CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Oversight Committee Meeting
May 18, 2016

1. Call to Order

A quorum being present, Presiding Officer Geren called the Oversight Committee to order at 10:07 a.m.

2. Roll Call/Excused Absences

Committee Members Present:
Pete Geren
Ned Holmes
Donald (Dee) Margo
Will Montgomery
Cynthia Mulrow, M.D.
Amy Mitchell
Bill Rice, M.D.
Craig Rosenfeld, M.D.

Committee Members Absent:
Angelos Angelou

3. Adoption of Minutes from the February 17, 2016, meeting (Tab 1)

MOTION:
On a motion made by Mr. Margo and seconded by Mr. Montgomery, the Oversight Committee unanimously voted to approve the minutes of the February 18, 2016, Oversight Committee meeting.

4. Public Comment

Presiding Officer Geren noted there were no requests for public comment.

5. Chief Executive Officer Report (Tab 2)

Mr. Wayne Roberts, Chief Executive Officer, introduced new CPRIT staff: Gerald Green, Grant Accountant and Adriane Natal, Executive Assistant.

Mr. Roberts stated that action items from the February 2016 Oversight Committee meeting are discussed in his memo in the meeting materials. Additionally the Oversight Committee Workshop to discuss program priorities is scheduled for May 19, 2016.

Each year in September, the Texas Tribune hosts Tribfest to explore and discuss issues regarding state and national politics. This year, Dr. James Willson, Chief Scientific Officer, has been invited to participate on a panel discussion on cancer, along with Lance Armstrong and Dr. Ronald DePinho, President of The University of Texas M.D. Anderson Cancer Center. It will be an opportunity to promote CPRIT's work.

Mr. Roberts briefly discussed CPRIT's 2016 Customer Service Survey results compared to 2014. He noted that survey results show CPRIT has improved in all service areas.

In response to a question from the Oversight Committee regarding who the agency's customers are, Mr. Roberts stated the citizens of Texas, who created the agency and the Legislature who represents them. However, CPRIT grantees and grant applicants are the people that CPRIT interacts with on a daily basis and are the ones the surveys were sent to for the Customer Service Survey.

Mr. Roberts noted that the information presented in his report on Grant Funds Available includes reference to awards in the Academic Research Program which have been deferred by the Program Integration Committee to the August 2016 Oversight Committee meeting in anticipation of receiving additional recruitment awards.

Presiding Officer Geren thanked Dr. Bill Rice for committing an extraordinary amount of time, in addition to his other duties as an Oversight Committee member, in helping to prepare strategic planning information for the Oversight Committee to consider at the workshop on May 19, 2016.

6. Chief Scientific Officer Report and Grant Award Recommendations (Tab 3)

Dr. James Willson, Chief Scientific Officer, reported on the 220 applications reviewed by the Scientific Review Council panels over the past quarter, stating that 27 grant proposals and 6 recruitment awards were before the Oversight Committee for approval. The mechanisms included in the recommendations are: Core Facilities Support Awards (CFSAs); High-Impact/High-Risk Research Awards (HIHRs); Multi-Investigator Research Awards (MIRAs); and Recruitment of First-Time, Tenure-Track Faculty Members (RFTs). The recommendations address a broad range of Oversight Committee priorities, which are shown in the tables below.

Core Facilities awards are instrumental in providing enabling resources technology for modern cancer research as well as access to innovative therapeutics The awards can be up $6 million over a five-year period. Four CFSAs are recommended today.

In response to an Oversight Committee member question, Dr. Willson stated that all CFSAs presented are strong examples of cross utilization and leveraging of core resources for

investigators in other institutions, which shows these awards will not just impact one individual institution but several. When asked if that could be measured, Dr. Willson responded in the affirmative saying the metrics would be subsequent publications and peer reviewed grants.

An Oversight Committee member asked if the monies given to core facilities could be used to support other research activities of the facility. Dr. Willson stated that the applicants reviewed by the Scientific Review Council are asked to document precisely the percent of utilization on cancer and the direct benefit on the cancer community. The information is carried forward in the annual reports submitted by the grantees.

When asked if core facilities are limited to university investigators or is open to industry investigators, Dr. Willson stated that the resources presented are directed primarily to the academic community and do not specifically propose interactions with industry at this time. He said, in his experience, when other CPRIT grantees asked to use core facilities, the requests were handled on a case-by-case basis with consideration given to the mutual benefit derived by each entity.

Dr. Willson then presented the High-Impact/High-Risk awards, stating they are a maximum of $200,000 over two years for creative ideas that are thoughtful ideas but require preliminary data prior to getting more conventional support from other resources. Of the 151 applications that were reviewed by peer review panels, 21 are being recommended for funding. Two-thirds of HIHRs recommended today are to applicants' institutions that are not in the top five of CPRIT grantees historically, showing the impact this mechanism is having in encouraging applications for institutions that have been less successful in receiving CPRIT awards. Eleven of the 21 applications specifically address Oversight Committee priorities, including computational biology and pediatric cancers.

Multi-investigator research awards are a maximum of $7,500,000 over five years and bring together investigators with complementary expertise, within an institution and/or across Texas institutions. Criteria for these projects include both the expectation of making a significant paradigm shift in addressing a particular cancer problem and the demonstration that there is real integration across the investigators involved. Of the 31 applications reviewed, two are recommended for approval today. Both address lung cancer and are led by investigators at The University of Texas M.D. Anderson Cancer Center as well as involving investigators across institutions.

An Oversight Committee member asked which four awards that were referred to in the meeting materials as addressing the priority "cancers of particular importance to Texas." Dr. Willson responded that the two multi-investigator awards led by M.D. Anderson Cancer Center and two core facility awards coming from The University of Texas at Austin and The University of Texas at San Antonio Health Science Center. In response to a question regarding how the applications are scored, Dr. Willson responded that on a scale of 1 to 9, a score of 1 was exceptional and a score of 9 was unacceptable.

Dr. Willson stated that six individuals are being recruited as First-Time, Tenure-Track Faculty Members. Their areas of study include: childhood brain cancer, pancreatic cancer, the relationship between the microbial environment and cancer in human bodies, melanoma, and advanced microscopy for examining cancer cells.

