CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Oversight Committee Meeting Minutes

September 10, 2015

1. Meeting Called to Order

A quorum being present, Mr. Geren, presiding officer, called the Oversight Committee to order at 12:01 p.m.

2. Roll Call /Excused Absences

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

MOTION:
Mr. Geren called for a motion to excuse the absence of Dr. Rice.

Motion made by Mr. Holmes and seconded by Dr. Rosenfeld.
MOTION CARRIED UNANIMOUSLY

3. Public Comment

Mr. Geren noted that no public comment requests had been received.

4. Chief Executive Officer Report (TAB 1)

Mr. Wayne Roberts, Chief Executive Officer, reported on upcoming activities:

Travel Activities:
On September 16-17, Mr. Roberts will be attending the Sixth Annual Childhood Cancer Summit in Washington, D.C., co-chaired by Congressman Michael McCall and Congressman Chris Van Hollen. While in Washington, D.C., he'll visit the offices of SRA International, CPRIT's third-party grants administrator.

Personnel

Since the August meeting, two grant accountants have been hired. Both the Chief Scientific Officer and the Chief Product Development Officer recruitment searches are entering the interview phase.

Program Activities

The three programs, Academic Research, Product Development Research, and Prevention, will be having peer review and review council meetings.

CPRIT Biennial Conference

The biennial conference will be in Austin on November 9 and 10, 2015. It appears at this time there will approximately 800 attendees.

Other Activities:

- Preparation of the legislatively required Annual Report has begun. It is due in January but most of the work should be completed by the end of December.
- Available funds for FY 2016 grant awards total $286.9 million.

There were no questions for Mr. Roberts.

5. Chief Scientific Officer Report

Dr. Margaret Kripke, Chief Scientific Officer presented the grant award recommendations, which were in the meeting materials handout titled "Proposed Grant Awards."

Grant Recommendations:

- 12 applications were received in the last two cycles:
  - 11 applications were reviewed.
  - 1 application was administratively rejected.
  - 5 were recommended:
    - 1 withdrew following the Program Integration Committee (PIC) meeting.
    - 4 are being recommended today for a total of $15,700,000.

An Oversight Committee member asked if the applicant who withdrew gave a reason and Dr. Kripke responded that applicant took another position but it's not known where.

Re-nomination of Grant Application:

Dr. Kripke presented an application for funding of a First-time, Tenure-Track Recruitment Award for Dr. Peter Douglas. She stated that his recruitment grant was originally approved at the August 19, 2015. Following the meeting, CPRIT staff learned that Dr. Douglas had accepted a position at The University of Texas Southwestern Medical Center (UTSWMC) following the SRC's recommendation to approve a recruitment award, but prior to the grant being approved by the Oversight Committee.

The recruitment RFA states that applicants that are already employed by the institution are ineligible for a First-time, Tenure-Track award. However, the Scientific Review Council (SRC) felt his application worthy of funding and re-recommended it to the PIC in light of extenuating circumstances. The PIC recommended the award for Dr. Douglas in the amount of $2 million (the original award amount), based on special circumstances.

Research Grant Award Recommendations

App ID	Mech.	Organization/Company	Candidate	Budget Requested
RR160009	RRS	Baylor College of Medicine	Chonghui Cheng	$4,000,000
RR150104	RRS	The University of Texas Health Science Center at Houston	Dr. Wa Xian	$3,700,000
RR150106	RFT	Baylor College of Medicine	Dr. Ronald Parchem	$2,000,000
RR160005	REI	The University of Texas at Austin	Thomas Yankeelov	$6,000,000

RFT = Recruitment of First-Time, Tenure-Track Faculty Members
REI = Recruitment of Established Investigators
RRS = Recruitment of Rising Stars

Note: RR150103 was withdrawn by the applicant after the PIC meeting.

COMPLIANCE CERTIFICATION

Mr. Vince Burgess, Chief Compliance Officer, presented his report on the Academic Research Program Awards review process and certified the recommended recruitment awards for Oversight Committee approval. He noted two compliance issues:

- The RFAs were not published in the *Texas Register*, as required by CPRIT's Administrative Code § 703.3, though they were published on CPRIT's website. The two applications impacted are RR160009 and RR160005.
- The recruitment grant RR150089, Dr. Peter Douglas, was approved at the August 2015 Oversight Committee meeting. CPRIT became aware after the meeting that Dr. Douglas had accepted a position at UTSWMC prior to that meeting. As the RFA prohibits employment at the recruiting institution prior to the grant award, the grant award was rescinded. The SRC met on September 1, 2015, to re-recommend this candidate, whom they felt worthy of the award, given the special circumstances.

