiscal year 2021 priorities.

In addition to the priorities specific to each grant program, the proposed fiscal year 2021 program priorities also reflect priorities across CPRIT's three programs. These overarching priorities, which remain the same as those adopted for fiscal year 2020, inform the Program Integration Committee on balancing the portfolio across the academic research, prevention, and product development research programs.

CPRIT staff will use the newly adopted program priorities to develop RFAs for the fiscal year 2021 CPRIT grant review cycles.

Looking Ahead

The fiscal year 2021 program priorities will coincide with the last awards funded with the original \$3 billion dollars authorized by the statewide vote to create CPRIT in 2007. Texans' vote on November 5 to authorize the state to issue an additional \$3 billion in general obligation bonds to fund CPRIT's cancer prevention and research activities sets the stage for CPRIT staff, the Oversight Committee, and our stakeholders to consider opportunities to accelerate innovation in cancer prevention and research across the state over the next decade.

CPRIT and its supporters often referred to a high-level summary of opportunities for Texas to expand the fight against cancer during the consideration of the reauthorization legislation and Proposition 6. These opportunities include:

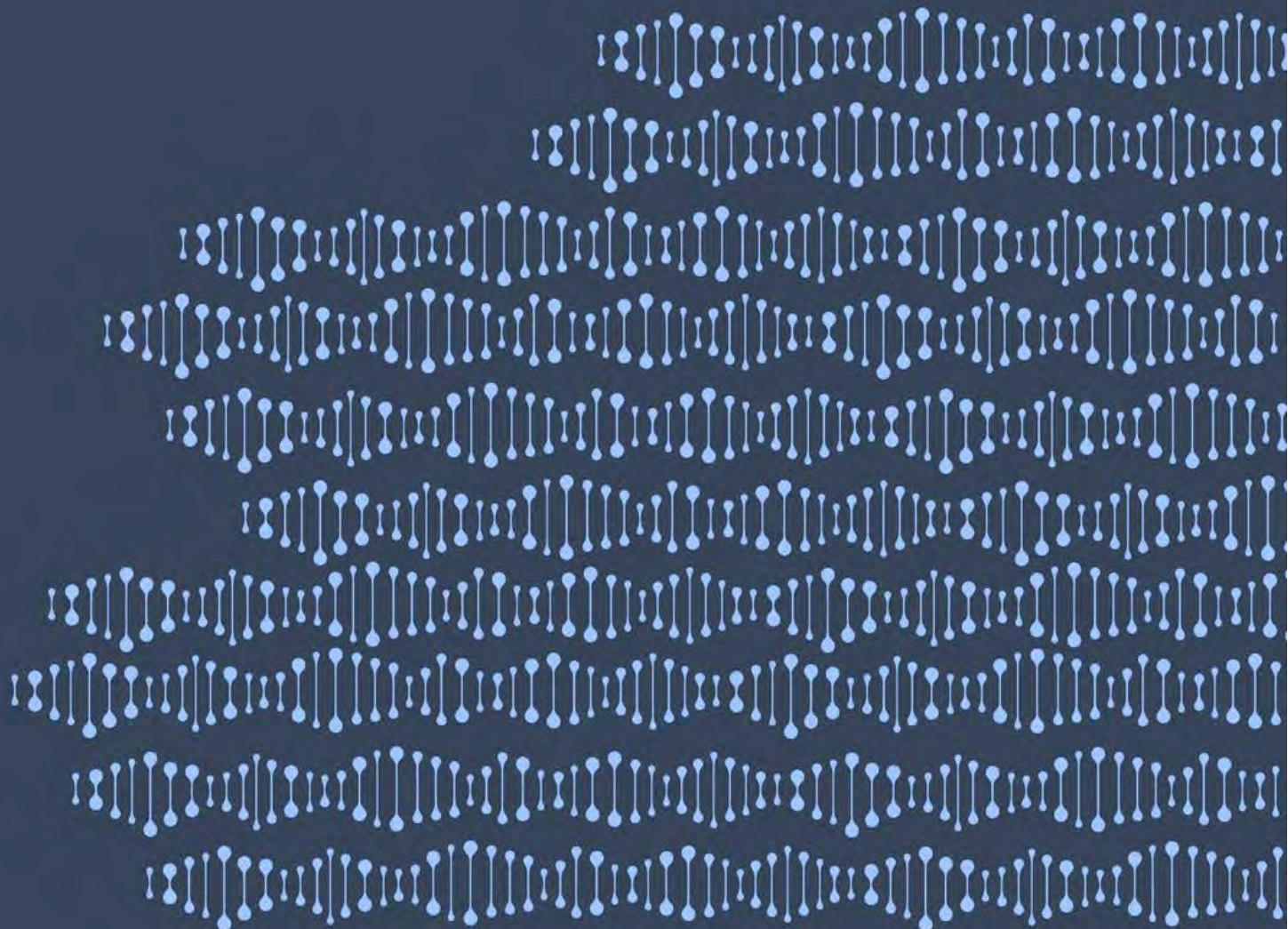
- Capitalizing on CPRIT's investments in improving outcomes in childhood cancer – Texas can be the world leader in childhood cancer research;
- Expanding clinical trial access to more people by reducing institutional and patient barriers to trials;
- Leveraging cancer discoveries at Texas universities by supporting translation to early stage development at Texas-based companies;
- Recruiting the next generation of scientific leaders;
- Targeting Texas-centric needs in cancer research and prevention – liver cancer, rural cancer disparities, childhood brain cancer;
- Creating and growing research and treatment capabilities at universities in all regions of the state; and
- Enlarging coalitions and networks delivering cancer prevention services.

Building on the momentum started with our outreach efforts, we will begin a process early next year of seeking input from the Oversight Committee, CPRIT advisory committees, cancer experts, community leaders, grantees, and other stakeholders throughout the state to refine near term and long-term goals for the next decade of Texas' unprecedented effort to fight cancer. I will update the Oversight Committee regularly on this effort and seek guidance on the evolving plan. I anticipate that the near and long-term goals for CPRIT's next ten years will be ready for Oversight Committee approval as part of the fiscal year 2022 program priority setting process. The Oversight Committee will adopt fiscal year 2022 program priorities at its regular meeting in November 2020.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Program Priorities 2021





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ABOUT CPRIT PROGRAM PRIORITIES PROJECT

Chapter 102 of the Texas Health & Safety Code governs CPRIT. Legislation adopted in 2013 modified the statute to include enhancements to CPRIT's governance and operations. One of the specific enhancements requires CPRIT's Oversight Committee to establish program priorities on an annual basis. The Oversight Committee uses the priorities to provide transparency in how it directs the orientation of the agency's funding portfolio between and within its three programs as well as guide CPRIT staff and the peer review panels on the development and issuance of program-specific Requests for Applications (RFAs) and the evaluation of applications submitted in response to those RFAs.

The Oversight Committee will review its priorities annually and adjust as circumstances change and to incorporate the latest information concerning cancer-related advances in prevention, academic research, and product development research.

CPRIT Purpose

Texas Health & Safety Code, Chapter 102

Sec. 102.002. PURPOSES. The Cancer Prevention and Research Institute of Texas is established 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.*

Program Priorities Legislative Mandate

Texas Health & Safety Code, Chapter 102

Sec. 102.107. POWERS AND DUTIES. The oversight committee shall:

- (1) hire a chief executive officer;*
- (2) annually set priorities as prescribed by the legislature for each grant program that receives money under this chapter; and*
- (3) consider the priorities set under Subdivision (2) in awarding grants under this chapter.*



PROCESS TO DEVELOP PROGRAM PRIORITIES

The Oversight Committee initially approved the program priorities in November 2014 after a six-month process that included public input. The fiscal year 2015 program priorities were subsequently incorporated into the RFAs released by each program. The Oversight Committee continues to annually approve priorities for each program every year, most recently adopting the program priorities for fiscal year 2020 at the November 28, 2018 meeting.

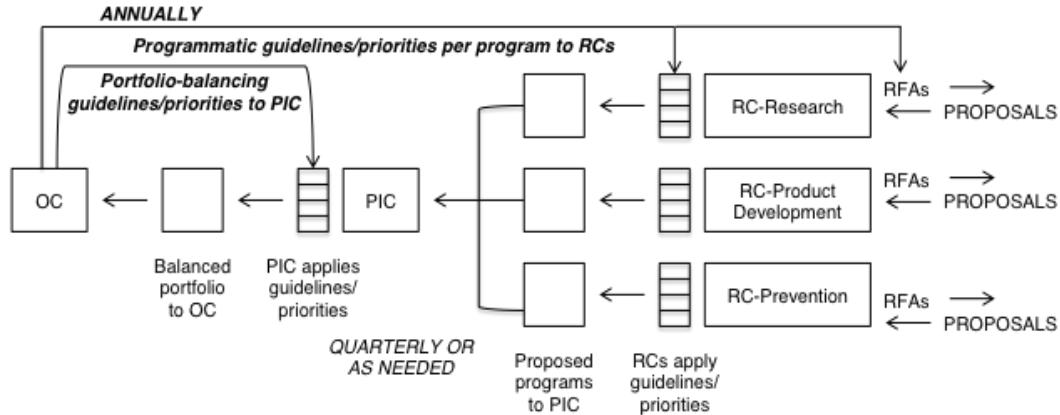
SCOPE OF PROGRAM PRIORITIES PROJECT

The Program Priorities Project establishes priorities at two levels of CPRIT's grant making process:

- **Priorities Within Each of CPRIT's Programs** – priorities to inform staff and respective Peer Review Councils (RCs) on the development and issuance of program-specific Requests for Applications (RFAs) and evaluation of applications submitted in response to those RFAs.
- **Priorities Across CPRIT's Three Programs** – priorities to inform the Program Integration Committee (PIC) on balancing the portfolio across the academic research, prevention, and product development research programs.



Priorities and CPRIT’s Grant Making Process



CPRIT’S LONG TERM VISION

As the Oversight Committee established its program priorities, it began by defining the long-term vision for the agency and each of the three programs in alignment with CPRIT’s mandated purpose.

Innovative projects funded by CPRIT will result in:

- A decrease in the burden of cancer in Texas through preventive measures, new diagnostics and treatments, and effective translation of discoveries into products;
- A recognition of and focus on disparities in cancer incidence, mortality, and access to care;
- Significant advancements in the scientific understanding of cancer; and
- An enhanced and expanded life sciences infrastructure in the state because of recruiting researchers, training health care/science professionals, attracting companies and supporting investigator startups.

PRIORITIES WITHIN EACH OF CPRIT’S PROGRAMS

Priorities within each of CPRIT’s programs –academic research, prevention, and product development research– will inform staff and respective peer review councils on the development and issuance of program-specific RFAs and evaluation of applications to those RFAs.

Established key principles essential to executing CPRIT’s purpose guide each of CPRIT’s three programs. The main principle underlying all three programs is that each will continue to ensure



only applications with scientific merit moves forward in CPRIT's peer review grant process. In addition, each program has established unique program principles. The program priorities supplement these principles to guide the selection of meritorious applications to address CPRIT's strategic priorities as set annually by the Oversight Committee.

It is important to note that these priorities do not exclude funding in areas outside of the identified priorities.

Academic Research Program

Background

The goal of CPRIT's academic research program is to discover new insights about cancer that can lead to prevention, early detection, and more effective treatments; translate new and existing discoveries into practical advances in cancer diagnosis, treatment, and survivorship; and increase the prominence and stature of Texas in the fight against cancer. CPRIT's strategy is to support the most creative ideas and the most meritorious projects brought forward by the cancer research community in Texas. The overarching principles for awarding CPRIT funds will continue to be scientific excellence and impact on reducing the burden of cancer.

In addition, CPRIT's academic research program will seek to fund projects in critical, but underfunded areas of cancer research. Areas of opportunity for strategic deployment of funds include prevention and early detection research; computational biology and analytic methods; childhood cancers; and intractable cancers with emphasis on population disparities and cancers of significance in Texas such as hepatocellular cancer.

Finally, it is critically important to add to the life sciences infrastructure in the State of Texas. This will enable CPRIT's impact on cancer research to extend for years beyond the lifetime of the program. Most important to increasing infrastructure is the recruitment of preeminent researchers and the investment in core facilities. New researchers will bring additional resources to the State, including research funding and new expertise, as well as help build the critical mass of science needed to attract investments in the development of products for cancer prevention, diagnosis, and treatment. Investments in core facilities will assure that these and other cancer researchers in Texas have access to the most up-to-date technologies needed for cutting-edge



cancer research. Also critical are the training programs that aim to produce the next generation of cancer researchers and increase the diversity of the cancer research workforce.

Established Principles

- Scientific excellence and impact on cancer
- Increasing the life sciences infrastructure

Academic Research Program Priorities

- Recruitment of outstanding cancer researchers to Texas
- Investment in core facilities
- A broad range of innovative, investigator-initiated research projects
- Implementation research to accelerate adoption and deployment of evidence-based prevention and screening interventions
- Computational biology and analytic methods
- Childhood cancers
- Hepatocellular cancer
- Expand access to innovative clinical trials



Prevention Program

Background:

The following principles have guided the prevention program since its inception in 2009. These principles have informed the development of the requests for applications (RFAs) and the evaluation of applications submitted in response to the RFAs. Through the prevention program, CPRIT seeks to fund projects that:

- Offer effective prevention interventions based on the existing body of knowledge about and evidence for cancer prevention (“evidence based”); and
- Deliver primary, secondary, or tertiary (includes survivorship) prevention interventions that provide state of the art preventive clinical services and tailored, culturally appropriate, and accurate information to the public and health professionals.

In addition, the program has focused on providing access to underserved populations and serving the populations in most need including underinsured and uninsured individuals and those disproportionately affected by cancer.

To achieve some degree of balance in the prevention program portfolio, the Prevention Review Council (PRC) conducts a programmatic review of applications under consideration. During programmatic review, the PRC evaluates applications judged to be meritorious by prevention review panels. Programmatic considerations include:

- Potential for impact;
- Geographic distribution;
- Cancer type; and
- Type of program or service

While these principles provide guidance for the program, identifying priorities based on areas where significant cancer incidence and mortality disparities exist focuses the program further on areas of greatest need and greatest potential for impact.



The prevention program reviews data on cancer incidence, mortality, and disparities (geographic, ethnic, etc.) annually to identify priorities and identify areas of emphasis. This information informs the development of RFAs and informs programmatic decisions during the PRC level of review.

Established Principles:

- Fund evidence-based interventions and their dissemination
- Support the prevention continuum of primary, secondary, and tertiary (includes survivorship) prevention interventions

Prevention Program Priorities

- Populations disproportionately affected by cancer incidence, mortality, or cancer risk prevalence
- Geographic areas of the state disproportionately affected by cancer incidence, mortality, or cancer risk prevalence
- Underserved populations



Product Development Research Program

Background

The Product Development Research Program funds the commercial development of novel products in Texas that address unmet cancer diagnosis and treatment needs. CPRIT supports early stage and startup companies that are converting a one-time phenomenon discovered in a laboratory into a safe, reliable, and reproducible product usable in a clinical setting. CPRIT invests in projects based on comprehensive scientific research developed at companies with strong management and sound business plans that will attract future private investment. These product development investments also stimulate the Texas life sciences ecosystem.