In summary, the Program Integration Committee recommended 33 applications totaling $45,346,968:

	Grant Type	Total
4	Core Facilities	$19,743,232
21	High Impact/High Risk	$ 4,193,354
2	Multi-Investigator	$10,587,315
6	First Time Tenure Track Faculty Recruitment	$10,823,067
33	**Total**	**$45,346,968**

#	Program Priorities Addressed by Grant Recommendations*
21	A broad range of innovative, investigator-initiated research projects
3	Prevention and early detection
2	Computational biology and analytic methods
9	Rare and intractable cancers, including childhood cancers
4	Population disparities and cancers of importance in Texas
6	Recruit outstanding cancer researchers to Texas
4	Enhance Texas' research capacity and life science infrastructure (priority across programs)

* One recommendation may address more than one program priority

FY 2016 Academic Research funding to date (does not include May awards) – $109,410,850

Special Notes: The PIC elected to defer seven grant award recommendations totaling $37,801,614 for consideration at the August 17 Oversight Committee meeting.

Academic Research Grant Award Recommendations

App ID	Mechanism	Organization/ Company	Application Title	Budget
RP160657	CFSA	The University of Texas at Austin	Targeted Therapeutic Drug Discovery & Development Program	$4,982,636
RP160716	CFSA	The University of Texas Health Science Center at San Antonio	Texas Pediatric Patient Derived Xenograft Facility	$5,079,843

App ID	Mechanism	Organization/ Company	Application Title	Budget
RP160732	CFSA	The University of Texas Health Science Center at San Antonio	UTHSCSA Cancer Genome Sequencing and Computation Core	$3,680,756
RP160805	CFSA	Baylor College of Medicine	Preclinical Candidate Discovery Core	$5,999,997
RP160704	HIHR	The University of Texas at Austin	High affinity therapeutic mimotope antibodies to the oncogenic Epidermal Growth Factor Receptor	$200,000
RP160713	HIHR	The University of Texas Southwestern Medical Center	Amino Acid Sensing: Directing Cell Growth through mTORC1	$198,983
RP160739	HIHR	The University of Texas M. D. Anderson Cancer Center	Targeting Histone Acetylation Readers in MLL-translocated Leukemias	$200,000
RP160763	HIHR	The University of Texas Health Science Center at Houston	Targeting multiple myeloma stem cell niche	$200,000
RP160765	HIHR	Texas A&M University System Health Science Center	An unlikely therapeutic target for malignant bone disease: Dkk-1 activates a stress resistance mechanism in bone tumor cells	$200,000
RP160770	HIHR	The University of Texas at Dallas	Optical opening of blood-brain barrier for brain tumor drug delivery by plasmonic nanobubbles	$200,000
RP160775	HIHR	The University of Texas Health Science Center at Houston	Becoming fatter to survive: cancer cells increase lipid storage to counter metabolic stress	$200,000
RP160776	HIHR	The University of Texas at Austin	Rapid Molecular Diagnosis of Lung Cancer Biopsies by Ambient Ionization Mass Spectrometry	$200,000
RP160795	HIHR	Baylor College of Medicine	A "Pap smear" for ovarian cancer	$200,000
RP160806	HIHR	Texas Tech University	Development of high throughput technology to identify drugs for muscle wasting during cancer	$199,995

App ID	Mechanism	Organization/ Company	Application Title	Budget
RP160813	HIHR	Acelerox	Nanoparticle Prophylaxis for Protection from Chemotherapy Ototoxicity	$195,665
RP160819	HIHR	Texas AgriLife Research	Quantitative mapping of intracellular protein- protein interactomes in healthy and cancerous cells	$198,753
RP160822	HIHR	Texas AgriLife Research	Exploring Geminivirus-encoded suppressor of histone methyltransferases as an anti-cancer drug	$199,958
RP160827	HIHR	Texas A&M University System Health Science Center	A platform technology for the isolation of anti- cancer monoclonal antibodies from chickens	$200,000
RP160834	HIHR	Texas A&M University	Integrated-cavity-enhanced pre-screening for lung cancer	$200,000
RP160841	HIHR	The University of Texas Health Science Center at San Antonio	Targeting EWS-FLI-1 for degradation	$200,000
RP160842	HIHR	Texas A&M University System Health Science Center	Novel roles for NIK in high-grade glioma: regulation of mitochondrial dynamics to control cell migration and invasion	$200,000
RP160847	HIHR	Texas A&M Engineering Experiment Station	A Body Coil for MR Imaging and Spectroscopy of Cancer at 7 Tesla	$200,000
RP160852	HIHR	Texas State University - San Marcos	Chemo-preventive Approach to Cancer Exploiting a Presumptive Link between Genomic Instability and Structural Stability of non-B DNA Sequences	$200,000
RP160866	HIHR	The University of Texas at Dallas	Renal Clearable Nanodelivery System for Triple Negative Breast Cancer Therapy	$200,000
RP160884	HIHR	Baylor College of Medicine	RNA processing stress: a new therapeutic entry point in triple-negative breast cancer	$200,000

App ID	Mechanism	Organization/ Company	Application Title	Budget
RP160652	MIRA	The University of Texas M. D. Anderson Cancer Center	Defining and Defeating Mechanistic Subtypes of KRAS-mutant Lung Cancers	$5,981,040**
RP160668	MIRA	The University of Texas M. D. Anderson Cancer Center	Pathogenesis and Early Progression of Lung Cancer	$4,606,275*

*RP160668 - The peer review panel recommended the deletion of Project 4 from the MIRA application. As a result, the funds dedicated to that project were removed from the budget for a revised total of $5,757,844. The final score was based on revised scope with the deletion of Project 4. The PIC further reduced the budget of this application by 20%, which is reflected in the above table.
**RP160652 - The PIC reduced the budget of this application by 20%, which is reflected in the above table.

