



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

February 19, 2014
Minutes

1. **Meeting Called to Order**

Meeting called to order at 10:03 a.m.

2. **Roll Call /Excused Absences**

Secretary Mitchell called the roll.

Amy Mitchell:

Angelos Angelou

Gerry Geistweidt

Pete Geren

Ned Holmes

Will Montgomery

Cynthia Mulrow

William Rice

Craig Rosenfeld

3. **Adoption of Minutes from January 24, 2014 meeting**

There being no discussion or corrections, a motion to approve the minutes of the January 24, 2014, Oversight Committee meeting was made by Dr. Rosenfeld and seconded by Dr. Mulrow.

MOTION CARRIED UNANIMOUSLY

4. **Chief Executive Officer Report**

CEO Wayne Roberts reported on the following issues presented in the memorandum included in the Board Meeting Packet:

University Advisory Committee

CEO Roberts advised that university officials, as designated by V.T.C.A. Health & Safety Code § 102.154, have been contacted to appoint (or re-appoint) members to the University Advisory Committee. He informed members that this committee is required by CPRIT's statute. Mr. Roberts stated that he believed it may be useful in establishing program priorities and that the Diversity subcommittee expressed an interest in having this advisory committee help them in gathering information. Two appointments remain open and Mr. Roberts stated that he expects them to be filled soon.

Status and summary of CPRIT staff vacancy postings

CEO Roberts reported that the Chief Product Development position is critical for this agency and the necessary processes to finalize the selection are underway.

Mr. Roberts advised that in reviewing the agency processes for hiring that he found a conflict in language between the Oversight Committee by-laws and state law. CPRIT's by-laws Section 4.4 states that the CEO is to review and make recommendations to the Oversight Committee regarding senior staff officer hirings, dismissals and compensation. However V.T.C.A. Health and Safety Code §102.0511 specifically directs the CEO to hire the Chief Product Development Officer. Mr. Roberts advised that with any conflict, statute prevails. In the interest of not violating the spirit of the bylaws, CEO Roberts suggested the following as a possible resolution for member discussion.

The CEO will determine his choice for finalist and then meet with the Audit subcommittee to inform them concerning the choice and the rationale behind the choice. The Audit subcommittee will then report back to the Oversight Committee at the next meeting concerning that discussion. Mr. Roberts stated that he would then proceed based on that discussion.

Chair Rice entertained a motion to direct the CEO to advise the Audit Subcommittee of the CEO's selection of a Chief Product Development Officer before making an offer of employment. The Audit Subcommittee will provide advice to the CEO that may be considered in making the CEO's final decision.

Motion was made by Mr. Geistweidt and seconded by Mr. Angelou.

MOTION CARRIED UNANIMOUSLY

The Chair entertained a motion to direct the Board Governance Subcommittee to review the Board Bylaws for consistency with the statute and CPRIT's new administrative rules and recommend any changes at the next meeting.

Motion was made by Mr. Angelou and seconded by Dr. Rosenfeld.

MOTION CARRIED UNANIMOUSLY

Dashboard Metrics

CEO Roberts requested that Heidi McConnell, COO, address the Committee regarding the Dashboard Metrics.

Ms. McConnell reported that there were currently 36 metrics organized into three categories: accountability, mission and transparency. She informed the members that most of the information is available to CPRIT quarterly and some are related to performance measures that CPRIT is required to report to the Legislative Budget Board. She further stated that some of the metrics are shaded because the information is not readily available at this point but is reported annually to the LBB. Dr. Rice asked if that could be reported quarterly and Ms. McConnell replied yes.

Mr. Geren inquired about the record of published articles and asked if CPRIT kept a record of them. Ms. McConnell responded the agency does. Mr. Geren asked if that same process was followed for the Prevention program. Dr. Garcia answered that in addition to articles, the number of Prevention publications also includes educational materials produced.

Dr. Rosenfeld asked how many articles from our grantees have been published to date. Ms. McConnell responded that it would be in the hundreds and possibly close to 1,000 by the end of the year.

Dr. Rice asked if this information comes from SRA, CPRIT's grants management vendor, and how it is defined. Ms. McConnell stated that it is reported in CPRIT's grants management system and verified through PubMed. She further stated that the publication must be related to a grant that CPRIT is funding and must be in an academic publication such as a peer reviewed academic journal. Dr. Rosenfeld asked if the numbers included abstracts and Ms. McConnell replied no. CEO Roberts commented that this item is an LBB measure and has very specific requirements.