Developing novel cancer treatments, diagnostics, and devices results from a series of research and development activities. As a product moves through the development process, the risk of failure decreases as the product successfully navigates each step. Clinical research confirms the safety and efficacy of the new therapy on the target patient population.

Companies working with products that are at an earlier development stage (preclinical, Phase I and Phase II clinical trials) are a higher investment risk and have a harder time attracting private capital. CPRIT invests in these early stage companies where private capital is hardest to obtain, typically referred to as the technology “valley of death,” where promising ideas die for lack of funding. Subject matter experts review company proposals to identify the most promising projects. CPRIT’s investment in early stage companies increases the number of cancer therapies in development in Texas, which stimulates the Texas life sciences ecosystem.

CPRIT uses its limited resources to maximize clinical benefits, including curing disease, slowing cancer progression, detecting malignancies earlier, mitigating side effects, and/or reducing cost of care. More scientifically and commercially attractive product development opportunities exist than CPRIT can fund.

Established Principles

To invest strategically the Product Development Research Program focuses on the funding novel projects, including those that:



- Offer therapeutic or diagnostic benefits not currently available; i.e., disruptive technologies;
- Address large or challenging unmet medical needs; and
- Support early stage projects with sound scientific research, strong management, and compelling business plans when private capital is most difficult to obtain

CPRIT's Product Development Research Program is also interested in catalyzing the Texas life science ecosystem by:

- Supporting new company startups in Texas and attracting promising companies to Texas;
- Identifying companies that will recruit staff with life science industry expertise, especially experienced C-level staff to seed clusters of life science expertise at various Texas locations; and
- Commercializing technologies developed at Texas institutions.

Product Development Research Program Priorities

- Funding novel projects that offer therapeutic or diagnostic benefits not currently available; i.e., disruptive technologies
- Funding projects addressing large or challenging unmet medical needs
- Investing in early stage projects when private capital is least available
- Stimulating commercialization of technologies developed at Texas institutions
- Supporting new company formation in Texas or attracting promising companies to Texas that will recruit staff with life science expertise, especially experienced C-level staff to lead to seed clusters of life science expertise at various Texas locations
- Providing appropriate return on Texas taxpayer investment



PRIORITIES ACROSS CPRIT'S THREE PROGRAMS

Establishing priorities across CPRIT's academic research, prevention and product development research programs will inform the Program Integration Committee (PIC) on balancing the portfolio across the three programs.

CPRIT's structure, which includes programs in academic research, prevention, and product development research, presents a unique opportunity for funding projects that span the continuum from discovery to delivery to the public and creating synergy across the spectrum. While CPRIT programs would continue to fund a broad range of programs and cancer types, selecting areas of emphasis where CPRIT may have an impact distinguishing it from other funding sources provides a basis for focusing resources and guiding decisions for limited resources. The recommended areas of emphasis outlined below also correspond to unmet needs – places in the cancer research and care continuum where existing institutions have not provided strong programs or results.

It is important to note that these priorities serve as strategic areas of emphasis and do not exclude funding in areas outside of the identified priorities.

Prevention and Early Detection Initiatives

Rationale

Nowhere is there greater potential to reduce the burden of cancer than by reducing its incidence. This spares people and families from the psychological and emotional trauma of a cancer diagnosis, the often-devastating physical consequences of cancer therapies, and the financial burden associated with cancer treatment. In addition, the current emphasis in cancer research on finding cures for advanced cancers has serious limitations. Thus far, the ability of cancer cells to develop resistance to chemotherapy, radiation, and even targeted therapy has thwarted attempts to control cancer by these treatment modalities. Detecting cancer early in its development is a more desirable approach to cancer control. Despite the potential impact of prevention and early detection on reducing the cancer burden, these areas of cancer research receive little funding relative to funding devoted to curing advanced cancer.



Emphasis

Ideally, academic research will create the evidence base for novel approaches to prevention and early detection. Product development research will provide new methods, diagnostics, imaging, or devices, for early cancer detection. The prevention program will implement interventions to put these innovative approaches into practice once a solid evidence base of effectiveness exists. Strategies include each program issuing either a targeted RFA or listing prevention or early detection as an area of emphasis (among others) within current RFAs. In addition, the programs can explore RFAs that could span programs, e.g. RFAs that would support a research component to a prevention project.

Early Translational Research

Rationale

One well-documented impediment to bringing the results of basic research to bear on cancer is the shortage of funding to translate new discoveries into practical advances for cancer patients. Funds for research and development are needed between the stages of discovery science, which is funded traditionally by grants from federal sources and foundations, and late term development and commercialization of drugs, devices, diagnostic tests, and biologicals, which is funded often by private sector industries. Data indicate that translational research is underfunded and would benefit from additional investment. Funding such research and development by CPRIT could have the added benefit of stimulating public-private partnerships and bringing new commercial investments to Texas.

Emphasis

Funding translational research that bridges the gap between basic research and product development, and between research on preventive measures and innovative technologies for early detection and adaptation of tested interventions represents opportunities for inter-program strategic investment by CPRIT. The time needed to move some projects from research to products is often lengthy and may limit the role of the prevention program in this area of emphasis.



Enhance Texas' Research Capacity and Life Science Infrastructure

Rationale

CPRIT's statute emphasizes enhancing research superiority, increasing applied science and technology research capabilities and increasing high-quality jobs in the state. All three programs contribute to enhancing the research, life science and cancer control workforce and infrastructure in the state.

Emphasis

Establishing a critical mass of cancer researchers in Texas is possible by supporting the recruitment of cancer scientists and clinicians, at all career levels, to academic institutions in Texas and through training programs that educate pre- and post-doctoral fellows to become cancer researchers. The recruitment program has been successful in enhancing Texas' cancer research efforts and increasing the external visibility of the state in the medical and scientific communities.

CPRIT's investments in product development help to build Texas' life-science industry. While bringing a product to market takes time, the process generates jobs and economic activity. Every CPRIT award includes intellectual property requirements that specify a revenue return to Texas through the successful development of CPRIT-funded drugs, devices, diagnostics, or services.

The prevention program supports the education and training of health care professionals and community workers, thereby increasing the state's capacity for cancer prevention and control activities. By requiring collaborative partnerships, the program also creates incentives for organizations and individuals to collaborate to tackle community problems through networks that can mobilize resources and avoid duplication of efforts. Implementing system changes (such as reducing wait times between screening and diagnostics, implementing patient reminder systems) by CPRIT funded programs also improves the infrastructure for the delivery of preventive interventions.



Summary: Priorities across CPRIT’s Three Programs

This table illustrates how each of CPRIT’s three programs may implement the recommended areas of emphasis outlined above.

	Prevention and Early Detection Initiatives	Early Translational Research	Enhance Texas’ Research Capacity and Life Science Infrastructure
Academic Research Program Implementation	Create the evidence base for novel approaches to prevention and early detection.	Identify CPRIT funded basic research that could translate new discoveries into practical advances.	Increase workforce and infrastructure: researcher recruitment, training grants and core facilities.
Prevention Program Implementation	Implement programs to put these innovative approaches into practice and continue to fund what is known to work (evidence based).	Due to long lead-time to product development, there may be limited role for prevention to implement programs resulting from this research.	Implementing systems change, developing partnerships and collaborations, training of community and healthcare providers, and creating new jobs.
Product Development Research Program Implementation	Fund new tools, technologies, methods and devices for early cancer detection and prevention.	Fund translational research that bridges the gap between basic research and product development.	Build up life sciences infrastructure and industry in Texas and create new high paying jobs.

**November 2019 Oversight Committee
Internal Audit Status Report
As of November 11, 2019**

Weaver and Tidwell, LLP (Weaver) is the outsourced internal auditor of the Cancer Prevention Research Institute of Texas (CPRIT). The Weaver engagement team is led by Alyssa Martin, Partner and Daniel Graves, Partner.

2019 Internal Audit Plan

We have completed all procedures and reports for the 2019 Internal Audit Plan. The tables below reflect the results of the completed plan. The portions of the 2019 plan where the status has been previously provided to the Oversight Committee have been shaded grey.

2019 NEW INTERNAL AUDITS		
Internal Audit	Description	Status
State Reporting	<p>Fieldwork for the State Reporting audit was completed and an exit meeting was held on January 16, 2019. We issued the report on January 25, 2019. The audit resulted in an overall assessment of "Strong" with two Low findings:</p> <ul style="list-style-type: none"> • Tracking and communicating report deadlines to CPRIT personnel with responsibility for report completion • Documenting procedures over the expected processes for managing and monitoring state reporting requirements <p>Follow-up procedures on the remediation of the findings are included in the audit plan for fiscal year 2020.</p>	Complete
Budget and Planning	<p>Fieldwork for the Budget and Planning audit was completed and an exit meeting was held on January 16, 2019. We issued the report on January 25, 2019. The audit resulted in an overall assessment of "Strong" with no findings.</p>	Complete

2019 FOLLOW-UP PROCEDURES		
Follow-Up	Description	Status
SAO Performance Measures Follow-Up • 3 Findings	<p>Fieldwork for these follow-up procedures was completed on December 5, 2018. The report was issued December 12, 2018. All three findings from the prior audit were remediated.</p>	Complete No open findings

Follow-Up	Description	Status
Post-Award Grant Monitoring Follow-up <ul style="list-style-type: none"> • 1 Moderate Finding 	Fieldwork for these follow-up procedures was completed on April 11, 2019. The report was issued April 26, 2019. The open finding from the prior audit was remediated.	Complete No open findings
Procurement and P-Cards Follow-up <ul style="list-style-type: none"> • 1 Moderate Finding 	Fieldwork for these follow-up procedures was completed on August 1, 2019. The report was issued August 5, 2019. The remaining open finding from the prior audit was remediated.	Complete No open findings
Information Security Follow-Up	Internal audit follow-up procedures were cancelled for FY 2019 due to the implementation of the new CPRIT website. Internal audit follow-up procedures are included as part of the FY 2020 Internal Audit Plan.	Cancelled
Communications Follow-Up <ul style="list-style-type: none"> • 1 High Finding • 4 Moderate Findings 	Fieldwork for these follow-up procedures was completed on August 30, 2019. The report was issued October 4, 2019. Two of the five findings were remediated while the remaining three findings were partially remediated. Open High Risk Findings <ul style="list-style-type: none"> • CPRIT Website Compliance Open Moderate Risk Findings <ul style="list-style-type: none"> • Website Content Updates • Accuracy and Timeliness of Momentum Reports 	Complete

2020 Internal Audit Plan and Schedule

Based on the approval of the 2020 Internal Audit Plan by the Oversight Committee in the August meeting, we have coordinated and planned the timing of the internal audits and follow-up procedures for the 2020 Internal Audit Plan.

2020 NEW INTERNAL AUDITS		
Internal Audit	Description	Status
Governance	Internal Audit will include an evaluation of risks and internal controls in place related to CPRIT's Governance practices. Activities to be evaluated will include Board Oversight and Responsibilities, Management Leadership, Institute Communications, Internal Audit, Risk Management, Administrative Rules, and Legislative Communications.	February 2020
Disaster Recovery and Business Continuity Planning	Internal Audit will include an evaluation of risks and internal controls in place related to CPRIT's Disaster Recovery and Business Continuity Planning practices. Disaster Recovery activities to be evaluated will include IT backup and recovery systems, disaster recovery plan and procedures, IT hardware recovery, data recovery, and disaster recovery testing. Business Continuity Planning activities to be evaluated will include business resumption plan and procedures, scenario determination and criticality, business impact analysis, and continuity plan testing.	May 2020

2020 FOLLOW-UP PROCEDURES		
Follow-Up	Description	Status
Communications Follow-Up <ul style="list-style-type: none"> • 1 High Finding • 2 Moderate Findings 	Internal Audit will perform follow-up procedures on the 3 open findings from the 2018 Internal Audit to ensure corrective action has been taken.	March 2020
State Reporting Follow-Up <ul style="list-style-type: none"> • 2 Low Findings 	Internal Audit will perform follow-up procedures on the 2 open findings from the 2019 Internal Audit to ensure corrective action has been taken.	March 2020
Information Security Follow-Up	Internal Audit will perform follow-up procedures on the 2 open findings from the 2016 Internal Audit to ensure corrective action has been taken.	May 2020

We have prepared a summary schedule of audits, their status and a summary of the findings by risk rating. The schedule maps out the internal audit and follow-up procedures performed, by year, the report date, report rating, and the findings by risk rating. The summary schedule is attached.

In addition, we have prepared a draft of the Annual Internal Audit Report, as required by the Texas Internal Auditing Act. The report has been prepared in accordance with the most recent prescribed format of the State Auditor's Office, published for fiscal year ending August 31, 2019.