CFSA = Core Facilities Support Awards
HIHR = High-Impact/High-Risk Research Awards
MIRA = Multi-Investigator Research Awards

Academic Research Recruitment Grant Award Recommendations Cycle 16.8

App ID	Mechanism	Candidate	Organization	Budget
RR160047	RFT	Omid Veiseh	Rice University	$2,000,000
RR160048	RFT	Lydia Finley	The University of Texas Southwestern Medical Center	$2,000,000
RR160053	RFT	Mark Pellegrino	The University of Texas at Arlington	$823,067

RFT = Recruitment of First-Time, Tenure-Track Faculty Members

Academic Research Recruitment Grant Award Recommendations Cycle 16.9

App ID	Mechanism	Candidate	Organization	Budget
RR160055	RFT	Charles Kaufman	The University of Texas Southwestern Medical Center	$ 2,000,000
RR160057	RFT	Reto Fiolka	The University of Texas Southwestern Medical Center	$ 2,000,000
RR160062	RFT	Myron Ignatius	The University of Texas Health Science Center at San Antonio	$ 2,000,000

RFT = Recruitment of First-Time, Tenure-Track Faculty Members

COMPLIANCE CERTIFICATION

Mr. Vince Burgess, Chief Compliance Officer, presented his certification report on the review process for the all proposed grant awards being recommended to the Oversight Committee at this meeting, including: Recruitment of First-Time, Tenure-Track Faculty Members; Core Facilities Support Awards; High-Impact, High-Risk Awards; Multi-Investigator Research Awards; and New Company Product Development Awards.

A prohibition against communications begins when an application is submitted until the final determination of the award. Pursuant to Texas Administrative Code, Section 702.19, Mr. Roberts granted Michael Lang, Chief Product Development Officer, a waiver from the general prohibition against communicating with grant applicants for two product development awards being considered today. The waiver allowed Mr. Lang to discuss possible reductions in the applicants' budgets and neither applicant was given an unfair advantage because they had already been recommended by the Product Development Review Council to the Program Integration Committee.

Mr. Burgess certified that the review process for the applications being recommended awards complied with applicable statutory and administrative requirements for the four academic research award slates and the one product development research award slate being presented for approval at this meeting.

CONFLICT OF INTEREST NOTIFICATIONS

Presiding Officer Geren noted that there were no reported conflicts of interest for the members present. However, Mr. Angelou, who was not present, had reported a conflict of interest with applications RP160657, RP160704, and RP160776 submitted by The University of Texas at Austin.

MOTION:

On a motion made by Mr. Montgomery and seconded by Mr. Margo, the Oversight Committee unanimously voted to approve the Program Integration Committee's recommendation for four Core Facility Support grant awards.

MOTION:

On a motion made by Mr. Montgomery and seconded by Dr. Mulrow, the Oversight Committee unanimously voted to approve the Program Integration Committee's recommendation for twenty-one High-Impact/High-Risk grant awards.

MOTION:

On a motion made by Mr. Montgomery and seconded by Mr. Margo, the Oversight Committee unanimously voted to approve the Program Integration Committee's recommendation for two Multi-Investigator Research awards submitted by The University of Texas M.D. Anderson Cancer Center.

MOTION:

On a motion made by Mr. Montgomery and seconded by Ms. Mitchell, the Oversight Committee unanimously voted to approve the Program Integration Committee's recommendations for First Time-Tenure Track-Recruitment Awards submitted by:

- Rice University;
- The University of Texas Southwestern Medical Center;
- The University of Texas at Arlington; and
- The University of Texas Health Science Center at San Antonio.

An Oversight Committee member asked what the chances are of the recruitments actually accepting the offer, and Dr. Willson responded that historically 25 percent would decline for various reasons. Among the First-Time, Tenure-Track recruits, there is historically a higher percentage of acceptance.

MOTION:

On a motion made by Mr. Margo and seconded by Dr. Rosenfeld, the Oversight Committee unanimously voted to approve the delegation of contract negotiation authority to the Chief Executive Officer and CPRIT staff, and authorized the Chief Executive Officer to sign the contracts on behalf of CPRIT.

7. Chief Product Development Officer Report, Grant Award Recommendations (Tab 4)

Mr. Michael Lang, Chief Product Development Officer, presented his program review:

- **Review Cycle 16.1** – 25 applications were received and reviewed, 12 were selected for presentation, and ultimately 2 were selected by the Product Development Review Committee and were recommended for approval.
- **Review Cycle 16.2** – 32 applications were received and reviewed, 13 were selected for presentation at the May 10-12 Peer Review meeting, and recommendations are expected to be presented at the Oversight Committee in August, 2016.
- **Peer Review Process** – the Product Development Review Council made recommendations for improving the due diligence process and staff is working with CPRIT's third-party due diligence provider to improve some specific information they provide.
- **Requests for Application (RFAs)** – the Product Development RFA is being updated to incorporate Product Development Review Council and Oversight Committee changes:
    - Highlighting CPRIT interest in funding all sectors that impact cancer care (therapeutics, diagnostics, devices, etc);
    - Objective criteria defining Texas location;
    - Streamlining investment policy to focus on preclinical and Phase I and IIA stages of development; and
    - Trying an investment policy to avoid multiple awards to the same firms.

When asked why the emphasis on locating in Texas, Mr. Lang stated that while there had been no problems, it was sometimes difficult to determine where employees were based if a company needed to maintain a presence in their original location after moving to Texas or when employees were classified as telecommuting. He also stated that occasionally a company needed a service that could not be procured in Texas. Ensuring that actual employees are physically located in Texas is important.

When asked why a firm might ask for another grant from CPRIT, he stated it could be to produce a drug for which CPRIT had previously provided development funding; or after receiving funding to develop a drug for one disease, the company wants funding to develop another drug for a different disease.

Mr. Lang presented the two Product Development Research grant award recommendations.

- Salarius Pharmaceuticals is developing a small molecule targeted at two cancers: Ewing's Sarcoma, a rare pediatric bone cancer, and prostate cancer. The company will be relocating to Houston upon award.
- Pelican Therapeutics is continuing to develop a drug for several types of cancer, including lymphoma, lung, prostate, pancreatic and ovarian cancer.

Mr. Lang noted that Mr. Roberts granted him a waiver so he could engage with Salarius Pharmaceuticals and Pelican Therapeutics regarding their budgets. In both cases, budget reductions were made based on the progress the companies had achieved since submission of their applications, which reduced the funding needed.

The Product Development Review Council also required a pre-contract contingency for both companies regarding their Freedom to Operate opinions, a legal opinion by a third party on whether their technologies infringe upon other technologies. They currently have clean opinions, but the opinions are several years old and need to be updated before grant approval. These updates are being addressed.

Mr. Lang stated that Dr. Rosenfeld is recommending another pre-contract contingency to confirm that the Product Development Review Council has reviewed the companies' pharmacokinetics reports and is accepting of them.

In response to questioning, Mr. Lang stated that Salarius is planning to relocate to Houston and Pelican is relocating to Austin.