An Oversight Committee member asked if failure to publish in the *Texas Register* prevented the committee from approving the grants and Mr. Burgess stated it did not. Ms. Doyle, General Counsel, stated that CPRIT's administrative rules require the RFAs are to be published in the *Texas Register* but the statute is silent on the issue. So, while CPRIT failed to comply with our process, it is not a statutory requirement.

Mr. Geren asked Mr. Roberts to address the compliance issues. Mr. Roberts stated although these issues were serious, he recommended the three awards affected by the compliance issues be approved due to extenuating circumstances:

- With regard to Mr. Douglas, UTSWMC had been notified of the SRC's intent to recommend his application to the Oversight Committee, as is CPRIT's normal procedure to ensure recruitment efforts are kept on track at the institutions. Due to family issues, UTSWMC allowed Mr. Douglas to arrive one month early. Based on this extenuating circumstance, he recommends the Oversight Committee approve the PIC's recommendation to award a First-time, Tenure Track recruitment grant to UTSWMC for the recruitment of Dr. Douglas, despite UTSWMC's failure to comply with the RFA.
    - Going forward, the Chief Scientific Officer will revise the RFA and notification process to avoid this situation arising again. The Chief Compliance Officer will add a line to the Compliance Pedigree (examples in the meeting materials) for all recruitment grants to report whether offers have been made.
- With regard to applications RR16005 and RR16009, which were not published in the *Texas Register* in compliance with CPRIT's administrative rules, Mr. Roberts finds that the problem was caused by CPRIT and not as a result of any action by the institution or the applicants. The RFAs were available on CPRIT's public website since June 22, 2015. Further, there is no evidence that any application has been made as a result of the RFA being published in the *Texas Register*; the public is following our website and our list serve for announcements of RFAs. Therefore, it was determined that no one was disadvantaged as a result of the RFA not being published in the *Texas Register*. Based on the extenuating circumstance that the applicant had no way of addressing CPRIT's failure to follow process, Mr. Roberts finds that good cause exists to recommend approval of these two grants.

Mr. Geren noted for the record that CPRIT's Administrative Code specifically permits the Chief Executive Officer to recommend corrective actions to address compliance process issues.

In response to an Oversight Committee member question, Mr. Roberts and Mr. Burgess both affirmed that the applications at issue had been through the proper review process.

CONFLICT OF INTEREST NOTIFICATIONS

Mr. Geren stated for the record that no Oversight Committee member reported a conflict of interest with any application to be considered today.

No other conflicts were reported.

Mr. Geren noted for the record that RR150103 was withdrawn by the applicant after the PIC meeting.

MOTION:
Mr. Geren entertained a motion to approve the re-recommendation of RR150089 and the Chief Executive Officer's recommendation regarding extenuating circumstances.

Motion made by Mr. Montgomery and seconded by Dr. Mulrow. Dr. Rosenfeld opposed.
MOTION CARRIED

MOTION:
Mr. Geren entertained a motion to approve each of the Program Integration Committee's recommendations for Recruitment of Established Investigators, Recruitment of Rising Stars, and First-Time, Tenure-Track Faculty, and to approve the Chief Executive Officer's recommendation regarding extenuating circumstances related to RR160005 and RR160009.

Motion made by Mr. Montgomery and seconded by Mr. Holmes.
MOTION CARRIED UNANIMOUSLY

MOTION:
Mr. Geren entertained a motion delegating contract negotiation authority to the Chief Executive Officer and the General Counsel and to authorize the Chief Executive Officer to sign the contracts on behalf of CPRIT.

Motion made by Mr. Montgomery and seconded by Mr. Holmes.
MOTION CARRIED UNANIMOUSLY

6. Interim Product Development Officer Report (TAB 2)

Ms. Kristen Doyle, General Counsel and Interim Product Development Officer, reported on the Product Development program.

Current Program Update:

- CPRIT is accepting applications for Product Development awards through September 16, 2015.

- Due diligence is in progress on three applications that have made it through the review process. Any recommendations that come out of that due diligence process will be presented at the November Oversight Committee meeting.

Contract Extension – CP120036

Ms. Doyle reported that in March 2012 the Oversight Committee approved a $15.6 million award to Cell Medica. The company requests an extension of that award so they will have time to complete work on the grant project. Had Cell Medica followed CPRIT's established process for requesting a no-cost extension, the request would have received routine approval because the project was up-to-date fiscally and making appropriate progress as judged by CPRIT's expert reviewers. However, Cell Medica was not advised of the extension request process and timeline when it sought advice from its primary CPRIT staff contacts, only assurances that the remaining funds could be carried forward into a fourth budget year.