Alyssa G. Martin, CPA, MBA, Internal Auditor
Partner
Weaver and Tidwell L.L.P



Daniel Graves, CPA, Internal Auditor
Partner
Weaver and Tidwell L.L.P

Cancer Prevention and Research Institute of Texas
 Schedule of Audits, Status, and Findings Summary
 As of November 11, 2019

Audit	Fiscal Year	Status/Timing	Report Date	Report Rating	Open Findings				Closed Findings				Total Findings				
					High	Mod	Low	Total	High	Mod	Low	Total	High	Mod	Low	Total	
Fiscal Year 2015																	
Grant Management	2015	Complete	July 27, 2015	Satisfactory	-	8	1	9	-	-	-	-	-	8	1	9	
Expenditures Internal Audit	2015	Complete	August 24, 2015	Strong	-	-	2	2	-	-	-	-	-	-	2	2	
2014 Governance and IT Follow-Up	2015	Complete	August 14, 2015	Satisfactory	-	-	-	9	-	-	-	7	-	1	1	2	
2014 Grantee Monitoring Follow-Up	2015	Complete	July 31, 2015	Satisfactory	-	-	-	14	-	-	-	11	1	-	2	3	
Fiscal Year 2015 Subtotal					-	8	3	34	-	-	-	18	1	9	6	16	
Fiscal Year 2016																	
Commodity and Service Contracts Internal Audit	2016	Complete	May 13, 2016	Satisfactory	-	3	2	5	-	-	-	-	-	3	2	5	
Revenue Internal Audit	2016	Complete	July 8, 2016	Strong	-	-	2	2	-	-	-	-	-	-	2	2	
Information Security Internal Audit	2016	Complete	August 3, 2016														
Cash Management Internal Audit	2016	Complete	August 12, 2016	Strong	-	1	-	1	-	-	-	-	-	1	-	1	
2015 Grant Management Follow-Up	2016	Complete	June 9, 2016	Strong	-	8	1	9	-	8	1	9	-	-	-	-	
2015 Information Technology Follow-Up	2016	Complete	N/A	N/A	-	1	1	2	-	1	1	2	-	-	-	-	
Fiscal Year 2016 Subtotal					-	13	6	19	-	9	2	11	-	4	4	8	
Fiscal Year 2017																	
Training Program Internal Audit	2017	Complete	March 10, 2017	Strong	-	2	-	2	-	-	-	-	-	2	-	2	
Internal Agency Compliance	2017	Complete	April 17, 2017	Strong	-	1	-	1	-	-	-	-	-	1	-	1	
Pre-Award Grant Management	2017	Complete	May 30, 2017	Satisfactory	1	2	-	3	-	-	-	-	1	2	-	3	
Procurement and P-Card Internal Audit	2017	Complete	August 4, 2017	Satisfactory	-	7	2	9	-	-	-	-	-	7	2	9	
2016 Information Security Follow-Up	2017	Complete	May 30, 2017														
2016 Commodity and Service Contracts Follow-Up	2017	Complete	July 13, 2017	Strong	-	3	2	5	-	3	2	5	-	-	-	-	
2016 Revenue Follow-Up	2017	Complete	July 8, 2017	Strong	-	-	2	2	-	-	2	2	-	-	-	-	
2016 Cash Management Follow-Up	2017	Complete	July 13, 2017	Strong	-	1	-	1	-	1	-	1	-	-	-	-	
Fiscal Year 2017 Subtotal					1	16	6	23	-	4	4	8	1	12	2	15	
Fiscal Year 2018																	
Post Award Grant Monitoring Internal Audit	2018	Complete	February 1, 2018	Strong	-	1	-	1	-	-	-	-	-	1	-	1	
Grant Contracting Internal Audit																	
Communication Internal Audit	2018	Complete	April 30, 2018	Satisfactory	1	4	-	5	-	-	-	-	1	4	-	5	
2016 Information Security Follow-Up	2018	Complete	July 17, 2018														
2017 Training Program Follow-Up	2018	Complete	January 19, 2018	Strong	-	2	-	2	-	2	-	2	-	-	-	-	
2017 Internal Agency Compliance Follow-Up	2018	Complete	January 19, 2018	Strong	-	1	-	1	-	1	-	1	-	-	-	-	
2017 Pre-Award Grant Management Follow-Up	2018	Complete	April 24, 2018	Strong	1	2	-	3	1	2	-	3	-	-	-	-	
2017 Procurement and P-Card Follow-Up	2018	Complete	April 30, 2018	Strong	-	7	2	9	-	6	2	8	-	1	-	1	
Fiscal Year 2018 Subtotal					2	17	2	21	1	11	2	14	1	6	-	7	
Fiscal Year 2019																	
State Reporting Internal Audit	2019	Complete	January 16, 2019	Strong	-	-	2	2	-	-	-	-	-	-	2	2	
Budget and Planning	2019	Complete	January 16, 2019	Strong	-	-	-	-	-	-	-	-	-	-	-	-	
2017 SAO Performance Measures Follow-up	2019	Complete	December 6, 2018	Strong	-	-	3	3	-	-	3	3	-	-	-	-	
2016 Information Security Follow-Up	2019	Cancelled	N/A														
2018 Communication Follow-Up	2019	Complete	August 30, 2019	Satisfactory	1	4	-	5	-	2	-	2	1	2	-	3	
2018 Post Award Grant Monitoring Follow-Up	2019	Complete	April 11, 2019	Strong	-	1	-	1	-	1	-	1	-	-	-	-	
2018 Grant Contracting Follow-Up																	
2017 Procurement and P-Card Follow-Up	2019	Complete	August 1, 2019	Strong	-	7	2	9	-	7	2	9	-	-	-	-	
Fiscal Year 2019 Subtotal					1	12	7	20	-	10	5	15	1	2	2	5	
FISCAL YEAR 2019 SUMMARY																	
Audit	Fiscal Year	Status/Timing	Report Date	Report Rating	Findings				Closed Findings				Total Open Findings				Timing of Follow-Up Procedures by IA
					High	Mod	Low	Total	High	Mod	Low	Total	High	Mod	Low	Total	
State Reporting Internal Audit	2019	Complete	January 16, 2019	Strong	-	-	2	2	-	-	-	-	-	-	2	2	March 2020
Budget and Planning	2019	Complete	January 16, 2019	Strong	-	-	-	-	-	-	-	-	-	-	-	-	
Post Award Grant Monitoring Internal Audit	2018	Complete	April 11, 2019	Strong	-	1	-	1	-	1	-	1	-	-	-	-	
Grant Contracting Internal Audit																	
Communication Internal Audit	2018	Complete	August 30, 2019	Satisfactory	1	4	-	5	-	2	-	2	1	2	-	3	March 2020
SAO Performance Measures	2017	Complete	December 6, 2018	Strong	-	-	3	3	-	-	3	3	-	-	-	-	
Procurement and P-Cards	2017	Complete	August 1, 2019	Strong	-	7	2	9	-	7	2	9	-	-	-	-	
Information Security Internal Audit	2016	Cancelled	N/A														May 2020
Total Findings For Internal Audit Follow-Up					1	12	7	20	-	10	5	15	1	2	2	5	

Cancer Prevention and Research Institute of Texas

IA #06-2019 Internal Audit Follow-Up Procedures Report
over Communications

Report Date: August 30, 2019

Issued: October 4, 2019

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Appendix9



The Oversight Committee
Cancer Prevention and Research Institute of Texas
1701 North Congress Avenue, Suite 6-127
Austin, Texas 78701

This report presents the results of the internal audit follow-up procedures performed for the Cancer Prevention and Research Institute of Texas (CPRIT) during the period July 8, 2019 through August 30, 2019 related to the findings from the Internal Audit Report over Communications dated April 30, 2018.

The objective of these follow-up procedures was to validate that adequate corrective action has been taken to remediate the issues identified in the 2018 Internal Audit Report over Communications.

To accomplish this objective, we conducted interviews with CPRIT personnel responsible for the communication process. We also reviewed documentation and performed specific testing procedures to validate actions taken. Procedures were performed at CPRIT's office, and completed on August 30, 2019.

The following report summarizes the findings identified, risks to the organization, recommendations for improvement and management's responses.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
October 4, 2019

Cancer Prevention and Research Institute of Texas
 IA #06-2019 Internal Audit Follow-Up Procedures Report
 over Communications
 August 30, 2019
 Issued: October 4, 2019

Background

In fiscal year 2018, an internal audit over CPRIT's communication process was completed. The internal audit report identified five areas of improvement within the communication process. Opportunities for improvement included documenting the timeliness and approval requirements of website content updates, the review and approval of social media posts, and ensuring Momentum (formerly Achievement) Reports are accurate and approved timely. The report also identified areas of improvement related to ensuring compliance with state website requirements and maintaining appropriate user access to MailChimp software.

The 2019 Internal Audit Plan included performing follow-up procedures to validate that CPRIT management has taken steps to address the five internal audit findings.

Follow-Up Objective and Scope

The follow-up procedures focused on the remediation efforts taken by CPRIT management to address the findings included in the 2018 Internal Audit Report over Communications, and to validate that appropriate corrective action had been taken.

We evaluated the corrective action for five internal audit findings identified in the 2018 Internal Audit Report over Communications. In addition, we evaluated corrective action taken by management to address the observations identified in the 2018 Internal Audit Report over Communications that were provided to management separately.

Executive Summary

The findings from the 2018 Internal Audit Report over Communications include those items that were identified and are considered to be non-compliance issues with CPRIT's policies and procedures, rules and regulations required by law, or where there is a lack of procedures or internal controls in place to cover risks to CPRIT. These issues could have significant financial or operational implications.

Through our interviews, review of documentation, observations and testing, we determined that of the five findings where corrective action was evaluated, two were fully remediated while two were partially remediated, and one finding remains open.

A summary of our results is provided in the table below.

Risk Rating	Total Findings	Remediated	Partially Remediated	Open
High	1	-	1	-
Moderate	4	2	2	-
Low	-	-	-	-
Total	5	2	3	-

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A summary of our results is provided in the table below. See the Appendix for an overview of the Assessment and Risk Ratings.

OVERALL ASSESSMENT	SATISFACTORY
---------------------------	---------------------

SCOPE AREA	RESULT	RATING
<p>Communications: Validate that adequate corrective action has been taken to remediate the issues identified in the 2018 Internal Audit Report over Communications.</p>	<p>We determined that CPRIT management made efforts to remediate the findings from the 2018 Internal Audit Report over Communications. However, management should continue their efforts to remediate the remaining open findings:</p> <ul style="list-style-type: none"> • Ensure website updates are completed timely • Ensure Momentum Reports are approved timely • Ensure compliance with state website requirements 	SATISFACTORY

Conclusion

Based on our evaluation, CPRIT has made satisfactory progress to remediate the findings from the 2018 Internal Audit Report over Communications. However, additional efforts should be made to remediate the remaining open findings. Specifically, CPRIT should ensure that the agency's website is in compliance with all state requirements.

Additionally, CPRIT should ensure timely processing of website updates as well as timely approvals of Momentum Reports.

Follow-up procedures should be conducted in Fiscal Year 2020 to validate the effectiveness of the remediation efforts taken to address the remaining open findings.

Detailed Follow-Up Results, Findings, Recommendations and Management Response

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Detailed Follow-Up Results, Recommendations and Management Response

Our procedures included interviewing key CPRIT personnel responsible for the communication process to gain an understanding of the corrective actions taken in order to address the open findings identified in the 2018 Internal Audit Report over Communications, as well as examining existing documentation and communications and performing testing in order to validate those corrective actions. We evaluated the existing policies, procedures, and processes in their current state.

Finding 1 – MODERATE – Website Content Updates: While CPRIT utilizes a ticketing system to track and monitor updates to website content, the protocols and workflow lack definition to include the required review of postings and the timing of the completion of the updates.

The existing workflow does not have criteria identified to define which updates to website content require a review by communications prior to posting or procedures to document the review and approval of website content updates. Currently, website content updates are requested by CPRIT personnel via the IT ticketing system. All website updates are completed by the Information Technology Manager and the completion is documented within the ticketing system. Although the Information Specialist is notified of all tickets requesting website updates, the updates are not consistently reviewed and approved by communications prior to posting.

Additionally, the requirements to post updates in a specific timeframe are inconsistently defined. Only when individuals include a posting deadline in the update request ticket are posting deadlines established.

We reviewed 50 out of 351 website updates that were completed during the period of September 1, 2016, through February 28, 2018, and identified the following:

- 5 out of 50 sample items tested had no documentation to demonstrate that the website content updates were completed timely. Timing of completion dates recorded in the ticketing system range from 78 to 418 days after requests were submitted. Additionally, 1 of the 5 changes was not completed accurately
- 2 out of 50 sample items tested were posted 1 and 6 days after the deadline indicated in the ticket.

Results: Finding partially remediated

We examined the CPRIT Website Content Maintenance Procedures and the Primary Agency Website Approval Matrix and verified that CPRIT has implemented procedures for the review, approval, and timeliness of content updates to the CPRIT website. The procedures include defined classifications of website updates by content type and approval requirements for each category. Completion time requirements are based on the requestor's designated maintenance priority level, and range from one day (for "High" maintenance priority) to five days (for "Low" maintenance priority).

For the total number of website update tickets created during the scope period, we analyzed the create date and closed date to determine whether website update requests were completed in a timely manner. We determined that for each month analyzed, greater than 50% of the tickets were not processed timely, within one, three or five days depending on the requestor's maintenance priority level.

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Management Response: CPRIT management agrees that the communications and IT staff must complete website update requests within the defined service levels. During the last review period, delays in implementing the requests were caused by the ongoing development of the agency's new website. The Information Specialist and Information Technology Manager are improving the response time on website update requests to meet the agreed upon service levels. However, there are still some existing requests that, due to their nature, can only be addressed through the website modifications, currently under development, that will be deployed in stages through the end of December 2019.

Responsible Party: Senior Communications Specialist, Information Specialist, Information Technology Manager
Implementation Date: January 31, 2020

Finding 2 – MODERATE – Social Media Posting: CPRIT does not have procedures in place for someone other than the preparer to review and approval of social media content before posting. Currently, CPRIT maintains three social media accounts, Facebook, Twitter and YouTube. All social media posts are prepared and posted by the Information Specialist without review and approval by supervisory communications staff.

Results: Finding remediated

We examined CPRIT Communications Social Media Process procedures and verified that CPRIT has implemented procedures that define the types of social media posts that require review and approval. In addition, we selected a sample of 30 out of 183 social media posts that were posted from September 1, 2018, through April 30, 2019, and verified that all posts were adequately reviewed and approved.

Finding 3 – MODERATE – Accuracy and Timeliness of Momentum (formerly Achievement) Reports: Through the preparation of the Achievement Report, CPRIT has identified that the agency inconsistently meets their internally established deadlines and requirements to draft, review, approve, and publish the report. Therefore, new procedures were implemented in February 2018 to address the preparation of the report. Through the dynamic process to draft, review and edit the report, the final review and approval of Achievement Reports is not consistently documented as part of the established workflow. Additionally, information included in Achievement Reports is not consistently accurate.

According to CPRIT's recently implemented internal timeline, Achievement Reports should be completed and approved before an Oversight Committee meeting. Prior to February 2018, the internal timeline for completion and approval of Achievement Reports was one week after the Oversight Committee meeting. We selected a sample of 3 out of 6 Achievement Reports that were posted during the period of September 1, 2016, through February 28, 2018, and identified the following exceptions:

- All 3 reports were not approved prior to CPRIT's internal deadline
- 2 reports contained inaccurate information, totaling 5 errors in the reports

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Results: Finding partially remediated

We examined source data for the November 2018 and February 2019 Momentum Reports issued during the period of September 1, 2018, through April 30, 2019, and verified that report information in both reports was complete and accurate. In addition, we reviewed email approvals to determine whether Momentum Reports were reviewed and approved prior to Oversight Committee Meetings. We determined that one out of the two Momentum Reports was not approved prior to CPRIT's internal deadline.

Management Response: CPRIT management agrees that the report's publication approval process should follow the documented timeline. Because of changes in the agency's reliance on the Momentum Report as a public information piece in favor of other newly created documents, the final stage of scheduled report approvals will consist of sign-off on its data accuracy by the Data Workgroup Chair (currently held by the Chief Prevention Officer). The Chief Executive Officer continues to approve the public release of the report, but this approval does not occur on a fixed schedule. The Senior Communications Specialist will document these procedural changes in the internal policies and procedures.

Responsible Party: Senior Communications Specialist

Implementation Date: February 28, 2020

Finding 4 – HIGH – CPRIT Website Compliance: In February 2018 CPRIT's Senior Program Manager for Prevention, Staff Attorney and Information Specialist conducted an annual website review to assess compliance with applicable state requirements and identified that CPRIT is not in compliance with the following requirements:

- 1 TAC 206.54(a) & 13 TAC 3.4(3) - Requirement to include meta data tags on all publications
- 1 TAC 206.54(b) - Requirement to include TRAIL meta data on the homepage
- 13 TAC 3.4(2)(a) - Requirement for accessibility of publications
- 13 TAC 3.2(b) - Requirement for posting the date that each publication is produced or distributed
- 1 TAC 206.51 - Requirement for translation of the website
- 1 TAC 206.50(c) - Requirement for maintaining an alternative version page with equivalent information or functionality
- 1 TAC 206.50(d) - Requirement for accessibility testing
- 1 TAC 206.55(d) - Requirement for address of the web page with high-value data set.