In response to another question, Mr. Lang stated that, if approved, Salarius and Pelican would have standard revenue sharing terms based on a royalty return. Ms. Doyle clarified that all CPRIT award contracts, whether academic research or product development, include a standard revenue sharing agreement revenue sharing agreement appropriate to the program. Any revenue sharing agreement other than the standard agreement must be approved by the Oversight Committee.

Mr. Lang responded to a question about the reason for reducing the budgets by stating that because a significant amount of time had passed between the submission of the companies' applications and their review, each project had accomplished some activities that were originally included in the grant request amounts, resulting in a decreased need for funding. For Salarius the reduction is approximately $200,000, and for Pelican the reduction is approximately $2.7 million.

Product Development Research Grant Award Recommendations

App ID	Company Name	Project	Maximum Requested Budget
DP160014	Salarius Pharmaceuticals	Developing Epigenetic Drugs that treat Rare Pediatric Cancers	$18,893,395 REVISED BY OC: $18,688,144
DP160012	Pelican Therapeutics	Developing Killer T cell therapy for multiple cancers	$17,940,143 REVISED BY OC: $15,245,222

These recommendations are subject to the company's acceptance of certain contract contingencies and/or additional goals and objectives. Presiding Officer Geren noted that Mr. Burgess had previously certified these awards, and that no Oversight Committee members reported conflicts of interest.

MOTION:

On a motion made by Dr. Mulrow and seconded by Mr. Montgomery, the Oversight Committee unanimously voted to approve the Program Integration Committee's recommendations for Salarius Pharmaceuticals and Pelican Therapeutics with revised budget amounts as recommended by the Chief Product Development Officer. The revised budget amount for Salarius is $18,688,144. The revised budget amount for Pelican is $15,245,222.

MOTION:

On a motion made by Mr. Margo and seconded by Mr. Montgomery, the Oversight Committee unanimously voted to approve the delegation of contract negotiation authority to the Chief Executive Officer and CPRIT staff, and authorized the Chief Executive Officer to sign the contracts on behalf of CPRIT.

MOTION:

On a motion made by Mr. Margo and seconded by Mr. Holmes, 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 Salarius Pharmaceuticals and Pelican Therapeutics upon execution of the award contract and the successful completion of tranches.

8. Chief Prevention and Communications Officer Report (Tab 5)

Dr. Rebecca Garcia, Chief Prevention and Communications Officer, gave a report of the following items.

Prevention Update

- **FY 2016 Cycle 2 Prevention Applications under Review** – 6 Requests for Applications were released on September 24, 2015. Forty-four applications were received by March 3, 2016, more than doubling the number of applications received the previous cycle, which was a direct result of staff visits to several parts of the state to encourage applications. Assignments to peer reviewers have been made and the review meeting will be held May 23-25 in Dallas.
- **FY 2017 Cycle 1 Requests for Prevention Applications** – Requests for Applications will be released in May 2016, with applications due by August 30. Recommendations are expected to go before the Oversight Committee for consideration in February 2017.
- **Other Activities** - As a result of the March quarterly reports, this is the first time the Prevention Program can claim that at some point in the program's history, people in every county have had a direct service. A complete redesign of the grantee quarterly reports is underway with SRA, CPRIT's grant management contractor. Also, staff can now run reports about projects in individual counties.

An Oversight Committee member requested that a report on projects by legislative district by county be sent to legislators at least once a year.

Communications Update

- **Halfway Point Press Briefing** – Held on May 17, 2106 and resulted in an interview with the Houston Chronicle and other key publications.
- **Grants Awards Announcements** – Resulted in 5 articles featuring CPRIT and 47 additional articles mentioning CPRIT.
- **Significance Project Survey** – After testing the survey on a small number of grantees, a revised survey was sent to a larger group of grantees with a May 5 deadline for responses.
- **2017 Conference** – Planning has begun with the selection of Swift Solutions to provide meeting planning services.
- **Website Redesign** – Request for Proposal was issued and responses are being considered.

9. Scientific Research and Prevention Program Committee Appointments (Tab 6)

Mr. Roberts presented the appointments to the Scientific Research and the Prevention Program Review Committees. He stated that 2 appointments were for the Product Development peer review panels, 7 to the Prevention peer review panels, and 6 to the Academic Research peer review panels.

MOTION:

On a motion made by Mr. Holmes and seconded by Mr. Montgomery, the Oversight Committee unanimously voted to approve the Scientific Research and Prevention Program Committee appointments.

10. Health & Safety Code Section 102.1062 Waiver (Tab 7)

Mr. Roberts presented a conflict of interest waiver for Dr. Rebecca Garcia, pursuant to Texas Health & Safety Code Section 102.1062 "Exceptional Circumstances Requiring Participation." Dr. Garcia has accepted an appointment to the advisory committee serving the Texas Health Improvement Network (THIN), a statutorily created program that is administratively attached to The University of Texas System. The waiver is necessary for Dr. Garcia to participate in the Program Integration Committee review process. The waiver will stipulate that Dr. Garcia must recuse herself from any discussion, review or vote if:

- THIN submits an application for a CPRIT grant award; or
- A principal investigator applying for CPRIT funds has also received funds from THIN for the same project.

MOTION:

On a motion made by Mr. Montgomery and seconded by Mr. Margo, the Oversight Committee unanimously voted to approve the proposed Health & Safety Code Section 102.1062 waiver for Dr. Rebecca Garcia.

11. Chief Operating Officer Report (Tab 8)

Ms. Heidi McConnell, Chief Operating Officer, presented a report on the agency's draft state Strategic Plan for 2018-19 biennium. She stated there are no major changes being requested in the current budget structure but changes are being requested to the performance measures. In addition to a revision to one of the prevention measures, staff is requesting that one of the compliance performance measures be struck because of the difficulty of collecting the data and replaced with a new compliance measure. These changes have been submitted for approval to the Legislative Budget Board and Governor's Office of Budget, Planning and Policy. The Oversight Committee will not have to approve the final Strategic Plan, but the plan will require an approval signature from the Presiding Officer.