Dr. Mulrow commented that it is easy to use Google Scholar to find out how often work is cited. She stated that it could be automated and done very easily.

Dr. Mulrow asked if some of the items on the Dashboard could fit under more than one category. She asked if we could identify priority areas of grants so we can get some routine reporting regarding the number of grants relevant to those priority areas. She commented that some programs routinely use surveys at the end of the year, directed to the leaders of the institutions funded, to ask questions about their perception of the relative impact of these awards on their institutions, faculty and faculty development.

Ms. McConnell responded that both the survey and Google Scholar were options that she would look into. She further stated that the data could be placed where the Members would like. She stated that this was an ongoing process and data can be added or taken away as needed.

Chair Rice stated that the objective of the discussion on the Dashboard was to bring something forward to seek input of the Oversight Committee.

Mr. Montgomery asked if some of the categories could be something that CPRIT has co-funded. Ms. McConnell stated that anytime an article about a CPRIT-funded grant is published, it must be cited by the author and that it could be a co-funded project.

CEO Roberts commented that with respect to Chair Rice's comments, this tool will be useful to him. Mr. Roberts informed members that if they have something they would like to see added to email him or Ms. McConnell.

Mr. Montgomery asked if the data could be broken down into short term, mid-term and long term. Mr. Montgomery stated that patents are an example of something that will not happen for a number of years and that he is concerned about having too many blanks on the report.

Mr. Angelou asked if other investments from sources other than CPRIT can be captured from the grantee in addition to matching funds.

Ms. Doyle responded that follow-on funding information is requested in all three programs and is part of the Annual Report.

Dr. Rosenfeld asked if the number of Investigational New Drugs (IND) could be reported as a way to know how many have gone into clinical trials. He asked about the dramatic increase in the number of website hits. Ms. McConnell responded that some of that increase would be due to the number of recent job postings.

5. Honoraria Policy

This topic was not taken up.

6. Chief Scientific Officer Report and Grant Award Recommendations

Dr. Kripke provided the Chief Scientific Officer report.

Dr. Kripke pointed out the grant awards that will be recommended for funding during this meeting are the first to go through the new processes. Seven Training and four Multi Investigator awards went through the Program Integration Committee (PIC). She stated these are continuation grants that were initially approved for five years in 2010 but funded for three because of other statutory restrictions.

Dr. Kripke reported that the RFAs for new Individual Investigator Research (IIRA) Awards closed on February 3, 2014 and a total of 584 applications have now been distributed among the seven peer review panels for review. She pointed out that this is the first time this award has been offered in over a year, which would explain the large volume of applications received. Dr. Kripke stated that those applications recommended by the Scientific Review Panels will be presented for consideration at the August Oversight Committee Meeting.

Dr. Kripke advised that new members of the Scientific Review Panels will be presented for consideration at this meeting. She further stated that she still has fifteen to twenty expert and advocate reviewers that will be presented at the May meeting.

Dr. Kripke reported that the Recruitment of First-time Faculty, Rising Stars, and Established Investigators RFAs were released on January 17, 2013, and are expected to be reviewed by the SRC in time to be considered by the Oversight Committee at its May meeting.

Dr. Kripke reported that she will be releasing another round of RFAs for research grants in March. One is for IIRAs (untargeted). In order to stimulate research in a particular area, there will be two targeted for IIRAs for studies on prevention and early detection research and for studies on cancer of children and adolescents.

Dr. Rosenfeld asked if the primary investigator could apply for more than one Individual Investigator award at a time. Dr. Kripke replied no. He then asked if the primary investigator could ever submit more than one application in a review cycle. Dr. Kripke responded yes; for example some investigators have more than one individual investigator grant, but they are on different topics and were funded in different cycles.

CEO Roberts gave a brief overview of the Program Integration Committee process mandated by statute. The committee includes Wayne Roberts, Chair; Dr. Kripke, Chief Scientific Officer; Dr. Garcia, Chief Prevention and Communications Officer; the Product Development Officer and Dr. David Lakey, Commissioner of the Department of State Health Services. In addition, CPRIT's compliance officer must also attend and document that agency administrative rules were followed. Based on the statute, the PIC must approve, with a majority vote, a list of grant applications recommended for funding by the respective review councils. CEO Roberts advised that certain factors in this process must be documented, including an explanation of any decision to not recommend an application recommended by the respective review council. PIC decisions are final unless the PIC vote is not unanimous. If the vote is not unanimous, the PIC may present a list to the Oversight Committee and provide an alternative list along with an explanation of their decision. The Oversight Committee may consider all lists. CEO Roberts reported that the first PIC meeting was held on February 6th and he was pleased with the process.

