

**MINUTES**  
**Oversight Committee Quarterly Meeting**  
**Cancer Prevention and Research Institute of Texas**

**Thompson Auditorium, 1<sup>st</sup> Floor**  
**Texas Medical Association**  
**401 W 15<sup>th</sup> Street, Austin, Texas**

**February 25, 2013**  
**11:30 a.m.**

**Call to Order**

Chairman James Mansour, announced a quorum and called the Oversight Committee Meeting of the Cancer Prevention and Research Institute of Texas (Institute) to order at 11:35 a.m. Chairman Mansour noted for the record that he received a letter from Walker Moody, notifying the Board he would not be attending the meeting because of a family matter.

**Members Present**

James Mansour, Chairman  
Dr. Joseph Bailes, Vice Chairman  
Barbara Canales  
The Honorable Faith Johnson  
Tom Luce  
Alex Meade  
Charles Tate  
Mark E. Watson, Jr.

**Members Absent**

Walker N. Moody  
Jay Dyer, Attorney General Designee  
Whitney Blanton, Comptroller Designee

**Legal Counsel**

Kristen Doyle

**Staff Present**

Wayne Roberts, Interim Executive Director  
Billy Hamilton, Senior Advisor to the  
Oversight Committee and Executive Director  
Heidi McConnell, Chief Operating Officer  
Patricia Vojack, Compliance Officer  
Ramona Magid, Prevention Program Director  
Diego Alejos, Information Technology  
Robert Gonzales, Information Technology  
Therry Simien, Information Technology  
Officer

Sandra Balderrama, Senior Advisor to the  
Executive Director  
Yvette Jimenez, Administrative Assistant  
Ellen Read, Information Specialist  
Alfonso Royal, Finance Manager  
Lisa Nelson, Operations Manager  
Michelle Frerich, Program Manager  
Sandra Reyes, Executive Assistant

## **Minutes**

December 5, 2012

December 21, 2012

Tom Luce moved to adopt the minutes of the CPRIT Oversight Committee Meetings held December 5, 2012, and December 21, 2012. Joseph Bailes seconded. None opposed. Motion carried.

## **Interim Executive Director's Report**

Since commencing as Interim Executive Director on December 27, 2012, Mr. Roberts' first order of business was to work with Billy Hamilton, Senior Advisor to the Oversight Committee and Executive Director, to review the awards announced at the August and December 2012 meetings. Mr. Hamilton would be giving the Board a detailed report on those particular awards.

Mr. Roberts and Mr. Hamilton noted that based on the discussions at legislative hearings, they decided it would be prudent to review all 498 grants awarded by CPRIT. This will be done to ensure that the process used at the time of the awards was followed. He does not believe there are any problems with the awards, but they feel it would provide additional comfort to legislators.

Mr. Roberts reported that during his first week at CPRIT he was presented with a request from CTNeT, one of CPRIT's grant recipients, for an advance of funds totaling nearly \$780,000. He spent considerable time trying to reach a resolution that would allow CTNeT to continue operations but was unsuccessful. The issue has been well covered in the media and the State Auditor's report.

Mr. Roberts also coordinated development of a lengthy management response to the State Auditor's Report. CPRIT committed to implementing all 41 of the recommendations. The implementation plan has been posted on CPRIT's website and will be updated regularly as CPRIT takes action to implement each recommendation. For example, the Oversight Committee's consideration of the proposed administrative rule changes and adoption of Bylaws at this meeting are part of the implementation plan and the action taken today will be updated on the chart.

Mr. Roberts informed the Oversight Committee that staff continues to receive and respond to numerous public information requests. The staff time utilized to respond to the information requests limits CPRIT's ability to address some of CPRIT's pressing issues and purposes for which CPRIT was created as quickly and efficiently as he would like.

Per instruction from the Oversight Committee, Mr. Roberts reported that a request for proposals for media communications had been issued. CPRIT received 10 proposals. Four firms moved forward for further consideration. The two final firms were each interviewed three times by staff with some Oversight Committee involvement. The contract was awarded to Hahn, Texas two weeks ago and work started immediately.