Ms. McConnell then presented information regarding the agency's Legislative Appropriations Request for the 2018-19 biennium. While instructions for preparing the request have not yet been released by the Legislative Budget Board, staff anticipates having to submit the document in early August prior to the next quarterly Oversight Committee meeting. Ms. McConnell requested provisional approval from the Oversight Committee of the appropriations request based on the information presented in the meeting book. Possible requested changes would be:

- An increase of three full-time equivalent (FTE) positions to provide additional support in compliance and grant accounting.
- Addition of a new rider to appropriate any bond premiums earned above the bond proceed amounts to pay issuance costs of the bonds.
- Deletion of Rider 5, which transfers funds to the Department of State Health Services to fund the Texas Cancer Registry.
- Deletion of Rider 7, which requires Legislative Budget Board approval for all contracts in excess of $250,000.
- An increase in the cap on the Chief Executive Officer's exempt salary amount.
- An Interest & Sinking Fund exemption from funds consolidation.

Ms. McConnell was asked whether the increase in FTEs was in addition to the personnel provided through the CohnReznick contract to assist in the compliance function. She responded that if the three FTEs were approved, the grantee desk review and on-site monitoring functions performed by CohnReznick would be transitioned to CPRIT employees when the positions were filled.

Ms. McConnell clarified that if the Audit Subcommittee's review of the final draft indicates a material inconsistency with what has been discussed today, the Legislative Appropriations Request would be added to the agenda of a special Oversight Committee meeting.

MOTION:

On a motion made by Mr. Margo and seconded by Dr. Rice, the Oversight Committee unanimously voted to authorize the Presiding Officer to sign a final draft of the Strategic Plan and approval transmittal to the appropriate offices.

MOTION:

On a motion made by Mr. Montgomery and seconded by Mr. Margo, the Oversight Committee unanimously voted to provisionally approve the draft Legislative Appropriations Request, subject to final review for consistency by the Audit Subcommittee of the CPRIT Oversight Committee.

12. Grant Management Support Services Contract (Tab 9)

Ms. McConnell presented the staff recommendation that the Oversight Committee provisionally approve a contract of up to $10 million for grant management support services. The estimated cost of the contract is based on an existing contract providing a similar scope of services. The contract costs will be based on time and materials provided by the chosen vendor so CPRIT would only pay for actual services received from the vendor. The posted Request for Proposal allows for four one-year renewal options which would bring the total value of the contract to approximately $50 million, should they all be exercised.

Since the contract will need to be effective September 1, 2016, to have continuity of services, staff is requesting provisional Oversight Committee approval of the contract pending final review for consistency by the Audit Subcommittee. Ms. McConnell clarified

that if the Audit Subcommittee's review of contract indicates a material inconsistency with what has been discussed today, the contract would be added to the agenda of a special Oversight Committee meeting.

MOTION:

On a motion made by Mr. Margo and seconded by Mr. Montgomery, the Oversight Committee unanimously voted to provisionally approve a contract of up to $10 million for grant management support services subject to final review by the Audit Subcommittee of the CPRIT Oversight Committee.

13. FY 2017 Bond Issuance Resolution (Tab 10)

Ms. McConnell presented the staff recommendation that the Oversight Committee approve the resolution found in the Oversight Committee meeting materials requesting the Texas Public Finance Authority to issue debt on behalf of CPRIT in fiscal year 2017. The amount to be financed is $300 million in bond proceeds appropriated to CPRIT for its operations and prevention and research grant awards.

Ms. McConnell and Mr. Roberts responded to a question about how monies would need to be expended in the final years of CPRIT operation. Ms. McConnell stated that since the Legislature did not appropriate $300 million in bond proceeds during the first two years of operation and because there was a moratorium on grant awards in 2013, the agency will have money to expend for operations during the sunset process. Also, the agency cannot make grants during the final year before sunset, as set by statute. Mr. Roberts added that the sunset legislation would make provisions for any grants still in progress at the time of sunset, either by transferring the responsibilities to another entity yet to be identified, or retaining a small CPRIT staff for the purpose of grant monitoring and compliance.

MOTION:

On a motion made by Mr. Montgomery and seconded by Dr. Mulrow, the Oversight Committee unanimously voted to approve the fiscal year 2017 request for financing resolution.

14. Chief Compliance Officer Report (Tab 11)

Mr. Vince Burgess, Chief Compliance Officer, presented his report, including:

- Delinquent/Missing Reports have continued to decrease.
  - 6,800 reports are submitted annually, averaging 570 reports per month. The number of delinquent/missing reports typically averages about 5 – 15 during any given week.

- Training/Technical Assistance – staff conducted the following training:
  - New grantee training for Coastal Bend Wellness Center in Corpus Christi
  - Grantee training interactive webinar for more than 300 grantee staff

- Presented "Being a CPRIT Grantee: What You Need to Know" at the National Council of University Research Administrators (NCURA) Region V meeting in Dallas.

15. Compliance Support Services Contract (Tab 12)

Mr. Burgess presented the staff recommendation to exercise the second, one-year renewal option on the contract with CohnReznik for $500,800 to provide compliance monitoring support services in FY 2017. In CPRIT's 2017 compliance monitoring plan, CohnReznick will perform approximately 100 desk reviews and 30 on-site monitoring reviews of grant recipients. They also support the annual risk assessment process and development of the annual grant compliance monitoring plan.

The contract will require approval from the Legislative Budget Board.

MOTION:

On a motion made by Mr. Margo and seconded by Mr. Montgomery, the Oversight Committee unanimously voted to approve a contract renewal with CohnReznick for compliance monitoring services in fiscal year 2017.

16. Internal Auditor Report (Tab 13)

Ms. Alyssa Martin from Weaver and Tidwell, LLP, external providers of internal audit services to CPRIT, presented the planned timing of the audits and follow up procedures included in the 2016 Internal Audit Plan approved by the Oversight Committee in November 2015.

2016 Audits to Be Performed

- Commodity and Services Contracts, May 2-18
- Revenue, June 20-July 1
- Information Security, July 11-22
- Cash Management, July 25-August 5

2016 Follow-up Procedures of Prior Audit Findings

- Information Technology, May 30-June 3
- Pre-Award Grant Management, Post Award Grant Management, Grant Contracting, June 1-10

2016 Annual Internal Audit Requirement

- Project Management, Ongoing
- Risk Assessment Update, Late August
- Annual and Quarterly Oversight Committee Reports, Ongoing

17. Final Orders Approving Amendments to 25 T.A.C. Chapters 702 and 703 (Tab 14)

Ms. Kristen Doyle presented the proposed administrative rule changes to Chapters 702 and 703, originally considered by the Oversight Committee in February 2016, for final adoption. CPRIT received comments from one grantee institution regarding the proposed changes after publication of the proposed rule changes in the *Texas Register*. The comment inquired about the process for requesting an appeal of funds in which reimbursement was waived. This question is procedural and will be explained through instructions to all grantees; therefore, CPRIT legal staff recommended that the Oversight Committee adopt the rule changes as originally proposed. Once the Oversight Committee approves the final orders, CPRIT will submit the proposed rule changes to the Secretary of State and the changes will be finally adopted 20 days after that date.