CEO Roberts reported that after the PIC meeting on February 6th, CPRIT discovered an issue with the four MIRA grant applications recommended by the PIC. The MIRA application required applicants to be fiscally current in order to apply for the continuation grant. Although the four applicants recommended by the PIC are currently up to date with required financial documents, they were not at the time of their applications for continuation grants. CEO Roberts reconvened the PIC on February 12th to determine whether the information impacted the PIC's decision to recommend the MIRA grants. By the time of the PIC meeting, three applicants were up to date and were recommended for funding by the PIC. The fourth application was recommended contingent upon becoming fiscally up to date prior to the February 19, 2014 Oversight Committee meeting. CEO Roberts reported that by the end of the day on February 12th all four were up to date with fiscal filings.

CEO Roberts advised members that as CPRIT begins to hold training sessions around the state, some of these issues will be addressed and that CPRIT is refining schedules and processes. An additional step was added to the pedigree process used by the PIC and our compliance officer as a result of this issue.

Chair Rice paused the meeting to welcome Senator Jane Nelson, co-author of the original legislation which created CPRIT in 2007, to the meeting.

Senator Nelson first thanked the Oversight Committee for the work they are doing. She stated that when CPRIT was created, a ten year commitment was made that Texas would support the fight against cancer, invest in prevention and bring quality research projects to Texas along with the best and brightest to make our state a premier research corridor. She stated that had happened. Senator Nelson reaffirmed her belief that CPRIT's mission will lead to a cure for cancer – not just for Texans but for people around the world. Senator Nelson addressed the reorganizing bill, SB149, and stated that this legislation would help to rebuild complete public trust in what CPRIT is doing. She challenged the Oversight Committee to move forward with a commitment to transparency and fairness and to not only follow the letter of the law and rules but also the spirit of that legislative intent.

COMPLIANCE CERTIFICATION

David Reisman, CPRIT's Chief Compliance Officer, provided the compliance certification for the award slates. Mr. Reisman stated that with regard to the Research Training Awards Continuation Grants, he has conferred with staff at CPRIT and SRA International (SRA) and studied the supporting grant review documentation, including third-party observer reports for the peer review meetings. He further stated that he is satisfied that the application review process that resulted in the seven RTA Continuation Grants, recommended by the PIC for these two grant slates, followed applicable laws and agency administrative rules. Mr. Reisman certified the award slate for the Oversight Committee's consideration.

Mr. Reisman stated that with regard to the four Multi Investigator Research Awards Continuation Grants, he has conferred with staff at CPRIT and SRA, CPRIT's contracted third-party grant administrator, and studied the supporting grant review documentation, including third-party observer reports for the peer review meetings. He informed the members that the applicable pedigrees and third-party observer reports support that the application review process was followed. However, Mr. Reisman advised that the Request for Applications prescribes that applicants must file programmatic and fiscal reports by the application deadline. However, his review shows that four MIRA Continuation grant applicants had not submitted one or more required financial status reports (FSRs) by the application deadline. He advised that since the four MIRA applicants did not provide the required FSRs by the application deadline, they do not qualify for compliance certification.

Chair Rice summarized for clarity, that the four applications in question had not filed the required reports or had filed and CPRIT didn't respond timely in order for the applicant to submit their FSRs prior to their application. Chair Rice stated that, as he understood it, certain other financial information should have been reviewed and returned to the applicant in order for them to submit the FSR.

Ms. Doyle stated that the reports in question were matching fund certification and financial forms and based on the RFA an applicant must be programmatically and fiscally up to date.

Mr. Reisman responded that the facts varied in each case, but in at least some of them the information was submitted but it crossed over into this application period.

Dr. Kripke pointed out that the grant monitoring system, CGMS, would not have allowed the applicants to submit their FSRs prior to receiving feedback from CPRIT on their previously submitted documents.

Chair Rice, stated for clarity that he understands that the applicants for the MIRA grants were in the conundrum of having to wait for CPRIT to approve the matching fund certifications prior to submitting the FSR and that that needs to be understood for clarity prior to the Oversight Committee voting on approving award.