CPRIT personnel identified the non-compliance prior to this audit and are actively working on addressing these issues with the ongoing implementation of the new agency website.

Results: Finding partially remediated

We examined supporting invoice and accessibility testing documentation and verified CPRIT utilizes a third party cloud-based service, to perform automated accessibility testing and quality assurance scanning to ensure compliance with 1 TAC 206.50.

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Management Response: CPRIT management agrees that the findings from its internal annual website compliance review must be remediated and that the fiscal year 2019 assessment report must be completed. The upcoming deployment of modifications to the agency's website will address almost all of the remaining compliance issues with the exception of language translation.

Responsible Party: Senior Communications Specialist, Information Specialist, Information Technology Manager

Implementation Date: January 31, 2020

Finding 5 – MODERATE – Inappropriate User Access: In order to obtain MailChimp billing information for the monthly P-Card reconciliation, the Purchaser has "modify" access to this application used for processing listserv communications. As a result, the Purchaser has the ability to edit the contact list maintained in MailChimp as well as create and send listserv communications to subscribers, legislators, grantees whose email contact information is maintained in MailChimp contact lists.

Results: Finding remediated

We obtained and reviewed screenshots of CPRIT's LastPass system and verified that CPRIT personnel removed the Purchaser's inappropriate user access to the MailChimp software. We verified that the Purchaser currently has read-only access for all shared files and that MailChimp was removed from service using the Account Management settings. Additionally, we evaluated CPRIT employee user access to the MailChimp software and verified that user access is appropriate based on employees' positions and job responsibilities.

Appendix

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The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

Report Ratings

The report rating encompasses the entire scope of the engagement and expresses the aggregate impact of the exceptions identified during our test work on one or more of the following objectives:

- Operating or program objectives and goals conform with those of the agency
- Agency objectives and goals are being met
- The activity under review is functioning in a manner which ensures:
 - Reliability and integrity of financial and operational information
 - Effectiveness and efficiency of operations and programs
 - Safeguarding of assets
 - Compliance with laws, regulations, policies, procedures and contracts

The following ratings are used to articulate the overall magnitude of the impact on the established criteria:

Strong

The area under review meets the expected level. No high risk rated findings and only a few moderate or low findings were identified.

Satisfactory

The area under review does not consistently meet the expected level. Several findings were identified and require routine efforts to correct, but do not significantly impair the control environment.

Unsatisfactory

The area under review is weak and frequently falls below expected levels. Numerous findings were identified that require substantial effort to correct.

The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

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Risk Ratings

Residual risk is the risk derived from the environment after considering the mitigating effect of internal controls. The area under audit has been assessed from a residual risk level utilizing the following risk management classification system.

High

High risk findings have qualitative factors that include, but are not limited to:

- Events that threaten the agency's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the agency or beyond a single function or department
- Potential material impact to operations or the agency's finances
- Remediation requires significant involvement from senior agency management

Moderate

Moderate risk findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the agency
- Impact could be felt outside of the agency or across more than one function of the agency
- Noticeable and possibly material impact to the operations or finances of the agency
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior agency management to be updated

Low

Low risk findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the agency's strategic priorities
- Impact is limited to a single function within the agency
- Minimal financial or operational impact to the organization
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk

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I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit information on Internet Web site

Texas Government Code, Section 2102.015 requires state agencies and higher education institutions, as defined in the statute, to post their Internal Audit Plan, Internal Audit Annual Report, and other audit information on the Internet.

The Cancer Prevention and Research Institute of Texas (CPRIT or the agency) will post this report which includes the Fiscal Year 2020 Internal Audit Plan on its website at www.cprit.texas.gov by November 22, 2019. CPRIT's Oversight Committee reviewed and approved the Annual Internal Audit Report as part of their regular meeting held on November 20, 2019.

The table in Section II below provides a detailed summary of the weaknesses, deficiencies, wrongdoings or other concerns raised by performance of the audit plan and the actions taken by the agency to address any of those issues identified.

II. Internal Audit Plan for Fiscal Year 2019

The internal audits planned and performed for fiscal year 2019 were selected to address the agency's highest risk areas, based on the risk assessment process conducted during the summer of 2018, which included input from CPRIT management. The audits conducted during fiscal year 2019 are listed below.

Internal Audit	Report #	Report Date	Current Status
Internal Audit Follow-Up over SAO Performance Measures Audit	IA #01-19	December 6, 2018	The report was issued December 12, 2018. All prior findings were remediated.
State Reporting	IA #02-19	January 16, 2019	The report was issued January 25, 2019 Follow-up procedures to verify that corrective action has been performed are included in the proposed 2020 Internal Audit Plan.
Budget and Planning	IA #03-19	January 16, 2019	The report was issued January 25, 2019. The audit resulted in an overall assessment of "Strong" with no findings.

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Internal Audit	Report #	Report Date	Current Status
Internal Audit Follow-Up over Post-Award Grant Management	IA #04-19	April 11, 2019	The report was issued April 26, 2019. The prior finding was remediated.
Internal Audit Follow-Up over Procurement and P-Cards	IA #05-19	August 1, 2019	The report was issued August 5, 2019. The prior findings were remediated.
Internal Audit Follow-Up over Communications	IA #06-19	August 30, 2019	The report was issued on October 4, 2019. Follow-up procedures to verify that corrective action has been performed on the remaining open findings are included in the proposed 2020 Internal Audit Plan.
Internal Audit Follow-Up over Information Security	N/A	N/A	Internal audit follow-up procedures were cancelled for FY 2019 due to the implementation of the new CPRIT website. Internal audit follow-up procedures are included as part of the FY 2020 Internal Audit Plan.

III. Consulting Services and Nonaudit Services Completed

As defined in the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and the Government Auditing Standards, 2011 Revision, Sections 3.33 – 3.58, CPRIT completed the following consulting and non-audit services for FY 2019:

Consulting and nonaudit services were provided by Business and Financial Management Solutions, LLC (BFMS). CPRIT engaged BFMS as the third party to observe each in-person and telephone conference peer review panel meeting and ensure compliance with conflict of interest and staff participation requirements.

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BFMS issued the following reports during fiscal year 2019:

FY2019 Third Party Observer Reports

Review Panel	Report Date	Report Number	Status
Academic Research			
SRC recruits 19.3	October 12, 2018	2018-10-11 REC_19.3	Complete
19.1 ITI	October 30, 2018	2018-10-18 19.1_ACR_ITI	Complete
19.1 BCR-1	October 30, 2018	2018-10-19 19.1_ACR_BCR-1	Complete
19.1 CB	October 30, 2018	2018-10-22 19.1_ACR_CB	Complete
19.1 BCR-2	October 30, 2018	2018-10-23 19.1_ACR_BCR-2	Complete
19.1 CPR	October 30, 2018	2018-10-24 19.1_ACR_CPR	Complete
19.1 CTCR	October 30, 2018	2018-10-25 19.1_ACR_C/TCR	Complete
SRC 19.1	December 5, 2018	2018-12-05 19.1_SRC	Complete
SRC recruits 19.4-5	December 13, 2018	2018-12-18 REC_19.4-5	Complete
SRC recruits 19.6	January 17, 2019	2019-01-17 REC_19.6	Complete
SRC recruits 19.7	February 15, 2019	2019-02-14 REC_19.7	Complete
SRC recruits 19.8	March 15, 2019	2019-03-14 REC_19.8	Complete
SRC recruits 19.9	April 11, 2019	2019-04-11 REC 19.9	Complete
SRC recruits 19.10	June 3, 2019	2019-05-31 REC 19.10	Complete
19.2 ITI	June 3, 2019	2019-05-20_19.2_ARC_ITI	Complete
19.2 C/TCR	June 4, 2019	2019-05-21_19.2_ARC_C/TCR	Complete
19.2 BCR-1	June 4, 2019	2019-05-24 19.2_ARC_BCR-1	Complete
19.2 CPR	June 4, 2019	2019-05-23_19.2_ARC_CPR	Complete
19.2 CB	June 4, 2019	019-05-21_19.2_ARC_CB	Complete
SRC recruits 19.11	June 24, 2019	2019-06-24 REC_19.11	Complete
SRC recruits 19.12	July 12, 2019	2019-07-11 REC_19.12	Complete
SRC 19.2	July 12, 2019	2019-07-11 19.2_SRC	Complete
Prevention			
19.1 Panel 1	December 14, 2018	2018 - 12 - 12 19.1_PRV_Panel PP-1	Complete
PRC 19.1 DI	January 15, 2019	2019-01-11 19.1_PRV_DI	Complete
19.1 PRC	January 17, 2019	2019-01-11 19.1_PRV_PRC	Complete
19.2 Panel 1	June 4, 2019	2019-05-22 19.2_PRV_PP-1	Complete
PRC 19.2 DI	July 11, 2019	2019-07-08 PRV_DI_19.2	Complete
PRC 19.2	July 11, 2019	2019-07-08 PRV_PRC_19.2	Complete
Product Development			
Cycle 19.1 Panel 2 Teleconference	September 27, 2018	2018-09-25_19.1-PDR_PDP-2	Complete
Cycle 19.1 Panel 1 Teleconference	September 26, 2018	09-24-18_19.1-PDR_PDP-1	Complete
18.2 Due Diligence	October 18, 2018	2018-10-18 18-2_PDR_DDP-2	Complete

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Review Panel	Report Date	Report Number	Status
Cycle 19.1 Panel 1 Onsite	October 30, 2018	2018-10-23 19.1_PDP-1	Complete
Cycle 19.1 Panel 2 Onsite	October 30, 2018	2018-10-25 19.1_PDP-2	Complete
PDRC 19.1 Due diligence (part 1-1/11)	January 17, 2019	2019-01-11 PRD_DD_19.1_P-1	Complete
PDRC 19.1 Due Diligence (part 2-1/14)	January 17, 2019	2019-01-11 PRD_DD_19.1_P-2	Complete
PDRC 19.1 Due diligence (part 2 cont-1/22)	January 23, 2019	2019-01-11 PRD_DD_19.1_P-2 Continuation	Complete
19.2 Teleconference-Panel 1	March 20, 2019	2019-03-18 19.2_PDR_PDP-1	Complete
19.2 Teleconference-Panel 2	March 20, 2019	2019-03-19 19.2_PDR_PDP-2	Complete
19.2 In person meeting-Panel 1	April 29, 2019	2019-04-16 19.2_PDR_PDP-1	Complete
19.2 In person meeting-Panel 2	April 29, 2019	2019-04-18 19.2_PDR_PDP-2	Complete
19.1 Due Diligence for DP190041	May 1, 2019	2019-04-30 19.1_PRD_DD-3	Complete
19.2 Due Diligence	July 18, 2019	2019-07-08 PDR_DD_19.2	Complete

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IV. External Quality Assurance Review

In accordance with professional standards, and to meet the requirements of the Texas Internal Auditing Act, Internal Audit is required to undergo an external quality assurance review at least once every three years. Weaver's review was performed in October 2016.



System Review Report

To the Partners of Weaver and Tidwell, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Weaver and Tidwell, L.L.P. has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP
October 7, 2016

www.eidebailly.com

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V. Internal Audit Plan

The Internal Audit Plan was submitted to the Audit Subcommittee of the CPRIT Oversight Committee. The Audit Subcommittee approved the plan on August 21, 2019, and the Oversight Committee subsequently approved the plan on August 21, 2019. Below is the Fiscal Year 2020 Internal Audit Plan submitted to the agency's Oversight Committee based on the results of the 2019 Internal Audit Risk Assessment Update. The approved internal audit plan was submitted to the State Auditor's Office prior to November 22, 2019.

Fiscal Year 2020 Internal Audit Plan		
Audit Area	2019 Risk Rating	Estimated Hours
Governance	High	230
Disaster Recovery	High	550
Business Continuity Planning	High	

Planned follow-up procedures for fiscal year 2020 to verify and communicate with Management the remediation efforts of prior Internal Audit Recommendations.

Fiscal Year 2020 Follow-up Procedures		
Audit Area	2019 Risk Rating	Estimated Hours
Information Security	High	60
Communications	Moderate	100
State Reporting	Moderate	80

As part of the risk assessment, CPRIT assesses the probability and impact of the following risk categories across all significant activities of the agency, which include the significant information technology processes of information security, information technology general computer controls and application development and management:

- financial and fraud risk
- operations, complexity, and human capital risk
- information technology risk
- regulatory compliance and public policy risk, and
- reputational risk

Taking into consideration the input from the CPRIT management, all significant activities are assigned a risk score for probability and impact related to each risk category. The overall risk rating (High, Moderate or Low) is assigned to each significant activity based on the activity's average risk score.

The internal audit plan is developed by considering risk ratings for each significant activity and prioritizing "High" risk activities. The risk assessment is updated on an annual basis.

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The 2019 Internal Audit Risk Assessment Update resulted in 10 Significant Activities rated as “High” risk. Seven of the 10 Significant Activities are not included in the Fiscal Year 2020 Internal Audit Plan. Those risks are as follows:

1. **Pre-Award Grant Management** – Pre-Award Grant Management was not included in the 2020 Internal Audit Plan. Pre-Award Grants Management was included in the 2017 Internal Audit Plan, and was included in 2018 Follow-Up Procedures with all findings remediated.
2. **Post-Award Grant Monitoring** – Post-Award Grant Monitoring was not included in the 2020 Internal Audit Plan. Post-Award Grant Monitoring was included in the 2018 Internal Audit Plan, and was included in 2019 Follow-Up Procedures with all findings remediated.
3. **Commodity and Service Contracts** – Commodity and Service Contracts was not included in the 2020 Internal Audit Plan. Commodity and Service Contracts was included in the 2016 Internal Audit Plan, and was included in 2017 Follow-Up Procedures with all findings remediated.
4. **Procurement and P-Cards** – Procurement and P-Cards was not included in the 2020 Internal Audit Plan. Procurement and P-Cards was included in the 2017 Internal Audit Plan, and was included in 2019 Follow-Up Procedures with all findings remediated.
5. **Internal Agency Compliance** – Internal Agency Compliance was not included in the 2020 Internal Audit Plan. Commodity and Service Contracts was included in the 2017 Internal Audit Plan, and was included in 2018 Follow-Up Procedures with all findings remediated.
6. **Information Technology General Computer Controls** – Information Technology General Computer Controls was not included in the 2020 Internal Audit Plan.
7. **Records Management** – Records Management was not included in the 2020 Internal Audit Plan.

VI. External Audit Services Procured in FY 2019

CPRIT engaged McConnell & Jones, LLP, a certified public accounting and consulting firm, as their external auditors for FY 2019. McConnell & Jones, LLP is registered with the Public Company Auditor Oversight Board (PCAOB).