- Rule § 702.11 "Conflicts of Interest Requiring Recusal" - The proposed amendment clarifies that serving as a consultant or contractor for a grant applicant constitutes a professional conflict of interest. This additional description fills a gap that currently exists.

- Rule § 703.12(b)(1) "Limitation on Use of Funds" – The change adds visa fees to the expenses that are not authorized to be reimbursed by CPRIT grant funds.

- Rule § 703.21(b)(2) – The amendment adds an appeal process if a grantee's reimbursement of project expenses is waived by CPRIT. A grantee waives reimbursement for otherwise allowable expenses incurred in a fiscal quarter if the grantee fails to submit a financial status report within 120 days after the end of the fiscal quarter. The proposed process allows the grantee to appeal the waiver of reimbursement. The grantee's appeal must be in writing and submitted to the CEO through CPRIT's electronic grant management system. The CEO's decision to approve the appeal and reverse the waiver is final. However, after discussion with the Board Governance subcommittee, the proposed rule reflects the grantee's option to seek reconsideration from the Oversight Committee if the CEO denies the grantee's appeal. The grantee must submit a written request to the CEO within 10 days. If at least three Oversight Committee members agree, the Oversight Committee will consider the grantee's appeal at an open meeting. The Oversight Committee's decision is final.

MOTION:

On a motion made by Mr. Montgomery and seconded by Dr. Mulrow, the Oversight Committee unanimously voted to approve the final order adopting CPRIT's rule changes and to direct staff to file the order with the Secretary of State.

18. Subcommittee Business (Tab 15) ***(Agenda Item 19 – taken out of order)***

Mr. Roberts stated that the subcommittee report was in the Oversight Committee meeting book. One significant item for Oversight Committee consideration was that of transferring the responsibilities of the Diversity Subcommittee to the Academic Research, Product

Development Research, Prevention, and Audit subcommittees. CPRIT staff recommends, and Diversity Subcommittee members concur, that Diversity issues are important and could best be considered by all Oversight Committee members through their participation in one or more of the three main program subcommittees. These issues include increasing participation by individuals from groups historically underrepresented in science and medicine, geographic and population services and dispersion of awards, agency employment practices, and state-mandated Historically Underutilized Business vendor requirements. The Diversity Subcommittee members have requested feedback for consideration at the subcommittee's August meeting.

Mr. Roberts responded to a question about the process for making and implementing this change by saying that he will be directing the Chief Operating Officer, Chief Scientific Officer, Chief Product Development Officer and Chief Prevention and Communication Officer to discuss this issue with the subcommittee they each support.

A question was asked whether there will still be a cohesive element if diversity issues are spread among the subcommittees. Mr. Roberts said it will require some changes to the charges to the individual subcommittees, but each one of the subcommittees has a main staff liaison. To emphasize the importance of the issue, Mr. Roberts himself was the liaison for the Diversity Subcommittee. However, Mr. Roberts also participates in each of the individual subcommittees and will continue to be the lead spokesperson on these issues.

Closed Session

Presiding Officer Geren announced the Oversight Committee would go into closed session to take up Agenda Item 18, Personnel – Chief Executive Officer in closed session. He noted for the record that standing Agenda Item 20 – Compliance Investigation Pursuant to Health & Safety Code § 102.2631, and Agenda Item 21 – Consultation with General Counsel, would not be taken up as there was nothing to discuss.

Pursuant to Texas Open Meetings Act Section 551.074, the Oversight Committee went into closed session to discuss personnel matters related to the Chief Executive Officer evaluation. The following CPRIT staff were asked to join the Oversight Committee in the closed session: Kristen Doyle, General Counsel.

Presiding Officer Geren convened in closed session at 12:53 p.m.

Presiding Officer Geren reconvened the open meeting at 2:40 p.m.

19. Personnel – Chief Executive Officer *(Agenda Item 18 – taken out of order)*

MOTION:

On a motion made by Dr. Rice and seconded by Mr. Holmes, the Oversight Committee unanimously voted to authorize an increase in the base salary of the Chief Executive Officer's annual salary to the legislative authorized amount of $256,250.

Presiding Officer Geren stated that in Agenda Item 11, in the discussion of the Legislative Appropriations Request, there was a request for an increase in the Chief Executive Officer's exempt salary in the Administrator's Statement. He requested a motion to insert in that statement a specific percentage increase.

MOTION:

On a motion made by Mr. Montgomery and seconded by Mr. Holmes, the Oversight Committee unanimously voted to amend the language in the Legislative Appropriations Request Administrator's Statement to say "an increase of 10 percent in the Chief Executive Officer's exempt salary."

20. Future Meeting Dates and Agenda Items *(Agenda Item 22)*

Presiding Officer Geren announced the next regular Oversight Committee meeting is August 17, 2016, at 10:00 a.m. He noted that a meeting on September 14, 2016, has been added to the Oversight Committee Meeting schedule.

21. Adjourn *(Agenda Item 23)*

MOTION:

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

Meeting adjourned at 2:43 p.m.

Amy M. Mitchell — Signature

8/17/16 — Date

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

May 6, 2016

Dear Oversight Committee Members:

I am pleased to present the Program Integration Committee's (PIC) unanimous recommendations for funding 35 grant applications totaling $82,180,506. The PIC recommendations for 33 academic research grant awards and two product development award are attached.

Dr. James Willson, CPRIT's Chief Scientific Officer, and Mr. Michael Lang, CPRIT's Chief Product Development Officer, have prepared overviews of the academic research and product development research program slates to assist your evaluation of the recommended awards. The overviews are intended to provide a comprehensive summary with enough detail to understand the substance of the proposal and the reasons for endorsing grant funding. In addition to the full overviews, all of the information considered by the Review Councils is available by clicking on the appropriate link in the portal. This information includes the application, peer reviewer critiques, and the CEO affidavit for each proposal.