Mr. Geren expressed confusion. He had understood Mr. Roberts to say that this was a minor but not fatal error. However, listening to Mr. Reisman, it sounded like the four applications in question would not be considered today.

Mr. Reisman stated that the RFA requirements are pretty rigid and that if an FSR is not on time, the application does not get considered for an award. He further stated that as CPRIT's compliance officer, he could not certify that they were in compliance; however, the Oversight Committee can grant an exception based on mitigating circumstances.

CEO Roberts referred to his report earlier where the discovery was made that four of the MIRA applications were not in compliance at the time of their application due to issues. He again stated that the issue was immediately returned to the PIC and that all four applications were in compliance within one day. He related to the Members that this was an unusual situation wherein the applicants had submitted required documentation that CPRIT staff had processed timely, however because they were not aware that the grantee had submitted another application, there was overlap in the time requirements for submitting their application for continued funding.

Mr. Roberts commented that the PIC was justified in granting an exception based on mitigating circumstances. He stated that staff evaluated what had happened rather than automatically deny the applications. He informed that experience reveals the massive requirements that CPRIT applicants must go through. Everything occurs in a large application review system and follows precise steps. The system will not let a grantee go to the next step until they have completed the previous one. He emphasized that this was an administrative issue and did not justify stopping funding for these MIRAs.

CEO Roberts stated that going forward, staff would identify these situations, and make sure desk reviews proceed expeditiously. Roberts commented that this is educational for all levels. While warnings exist for grantees regarding timeframes, CPRIT will take a more proactive stance to help grantees in this area when needed

Chair Rice asked if an improvement to avoid this in the future would be an alert system. He further stated that he had the sense that there was some ability to move more quickly by CPRIT staff had they known that they had current applicants in their workload for review of financial reports.

Ms. Mitchell asked if CPRIT staff went beyond the thirty day requirement to process the matching funds report. Mr. Reisman responded that staff did process the information within their thirty day window, however, they had no knowledge that these applicants were applying for additional funding and their processing of the information crossed over the time frame for the institutions to submit their applications.

Mr. Geren asked Mr. Reisman if he was now satisfied that these applications met the requirements for funding. Mr. Reisman stated that he was not able to certify those applications for compliance under the CPRIT administrative rules. He stated however, that the Oversight Committee could consider mitigating circumstances.

Mr. Reisman stated that going forward CPRIT should work on policies to address these types of situations because it will happen again. He also advised that the Oversight Committee may want to grant staff the ability to determine an exception in predetermined situations such as an applicant not being able to submit an application because the applicant is in the hospital or technical difficulties. As Chief Compliance Officer, he stated he would then be able to take into consideration CEO Roberts' determination that the application meets the predetermined rules for granting of an exception. The CCO would then be able to say that it is accepted.

Mr. Geren stated that as the CCO, Mr. Reisman had determined that these four applications were not in compliance. He then asked Mr. Reisman if he felt that the necessary efforts were made to grant an exception based on mitigating circumstances and that substantively the Committee had all of the information needed to determine approval. Mr. Reisman stated that true transparency is served, as it was today, by bringing the issue to the Oversight Committee to determine mitigating circumstances. Mr. Reisman stated that part of his job was to investigate and that the facts presented to the Committee were correct.

Mr. Geren stated that he has confidence that no one on staff would ever feel any pressure to do anything other than what they are comfortable with doing. He commented that the conversation had been useful since it clarified concerns about what occurred. He stated that CPRIT must operate within the letter of the law and the spirit of the law. He further stated that the CCO needs to be comfortable with stopping any issue he sees as appropriate.

Mr. Geistweit asked Ms. Doyle if the Committee could waive their own rules. Ms. Doyle stated that there are rules to grant an exception for mitigating circumstances, such as technical issues with uploading the application or someone in the hospital. Ms. Doyle further advised that the current rules were not in effect at that time the applications in question were submitted, which makes this instance unusual. Ms. Doyle stated that the rulemaking process requires public comment and adoption by the Oversight Committee, so any process to waive application of adopted rules should be specified in the administrative rules.

Mr. Holmes commented that he believed the processes should be fine-tuned to avoid the Catch-22 encountered today. He stated that he thought CPRIT would be caught in it again if they didn't streamline their processes.

CONFLICT OF INTEREST NOTIFICATIONS

Chair Rice noted for the record that Oversight Committee member Amy Mitchell has reported a conflict of interest with application ID numbers 140020, 140021, 140022, 140024, 140102, 140103, 140105, 140106, 140108, 140110, and 140113.