Mr. Roberts and Mr. Hamilton and occasionally other senior staff have participated in numerous meetings with legislators and their staff. They have discussed revisions to CPRIT's enabling statutes and agency efforts to address concerns in the state audit report, the media, and elsewhere. Bills related to CPRIT have been introduced by Senator Nelson, Representative Keffer, Senator

Eltife, and Senator Davis, among others. He also met with staff of the Legislative Budget Board concerning the details and intent behind the introduced budget as they relate to CPRIT.

Mr. Roberts stated that staff has prepared for Oversight Committee consideration a lengthy list of draft amendments to CPRIT rules and regulations to implement the State Auditor's report. The implementation chart that was referenced earlier includes a list of initial items in proposed legislation and internal suggestions. Staff has created a list of what can be done now instead of waiting for further instruction from the Legislature. Staff wants CPRIT to address the problems that it can address now without further delay.

The grant management system contract was modified to enhance our post award contract performance monitoring. This was a concern for the State Auditor, Mr. Hamilton, and Mr. Roberts.

At the suggestion of Hahn, Texas and to improve our operational visibility, Mr. Roberts reported that he has initiated media calls to keep the media apprised of our actions and to respond to specific questions they may have. Also, several meetings have been held with various advocacy groups to provide updates on CPRIT activities.

Mr. Roberts has conducted approximately 31 meetings with Legislators, and will continue to schedule more meetings in the weeks ahead. He stated that staff, Mr. Hamilton and he have prepared for and given some 7.5 hours of testimony to 5 legislative committees concerning the State Auditor's report, agency operations, and proposed 2014-15 appropriations.

He met with nine vendors concerning unsolicited proposals to assist in operations and help CPRIT with the Legislature. He also met with numerous presidents of institutions of higher education, their representatives and others concerning various subjects, particularly the legislative leadership moratorium.

With respect to the bills before the Legislature, Mr. Roberts informed the Oversight Committee that SB 149 by Senator Nelson is not yet set for the Senate Floor. Senator Nelson hopes it will come up within the first two weeks of March subject to Senate rules.

Also, the Senate Finance Subcommittee pended CPRIT's budget to the full committee. There are no changes made at this time. CPRIT has been made a "priority 2". The House Appropriations subcommittee has also pended CPRIT budget to the full House committee with no changes.

Senate Bill 150 by Nelson is to be heard Tuesday, February 26, 2013, at the Senate Health and Human Services Committee. This is similar to legislation from last session that did not pass. SB 150 allows money to be deposited to our dedicated account in the treasury to pay for debt service on bonds and other statutory purposes.

Mr. Roberts ended his report by stating that the 21 employees that remain at the agency are dedicated professionals and were not the cause of the problems reported publicly in the past few months. He stated that many of the problems that have been revealed were identified first by CPRIT employees. He emphasized that through these public servants CPRIT can and will emerge reinvigorated and rededicated in the effort to mitigate cancer in our children's life time. He asked that all Oversight Committee members in attendance thank staff on their way out after the meeting.

Comments:

The Oversight Committee, led by Mr. Luce, also expressed their support of the statement and gave the staff an ovation. The Oversight Committee expressed its support for strengthening the integrity and transparency of agency grant award decisions and operations.

**Senior Advisor to Oversight Committee Report**

Billy Hamilton reported on the grant awards verifications process. He pointed out that overall the process has been slow due to staff's limited access to detailed data that are currently maintained by SRA and the limited number of staff within the agency.

Mr. Hamilton described the three phases of the verification process he is undertaking:

Phase 1: Verification of the "frozen grant awards", slates approved on August 2 and December 5. This was completed on January 31, 2013.

Phase 2: Verification of all past awards to identify any potential issues. This phase is ongoing at this time.

Phase I3: A "crosswalk" between the grant awards and contributions to the CPRIT Foundation. This phase remains to be done.

Verification that appropriate process was used for the "frozen grants" required building an individual grant profile for each of the grants to ensure that each step in the approval process as outlined in statute and agency rules had been met and then evaluating each grant. This process was carried out by Patricia Vojack, Compliance Officer, with assistance from Dr. Becky Garcia, Chief Prevention Officer, Dr. Margaret Kripke, Chief Scientific Officer, and Kristen Doyle, General Counsel.

129 research and prevention grant awards were reviewed as part of this phase, as well as 31 Recruitment awards.