The PIC has used the award deferral process set by CPRIT administrative rule § 703.7(d) to defer the decision to recommend awards for seven academic research applications until a future FY 2016 meeting. Two Core Facility Support Awards and five Multi-Investigator Research Awards (MIRA) were deferred due to CPRIT budget limitations for the remainder of FY 2016 and the unknown impact of recruitment awards in the last quarter of the fiscal year. No Oversight Committee action is necessary at this time. A full list of the deferred applications is available on the portal.

Additionally, the PIC unanimously approved a change in budget to the two MIRA grants that are recommended to the Oversight Committee. Dr. Willson recommended reducing the budgets of each award by 20% due to overall CPRIT budget concerns.

The approval of these grant recommendations is governed by a statutory process that requires two-thirds of the members present and voting to approve each recommendation. Vince Burgess, CPRIT's Chief Compliance Officer, will certify the review process for the recommended grants prior to any Oversight Committee action.

The award recommendations will not be considered final until the Oversight Committee meeting on Wednesday, May 18, 2016. Consistent with the non-disclosure agreement that you have signed, the recommendations should be kept confidential and not be disclosed to anyone until the award list is publicly announced at the Oversight Committee meeting. I request that Oversight Committee members not print, email or save to your computer's hard drive any material on the portal. I appreciate your assistance to protect this information.

If you have any questions or would like more information on the review process or any of the projects recommended for an award, CPRIT's staff, including myself, Dr. Willson and Mr. Lang are available. Please feel free to contact us directly should you have any questions. The programs that will be supported by the CPRIT awards are an important step in our efforts to mitigate the effects of cancer in Texas. Thank you for being part of this endeavor.

Sincerely,
Wayne R. Roberts
Chief Executive Officer

Academic Research Award Recommendations –

The PIC unanimously recommends approval of 33 academic research grant proposals totaling $45,346,968. The recommended grant proposals were submitted in response to four grant mechanisms: Core Facility Support Awards; High-Impact/High-Risk Research Awards, Multi-Investigator Research Awards; and Recruitment of First-Time, Tenure-Track Faculty Members. The PIC followed the recommendations made by the Scientific Review Council (SRC) except for the seven applications that the PIC deferred to a later meeting date. The SRC provided the prioritized list of recommendations for the non-recruitment research awards to the presiding officers on March 29, 2016 and provided two prioritized lists of recruitment awards on March 24 and April 18, 2016

The PIC is required to give funding priority, to the extent possible, to applications that meet one or more criteria set forth in V.T.C.A., TEX. HEALTH & SAFETY CODE § 102.251(a)(2)(C). The PIC determined that these academic research proposals met the following CPRIT funding priorities:

- could lead to immediate or long-term medical and scientific breakthroughs in the area of cancer prevention or cures for cancer;
- strengthen and enhance fundamental science in cancer research;
- ensure a comprehensive coordinated approach to cancer research and cancer prevention;
- are interdisciplinary or interinstitutional;
- address federal or other major research sponsors' priorities in emerging scientific or technology fields in the area of cancer prevention or cures for cancer;
- are matched with funds available by a private or nonprofit entity and institution or institutions of higher education;
- are collaborative between any combination of private and nonprofit entities, public or private agencies or institutions in this state, and public or private institutions outside this state:
- have a demonstrable economic development benefit to this state;
    - This factor only applies to Core Facility Support Awards; Multi-Investigator Research Awards; and Recruitment of First-Time, Tenure-Track Faculty Members
- enhance research superiority at institutions of higher education in this state by creating new research superiority, attracting existing research superiority from institutions not located in this state and other research entities, or enhancing existing research superiority by attracting from outside this state additional researchers and resources;
- Expedite innovation and commercialization, attract, create, or expand private sector entities that will drive a substantial increase in high-quality jobs, and increase higher education applied science or Technology research capabilities; and
- Address the goals of the Texas Cancer Plan.

Academic Research Grant Award Recommendations

The applications that were deferred by the PIC have been removed from this list.

Rank	App ID	Organization/Company	Application Title	Budget	Mech	Overall Score
1	RP160805	Baylor College of Medicine	Preclinical Candidate Discovery Core	$5,999,997	CFSA	1.6

Rank	App ID	Organization/Company	Application Title	Budget	Mech	Overall Score
2	RP160813	Acelerox	Nanoparticle Prophylaxis for Protection from Chemotherapy Ototoxicity	$195,665	HIHR	1.8
3	RP160795	Baylor College of Medicine	A "Pap smear" for ovarian cancer	$200,000	HIHR	1.8
4	RP160657	The University of Texas at Austin	Targeted Therapeutic Drug Discovery & Development Program	$4,982,636	CFSA	1.9
5	RP160776	The University of Texas at Austin	Rapid Molecular Diagnosis of Lung Cancer Biopsies by Ambient Ionization Mass Spectrometry	$200,000	HIHR	1.9
6	RP160884	Baylor College of Medicine	RNA processing stress: a new therapeutic entry point in triple-negative breast cancer	$200,000	HIHR	2.0
7	RP160847	Texas A&M Engineering Experiment Station	A Body Coil for MR Imaging and Spectroscopy of Cancer at 7 Tesla	$200,000	HIHR	2.0
8	RP160732	The University of Texas Health Science Center at San Antonio	UTHSCSA Cancer Genome Sequencing and Computation Core	$3,680,756	CFSA	2.0
9	RP160652**	The University of Texas M. D. Anderson Cancer Center	Defining and Defeating Mechanistic Subtypes of KRAS-mutant Lung Cancers	$5,981,040	MIRA	2.0
10	RP160668*	The University of Texas M. D. Anderson Cancer Center	Pathogenesis and Early Progression of Lung Cancer	$4,606,275	MIRA	2.0
11	RP160834	Texas A&M University	Integrated-cavity-enhanced pre-screening for lung cancer	$200,000	HIHR	2.1
12	RP160842	Texas A&M University System Health Science Center	Novel roles for NIK in high-grade glioma: regulation of mitochondrial dynamics to control cell migration and invasion	$200,000	HIHR	2.1
13	RP160716	The University of Texas Health Science Center at San Antonio	Texas Pediatric Patient Derived Xenograft Facility	$5,079,843	CFSA	2.1
14	RP160713	The University of Texas Southwestern Medical Center	Amino Acid Sensing: Directing Cell Growth through mTORC1	$198,983	HIHR	2.1
		The University of Texas	Targeting Histone Acetylation Readers			