VII. Reporting Suspected Fraud, Waste and Abuse

- CPRIT contracts with Red Flag Reporting to provide a confidential hotline for reporting fraud, waste and abuse. The agency has posted a link on its home page at www.cprit.texas.gov and also has a dedicated page to fraud prevention and reporting on its website at <https://www.cprit.texas.gov/about-us/fraud-reporting>.
- The CPRIT Chief Compliance Officer is the designated staff member within the agency to receive written or verbal allegations of suspected fraud, waste, and abuse. The Chief Compliance Officer has the authority to examine and investigate those allegations and turn over information of verified instances of fraud, waste, or abuse to the State Auditor’s Office.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: KRISTEN PAULING DOYLE, GENERAL COUNSEL
CAMERON L. ECKEL, STAFF ATTORNEY
SUBJECT: CHAPTER 703 RULE CHANGES PROPOSED FOR FINAL ADOPTION
DATE: NOVEMBER 13, 2019

Summary and Recommendation

CPRIT legal recommends that the Oversight Committee adopt the proposed administrative rule changes to Chapter 703 as originally considered at the August meeting. Once the Oversight Committee approves the final order adopting the rule changes, CPRIT will submit the amendments to the Secretary of State and the changes will be effective 20 days later.

Discussion

State law requires an agency to set policy using a rulemaking process, which includes an opportunity for public comment on proposed rules and rule changes before the agency formally adopts the policy.

The Oversight Committee approved publication of the proposed rule amendments to §§ 703.14 and 703.24 at the August meeting.

- The proposed change to § 703.14 provides a process for CPRIT to review and approve a grantee's request to extend the grant contract termination date even if the grantee has fiscal or programmatic reports pending approval by CPRIT. Currently, Texas Administrative Code § 703.14 requires the grantee to be in "good fiscal and programmatic standing" before CPRIT may approve a request to extend the contract term. (Since the approval provides only additional time to complete the grant project and does not provide any additional funds, CPRIT refers to these requests as "no cost extensions.") Grantees must submit regular fiscal and programmatic reports to CPRIT at specified times during their grant contract. Report due dates are set in Texas Administrative Code Chapters 701-703. In some instances, CPRIT may not have approved one or more fiscal or programmatic reports at the time that the grantee requests an extension of the grant contract. The proposed change allows CPRIT to consider and approve a grantee's no cost extension request while other reports are pending approval. Approval of a no cost extension remains at CPRIT's discretion. CPRIT will retain documentation of the request and approval as part of the grant record.
- The proposed change to § 703.24(a) clarifies the process for CPRIT to consider and approve a grantee's reimbursement request for an otherwise allowable cost paid by the grant recipient

prior to the current reporting period. The proposed change provides that CPRIT may consider and approve reimbursement after the grantee provides a written explanation for failing to timely seek reimbursement during the fiscal quarter it paid the expense. CPRIT will retain documentation of the request and approval as part of the grant record.

Following the Oversight Committee's approval at the August meeting, CPRIT published the proposed amendments in the *Texas Register* and posted the proposed amendments on CPRIT's website. CPRIT did not receive any comments from the public regarding the proposed changes.

Next Steps

After the Oversight Committee adopts the proposed rule changes, CPRIT will submit the final order to the Secretary of State. The rule changes become effective 20 days after the date CPRIT files the order with the Secretary of State.

The Cancer Prevention and Research Institute of Texas (“CPRIT” or “the Institute”) adopts the amendments to 25 Tex. Admin. Code §§ 703.14(c) and 703.24(a) without changes to the proposed amendments as published in the September 27, 2019, issue of the Texas Register (44 TexReg 5545), therefore, the rules will not be republished. The amendments are related to the Institute’s consideration and approval of a grant recipient’s request to extend its grant contract and the process for a grant recipient to report and receive reimbursement for expenses the grant recipient paid prior to the current financial status reporting period.

Reasoned Justification

The change to § 703.14(c) provides a process for the Institute to review and approve a grant recipient’s no cost extension request to extend the grant recipient’s grant contract termination date even if the grant recipient has fiscal or programmatic reports pending approval by the Institute. Approval of a no cost extension remains at the discretion of the Institute, which will retain documentation of the request and approval as part of the grant record. The change to § 703.24(a) clarifies the process for the Institute to consider and approve a grant recipient’s reimbursement request, accompanied with a justification, for an otherwise allowable cost paid by the grant recipient prior to the current reporting period.

Summary of Public Comments and Staff Recommendation

CPRIT received no public comments regarding the proposed amendments to §§ 703.14 and 703.24.

The rule changes are adopted under the authority of the Texas Health and Safety Code Annotated, § 102.108, which provides the Institute with broad rule-making authority to administer the chapter, including rules for awarding grants.

Certification

The Institute hereby certifies that Kristen Pauling Doyle, General Counsel, reviewed the adoption of the rules and found it to be a valid exercise of the agency’s legal authority.

To be filed with the Office of Secretary of State on November 22, 2019.

<rule>

§703.14. Termination, Extension, Close Out of Grant Contracts, and De-Obligation of Grant Award Funds.

(a) The termination date of a Grant Contract shall be the date stated in the Grant Contract, except:

(1) The Chief Executive Officer may elect to terminate the Grant Contract earlier because the Grant Recipient has failed to fulfill contractual obligations, including timely submission of required reports or certifications;

(2) The Institute terminates the Grant Contract because funds allocated to the Grant Award are reduced, depleted, or unavailable during the award period, and the Institute is unable to obtain additional funds for such purposes; or

(3) The Institute and the Grant Recipient mutually agree to terminate the Grant Contract earlier.

(b) If the Institute elects to terminate the Grant Contract pursuant to subsection (a)(1) or (2) of this section, then the Chief Executive Officer shall notify the Grant Recipient in writing of the intent to terminate funding at least thirty (30) days before the intended termination date. The notice shall state the reasons for termination, and the procedure and time period for seeking reconsideration of the decision to terminate. Nothing herein restricts the Institute's ability to terminate the Grant Contract immediately or to seek additional remedies if justified by the circumstances of the event leading to early termination.

(c) The Institute may approve the Grant Recipient's written request to extend the termination date of the Grant Contract to permit the Grant Recipient additional time to complete the work of the project.

(1) A no cost extension may be granted if the Grant Recipient is in good fiscal and programmatic standing.

(A) If a Grant Recipient is not in good fiscal and programmatic standing, the Grant Recipient may petition the Chief Executive Officer in writing to consider the no cost extension. The Grant Recipient's petition must show good cause for failing to be in good fiscal and programmatic standing.

(B) Upon a finding of good cause, the Chief Executive Officer may consider the request. If a no cost extension is approved under this subsection, the Chief Executive Officer must notify the Oversight Committee in writing and provide justification for the approval.

(2) The Grant Recipient may request a no cost extension no earlier than 180 days and no later than thirty (30) days prior to the termination date of the Grant Contract.

(A) If a Grant Recipient fails to request a no cost extension within the required timeframe, the Grant Recipient may petition the Chief Executive Officer in writing to consider the no cost extension. The Grant Recipient's petition must show good cause for failing to submit the request within the timeframe specified in subsection (c) of this section.

(B) Upon a finding of good cause, the Chief Executive Officer may consider the request. If a no cost extension request is approved under this subsection, the Chief Executive Officer must notify the Oversight Committee in writing and provide justification for the approval.

(3) The Institute may approve one or more no cost extensions. The duration of each no cost extension may be no longer than six months from the termination date of the Grant Contract, unless the Institute finds that special circumstances justify authorizing additional time to complete the work of the project. If a grant recipient requests a second no cost extension or requests a no cost extension greater than six months, the grantee must provide good cause for approving the request.

(4) If the Institute approves the request to extend the termination date of the Grant Contract, then the termination date shall be amended to reflect the change.

(5) Nothing herein prohibits the Institute and the Grant Recipient from taking action more than 180 days prior to the termination date of the Grant contract to extend the termination date of the Grant Contract. Approval of an extension must be supported by a finding of good cause and the Grant Contract shall be amended to reflect the change.

(6) The Institute's decision to approve or deny a no cost extension request is final.

(d) The Grant Recipient must submit a final Financial Status Report and final Grant Progress Report as well as any other required reports as specified in the Grant Contract. For purposes of this rule, the final Grant Progress Report and other required reports shall be collectively referred to as "close out documents."

(1) The final Financial Status Report shall be submitted to the Institute within ninety (90) days of the end of the state fiscal quarter that includes the termination date of the Grant Contract. The Grant Recipient's failure to submit the Financial Status report within thirty (30) days following the due date specified in this subsection will waive reimbursement of project costs incurred during the reporting period. The Institute may approve additional time to submit the final Financial Status Report if the Grant Recipient can show good cause for failing to timely submit the final Financial Status Report.

(2) Close out documents must be submitted within ninety (90) days of the termination date of the Grant Contract. The final reimbursement payment shall not be made until all close out documents have been submitted and approved by the Institute. Failure to submit one or more close out documents within 180 days of the Grant Contract termination date shall result in the Grant Recipient being ineligible to receive new Grant Awards or continuation Grant Awards until such time that the close out documents are submitted unless the Institute waives the final submission of close out documents by the Grant Recipient.

(A) Approval of the Grant Recipient's request to waive the submission of close out documents is at the discretion of the Institute. Such approval must be granted by the Chief Executive Officer.

(B) The Oversight Committee shall be notified in writing of the Grant Recipient's waiver request and the Chief Executive Officer's decision to approve or reject the waiver request.

(C) Unless the Oversight Committee votes by a simple majority of members present and able to vote to overturn the Chief Executive Officer's decision regarding the waiver, the Chief Executive Officer's decision shall be considered final.

(e) The Institute may make upward or downward adjustments to the Allowable Costs requested by the Grant Recipient within ninety (90) days following the approval of the close out reports or the final Financial Status Report, whichever is later.

(f) Nothing herein shall affect the Institute's right to disallow costs and recover Grant Award funds on the basis of a later audit or other review or the Grant Recipient's obligation to return Grant Award funds owed as a result of a later refund, correction, or other transaction.

(g) Any Grant Award funds paid to the Grant Recipient in excess of the amount to which the Grant Recipient is finally determined to be entitled under the terms of the Grant Contract constitute a debt to the state. If not paid within a reasonable period after demand, the Institute may reduce the debt owed by:

- (1) Making an administrative offset against other requests for reimbursements;
- (2) Withholding advance payments otherwise due to the Grant Recipient; or
- (3) Other action permitted by law.

(h) Grant Award funds approved by the Oversight Committee and specified in the Grant Contract but not spent by the Grant Recipient at the time that the Grant Contract is terminated are considered de-obligated for the purposes of calculating the maximum amount of annual Grant Awards and the total amount authorized by Section 67, Article III, Texas Constitution. Such de-obligated funds are available for all purposes authorized by the statute.

(i) If a deadline set by this rule falls on a Saturday, Sunday, or federal holiday as designated by the U.S. Office of Personnel Management, the required filing may be submitted on the next business day. The Institute will not consider a required filing delinquent if the Grant Recipient complies with this subsection.

§703.24. Financial Status Reports.

(a) The Grant Recipient shall report expenditures to be reimbursed with Grant Award funds on the quarterly Financial Status Report form. The Grant Recipient must report all expenses for which it seeks reimbursement that the Grant Recipient paid during the fiscal quarter indicated on the quarterly Financial Status Report form.

(1) Expenditures shall be reported by budget category consistent with the Grant Recipient's Approved Budget.

(2) If the Grant Recipient seeks reimbursement for an expense it paid prior to the period covered by the current quarterly Financial Status Report but did not previously report to the Institute, the Grant Recipient must provide a written explanation for failing to claim the prior payment in the appropriate period.

(A) The Grant Recipient must submit the written explanation with any supporting documentation at the time that the Grant Recipient files its current Financial Status Report.

(B) The Institute shall consider the explanation and may approve reimbursement for the otherwise eligible expense. The Institute's decision whether to reimburse the expense is final.

(3) All expenditures must be supported with appropriate documentation showing that the costs were incurred and paid. A Grant Recipient that is a public or private institution of higher

education as defined by §61.003, Texas Education Code is not required to submit supporting documentation for an individual expense totaling less than \$750 in the "supplies" or "other" budget categories.

(4) The Financial Status Report and supporting documentation must be submitted via the Grant Management System, unless the Grant Recipient is specifically directed in writing by the Institute to submit or provide it in another manner.

(5) The Institute may request in writing that a Grant Recipient provide more information or correct a deficiency in the supporting documentation for a Financial Status Report. If a Grant Recipient does not submit the requested information within 21 days after the request is submitted, the Financial Status Report will be disapproved by the Institute.

(A) Nothing herein restricts the Institute from disapproving the FSR without asking for additional information or prior to the submission of additional information.

(B) Nothing herein extends the FSR due date.

(6) The requirement to report and timely submit quarterly Financial Status Reports applies to all Grant Recipients, regardless of whether Grant Award funds are disbursed by reimbursement or in advance of incurring costs.

(b) Quarterly Financial Status Reports shall be submitted to the Institute within ninety (90) days of the end of the state fiscal quarter (based upon a September 1 - August 31 fiscal year). The Institute shall review expenditures and supporting documents to determine whether expenses charged to the Grant Award are:

(1) Allowable, allocable, reasonable, necessary, and consistently applied regardless of the source of funds; and

(2) Adequately supported with documentation such as cost reports, receipts, third party invoices for expenses, or payroll information.

(c) A Grant Award with a Grant Contract effective date within the last quarter of a state fiscal year (June 1 - August 31) will have an initial financial reporting period beginning September 1 of the following state fiscal year.

(1) A Grant Recipient that incurs Authorized Expenses after the Grant Contract effective date but before the beginning of the next state fiscal year may request reimbursement for those Authorized Expenses.

(2) The Authorized Expenses described in paragraph (1) of this subsection must be reported in the Financial Status Report reflecting Authorized Expenses for the initial financial reporting period beginning September 1.

(d) Except as provided herein, the Grant Recipient waives the right to reimbursement of project costs incurred during the reporting period if the Financial Status Report for that quarter is not submitted to the Institute within thirty (30) days of the Financial Status Report due date. Waiver

of reimbursement of project costs incurred during the reporting period also applies to Grant Recipients that have received advancement of Grant Award funds.

(1) For purposes of this rule, the "Financial Status Report due date" is ninety (90) days following the end of the state fiscal quarter.

(2) The Chief Executive Officer may approve a Grant Recipient's request to defer submission of the reimbursement request for the current fiscal quarter until the next fiscal quarter if, on or before the original Financial Status Report due date, the Grant Recipient submits a written explanation for the Grant Recipient's inability to complete a timely submission of the Financial Status Report.

(3) A Grant Recipient may appeal the waiver of its right to reimbursement of project costs.

(A) The appeal shall be in writing, provide good cause for failing to submit the Financial Status Report within thirty (30) days of the Financial Status Report due date, and be submitted via the Grant Management System.