He also noted that Oversight Committee member Gerry Geistweidt has reported a conflict of interest with application ID number 140024.

Chair Rice informed the Committee that in accordance with CPRIT's rules, Ms. Mitchell and Mr. Geistweidt are recused from the discussion or action on the applications where they have reported a conflict of interest.

Chair Rice asked the members if there were any conflict of interest declarations for Oversight Committee members that have not been reported.

It was noted for the record that Dr. Kripke reported a conflict of interest with application ID number RP140106.

APPROVAL PROCESS

Chair Rice explained to the Members that these award recommendations are subject to the law in effect at the time that the applications were submitted. This means that the process to finalize the PIC's recommendations will follow the process put into place with the enactment of SB149.

The PIC's recommendation will be approved if two-thirds of the Oversight Committee present and able to do so approves the PIC's funding recommendations.

The Chair proposed that the Oversight Committee take action to approve the award recommendations by application type. This would mean that a vote would be taken for the training applications as one group.

The exception would be if an Oversight Committee member requests that the Oversight Committee vote on an application individually or if an Oversight Committee member has reported a conflict of interest.

Motion was made by Mr. Geren and seconded by Mr. Angelou to follow the process laid out by the chair for voting on the grant awards by the application type.

MOTION CARRIED UNANIMOUSLY

A motion was made by Mr. Holmes and seconded by Mr. Angelou to approve the PIC's recommendations for Research Training Grant Continuation Awards.

MOTION CARRIED UNANIMOUSLY

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

A motion to approve the PIC's recommendations for continuation grants for the following Multi-Investigator Research Awards: RP140020, 140021, and 140022 was made by Dr. Mulrow and seconded by Mr. Geren.

The Chair noted that RP 140024 was not taken up with this group because of Mr. Geistweidt's conflict of interest.

MOTION CARRIED UNANIMOUSLY

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

A motion was made by Dr. Mulrow and seconded by Mr. Holmes to approve continuation grants for the following Multi-Investigator Research Awards: RP140024.

MOTION CARRIED UNANIMOUSLY

Chair Rice noted for the record that Ms. Mitchell and Mr. Geistweidt abstained from voting.

Having approved the PIC recommendations for the Training Grant awards and the Multi-Investigator awards, Chair Rice called for a motion to delegate contract negotiation authority to the Chief Executive Officer and the General Counsel and to authorize the Chief Executive Officer to sign the contracts on behalf of the Institute.

A motion to delegate contract negotiation authority to the Chief Executive Officer and the General Counsel and to authorize the Chief Executive Officer to sign the contracts on behalf of the Institute was made by Mr. Holmes and seconded by Mr. Angelou.

MOTION CARRIED UNANIMOUSLY

The Oversight Committee was adjourned for a break at 11:35a.m.

Chair Rice called the Oversight Committee back to order at 11:54a.m.

7. Product Development Officer Report and Grant Award Recommendations

Kristen Doyle, Interim Product Development Officer, was recognized by the Chair to provide the Product Development Report and to introduce the Chief Executive Officer's Grant Award recommendations for product development grant awards.

Chair Rice introduced Dr. Jack Geltosky who is chair of CPRIT's Product Development Review Council and has been part of CPRIT's review program almost from its inception. He explained that Dr. Geltosky was here to answer Oversight Committee questions about CPRIT's product development portfolio and the Review Council's product development recommendations.

Ms. Doyle provided history of how the Product Development Program was first organized.

In June, 2009, the Economic Development and Commercialization Subcommittee, which was a subcommittee of the Oversight Committee, issued their report and recommendations on how the Commercialization Program should be set up.

Ms. Doyle and Dr. Geltosky provided an overview of the Product Development Program. Dr. Geltosky stated that when dealing with pharmaceuticals, disappointment can occur because even if you have a drug approved, there is no guarantee of success. The drug industry has been productive over time and progress has been made but there is still much to be done. He advised the Oversight Committee that the investments should continue even though the odds are daunting.

Dr. Geltosky stated that the time between research and clinical discoveries in the lab (commonly referred to as the valley of death) is when funding is most difficult. The venture community, which historically has been active in this early stage, has now become risk averse.

Dr. Mulrow asked where the (IND) process occurs. Dr. Geltosky stated that it is between pre-clinical and Phase 1.