Rank	App ID	Organization/Company	Application Title	Budget	Mech	Overall Score
16	RP160739	M. D. Anderson Cancer Center	in MLL- translocated Leukemias	$200,000	HIHR	2.2
19	RP160822	Texas AgriLife Research	Exploring Geminivirus-encoded suppressor of histone methyltransferases as an anti-cancer drug	$199,958	HIHR	2.5
20	RP160866	The University of Texas at Dallas	Renal Clearable Nanodelivery System for Triple Negative Breast Cancer Therapy	$200,000	HIHR	2.6
22	RP160806	Texas Tech University	Development of high throughput technology to identify drugs for muscle wasting during cancer	$199,995	HIHR	2.7
24	RP160827	Texas A&M University System Health Science Center	A platform technology for the isolation of anti- cancer monoclonal antibodies from chickens	$200,000	HIHR	2.8
25	RP160775	The University of Texas Health Science Center at Houston	Becoming fatter to survive: cancer cells increase lipid storage to counter metabolic stress	$200,000	HIHR	2.8
28	RP160841	The University of Texas Health Science Center at San Antonio	Targeting EWS-FLI-1 for degradation	$200,000	HIHR	2.9
29	RP160765	Texas A&M University System Health Science Center	An unlikely therapeutic target for malignant bone disease: Dkk-1 activates a stress resistance mechanism in bone tumor cells	$200,000	HIHR	3.1
30	RP160852	Texas State University - San Marcos	Chemo-preventive Approach to Cancer Exploiting a Presumptive Link between Genomic Instability and Structural Stability of non-B DNA Sequences	$200,000	HIHR	3.1
31	RP160770	The University of Texas at Dallas	Optical opening of blood-brain barrier for brain tumor drug delivery by plasmonic nanobubbles	$200,000	HIHR	3.1
32	RP160819	Texas AgriLife Research	Quantitative mapping of intracellular protein- protein interactomes in healthy and cancerous cells	$198,753	HIHR	3.2
33	RP160704	The University of Texas at	High affinity therapeutic mimotope antibodies to the oncogenic Epidermal Growth Factor Receptor	$200,000	HIHR	3.2

Rank	App ID	Organization/Company	Application Title	Budget	Mech	Overall Score
		Austin				
34	RP160763	The University of Texas Health Science Center at Houston	Targeting multiple myeloma stem cell niche	$200,000	HIHR	3.2

*RP160668 - The peer review panel recommended the deletion of Project 4 from the MIRA application. As a result, the funds dedicated to that project were removed from the budget for a revised total of $5,757,844. The final score was based on revised scope with the deletion of Project 4. The PIC further reduced the budget of this application by 20%, which is reflected in the above table.

**RP160652 - The PIC reduced the budget of this application by 20%, which is reflected in the above table.

CFSA - Core Facilities Support Awards
HIHR - High-Impact/High-Risk Research Awards
MIRA - Multi-Investigator Research Awards

Academic Research Recruitment Grant Award Recommendations Cycle 16.8

Rank	App ID	Candidate	Mechanism	Organization	Budget	Overall Score
1	RR160047	Omid Veiseh	Recruitment of First-Time, Tenure-Track Faculty Members	Rice University	$2,000,000	1.2
2	RR160048	Lydia Finley	Recruitment of First-Time, Tenure-Track Faculty Members	The University of Texas Southwestern Medical Center	$2,000,000	1.6
3	RR160053	Mark Pellegrino	Recruitment of First-Time, Tenure-Track Faculty Members	The University of Texas at Arlington	$823,067	2.0

Academic Research Recruitment Grant Award Recommendations Cycle 16.9

Rank	App ID	Candidate	Mechanism	Organization	Budget	Overall Score
1	RR160055	Charles Kaufman	Recruitment of First-Time, Tenure-Track Faculty Members	The University of Texas Southwestern Medical Center	$ 2,000,000	2.2
2	RR160057	Reto Fiolka	Recruitment of First-Time, Tenure-Track Faculty Members	The University of Texas Southwestern Medical Center	$ 2,000,000	2.6
3	RR160062	Myron Ignatius	Recruitment of First-Time, Tenure-Track Faculty Members	The University of Texas Health Science Center at San Antonio	$ 2,000,000	2.6

Product Development Research Award Recommendations –

The PIC unanimously recommends approval of two product development grant proposals totaling $36,833,538. The recommended grant proposals were submitted in response to the New Company Product Development Award Request for Applications. The Product Development Council (PDRC) recommended two applications to the PIC. The PDRC provided its recommendation to the presiding officers on April 18, 2016.

The PIC is required to give funding priority, to the extent possible, to applications that meet one or more criteria set forth in V.T.C.A., TEX. HEALTH & SAFETY CODE § 102.251(a)(2)(C). The PIC determined that these product development proposals met the following CPRIT funding priorities:

- could lead to immediate or long-term medical and scientific breakthroughs in the area of cancer prevention or cures for cancer ;
- strengthen and enhance fundamental science in cancer research;
- Ensure a comprehensive coordinated approach to cancer research and cancer prevention;
- are interdisciplinary or interinstitutional (the PIC chose this factor for Established Company Awards);
- address federal or other major research sponsors' priorities in emerging scientific or technology fields in the area of cancer prevention, or cures for cancer;
- are matched with funds available by a private or nonprofit entity and institution or institutions of higher education;
- are collaborative between any combination of private and nonprofit entities, public or private agencies or institutions in this state, and public or private institutions outside this state;
- have a demonstrable economic development benefit to this state;
- expedite innovation and product development, attract, create, or expand private sector entities that will drive a substantial increase in high-quality jobs, and increase higher education applied science or technology research capabilities; and
- address the goals of the Texas Cancer Plan.

Product Development Research
Grant Award Recommendations

Rank	Application ID	Company Name	Project	Maximum Requested Budget	Overall Score
1	DP160014	Salarius Pharmaceuticals	Developing Epigenetic Drugs that treat Rare Pediatric Cancers	$18,893,395	2.0
2	DP160012	Pelican Therapeutics	Developing Killer T cell therapy for multiple cancers	$17,940,143	2.3

* These recommendations are subject to the company's acceptance of certain contract contingencies and/or additional goals and objectives.