The final conclusion of the review was that all but one of 160 grants ratified by the Oversight Committee on August 2, 2012, and December 5, 2012, followed appropriate processes laid out in the RFAs as well as CPRIT statute, rules, and guidelines. This information has been shared with Governor Perry and legislative leadership to inform their decision on how and when to lift the moratorium on CPRIT awards.

Due to legislative concerns, designated staff is proceeding with a review of all prior CPRIT grant awards to provide assurance that there are no additional awards that bypassed any applicable rules or state law.

Mr. Hamilton explained that the one grant recommendation which did not follow the rules was an individual investigator award that was originally part of a Multi-Investigator Research Award application that included eight individual proposed projects. The overall MIRA did not receive a favorable score, which meant it was not discussed before the full review committee. The individual project was brought to the attention of the chief scientific officer after peer review was completed and subsequently was added to the August 2, 2012, slate and ratified by the Oversight Committee. Mr. Hamilton said this was presumably done because the individual project had a good score on its own merits. However, this was a deviation from the process in the rules and the process used at the

time. He emphasized that nothing was wrong with the project award; it simply had the misfortune of being approved outside of the process that should have been followed.

He informed the Committee that there was no evidence in the written record or in interviews that any manipulation of the grant process occurred for either the August 2<sup>nd</sup> or December 5<sup>th</sup> awards. He added that the overall process is sound, particularly with the addition of monitoring by the outside monitor, Grant Thornton, and with the hiring of the chief compliance officer. These grant awards should move to contract finalization. This has been communicated and recommended to the leadership and to key legislative members and legislative committees.

Mr. Hamilton updated the Oversight Committee on the second phase of the review. He said SRA, CPRIT's third-party grant administrator, is developing profiles for the 300 CPRIT grants that have not already been reviewed in the first phase. This is a separate process from the one used for the frozen grants because the approval process has changed over time. All the profiles will be completed soon for phase II. Reports to the Committee and leadership will be given at that time.

Phase III involves making a cross walk of the grants awarded with the donors to the CPRIT Foundation and will begin soon. Reports to the Committee and leadership will be given when completed.

He added that it is vital that more resources be devoted to compliance and to post-award grant monitoring.

He also stated that he and Mr. Roberts have communicated to the Legislature that the process for grant approval is outstanding and has been markedly improved in recent months. He believes there should be confidence in the process. There are checks and balances that were in place, have been added, or will be added under Senate Bill 149 or by rule changes to be presented to the Oversight Committee shortly.

Comments:

Member Tom Luce agreed that more staff is needed to strengthen the process and resources. Mr. Luce requested that the Interim Executive Director itemize CPRIT's resource needs and report at the next Oversight Committee meeting.

Chairman Mansour also asked that it be on record that more full time employees are needed.

Member Charles Tate asked that Chairman Mansour seek a motion that reflected these comments.

Chairman Mansour called for a motion affirming Mr. Hamilton's findings regarding the review of the August and December 2012 slates as described in the Senior Advisor's report.

***A motion was made by Charles Tate to support the Senior Advisor's report and findings. The motion was seconded by Tom Luce. None opposed. Motion carried.***

Discussion continued on the slates approved at the August and December 2012 meeting. Member Tom Luce stated he understood why the moratorium was established. However, after hearing the Senior Advisor to the Oversight Committee indicate that there is no evidence of deviation of the grant process for either slate, he felt confident in recommending that the contracts be negotiated.

Member Charles Tate stated that many recruitment grants are part of the moratorium and the recruiting institutions have concern that additional delay may result in losses to Texas. He said everything that can be done short of signing the contract should occur.

Member Tom Luce agreed with Mr. Tate, and said it is important to affirm and preserve these grants. He suggested beginning negotiations to keep the grants alive so they would not expire from inaction.

Chairman Mansour clarified that at both August and December 2012 meetings these grants were ratified and the Committee approved delegating authority to negotiate and sign contracts to the executive director and general counsel.

General Counsel Kristen Doyle stated that once the moratorium is lifted CPRIT should be ready to move forward quickly to execute the contracts.

Member Faith Johnson expressed a concern with moving forward with negotiating contracts. She wanted a confirmation that the Committee is not in violation of the moratorium by moving forward with negotiating but not executing.

Ms. Doyle responded that a grant award is not considered final under CPRIT's statute until a contract is executed.