Dr. Geltosky advised that companies must be Texas based to receive funding. Encouraging companies to relocate from other states serves the objective to build a more robust biotechnology infrastructure in Texas; however, no preference is given to those companies seeking to move to Texas over those company applicants already in Texas.

Ms. Doyle pointed out that award ratification in an open Oversight Committee meeting does not guarantee that the company receives funding. Disbursement of grant funds is dependant upon an executed contract. CPRIT staff and the company negotiate award contract terms. If the company does not agree to the award contract terms, then no award funds are provided to the company.

Dr. Mulrow asked if the creation of new jobs was considered. Dr. Geltosky responded that although many funded projects create jobs, the creation of new jobs is not a primary criterion. Dr. Mulrow then asked if methodologists or statisticians are routinely on review panels. Dr. Geltosky stated that this is part of the review process and also the due diligence process performed by ICON, CPRIT's due diligence experts.

COMPLIANCE CERTIFICATION

David Reisman, CPRIT's Chief Compliance Officer provided the compliance certification for the award slates. Mr. Reisman stated that he had reviewed the compliance pedigrees for the grant applications for Product Development awards. He stated that he had conferred with staff at CPRIT and SRA, CPRIT's contracted third-party grant administrator, and studied the supporting grant review documentation, including third-party observer reports for the peer review meetings. He further stated that he is satisfied that the application review process that resulted in the three Product Development award slates recommended by the Chief Executive Officer, which included the Company Product Development Awards, the Company Formation Awards, and the Company Relocation Awards, all followed applicable laws and agency administrative rules. Mr. Reisman certified the award slates for the Oversight Committee's consideration.

CONFLICT OF INTEREST NOTIFICATIONS

Chair Rice noted for the record that Oversight Committee member Amy Mitchell reported a conflict of interest with application ID numbers CP130020 and CP130013. In accordance with CPRIT's rules, Ms. Mitchell was recused from the discussion or action on these applications.

Chair Rice asked if there were any other conflict of interest declarations for Oversight Committee members that have not reported. None reported.

CONSIDERATION OF SLATES

Chair Rice reminded members that the award recommendations were subject to the law in effect at the time that the applications were submitted. He further stated that the process to finalize the Chief Executive Officer's recommendations would follow the process in effect prior to the enactment of SB149. The Oversight Committee will follow the Chief Executive Officer's funding recommendations unless two-thirds of the Oversight Committee members vote to disregard the recommendations.

Chair Rice stated that the Chief Executive Officer presented three product development slates which would be taken up separately.

Chair Rice entertained a motion to disregard the Chief Executive Officer's funding recommendation for the Company Commercialization Award Slate.

NO MOTION OCCURRED

The companies in the Company Commercialization slate were:

DNatrix (\$10,813,623) and ProPep Surgical (\$4,435,857)

Chair Rice entertained a motion to disregard the Chief Executive Officer's funding recommendation for the Company Formation Award Slate.

NO MOTION OCCURRED

The companies in the Company Formation Slate are:

CerRX (\$10,725,000) and BetaCat (\$15,908,085)

Dr. Rosenfeld stated that, based on the discussion at the Product Development Subcommittee, he recommended funding for CerRX at an amount not to exceed \$6,000,000 to support a Phase 2a Proof of Concept trial in Peripheral T-Cell lymphoma. Accordingly, Dr. Rosenfeld moved to reject the Company Formation slate with the direction to the CEO to bring back a revised slate.

Motion seconded by Mr. Holmes.

MOTION CARRIED UNANIMOUSLY

Chair Rice informed the Members that CPRIT's administrative rules permit the CEO to resubmit recommendations for consideration by the Oversight Committee pursuant to a process and time established by the Oversight Committee.

Mr. Angelou moved to direct the CEO to resubmit the slate today at 12:59 p.m. in accordance with the Board discussion today.

Motion was seconded by Mr. Geren.

MOTION CARRIED UNANIMOUSLY

At 12.59p.m. CEO Roberts presented the revised slate to the Oversight Committee.

CEO Roberts recommended two awards for the Company Formation Slate,

Beta Cat Pharmaceuticals not to exceed \$15,908,485.

CerRX, Inc. not to exceed \$6,000,000 to support Phase 2a Proof of Concept trial in Peripheral T-Cell lymphoma.

Chair Rice entertained a motion to disregard the CEO's revised funding recommendations for the Company Formation Slate.