(B) The Chief Executive Officer may approve the appeal for good cause. The decision by the Chief Executive Officer to approve or deny the grant recipient's appeal shall be in writing and available to the Grant Recipient via the Grant Management System.

(C) The Chief Executive Officer's decision to approve or deny the Grant Recipient's appeal is final, unless the Grant Recipient timely seeks reconsideration of the Chief Executive Officer's decision by the Oversight Committee.

(D) The Grant Recipient may request that the Oversight Committee reconsider the Chief Executive Officer's decision regarding the Grant Recipient's appeal. The request for reconsideration shall be in writing and submitted to the Chief Executive Officer within 10 days of the date that the Chief Executive Officer notifies the Grant Recipient of the decision regarding the appeal as noted in subparagraph (C) of this paragraph.

(E) The Chief Executive Officer shall notify the Oversight Committee in writing of the decision to approve or deny the Grant Recipient's appeal. The notice should provide justification for the Chief Executive Officer's decision. In the event that the Grant Recipient timely seeks reconsideration of the Chief Executive Officer's decision, the Chief Executive Officer shall provide the Grant Recipient's written request to the Oversight Committee at the same time.

(F) The Grant Recipient's request for reconsideration is deemed denied unless three or more Oversight Committee members request that the Chief Executive Officer add the Grant Recipient's request for reconsideration to the agenda for action at the next regular Oversight Committee meeting. The decision made by the Oversight Committee is final.

(G) If the Grant Recipient's appeal is approved by the Chief Executive Officer or the Oversight Committee, the Grant Recipient shall report the project costs and provide supporting documentation for the costs incurred during the reporting period covered by the appeal on the next available financial status report to be filed by the Grant Recipient.

(H) Approval of the waiver appeal does not connote approval of the expenditures; the expenditures and supporting documentation shall be reviewed according to subsection (b) of this section.

(I) This subsection applies to any waivers of the Grant Recipient's reimbursement decided by the Institute on or after September 1, 2015.

(4) Notwithstanding subsection (c) of this section, in the event that the Grant Recipient and Institute execute the Grant Contract after the effective date of the Grant Contract, the Chief Program Officer may approve additional time for the Grant Recipient to prepare and submit the outstanding Financial Status Report(s). The approval shall be in writing and maintained in the Grants Management System. The Chief Program Officer's approval may cover more than one Financial Status Report and more than one fiscal quarter.

(5) In order to receive disbursement of grant funds, the most recently due Financial Status Report must be approved by the Institute.

(e) If a deadline set by this rule falls on a Saturday, Sunday, or federal holiday as designated by the U.S. Office of Personnel Management, the required filing may be submitted on the next business day. The Institute will not consider a required filing delinquent if the Grant Recipient complies with this subsection.



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: KRISTEN DOYLE, DEPUTY EXECUTIVE OFFICER & GENERAL COUNSEL
CAMERON ECKEL, ASSISTANT GENERAL COUNSEL
SUBJECT: TEXAS OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT
UPDATES – T.A.C. § 702.21 TRAINING
DATE: NOVEMBER 20, 2019

Summary

Texas Administrative Code § 702.21 requires that Oversight Committee members receive training on the Texas Public Information Act (PIA) and the Texas Open Meetings Act (TOMA) after each regular session of the legislature. This memo summarizes notable changes made to the PIA and TOMA during the 86th Legislative Session that are applicable to state agencies or CPRIT activities. This information supplements the comprehensive overview of the TOMA (attached), provided to Oversight Committee members in November 2017 and updated in November 2019.

The two pieces of legislation most relevant to Oversight Committee members are SB 1640, which clarifies a violation of TOMA known as a “walking quorum” and SB 944, the PIA omnibus bill. The legislature enacted the walking quorum changes to TOMA in response to a recent Texas Court of Criminal Appeals decision finding the original language vague and unenforceable. Changes to the PIA enacted with the passage of SB 944 make it clear that public information is subject to the requirements of the PIA, even if the information is located solely on the agency employee or state officer’s private device. The new provisions also create a duty to transfer the public information maintained on the employee or officer’s personal device to the agency and provides statutory deadlines for providing the information from the personal device to the agency’s public information officer.

A review of this memo and the attachment fulfills the required training. CPRIT legal staff and Oversight Committee members may meet in closed session for legal advice and counsel on these issues.

Notable Changes to the Texas Open Meetings Act

- [SB 494](#) (Author: Huffman; Sponsor: Walle) – Amends the process for open meetings during an emergency or urgent public necessity. The governmental body must post the notice to deliberate or act on the emergency or urgent public necessity at least one hour (previously two hours) before the meeting convenes. During such a meeting, the governmental body may only act on an item responding to the emergency or public necessity identified in the notice

or an item contained in a notice of the meeting posted prior to the supplemental notice. Senate Bill 494 also amends what constitutes an emergency or public necessity requiring immediate action of the governmental body, such as fire, flood, hurricane, power failure, etc.

- [**SB 1640**](#) (Author: Watson, Bettencourt; Sponsor: Phelan, et al.) – SB1640 addresses “walking quorums.” A walking quorum occurs when members of a governmental body meet in a series of small groups (each group less than a quorum) on an issue to avoid constituting a quorum and invoking TOMA requirements. Specifically, the legislation prohibits a member of a governing body from engaging in one communication among a series of communications with other members of the governmental body outside of an open meeting on an issue under the jurisdiction of the governing body. For a communication to constitute a TOMA violation, the member must know that the communication separately involved participation of enough members to equal a quorum and that it would be a “deliberation” under TOMA. The legislation amends the definition of “deliberation” to include both verbal and written exchanges between a quorum of members or a quorum and another person on an issue under the body’s jurisdiction.

Notable Changes to the Texas Public Information Act

- [**HB 81**](#) (Author: Canales, et al.; Sponsor: Hinojosa) – Makes information public if it relates to a receipt or expenditure by a governmental body for a parade, concert, or other entertainment that is paid in whole or in part with public funds.
- [**SB 943**](#) (Author: Watson, et al.; Sponsor: Capriglione, et al.) – Provides requirements for state contracting, including what is considered “contracting information” such as solicitation or bid documents, communications between a governmental body and vendor during certain procurement periods, and bid tabulations. Senate Bill 943 states that the “trade secrets” exception under PIA does not apply to contracts that, while properly redacted, are required to be posted to an agency’s website under Texas Government Code § 2261.253 or part of the major contracts database maintained by the Legislative Budget Board under Texas Government Code § 322.020. Generally, contracting terms related to price or descriptions of items/services with the price for each are public information. Vendor or potential vendor performance information is also public.

Senate Bill 943 allows a governmental body to argue for withholding certain information from public disclosure if it demonstrates that the disclosure will provide an advantage to a competitor in a competitive situation and the situation is set to reoccur. Senate Bill 943 also clarifies what is meant by “trade secret” under the PIA. The law details when proprietary information submitted by a potential or actual vendor or contractor may be withheld from public disclosure; however, the exception does not apply to information related to receipt or expenditure of public funds or communications related to performance of the final contract.

There are also new procedures applicable to entities that contract with a governmental body and the entity has a stated expenditure of at least \$1 million in public funds for goods or services or results in expenditures of \$1 million in public funds in a fiscal year. The contracting entity must follow requirements to turn over certain information, which the

public may be request from the governmental body through the PIA. If a governmental body receives a request for information held by the contracting entity, the governmental body must request the information from the third-party entity that holds the information.

- [**SB 494**](#) (Author: Huffman; Sponsor: Walle) – Allows for the suspension of PIA requirements in the event of a “catastrophe,” which the PIA amendment defines as an occurrence that interferes with the ability of a governmental body to comply with PIA requirements. Some examples of a catastrophe include fire, flood, hurricane, tornado, and power failure. A governmental body must notify the Office of Attorney General if it suspends requirements due to a catastrophe. The governmental body must also notify the public of its suspension status.
- [**SB 944**](#) (Author: Watson; Sponsor: Capriglione) – Senate Bill 944 requires a current or former officer or employee of a governmental body to transfer public information he or she maintains on a private device to the governmental body. Alternatively, the officer or employee must preserve the information on their personal device according to the applicable state records retention schedule. This bill excepts from disclosure information obtained by a governmental body that an out of state health care provider transmitted in connection with quality management, peer review, or best practices paid for by the provider.

Senate Bill 944 requires a public information officer for the agency to make reasonable efforts to obtain public information from a temporary custodian if the governmental body has received a request for information, believes the custodian has responsive information, cannot respond to the request otherwise, and the temporary custodian has not yet provided the information. The law defines a “temporary custodian” as an officer or employee (current or former) of a governmental body that creates or receives public information in the course of official business and does not transfer the information to the governmental body for retention in accordance with the governmental body’s record retention schedule. The PIA amendment now requires the temporary custodian to turn over the information within ten business days after receiving notice from the governmental body. Further, SB 944 clarifies that a current or former officer or employee holds no special right to public information they create or receive in their official capacity.

Senate Bill 944 also addresses how a person may request public information: by mail, electronic mail, hand delivery, or other appropriate method, which the governmental body may specify on its website or PIA sign posted in the agency’s office. The law allows a governmental body to designate a mailing and electronic address to receive written requests. If the governmental body designates mailing and electronic addresses, the agency is not required to respond to a request for information submitted via methods other than those approved by the agency. Senate Bill 944 directs the Office of Attorney General to create a public information request form that, if used by the governmental body, is available on the agency’s website.



Texas Open Meetings Act – An Overview

Texas Government Code Chapter 551, often referred to as the Texas Open Meetings Act (TOMA or “the Act”), mandates that meetings of governmental bodies such as the Oversight Committee be open to the public, except for specific situations. This summary addresses scenarios when the Act applies to meetings of Oversight Committee members.

Background – Texas Open Meetings Act

For five decades, state law has mandated that, “Every regular, special, or called meeting of a governmental body shall be open to the public, except as provided by [Chapter 551 of the Texas Government Code].”¹ The purpose of the Act, as interpreted by the Texas Supreme Court, is “to safeguard the public’s interest in knowing the workings of its governmental bodies.”² That interest is not served solely by informing the public of the outcome of a governing body’s decision on a particular issue. Instead, satisfying public interest occurs only when the public is able “to observe how and why every decision is reached.”³

Determining whether the Act applies is important because a meeting subject to the Act must comply with specific requirements. A governing board for a state agency like CPRIT must conduct deliberations and discussions in public pursuant to an agenda posted publicly for seven days before the day of the meeting. Texas law limits the governing body’s discussion and action to the items listed on the published agenda. The meeting location must be open and accessible to the public. Actions taken at a meeting subject to the Act that fails to comply with these requirements are voidable, and if done with the intention of evading the statutory mandates, can result in criminal penalties for governing board members.

The Office of the Attorney General (OAG) reports that most cases involving open government violations result from public officials simply not knowing what the law requires. The OAG provides the free video training courses as well as publishing several guides to assist governmental bodies in understanding their obligations under the Act. State law requires elected and appointed public officials receive at least two hours of Open Government training within 90 days of the member’s appointment; one hour dedicated to Open Meetings and one hour related to the Public Information Act.⁴

¹ Tex. Gov’t. Code Ann. § 551.002

² *Cox Enter., Inc. v. Bd. of Trs. of Austin. Indep. Sch. Dist.*, 706 S.W.2d 956, 960 (Tex. 1986).

³ *Acker v. Tex. Water Comm’n*, 790 S.W.2d 299, 300 (Tex. 1990).

⁴ Tex. Govt. Code §§ 551.005 and 552.012. According to the Attorney General, “The law imposes no specific penalty on officials who fail to attend open government training. The purpose of the law is not to punish public officials, but to foster open government by making open government education a recognized obligation of public service.” https://www.texasattorneygeneral.gov/open/og_training.shtml#3, “Frequently Asked Questions about Open Government Training.”

When Does the Act Apply to Communications Between Members?

With few exceptions, the Act's requirements (e.g. public notice, posted agenda, meeting open to the public) apply whenever a quorum of the governmental body meets to deliberate the governmental body's public business.

- What is a quorum? For most governmental bodies, including the Oversight Committee, the presence of a simple majority of the appointed members makes up a quorum. The Act requires a quorum of members to convene a meeting. The governmental body cannot bind the agency without a quorum.

The Attorney General and Texas courts have determined that a quorum may exist even if the members are not physically present in the same location. For example, circulating a group letter among the governmental body members for signatures may constitute a quorum subject to the Act even though the members were not physically together.⁵

- What constitutes a "meeting"? Texas law regards an opportunity to deliberate about the governmental body's public business as a "meeting" subject to the Act. Courts have broadly construed the act of deliberating when interpreting the Act; no action or vote is necessary for a court to find that the governmental body deliberated. Listening to information conveyed by another person may be enough to invoke the Act, even if the governmental body does not discuss or act on the information.⁶ For this reason, the Act applies to staff briefings and work sessions if a quorum attends, whether discussion or binding action takes place.

Are There Any Situations When the Act Does Not Apply?

Yes. The Act does not apply to certain situations even though a quorum of the governmental body is present. In these cases, mandates such as notifying the public, posting an agenda, and opening the meeting room to the public are not necessary because the Act does not apply. Exceptions to the Act recognized by state law are:

- social functions unrelated to the board's public business;
- conventions or workshops;
- ceremonial events;
- press conferences;
- public testimony or comments at legislative agency meetings or legislative committee meetings; and
- political forums [added in 2017].

⁵ Tex. Att'y Gen. Op. No. DM-95 (1992).

⁶ See *Bexar Medina Atascosa Water Dist. v. Bexar Medina Atascosa Landowners' Ass'n*, 2 S.W.3d 459, 462 (Tex. App.-San Antonio 1999, pet. denied) (deliberations took place at informational gathering of water district board with landowners in board member's barn, where one board member asked questions and another board member answered questions, even though board members did not discuss business among themselves).

The exception applies only if the governmental body does not act on public business during the gathering.

Does the Act Apply to Closed Sessions?

Yes. The Act authorizes governing bodies to hold closed meetings (also referred to as “executive sessions”). Although the requirement that board deliberations take place in public does not pertain these specific topics, the Act still applies. The Oversight Committee may convene in closed session for one or more of the following eight reasons:

1. Consideration of specific personnel matters (this should be a specific individual or individuals, not a job category);
2. Consultations with its attorney;
3. Discussions about the value or transfer of real property;
4. Discussions about security personnel, security devices, or a security audit;
5. Discussions about a prospective gift or donation to a governmental body;
6. Discussions of certain economic development matters;
7. Certain information regarding emergencies and disasters; and
8. Discussion of an ongoing compliance investigation related to fraud, waste, or abuse of state resources.

CPRIT must list the items discussed in closed session on the meeting agenda and the meeting must convene first in open session. Governing bodies may use closed sessions only for deliberations. Any vote related to a matter discussed in closed session must take place in an open meeting.

Does the Act Apply to Oversight Committee Subcommittee Meetings?

No. Meetings of Oversight Committee subcommittees need not comply with the requirements of the Act because there is not a quorum of members and the Oversight Committee does not authorize any of the subcommittees to act in a way that binds the agency.