Member Barbara Canales agreed with Faith Johnson, saying that she favors Mr. Luce's use of the word "preservation" in describing what we want to do with the grants during the moratorium. She supported lifting the moratorium.

Ms. Canales requested a clarification from Mr. Hamilton regarding the findings on the MIRA grant. She asked if he found anything sinister or malicious in his review that caused the process to not be followed.

Mr. Hamilton responded that the individual investigator grant that was pulled out from the MIRA for approval simply had the misfortune of being approved outside of the process that should have been followed. This was not something the Oversight Committee could have known had happened. He then stated that the other grants reviewed had no problematic issues and it was a fair competition. The procedures were followed.

Member Charles Tate asked that Chairman Mansour seek a motion to instruct staff not to execute contracts, but preserve these announced awards by negotiating the contracts to be ready to be executed once the moratorium is lifted.

Chairman Mansour called for a motion to instruct staff not to execute contracts, but nevertheless preserve the announced awards by negotiating terms to be ready to execute once the moratorium is lifted.

***A motion was made by Faith Johnson to instruct staff not to execute contracts, but nevertheless preserve the announced awards by negotiating terms and be ready execute once the moratorium is lifted. The motion was seconded by Tom Luce. None opposed. Motion carried.***

## **Governance Committee Report**

Barbara Canales, Board Governance Committee Chair, gave an overview of the Governance Committee's report.

### **Bylaws and Policies**

Ms. Canales began by reminding members that at the December 5<sup>th</sup> meeting, the Board Governance Committee presented several recommendations to be included in the Board Bylaws and the Oversight Committee approved these recommendations. Each of the recommendations has been included in the proposed bylaws provided to the Oversight Committee for their consideration. Ms. Canales noted that some of the bylaws address recommendations made by the auditor.

### **Approved Recommendations and Proposed Bylaw Provisions**

<b>No.</b>	<b>Recommendation</b>	<b>Bylaw Section</b>
1	Adopt a process for electing Board Chair and Vice Chair	5.1, 5.2
2	Adopt a succession policy in event of vacancy	5.2
3	Establish two-year term limits for Board Chair, Vice Chair	5.2
4	Defines roles/responsibilities for Chair, Vice Chair	5.3, 5.4
5	Approve/delegate approval of strategic partnerships, alliances and coalitions	3.8
6	Scientific Research subcommittee and Prevention subcommittee join the existing Development Subcommittee (formerly the "Economic Development and Commercialization Subcommittee")	4.8, 4.9
7	Board Governance and Ethics Subcommittee responsibilities	4.5
8	Audit Subcommittee responsibilities	4.4
9	Executive Committee membership	4.3
10	Executive Committee conducts the Executive Director's annual performance review	4.3
11	General Counsel provides new board member and training updates	3.15
12	Board Governance develops delegation of authority policy	4.5
13	ED reports on grant progress and allocation of funds quarterly	6.5
14	Compliance Officer reports on best practices for grant review and monitoring	7.2
15	Program chiefs and program subcommittees develop process for feedback to triaged grant applicants	4.7, 4.8, 4.9
16	ED reports on CPRIT Foundation governance and CPRIT/CPRIT Foundation relationship	6.6
17	CPRIT Foundation ED reports annually to the OC on Foundation	6.6
18	OC Chair and CPRIT Foundation Chair held by different people	5.3

Chairman Mansour suggested an amendment to the text of Section 5.2 “Selection, Term of Office and Removal.” Chairman Mansour proposed adding the following text as the first sentence in Section 5.2: *“At the first regular Oversight Committee meeting following the adoption of these bylaws, the members of the Oversight Committee shall select the Chairperson and Vice Chairperson by a vote of a simple majority as set forth in Section 3.13.”*

### Subcommittees

Ms. Canales reported that the Board Governance Committee also worked to reconstitute board subcommittees and create new subcommittees as called for by the bylaws. All board members were consulted on committee assignments. Ms. Canales concluded by saying that the work of these subcommittees will strengthen the Oversight Committee and the role it plays in governing CPRIT.