Hearing none, the revised slate was accepted.

Chair Rice entertained a motion to disregard the Chief Executive Officer's funding recommendation for the Company Relocation Award Slate.

The companies in the Relocation Slate are:

Essa (\$12,000,000) and ProNAi (\$14,000,000)

Hearing no motion to disregard these slates, Chair Rice called for a motion to delegate contract negotiation authority to the Chief Executive Officer and the General Counsel pursuant to the process set forth by Ms. Doyle.

Motion was made by Dr. Rosenfeld and seconded by Mr. Holmes.

MOTION CARRIED UNANIMOUSLY

8. Chief Prevention and Communications Officer Report

Chair Rice recognized Dr. Becky Garcia to provide the Chief Prevention and Communications Officer Report.

Dr. Garcia reported that RFAs for Competitive Continuation/Expansion Projects, Health Behavior Change through Public Education and Evidence Based Cancer Prevention Services will close on February 27, 2014. She stated that another round of RFAs for prevention will be released in March 2014.

Dr. Garcia stated that 110 people attended a webinar on January 29, 2014, regarding RFAs and changes due to the new administrative rules.

Dr. Rosenfeld asked about the recent Canadian National Breast Screening Study that cast doubt on the value of mammograms. He asked if that would have any effect on CPRIT. Dr. Garcia responded that screening guidelines may change as national organizations review new research available. CPRIT prevention projects are required to follow national screening guidelines.

She stated that the national guidelines have not changed but if and when they do, CPRIT's RFAs would incorporate changes to guidelines.

Dr. Mulrow commented that this study is actually a follow-up of the Canadian National Breast Cancer Screening Study. She stated that the sixteen year follow-up was negative so it is no surprise that the twenty-five year study was negative. Dr. Mulrow stated that she did not believe that it is likely to have much influence on the national guidelines.

9. Strategic Communications Contract

Dr. Garcia presented the recommendation for the Strategic Communications Contract.

Chair Rice recognized Mr. Angelou, Chair of the Audit Subcommittee, to discuss the subcommittee's recommendation regarding the Strategic Communications Contract.

Mr. Angelou stated that the Audit subcommittee met February 12th and discussed the Strategic Communications Contract with CPRIT staff. He informed members that CPRIT Bylaws require the Audit Subcommittee to review any non-grant contract exceeding \$100,000 and recommend approval to the Oversight Committee.

Mr. Angelou reported that the Audit Subcommittee recommended awarding the Strategic Communications Contract to Hahn Public Communications as presented by Dr. Garcia.

A motion was made by Mr. Montgomery and seconded by Mr. Holmes to approve the Strategic Communications Contract as recommended by the Audit Subcommittee and presented by Dr. Garcia.

MOTION CARRIED UNANIMOUSLY

Chair Rice noted for the record that Mr. Montgomery would be leaving; however a quorum would still be intact.

The Oversight Committee adjourned for a break at 1:07p.m.

Chair Rice called the Oversight Committee back to order at 1:23 p.m.

10. Appointments to Scientific Research and Prevention Programs Committees

The Chair laid out the Nominations Subcommittee recommendations for the Chief Executive Officer's appointments to the Scientific Research and Prevention Programs Committees.

Chair Rice noted that Ned Holmes, the Nominations Subcommittee chair, was unable to attend the Nominations Subcommittee meeting on February 17th and that he had chaired the meeting in Mr. Holmes' absence. He related that the Nominations subcommittee discussed the Chief Executive Officer's new appointments to the Scientific Research and Prevention Programs Committee. The Nominations subcommittee recommended approval of the CEO's 58 appointments to CPRIT's Scientific Research and Prevention Programs Committees.

A motion to approve the Chief Executive Officer's appointments to the Scientific Research and Prevention Programs Committee was made by Dr. Rosenfeld and seconded by Mr. Geren.

MOTION CARRIED UNANIMOUSLY

11. Proposed Amendment to 25 T.A.C. 703.13

Agenda Item No. 11 was not taken up in this meeting.

12. Presentation by SRA, International Inc.

The Chair recognized Dr. Rajan Munshi and Dr. Steven Goldberg to present a summary of the professional services provided to support CPRIT's peer review and grants management activities. Dr. Munshi and Dr. Goldberg are with SRA International, Inc. SRA is CPRIT's third party grant administrator.

Dr. Goldberg gave an introduction to SRA, their mission and services they provide to CPRIT. He described their approach to ensure the integrity of the review process is maintained throughout.