In most cases, a meeting of a quorum of members is necessary for the Act to apply. However, the Act will apply to a subgroup of governmental body members if the subgroup has the authority to make final decisions on behalf of the governmental body. No subcommittee currently constituted under the Oversight Committee Bylaws is authorized to take decisive action on behalf of the Oversight Committee. The bylaws limit subcommittee activity to recommending an action for the Oversight Committee’s consideration. The board discusses the subcommittee’s recommendations in the open meeting before acting; the recommendations are not simply rubberstamped.

Similarly, the Act does not apply to a group of Oversight Committee members that meets with a public or private group so long as there is not a quorum of Oversight Committee members. For

example, the Act does not apply to a meeting of three Oversight Committee members and CPRIT's University Advisory Committee.

Is a Conference Call or an Email Between Members Considered a “Meeting”?

[This section addresses discussions between Oversight Committee members that occur by telephone or by email. Guidance regarding participation in an open meeting via telephone or videoconference is a different issue addressed in the section, “Can an Oversight Committee Member Participate in Open Meeting by Phone or Video Conference?” The section, “Are There Other Ways for a Quorum of the Oversight Committee to Communicate Electronically?” provides guidance related to the statutory provision permitting electronic communication among board members via an online message board.]

In most cases, there must be a quorum of members present when a discussion of public business occurs for requirements of the Act to apply. However, physical presence in the same location is not necessary to invoke the Act. Discussing public business by phone or email with a quorum of members may be a violation of the Act. This can occur when one Oversight Committee member sends an email about public business to four or more board members or forwards an email discussion about public business between some Oversight Committee members to other members. Whether certain phone conversations or emails between members constitute a violation of the Act is a fact issue.⁷

Even if a quorum is not part of the call or email, using telephone conversations or electronic communication (including texting) with the intention to conduct deliberations about public business in private may result in criminal violations.⁸ Members of a governmental body should be wary because technology makes it easier to hold serial private discussions among members about public business. See the discussion about “walking” quorums for more guidance.

What is a “Walking” Quorum?

A walking quorum occurs when:

- (1) a series of smaller group meetings (less than a quorum) occur; and
- (2) members use the smaller group meetings to intentionally avoid constituting a quorum and evade the requirements of the Act.⁹

⁷ See *Hitt v. Mabry*, 687 S.W.2d 791 (Tex. App. B San Antonio 1985, no writ) (school trustees violated Act by telephone conferencing). *But see Harris County Emergency Serv. Dist. #1 v. Harris County Emergency Corps*, 999 S.W.2d 163 (Tex. App. B Houston [14th Dist.] 1999, no writ) (evidence that one board member of a five-member county emergency service district occasionally used telephone to discuss agenda for future meetings with one other board member did not amount to Act violation).

⁸ Tex. Gov't Code Ann. § 551.143.

⁹ Tex. Govt. Code Ann. § 551.143.

Texas courts have not limited their interpretation of a walking quorums to physical meetings. It may be a criminal violation if the members meet or communicate by phone, memo, text, or email in numbers less than a quorum if the specific intent for doing so is to hold secret deliberations and circumvent the Act.

In February 2019, the Texas Court of Criminal Appeals struck down the provision relating to the “walking quorum” stating the law was too vague.¹⁰ After this ruling, Senator Watson introduced SB 1640 to revise the “walking quorum” provision in TOMA with the goal to clearly prohibit the practice. Senate Bill 1640 passed both chambers with near-unanimous votes; Governor Abbott signed it to take effect immediately. Notably, state law now defines “deliberation” include both verbal and written exchanges between a quorum of members or a quorum and another person on an issue under the body’s jurisdiction.

Can an Oversight Committee Member Participate in an Open (or Closed) Meeting by Phone or Video Conference?

Yes, in extremely limited circumstances. Participation by phone may occur in the event of an emergency when convening a quorum is difficult or impossible. The Act also permits a governing board member to participate in an open or closed meeting by video conference even when there is no emergency; however, the requirements for video participation may be too onerous to justify using that method regularly.

- Participating in a Meeting by Phone – A governing body may not conduct meetings subject to the Act by phone unless it meets the following two requirements:

- (1) an emergency or public necessity exists;

An emergency or public necessity exists only if the governmental body must take immediate action resulting from an imminent threat to public health or safety or a reasonably unforeseeable situation. Whether an emergency exists is a fact-based question subject to judicial review.

AND

- (2) convening a quorum in one location is difficult or impossible.¹¹

A member may not participate by phone even in an emergency scenario if a quorum of the governing body is able to meet in one location. A requirement to justify participation by telephone is that it is difficult or impossible for the agency to convene a quorum in one location.

¹⁰ See *State v. Doyal*, No. PD-0254-18 (Tex. Crim. App. Feb. 27, 2019).

¹¹ Tex. Govt. Code Ann. §§ 551.121 - .126.

If the governing body properly convenes an open meeting where one or more members participate by phone, then the meeting must be audible to the public at the location specified in the notice with two-way communication available during the entire meeting. The governing body must record the meeting, with every party identified before speaking.

- **Participating by Video Conference** – A governing body may hold an open or closed meeting by video conference. A member or employee of the governmental body may participate remotely by video conference if the agency broadcasts the video and audio feed live at the meeting when a quorum of the members is present in one location.¹² The statute requires a quorum of the governing board, including the presiding officer, to be physically present at one location open to the public. The location where the quorum is present, and each remote location must have two-way audio and video to allow members to communicate with each other. The law considers a member who participates via video conference absent during any time the member’s video connection disconnects. If a problem occurs that makes the meeting no longer visible or audible to the public, the meeting must recess until the agency resolves the technical issues or adjourn if the agency cannot fix the issues in six hours or less.

Texas law allows a member of the public to testify at a meeting from a remote location by video conference.

Are There Other Ways for the Entire Oversight Committee to Communicate Electronically?

Yes. The Act permits communications about public business between members of a governmental body and its staff to take place electronically so long as the governmental body posts the written communication to an online message board that is accessible to the public. Such a discussion “does not constitute a meeting or deliberation,” under the Act.

An electronic message board is an example of using technology to aid effective functioning of the governmental body without sacrificing transparency. It provides a forum for governing board members to discuss agency business in between traditional meetings. The governmental body must own or control the online message board, which must be publicly accessible within one click from the governmental body’s home page. The message board should display the communication in real time, attributable by the name and title of the member or staff. The governmental body may not vote or take any action via posting to the online message board. The communication should be viewable for at least 30 days and retained as an agency record for six years.

The Austin City Council uses an electronic message board to communicate among the members and staff. You can see the city’s bulletin board [here](#) (click on “View Active Topics” on the message board landing page to see discussion topics.)

¹² Tex. Govt. Code Ann. 551.127

Does the Act Apply to Social Media?

Yes, although the Act does not provide much guidance specifically addressing social media. Modern technologies such as Twitter, Facebook, Instagram, texting, and instant messaging make it easier for governmental body members to inadvertently (or intentionally) conduct a meeting that is subject to the Act's requirements. Other than authorizing the online electronic message board, the Texas Legislature has not addressed social media issues affecting open meetings. The Senate Committee on State Affairs' Interim Report to the 82nd Legislature opined, "...under the current interpretations of the Act, a quorum would exist if a majority of the governmental body discusses public business on a Facebook wall...A similar situation could arise with Twitter where members can have public or private accounts."¹³

What are the Consequences for Violating the Act?

Actions taken in violation of the Act are voidable. Certain violations of the Act may result in criminal penalties for board members if prosecutors prove an intent to evade or violate the Act's requirements. Criminal violations include knowing participation in a walking quorum or an unauthorized closed meeting.

¹³ SENATE COMMITTEE ON STATE AFFAIRS, INTERIM REPORT TO THE 82D LEGISLATURE at 59 (Dec. 2010).



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: HEIDI MCCONNELL, CHIEF OPERATING OFFICER
SUBJECT: CHIEF OPERATING OFFICER REPORT
DATE: NOVEMBER 8, 2019

CPRIT Financial Overview for FY 2019, Quarter 4

FY 2019, Quarter 4 Operating Budget

CPRIT expended or had outstanding obligations of approximately \$3.1 million in Indirect Administration and approximately \$14.0 million in Grant Review and Award Operations. This translates to approximately 95% of the overall \$18.0 million administrative budget for the fiscal year being expended. The majority of the budget fall into two categories, employee salaries and service contracts.

During the fourth quarter, the agency received \$46,761 in revenue sharing payments. Total revenue sharing payments received in FY 2019 were \$295,740 deposited into the Cancer Prevention and Research Interest and Sinking Fund 5168. The total revenue sharing payments received to date slightly exceeds \$3.7 million.

FY 2019, Quarter 4 and Annual Performance Measure Report

CPRIT reported on its two quarterly and three annual key performance measures to the Legislative Budget Board. CPRIT met or exceed performance on four out of five measures.

Debt Issuance History

In July 2019, CPRIT requested Texas Public Finance Authority (TPFA) issue \$54 million in general obligation commercial paper notes to cover grant reimbursement expenses. This was the second and last tranche of commercial paper debt issued for the agency because the general obligation bonds TPFA issued in September 2018 covered grant reimbursement expenses and the agency's operating budget for the first half of the fiscal year. Between the general obligation bonds and commercial paper notes, total debt issued on CPRIT's behalf during FY 2019 was \$202.7 million.

2020 CPRIT Innovations Conference Update

Arrangements for the 2020 conference have continued to progress with development of the conference website which will be launched by the end of November. The conference registration and abstract submission website will be launched on February 1, 2020. CPRIT program staff are in the developing the programmatic sessions for the one and one-half day conference.

2020 Budget

On November 7th, CPRIT received approval from the Legislative Budget Board to transfer \$2,421,300 from the Award Cancer Research Grants budget line item to the Grant Review and Award Operations budget line item.

This transfer covers service contract increases for grant management support services with SRA International, Inc., a CSRA Company, product development grant application business due diligence evaluations with ICON Clinical Research Limited, and peer review meeting monitoring services with Business and Financial Management Solutions; a new interagency contract with the Texas Treasury Safekeeping Trust Company for grant revenue asset management services; and increases in approved peer review honoraria expenses in the FY 2020 Honoraria Policy.

Cancer Prevention and Research Institute of Texas
Quarterly Financial Report
As of August 31, 2019

Indirect Administration (B.1.1.)

	2019 Appropriated	2019 Budgeted	% of Total Budget	Actual Expenditures & Grant Encumbrances (FYTD)	Remaining Budget	Percent Expended	Estimated Expenditures (YTD)	Lapse/Overspent
1001 Salaries and Wages	\$ 1,617,425	\$ 1,575,975		\$ 1,339,174	236,801	85%	\$ 1,339,174	\$ 236,801
1002 Other Personnel Costs	38,785	85,816		36,012	49,804	42%	36,012	49,804
2001 Professional Fees and Services	961,664	1,436,184		1,186,650	249,535	83%	1,186,650	249,535
2003 Consumable Supplies	24,000	24,000		14,543	9,457	61%	14,543	9,457
2004 Utilities	58,600	58,600		44,276	14,324	76%	44,276	14,324
2005 Travel	45,000	45,000		37,362	7,638	83%	37,362	7,638
2006 Rent-Building	13,700	22,093		22,092	1	0%	22,092	1
2007 Rent-Machine and Other	32,172	32,172		16,919	15,253	53%	16,919	15,253
2009 Other Operating Expenses	473,815	474,877		472,285	2,592	99%	472,285	2,592
Subtotal - Indirect Administration (B.1.1.)	\$ 3,265,161	\$ 3,754,717	1.26%	\$ 3,169,313	\$ 585,404	84%	\$ 3,169,313	\$ 585,404

Grant Review and Award Operations (A.1.3.)

	2019 Appropriated	2019 Budgeted	% of Total Budget	Actual Expenditures & Grant Encumbrances (FYTD)	Remaining Budget	Percent Expended	Estimated Expenditures (YTD)	Lapse/Overspent
1001 Salaries and Wages	\$ 3,078,084	3,250,018		\$ 3,250,017	\$ 1	100%	\$ 3,250,017	\$ 1
1002 Other Personnel Costs	45,500	99,069		99,069	(0)	0%	99,069	(0)
2001 Professional Fees and Services	10,151,277	10,769,182		10,577,132	192,051	98%	10,577,132	192,051
2003 Consumable Supplies	-	-		-	-	0%	-	-
2004 Utilities	12,000	14,198		14,198	0	100%	14,198	0
2005 Travel	65,000	35,000		29,948	5,052	86%	29,948	5,052
2009 Other Operating Expenses	102,730	91,636		35,347	56,289	39%	35,347	56,289
Subtotal - Grant Operations (A.1.3.)	\$ 13,454,591	\$ 14,259,103	4.79%	\$ 14,005,711	\$ 253,392	98%	\$ 14,005,711	\$ 253,392

Grants

	2019 Appropriated	2019 Budgeted	% of Total Budget	Actual Expenditures & Grant Encumbrances (FYTD)	Remaining Budget	Percent Expended	Estimated Expenditures (YTD)	Lapse/Overspent
4000 Grants - Prevention (A.1.2)	\$ 28,037,956	\$ 28,037,956		\$ 26,826,443	\$ 1,211,513	96%	\$ 26,826,443	\$ 1,211,513
4000 Grants - Research (A.1.1.)	252,327,738	\$ 251,780,707		222,432,007	\$ 29,348,700	88%	222,432,007	29,348,700
Subtotal - Grants	\$ 280,365,694	\$ 279,818,663	93.95%	\$ 249,258,450	\$ 30,560,213	89%	\$ 249,258,450	\$ 30,560,213
Grand Totals	\$ 297,085,446	\$ 297,832,483	100.00%	\$ 266,433,474	\$ 31,399,009	89%	\$ 266,433,474	\$ 31,399,009

**Cancer Prevention and Research Institute of Texas
Cancer Prevention and Research Institute Fund Account - 5136
As of August 31, 2019**

	08/01/2019- 08/31/2019	AY 19 Year to Date as of 08/31/2019
Beginning Balance : 08/01/2019		\$ 600,506
Increases:		
(1)	\$ -	\$ -
(2)	-	
Total Increases	\$ -	\$ 600,506.00
Reductions:		
Expenditures - Appropriated	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
Total Reductions	\$ -	\$ -
Ending Balance, 08/31/2019		\$ 600,506.00

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 August 31, 2019

	08/01/2019- 08/31/2019	AY 19 Year to Date as of 08/31/2019
Beginning Balance : 08/01/2019		\$ 10,881.62
Increases:		
(1) License Plate Revenue Received	\$ 460.15	\$ 9,113.41
Total Increases	\$ 460.15	\$ 19,995.03
Reductions:		
Expenditures - Appropriated	\$ -	\$ -
	-	-
Total Reductions	\$ -	\$ -
Ending Balance, 08/31/2019		\$ 19,995.03

Note:

Balance forward from 2017 License Plate \$2,948.46 and balance forward from 2018 License Plate \$7,933.16