#### Executive Committee

- Jimmy Mansour (Chair)
- Joe Bailes (Vice Chair)
- Charles Tate (Chair of Development Subcommittee)
- Barbara Canales (Chair of Prevention Subcommittee)
- Mark Watson (Chair of Scientific Research Subcommittee)

#### Nominations Subcommittee

- Joe Bailes (Chair)
- Alex Meade
- Charles Tate

#### Development Subcommittee

- Charles Tate (Chair)
- Walker Moody
- Tom Luce

#### Audit Subcommittee

- Mark Watson (Chair)
- Walker Moody
- Faith Johnson
- Jimmy Mansour
- Joe Bailes

#### Scientific Research Subcommittee

- Mark Watson (Chair)
- Jimmy Mansour
- Alex Meade

#### Board Governance and Ethics Subcommittee

- Walker Moody (Chair)
- Barbara Canales
- Tom Luce
- Jimmy Mansour
- Joe Bailes

#### Prevention Subcommittee

- Barbara Canales (Chair)
- Faith Johnson
- Joe Bailes

#### Diversity Subcommittee

- Faith Johnson (Chair)
- Alex Meade
- Barbara Canales

Chairman Mansour called for a motion to approve the subcommittee assignments.

***A motion was made by Faith Johnson to approve the subcommittee assignments. The motion was seconded by Barbara Canales. None opposed. Motion carried.***

### Code of Ethics and Conduct Policy

Ms. Canales reported on the Code of Ethics and Conduct Policy that the Board Governance subcommittee reviewed. As noted in the proposed bylaws, the Code of Ethics and Conduct will be incorporated by reference as part of the Board Bylaws.

The Code of Ethics and Conduct Policy brings together into one document all of the statutory provisions and administrative rules already adopted by the Oversight Committee regarding the ethical conduct of the board and the agency.

While the Committee has always operated pursuant to the guidance in the Code of Conduct and Ethics, the Board Governance subcommittee believes this document supports CPRIT's commitment to increased transparency.

Ms. Canales invited Patricia Vojack, Compliance Officer, to give the Committee a brief overview of the policy.

Ms. Vojack introduced the proposed Code of Ethics and Conduct Policy. An important part of the compliance program is the Code of Ethics and Conduct Policy. This sets forth values, ethical principles and ethical standards to which the agency aspires and by which our actions can be judged. She indicated that the Code is the central guide and reference for the Oversight Committee and CPRIT employees in support of day-to-day decision making. Ms. Vojack reviewed key sections of the policy.

Comments:

The Board discussed changes to the proposed Code of Conduct:

Subchapter A. General Provisions

Sec. 1.02. Definitions. In this Code:

(7) "Pecuniary interest"

(A) ownership of five percent or more of the stock or shares of the business entity; or.....

The members discussed adding text so that it would refer to shares held prior to joining the Oversight Committee or becoming a CPRIT employee. In the event there is a pecuniary interest, the member should recuse him or herself. Mr. Tate and Mr. Luce asked staff to prepare proposed wording changes to reflect the discussion and bring those changes back to the Committee for consideration at a future meeting.

Sec. 1.08. General Standards of Conduct for Members and Employees

Mr. Luce recommended removing the text "might reasonably" from (1) – (5).

Subchapter B. Conflicts of Interest

Sec. 2.08. Procedures for Employee's Disclosure of Conflict of Interest.

Ms. Vojack recommended replacing the word "financial" with "annual."

Chairman Mansour thanked the Board Governance and Ethics Subcommittee for its work. He also reported that, with the amendment to the Bylaws that is currently pending, officer elections will take place at the next meeting on March 21, 2013. He said he was appreciative of all members' support for the past four years.

Chairman Mansour called for a motion to approve the proposed Board Bylaws and Policies and Code of Ethics and Conduct Policy with changes recommended by the Committee and have these changes reflected in the minutes.

***A motion was made by Tom Luce to approve the proposed Board Bylaws and Policies and Code of Ethics and Conduct Policy with changes recommended by the Committee and reflected changes in the minutes. The motion was seconded by Charles Tate. None opposed. Motion carried.***

### **CPRIT Foundation Structure and Relationship to CPRIT**

Member Tom Luce led the discussion by saying that the Committee needs to look at the pros and cons of maintaining these as two separate entities.

He suggested that the Board officially adopt the State Auditors recommendations.

Chairman Mansour agreed that the Committee endorse all audit recommendations. He then called for a motion to adopt the State Auditor's report and implement recommendations as reflected in the report.