Dr. Munshi gave an overview of the grant lifecycle and how SRA interacts in the process.

Dr. Rosenfeld asked if the Help Desk is housed at CPRIT or SRA. Dr. Munshi replied both. He explained that there is a Help Desk at SRA for technical issues but programmatic questions are forwarded to the program office for responses.

13. Program Priorities Project

Chair Rice turned the gavel over to Mr. Geren, Vice Chair.

Vice Chair Geren recognized Dr. Rice to present the program priorities project. Dr. Rice began with asking the question of how the committee should proceed to develop program priorities. He acknowledged that the Research Program and the Prevention Program already have begun the process of establishing program priorities.

After much discussion among members about the best way to move forward, Mr. Geren suggested that a professional facilitator be identified to work with members through this process.

It was agreed that CEO Roberts proceed to develop a plan that includes a planning retreat with a professional facilitator and that he update the Oversight Committee at the May meeting.

14. Subcommittee Business

Ms. Doyle reminded members that it had been suggested earlier in the meeting that the Board Governance Subcommittee be directed to look at CPRIT's administrative rules and statute and make appropriate recommendations to bring them into alignment.

A motion was made by Mr. Geistweidtt to direct the Board Governance Subcommittee to look at CPRIT's administrative rules and statute and make appropriate recommendations to bring them into alignment. Seconded by Mr. Geren.

MOTION CARRIED UNANAMOUSLY

15. Chief Operating Officer Report

The Chair recognized Heidi McConnell to present the Chief Operating Officer's Report.

Ms. McConnell stated recommendations in the 2013 State Auditor's management report and the 2013 *Information Technology Internal Audit Report* included audits of the security, availability, processing integrity, confidentiality and privacy controls used on the SRA-managed proprietary systems. She reported that the cost to perform all five trust principles would cost, at a minimum, \$80,000 and perhaps \$100,000. Internal audit staff recommended that we move forward on the two elements of processing integrity. The auditors have since reported that the American Institute of Certified Public Accountants has identified common criteria that reach across all principles. The recommendation now includes looking at all common criteria plus security and processing integrity.

The Chair recognized Mr. Angelou, Chair of the Audit Subcommittee, who stated that the subcommittee met on February 12th to discuss audit issues, including a proposed

amendment of CPRIT's contract with Grant Thornton for internal audit services. Mr. Angelou advised that the contract amendment adds an audit of SRA-managed, proprietary information technologies systems used by CPRIT to process and review grant applications and monitor grant awards. He reported that the additional audit is estimated to cost \$45,000, which would result in an overall internal audit contract of \$245,000. Mr. Angelou stated that the Audit Subcommittee recommends approval of an amendment to the Grant Thornton contract to add the audit of SRA-managed technology systems.

A motion was made by Mr. Angelou and seconded by Ms. Mitchell to approve an amendment to the Grant Thornton contract to include an audit of SRA-managed technology that will increase the total contract to an amount not to exceed \$245,000.

MOTION CARRIED UNANIMOUSLY

16. Compliance Officer Report

Chair Rice recognized David Reisman to present the Chief Compliance Officer's Report.

Mr. Reisman reported that as of February 11, 2014, there were twenty active grant projects that had not filed the required quarterly financial status reports by the deadline and seven that had not filed the required progress reports by the deadline.

Mr. Reisman reported that CPRIT staff will follow up with the grant projects that have delinquent reports. He also reminded members that CPRIT's recently adopted administrative rules will provide new options to address delinquent reports, however, these options will not be implemented until after the staff has an opportunity to train grant recipients on the recently adopted rules.

Dr. Rosenfeld inquired if there was any particular institution stood out as more delinquent than others. Mr. Reisman responded that delinquencies were spread out among entities. Dr. Rice asked if they were corporate or academic. Mr. Reisman stated that it was a mix.

Mr. Reisman informed members that they should have ethics and compliance training every year. He stated that he hoped to be able to do that at the Oversight Committee meeting in May.

Mr. Reisman also informed the members that their Personal Financial Statements were due to the Ethics Commission by April 30th. He stated that they would receive a notice from the Ethics Commission.

17. Consultation with General Counsel

No consultation with General Counsel was required.

18. Future Meeting Dates and Agenda Items

The next Oversight Committee meeting will be held May 21. CPRIT staff will circulate a tentative agenda prior to the meeting.