Recommendation: Since CPRIT staff do not have authority to approve an extension when the request is received after the grant's termination date, Ms. Doyle recommends the Oversight Committee authorize Mr. Roberts to approve a no-cost extension for the Cell Medica contract that changes the termination date of the contract to May 31, 2016, allowing the company time to complete the work of the grant project and use remaining funding.

Ms. Doyle stated CPRIT staff will develop a process allowing the Chief Executive Officer to handle requests for contract extension which are not requested timely and bring an administrative rule to the Oversight Committee for approval.

There were no questions for Ms. Doyle regarding the contract extension.

MOTION:

Mr. Geren entertained a motion to approve a contract extension for CP120036 through May 31, 2016.

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

MOTION CARRIED UNANIMOUSLY

7. Proposed Amendments to 25 T.A.C. Chapter 703 (TAB 3)

Ms. Doyle stated that Academic Research and Product Development Research grantees are allowed to spend up to 5% of grant funds on indirect costs, consistent with the statutory restriction on indirect costs paid for with cancer research funds. However, both the statute and CPRIT's administrative rules are silent with regard to allowable indirect costs for prevention grants, resulting in the Prevention Program currently prohibiting prevention grantees from expending any grant funds on indirect expenses. Ms. Doyle presented a proposed rule change to 25 T.A.C. Chapter 703.12 that allows prevention grantees to expend up to 5% of the grant funds on indirect costs.

Additionally, Ms. Doyle presented a proposed a new rule, 25 T.A.C. Chapter 703.22, that implements the internal auditor's recommendation that CPRIT establish a mandatory compliance onboarding program for new grantees as well as periodic compliance training for all grantees. The proposed rule directs the Chief Compliance Officer to create a training program to be required of grant recipients which addresses applicable financial, administrative, and program requirements related to proper stewardship over grant award funds, including grant reporting.

In response to an Oversight Committee member question, Ms. Doyle stated that the training will be required of the person authorized to sign on behalf of the institution (the individual responsible for signing off on any reports submitted) and at least one other employee at the grantee institution. Since grants are given to the institution, not individuals, the training is done by the authorized person for all the grants awarded to that particular institution.

A question was asked by an Oversight Committee member whether there will be options for smaller institutions that may not have the staff or funds to come to Austin for training. Ms. Doyle said that to accommodate everyone there will be recorded webinars, live webinars, and some on-site visits, so travel to Austin is not necessary to comply with the new requirement.

Mr. Geren stated that the Board Governance Subcommittee met on September 3, 2015, and recommended publishing these rule changes.

MOTION:

Mr. Geren entertained a motion to approve the proposed rule changes and to direct staff to publish the proposed amendments in the *Texas Register* for public comment.

Motion was made by Mr. Montgomery and seconded by Mr. Margo.

MOTION CARRIED UNANIMOUSLY

8. Proposed Amendments to CPRIT Code of Conduct (TAB 4)

Ms. Doyle stated the proposed changes to the CPRIT Code of Conduct were in the meeting materials and consisted of three non-substantive changes to correct typographical errors.

MOTION:

Mr. Geren entertained a motion to approve the amendments to the CPRIT Code of Conduct.

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

MOTION CARRIED UNANIMOUSLY

9. Subcommittee Business

Mr. Geren stated at the last OC meeting the committee discussed realigning the subcommittee membership. He proposed that:

- The Nominations Chair and the Presiding Officer work together to reassign Oversight Committee members to different subcommittees based upon their expressed preferences.
- CPRIT staff will communicate the new assignments to all Oversight Committee members.
- The new assignments will be considered interim until the November meeting, when the Oversight Committee will vote to approve the new subcommittee assignments.
- The Oversight Committee establishes the subcommittee realignment as a regular process that is written into CPRIT's Bylaws. The process should be overseen by the Nominations Subcommittee and conducted every two years.

Oversight Committee members should attend their newly assigned subcommittee meetings leading up to the November meeting.

MOTION:

Mr. Geren entertained a motion to approve the process for realigning the membership of subcommittees serving the Oversight Committee.

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

MOTION CARRIED UNANIMOUSLY

10. Ethics Training

Mr. Geren announced the OC will take up Item 10, Ethics Training, and Item 11, Consultation with General Counsel, together and will seek legal advice in closed session.

Pursuant to Texas Open Meetings Act Section 551.071, the Oversight Committee went into closed session to consult with legal counsel. The following CPRIT staff were asked to join the Oversight Committee in the closed session: Kristen Doyle, Wayne Roberts, Vince Burgess and Cameron Eckel.

Mr. Geren convened in closed session at 12:43 p.m.

Mr. Geren reconvened the open meeting at 1:26 p.m.

11. Consultation with General Counsel

This item was taken up with item 10.