***A motion was made by Tom Luce to adopt and endorse the State Auditor's report and implement recommendation as reflected in the report. The motion was seconded by Faith Johnson. None opposed. Motion carried.***

### **Proposed Changes to Texas Administrative Code Title 25, Chapters 702 & 703**

General Counsel Kristen Doyle presented proposed rule changes on behalf of the Board Governance Committee. She gave an overview of CPRIT's Administrative Rules and the changes made to implement state audit report recommendations and to codify some of CPRIT's current practices. Ms. Doyle explained the timeline for rulemaking, including the public comment period. As part of the rulemaking process, CPRIT will provide the proposed rules to the Lieutenant Governor and Speaker of the House for legislative input.

Ms. Doyle reported some of the proposed rule change highlights:

#### Chapter 702 – Institute Standards on Ethics and Conflicts

- Expands Code of Conduct applicability to CPRIT's peer reviewers
- Defines "business or professional activity" to include serving on the board of directors
- Requires adopting a Code of Conduct and Ethics
- Includes certain relationships with foundations affiliated with grant applicants as part of the professional conflict check
- Retains supporting documentation for the Conflict Of Interest policy

#### Chapter 703 – Grants for Cancer Prevention and Research

- Requires applications be submitted via CARS by the proposal deadline to be eligible
- Adds certification that an applicant has not contributed to the CPRIT Foundation and to identify all sources of funding
- Provides for written explanations when recommendations do not follow score order

- Adopts independent third-party observer as part of grant review to document processes followed
- Incorporates compliance activities and mandates compliance certification as part of the final decision on grant awards
- Enhances award contract provisions, including close-out requirements and right of termination
- Clarifies audit requirements for grant recipients

Proposed New Rule Highlights:

703.21 – Monitoring Grant Award Performance

- Requires annual submission of progress report
- Reviewed for sufficient progress with process for modifying/terminating the contract if progress is not being made
- Progress report results will be presented to the Oversight Committee

703.25 – Compliance and Ethics Program

- Compliance Officer will oversee and report on compliance activities

703.26 – Complaint, Reporting and Investigation of Compliance Violations

- Establishes an Ethics Hotline
- Requires prompt investigation following receipt of report

Comments:

Member Barbara Canales requested clarification on how the proposed rules affect the matching funds requirement.

Ms. Doyle responded that the matching funds requirement is an issue that is being considered by the Legislature and expects to return to the Committee with additional changes to the matching funds requirement. Some changes have been proposed to the rule for matching funds. Additional changes may be made by the Legislature.

Member Tom Luce thanked the General Counsel for her dedication to this project.

The Committee discussed changes to the proposed rules. Mr. Tate suggested adding text clarifying that § 702.9(12) applied to governing boards, not advisory committees.

Chairman Mansour called for a motion to instruct staff to publish the proposed rule amendments to Texas Administrative Code Title 25, Chapter 702 & 703, with the changes recommended by the Committee, in the “Rules Proposed” section of the *Texas Register* in accordance with the requirements of the Administrative Procedure Act.

***A motion was made by Faith Johnson to instruct staff to publish the proposed rule amendments to Texas Administrative Code Title 25, Chapter 702 & 703, with the changes recommended by the Committee in the “Rules Proposed” section of the Texas Register in accordance with the requirements of the Administrative Procedure Act. The motion was seconded by Joseph Bailes. None opposed. Motion carried.***

Subsequent to the vote on the motion, Ms. Doyle noted that based on the previous discussion related to the changes to the bylaws it would be appropriate to instruct staff to make any necessary changes to the proposed rules so that the proposed rules were consistent with the bylaw changes.

Chairman Mansour called for a motion to direct general counsel to make changes in the proposed rules consistent with the changes to the bylaws that apply to CPRIT employees.

*A motion was made by Tom Luce to direct the general counsel to make changes in the proposed rules consistent with the changes in the bylaws that apply to CPRIT employees. The motion was seconded by Faith Johnson. None opposed. Motion carried.*

### **CPRIT Annual Conference**

Mr. Roberts expressed concern about having an October 2013 CPRIT conference. His primary concern is not knowing CPRIT's future make it difficult to plan for the conference. Also, booking a conference for October may send a message to the Legislature that CPRIT is not sufficiently concerned about its current situation. Mr. Roberts would like to focus first on making sure that CPRIT grant programs operate effectively and implement legislative changes and the State Auditor's recommendations. If the Committee wants to proceed with the October conference, contracts would need to be executed quickly but he suggested a much scaled down event.