Cancer Prevention and Research Institute of Texas

Appropriated Receipts - 666

As of August 31, 2019

	<u>08/01/2019- 08/31/2019</u>	<u>AY 19 Year to Date as of 08/31/2019</u>
<u>Beginning Balance : 08/01/2019</u>		\$ 24,449.98
Increases:		
(1) Product Development Application Fees Received	\$ 19,500.00	\$ 47,500.00
(2) Appropriated Receipts applied to payments	\$ -	\$ -
(3) Conference Registration Fees	\$ -	\$ -
(4) Conference Registration Fees-Credit Card	\$ -	\$ -
Total Increases	<u>\$ 19,500.00</u>	<u>\$ 47,500.00</u>
Reductions:		
Conference Expenditures - Appropriated	\$ -	\$ -
Credit Card Fees Expended	\$ -	\$ -
Legal Services Expenses (Application Fees)	\$ (21,553.08)	\$ (21,553.08)
Total Reductions	<u>\$ (21,553.08)</u>	<u>\$ (21,553.08)</u>
<u>Ending Balance, 08/31/2019</u>		<u><u>\$ 50,396.90</u></u>

Begin balance is \$24,449.98
Application Fees

Cancer Prevention and Research Institute of Texas
Interest & Sinking Fund Account - 5168
As of August 31, 2019

	08/01/2019- 08/31/2019	AY 19 Year to Date as of 08/31/2019
Beginning Balance : 08/01/2019		\$ 226,766.25
Increases:		
(1) Revenue Sharing / Royalties	\$ 238,079.00	\$ 531,764.33
Total Increases	\$ 238,079.00	\$ 758,530.58
Reductions:		
Expenditures - Appropriated	\$ -	\$ -
	\$ -	-
	\$ -	-
Total Reductions	\$ -	\$ -
Ending Balance, 08/31/2019		\$ 758,530.58

**Cancer Prevention and Research Institute of Texas
FY 2019, Quarter 4 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	500,000	223,464	241,337	234,404	250,664	949,869	189.97%
Number of Entities Relocating to TX for Cancer Research Related Projects	2	0	0	0	0	0	0.00%
Annual Age-adjusted Cancer Mortality Rate	156.8	N/A	N/A	N/A	N/A	146.1	93.18%
Number of Published Articles on CPRIT-Funded Research Projects	900	N/A	N/A	N/A	N/A	1,074	119.33%
Number of New Jobs Created and Maintained	1,335	N/A	N/A	N/A	N/A	3,455	258.80%

Variance Explanations

Number of People Served by Institute Funded Prevention and Control Activities
CPRIT grantees were successful in delivering cancer prevention education and clinical services to more people than they anticipated, stretching their CPRIT-grant funds further to serve Texans.
Number of Entities Relocating to TX for Cancer Research Related Projects
This output is dependent on the number of companies applying for CPRIT Company Awards that can successfully advance through CPRIT's rigorous review and evaluation process, receive an award and actually relocate operations to Texas. No CPRIT-funded companies relocated to Texas during FY 2019 based on CPRIT's relocation criteria.
Annual Age-adjusted Cancer Mortality Rate
The decrease in the rate can be attributed to earlier detection of cancer, more advanced cancer treatments and therapies as well as increased numbers of people being screened for cancer. The rate calculation is affected by annual population adjustments. The calculation for 2019 is based on the age-adjusted mortality rate for all malignant cancer, males and females combined, for 2017. The rate is per 100,000 people and is age-adjusted to the 2000 US Standard Population standard. The population counts used to calculate cancer mortality rates are supplied by the National Center for Health Statistics with support from the NCI. These population counts are based on estimates produced by the US Census Bureau's Population Estimates Program and are adjusted annually. The resulting rate calculations are affected by these population adjustments.
Number of Published Articles on CPRIT-Funded Research Projects
The number reflects that CPRIT-funded research projects have yielded numerous results and breakthroughs which grantees have been successful in reporting through scientific publications.
Number of New Jobs Created and Maintained
The number of new jobs created and maintained reported by academic and product development research grantees exceeded the projection because CPRIT has a portfolio with more than 400 active grants and several scientific staff are required for each project. In addition, the measure includes jobs maintained which is proportionally double the number of new jobs created in a given year (i.e., FY 2019 Academic Research: jobs created=1,023 and jobs maintained=2,007). Grantees conduct CPRIT-funded research projects over multiple years and must maintain the scientific expertise to do so.

**Cancer Prevention and Research Institute of Texas
FY 2019, Quarter 3 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	500,000	223,464	241,337	234,404		699,205	139.84%
Number of Entities Relocating to TX for Cancer Research Related Projects	2	0	0	0		0	0.00%
Annual Age-adjusted Cancer Mortality Rate	156.8	N/A	N/A	N/A	N/A		0.00%
Number of Published Articles on CPRIT-Funded Research Projects	900	N/A	N/A	N/A	N/A		0.00%
Number of New Jobs Created and Maintained	1,335	N/A	N/A	N/A	N/A		0.00%

Variance Explanations

Number of People Served by Institute Funded Prevention and Control Activities
CPRIT grantees deliver 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 Awards that can successfully advance through CPRIT's rigorous review and evaluation process, receive an award and actually relocate operations to Texas.

**Cancer Prevention and Research Institute of Texas
FY 2019, Quarter 2 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	500,000	223,464	241,337			464,801	92.96%
Number of Entities Relocating to TX for Cancer Research Related Projects	2	0	0			0	0.00%
Annual Age-adjusted Cancer Mortality Rate	156.8	N/A	N/A	N/A	N/A		0.00%
Number of Published Articles on CPRIT-Funded Research Projects	900	N/A	N/A	N/A	N/A		0.00%
Number of New Jobs Created and Maintained	1,335	N/A	N/A	N/A	N/A		0.00%

Variance Explanations

Number of People Served by Institute Funded Prevention and Control Activities
CPRIT grantees deliver 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 Awards that can successfully advance through CPRIT's rigorous review and evaluation process, receive an award and actually relocate operations to Texas.

**Cancer Prevention and Research Institute of Texas
FY 2019, Quarter 1 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	500,000	223,464				223,464	44.69%
Number of Entities Relocating to TX for Cancer Research Related Projects	2	0				0	0.00%
Annual Age-adjusted Cancer Mortality Rate	156.8	N/A	N/A	N/A	N/A		0.00%
Number of Published Articles on CPRIT-Funded Research Projects	900	N/A	N/A	N/A	N/A		0.00%
Number of New Jobs Created and Maintained	1,335	N/A	N/A	N/A	N/A		0.00%

Variance Explanations

Number of People Served by Institute Funded Prevention and Control Activities
CPRIT grantees deliver 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 Awards that can successfully advance through CPRIT's rigorous review and evaluation process, receive an award and actually relocate operations to Texas.

**Cancer Prevention and Research Institute of Texas
FY 2019, Quarter 1 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	500,000	197,274				197,274	39.45%
Number of Entities Relocating to TX for Cancer Research Related Projects	2	0				0	0.00%
Annual Age-adjusted Cancer Mortality Rate	156.8	N/A	N/A	N/A	N/A		0.00%
Number of Published Articles on CPRIT-Funded Research Projects	900	N/A	N/A	N/A	N/A		0.00%
Number of New Jobs Created and Maintained	1,335	N/A	N/A	N/A	N/A		0.00%

Variance Explanations

Number of People Served by Institute Funded Prevention and Control Activities
CPRIT grantees deliver 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 Awards that can successfully advance through CPRIT's rigorous review and evaluation process, receive an 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	Refunded as G.O. Bonds	
2010		September 9, 2009	\$ 3,600,000		Commercial Paper Notes	Series B, Tax-Exempt	Defeased with cash July 2011	
2010		March 12, 2010	\$ 63,800,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2010		August 26, 2010	\$ 148,500,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
				\$ 225,000,000				
2011	\$ 225,000,000	September 7, 2010	\$ 11,800,000		Commercial Paper Notes	Series A, Taxable		
2011		August 10, 2011	\$ 51,000,000		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%
				\$ 62,800,000				
2012	\$ 300,000,000	September 7, 2011	\$ 3,200,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2012		December 8, 2011	\$ 3,200,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2012		March 2, 2012	\$ 12,300,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2012		June 21, 2012	\$ 15,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2012		August 16, 2012	\$ 42,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
				\$ 75,700,000				
2013	\$ 300,000,000	September 6, 2012	\$ 9,600,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2013		May 16, 2013	\$ 13,400,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
				\$ 23,000,000				
2014	\$ 300,000,000	November 25, 2013	\$ 55,200,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2014		March 13, 2014	\$ 47,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2014		June 17, 2014	\$ 60,300,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2014		July 8, 2014	\$ 233,280,000		G.O. Bonds (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	Refunded as G.O. Bonds	
2015		April 29, 2014	\$ 112,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2015		June 26, 2015	\$ 75,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
				\$ 244,600,000				

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
2016	\$ 300,000,000	September 22, 2015	\$ 55,400,000		Commercial Paper Notes	Series A, Taxable		
2016		October 29, 2015	\$ 300,000,000		G.O. Bonds (Refunding Bonds)	Taxable Series 2015C	Par amount of refunding; Refunded \$300M of GOCP CPRIT Series A	Fixed Rate Bonds All-In-True Interest Cost 3.299867%
2016		October 29, 2015	\$ 69,800,000		G.O. Bonds	Taxable Series 2015C	Par amount of new money; Disbursed to CPRIT January 2016	Fixed Rate Bonds All-In-True Interest Cost 3.299867%
2016		May 16, 2016	\$ 92,100,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2016		August 29, 2016	\$ 60,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
				\$ 277,300,000				
2017	\$300,000,000	October 19, 2016	\$ 58,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2017		January 5, 2017	\$ 58,900,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2017		February 8, 2017	\$ 269,000,000		G.O. Bonds (Refunding Bonds)	Taxable Series 2017	Par amount of refunding; Refunded \$269M of GOCP CPRIT Series A	Fixed Rate Bonds All-In-True Interest Cost 3.4622%
2017		February 8, 2017	\$ 106,000,000		G.O. Bonds	Taxable Series 2017	Par amount of new money	Fixed Rate Bonds All-In-True Interest Cost 3.4622 %
				\$ 222,900,000				
2018	\$300,000,000	September 29, 2017	\$ 68,200,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2018		March 8, 2018	\$ 99,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
2018		July 11, 2018	\$ 55,000,000		Commercial Paper Notes	Series A, Taxable	Refunded as G.O. Bonds	
				\$ 222,200,000				
2019		September 21, 2018	\$ 222,200,000		G.O. Bond (Refunding Bonds)	Taxable Series 2018	Par amount of refunding; Refunded \$222.2M of GOCP CPRIT Series A	Fixed Rate Bonds All-In-True Interest Cost 3.720632%
2019	\$300,000,000	September 21, 2018	\$ 75,975,000		G.O. Bonds	Taxable Series 2018	Par amount of new money	Fixed Rate Bonds All-In-True Interest Cost 3.720544%
2019		March 28, 2019	\$ 72,725,000		Commercial Paper Notes	Series A, Taxable		Interest rates between 1.90% - 2.55%
2019		July 12, 2019	\$ 54,000,000		Commercial Paper Notes	Series A, Taxable		Interest rates between 1.95% - 2.35%
				\$ 202,700,000				
2020		September 16, 2019	\$ 64,300,000		Commercial Paper Notes	Series A, Taxable		Interest rate of 2.10%
				\$ 64,300,000				
TOTAL ISSUED TO DATE				\$ 1,783,000,000				



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

TO: OVERSIGHT COMMITTEE MEMBERS
FROM: HEIDI MCCONNELL, CHIEF OPERATING OFFICER
SUBJECT: FY 2020 OUTSIDE COUNSEL CONTRACT AMENDMENTS
DATE: NOVEMBER 8, 2019

Summary and Recommendation

CPRIT staff recommends increasing the previously approved FY 2020 outside counsel contract amounts for Baker Botts and Yudell Isidore by \$62,500 for each firm, for a total FY 2020 contract amount of \$187,500 for each firm. The increase is necessary because the third firm that was to provide CPRIT legal advice and evaluation services in FY 2020 recently informed us that staff changes prevented the firm from performing the work for CPRIT at this time. Although the proposed change increases the FY 2020 contract amounts with Baker Botts and Yudell Isidore, the total amount of \$375,000 budgeted for outside legal counsel services in FY 2020 remains the same. CPRIT staff also recommends that the Oversight Committee provide legal staff with the authority to modify the contracted amounts with Baker Botts and Yudell Isidore further if business conflicts between one of the legal firms and company applicants under review necessitate the other firm performing more reviews that exceed the even split of funding between the contracts. The Office of Attorney General (OAG) must approve any outside counsel contract changes; CPRIT staff will work with the OAG to make the contract changes if the Oversight Committee approves these recommendations.

Discussion

CPRIT relies on outside legal counsel with IP expertise to conduct a review of companies' IP estate as part of the due diligence process. The IP due diligence is not a re-review of the grant application but serves as an independent analysis of the IP and associated licenses underlying the company's planned drug, device, diagnostic, technology, or service proposed for CPRIT funding. The Product Development Review Council uses information gained through the IP due diligence process to finalize their grant award recommendations. CPRIT pays each firm based solely on the number of hours worked; there is no guaranteed minimum payment. CPRIT's price per company for IP due diligence project ranges from \$10,000 - \$25,000. The cost of each assessment varies based upon the complexity of the IP information and issues presented, as well as the volume of documents counsel must review. The outside counsel contracts use an hourly rate, which the Attorney General caps at \$525/hour.

At its August 21, 2019, meeting, the Oversight Committee approved FY 2020 contract renewals for outside counsel services with three firms - Baker Botts, Yudell Isidore, and Vinson & Elkins

- for \$125,000 per firm. Vinson & Elkins informed CPRIT in October that due to key staff changes it would not move forward with the FY 2020 CPRIT contract.

Baker Botts and Yudell Isidore will carry out the IP due diligence work for FY 2020. Because of the increased workload, the firms are likely to exceed the previously approved FY 2020 contract amount of \$125,000 for each firm. CPRIT staff recommends reallocating the \$125,000 already approved for Vinson & Elkins equally between Baker Botts and Yudell Isidore to account for the additional workload, resulting in a new contract amount of \$187,500 for each firm.

In the past, CPRIT has been able to distribute the IP review assignments among the three firms in a roughly equal manner that avoided conflicts with the companies under review and kept each firm underneath the maximum contract amount. For FY 2020 if one of the remaining two firms is conflicted out of the review of several companies, the result will be an unequal distribution of IP review assignments between the two firms that legal staff can address with the authority to reallocate funds between the two contracts in the event that the projected budget to complete the work exceeds the \$187,500 contract amount. CPRIT will update the Oversight Committee if contract amounts are reallocated based on the needs described above. In no event will CPRIT exceed the total \$375,000 budgeted for FY 2020 outside counsel services without seeking additional approval from the Oversight Committee.