12. Future Meeting Dates and Agenda Items (TAB 18)

Mr. Geren announced that, as agreed at the August OC meeting, the next meeting date will be Thursday, November 19, 2015, at 10:00 a.m.

13. Adjourn

MOTION:

There being no further business, Mr. Geren entertained a motion to adjourn.

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

MOTION CARRIED UNANIMOUSLY

Meeting adjourned at 1:27 p.m.

Amy M. Mitchell 11/19/15

Signature Date

CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Amy M. Mitchell

September 4, 2015

Dear Oversight Committee Members:

I am pleased to present the Program Integration Committee's (PIC) unanimous recommendations for funding 6 grant applications totaling $21,700,000. The PIC recommendations for 6 academic research recruitment awards are attached. Dr. Kripke has prepared overviews of the academic research program slates to assist your evaluation of the recommended awards. The overviews are intended to provide a comprehensive summary of the recommended proposals with enough detail that you should be able to understand the substance of the proposal and the reasons endorsing grant funding. All of the information reviewed by the Review Council is available by clicking on the appropriate link in the portal. This information includes the full application, peer reviewer critiques, budget/scope change recommendations (if applicable) and the CEO affidavit for each proposal.

I note that there are three compliance issues identified by Chief Compliance Officer Vince Burgess. These will be discussed at the September 10th meeting. First, the PIC has recommended a First-Time, Tenure Track Faculty Member recruitment grant to UT Southwestern Medical Center for the recruitment of Dr. Peter Douglas. Dr. Douglas' recruitment was originally approved by the Oversight Committee at the August meeting (RR150089), however a compliance issue was identified after the application was approved. CPRIT does not have a process to correct a post-hoc compliance problem. The award was rescinded to provide the option of using CPRIT's established process for addressing compliance issues during the approval process. Mr. Burgess will address the compliance issue when he certifies the slates at the Oversight Committee meeting. At that time I will recommend a corrective action to address the variance from our process for your consideration. The corrective action is also described in the CEO affidavit for Dr. Douglas' award.

In addition, two new recruitment recommendations have compliance issues identified by Mr. Burgess. I will recommend corrective actions at the meeting and have included my recommendation in the CEO affidavits for RR160005 and RR16009.

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 that the review process for the recommended grants followed CPRIT's award process prior to any Oversight Committee action.

The award recommendations will not be considered final until the Oversight Committee meeting on Thursday, September 10, 2015. Consistent with the non-disclosure agreement that all Oversight Committee members 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 in taking all necessary precautions 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 are always 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

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Academic Research Award Recommendations –

The PIC unanimously recommends approval of 6 academic research recruitment grant proposals totaling $21,700,000. The recommended grant proposals were submitted in response to one of two grant mechanisms: Recruitment of First-Time, Tenure-Track Faculty; and Recruitment of Established Investigators. The PIC followed the recommendations made by the Scientific Review Council (SRC). The SRC met twice to consider two cycles of applications and provided the prioritized list of recommendations for the Recruitment awards to the presiding officers on September 1, 2015.

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 (the PIC chose this factor for Multi-Investigator Research Awards and High-Impact, High-Risk Research Awards);
- have a demonstrable economic development benefit to this state;
- 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; and
- address the goals of the Texas Cancer Plan.

Rank	App ID	Mech.	Organization/Company	Candidate	Budget Requested	Overall Score	Cycle
1	RR150103	RRS	The University of Texas Southwestern Medical Center	Dr. Tanja A. Gruber	$4,000,000	1.2	RRP-10
2	RR160009	RRS	Baylor College of Medicine	Chonghui Cheng	$4,000,000	2.0	REC 16.1
3	RR150104	RRS	The University of Texas Health Science Center at Houston	Dr. Wa Xian	$3,700,000	2.0	RRP-10
4	RR150106	RFT	Baylor College of Medicine	Dr. Ronald Parchem	$2,000,000	2.3	RRP-10
5	RR160005	REI	The University of Texas at Austin	Thomas Yankeelov	$6,000,000	2.4	REC 16.1

RFT = Recruitment of First-Time, Tenure-Track Faculty Members
REI = Recruitment of Established Investigators
RRS = Recruitment of Rising Stars

CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS

Conflict of Interest Disclosure – Oversight Committee Members
For Applications Recommended for Consideration at September 10, 2015, Open Meeting

Disclosure
There were no reported conflicts of interest by Oversight Committee members.

By my signature, this list of reported conflicts of interest shall be included as the official record of conflicts of interest reported by Oversight Committee members for grant award recommendations considered at the September 10, 2015, Oversight Committee meeting.

Pete Geren, Presiding Officer, Oversight Committee — Date: 9/10/2015

Amy Mitchell, Secretary, Oversight Committee — Date: 9/10/15

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