His recommendation is not to hold a 2013 conference. He suggested planning a biennial conference to coincide with legislative sessions to give legislators the opportunity to attend. Mr. Roberts asked the Committee for further direction.

Board Members Faith Johnson, Mark Watson, Joseph Bailes, Barbara Canales, and Chairman Mansour all spoke in favor of Mr. Roberts' points for not holding the conference in October 2013.

The members also emphasized that the event is important for CPRIT so that the scientific community and grant awardees can see learn from other's work and for networking purposes. They also suggested considering retaining a conference contractor to plan these events.

No member advocated for holding the conference this year. CPRIT will proceed with planning a biennial event.

### **Change of Venue for Oversight Committee Meetings**

Mr. Roberts suggested moving Committee meetings to one of the Capitol Extension hearing rooms. This change would occur after the Legislature adjourns. This move would improve transparency and openness, provide easier access for the general public, legislators, and their staff to access meetings. The Extension offers webcasting so one does not need to come to Austin to watch a CPRIT meeting; there is no cost for using Extension rooms.

All members agreed with Mr. Roberts' proposal.

### **Chief Operating Officer Report**

Reports presented by Heidi McConnell, Chief Operating Officer:

- Financial Report
- FY 2013 First Quarter Performance Report
- General Obligation Bond Issuance Update

### **Comments:**

Member Charles Tate requested that the interest rates be added to the general obligation bond issuance report.

Member Barbara Canales reported that at one of the committee hearings Senator West asked about the agency's HUB report. She said Heidi McConnell responded to the question. However, she would like the Committee to instruct the chief operating officer to address the report to the Committee, including reasons for low numbers. Interim Executive Director Roberts said that at the next Committee meeting he will provide the material given to Senator West explaining the CPRIT's use of HUBs.

### **Compliance Officer Report**

Patricia Vojack, Compliance Officer, reported on compliance program activities including:

- Code of Ethics and Conduct policy
- Verification of grant awards – application pedigree
- Process documentation of the grant applications from online application submission to presentation to the Oversight Committee for ratification
- Verified 129 prior approved grant awards
- In process of verifying all past awards
- Ensuring the Institute is in compliance with the General Appropriations Act and donations to CPRIT Foundation
- Delineated the process of verification and certification of grant applicants
- Report on NIH grant application and management process and best practices recommendations. Also NCI grant management processes
- Met with Governor's staff in the Compliance and Oversight Division and discuss their process for grant monitoring.
- Best practices in a grant program include
  - Internal controls;
  - Performance measures;
  - A well defined pre-award process;
  - Managing performance through regular reviews—monitoring and qualitative measures; and
  - Assessing and using results to demonstrate program success.

### **Consultation with Counsel**

No discussion or action taken regarding this item.

**Future Meetings Dates and Agenda Items**

Mr. Roberts reported that the next meetings are scheduled for March 21, 2013, May 22, 2013, and August 15, 2013.

He asked the Committee to consider changing the scheduled May 22, 2013, meeting to April 29<sup>th</sup> at 11:30 a.m. This would allow staff time to respond to comments received from the March 15 *Texas Register* posting and appropriate adoption of rules and regulations. In addition, it would allow for more staff and Oversight Committee flexibility during the closing days of the current legislative sessions.

All members agreed. The May 22<sup>nd</sup> meeting was replaced with the April 29, 2013, date.

Chairman Mansour announced that Oversight Committee members Barbara Canales, Walker Moody and Alex Meade have terms that expired in January. They will remain as Committee members until they are replaced. The Committee thanked them for their dedication and service.

Mr. Roberts reported that one new gubernatorial Oversight Committee member had been appointed but not confirmed.

**Public Comment**

Chairman Mansour called for public comments. None were submitted.

**Adjournment**

There being no further business, Chairman Mansour called for a motion to adjourn.

*Motion was made by Mark Watson to adjourn the meeting. The motion was seconded by Faith Johnson. None opposed. Motion carried.*

Meeting adjourned at 3:30 p.m.

  
\_\_\_\_\_  
Signature

11-1-13  
Date