

SUBJECT: Requiring a self-sufficiency plan for CPRIT

COMMITTEE: Public Health — committee substitute recommended

VOTE: 9 ayes — Crownover, Naishtat, Blanco, Coleman, S. Davis, Guerra,  
R. Miller, Sheffield, Zerwas

0 nays

2 absent — Collier, Zedler

SENATE VOTE: On final passage, March 18 — 30-1 (Nichols)

WITNESSES: For — None

Against — None

On — Cam Scott, American Cancer Society Cancer Action Network;  
Wayne Roberts, Cancer Prevention and Research Institute of Texas;  
David Lofye, Livestrong Foundation; (*Registered, but did not testify*: Jim  
Arnold, American Lung Association; Kristen Doyle, Cancer Prevention  
and Research Institute of Texas; Thomas Kowalski, Texas Healthcare and  
Bioscience Institute; Troy Alexander, Texas Medical Association)

BACKGROUND: HB 14 by Keffer, enacted by the 80th Legislature in 2007, established the  
Cancer Prevention and Research Institute of Texas (CPRIT) to:

- create and expedite innovation in the area of cancer research enhancing the potential for a scientific breakthrough in the prevention of and cure for cancer;
- attract, create, or expand research capabilities of higher education institutions and other public or private entities that will promote a substantial increase in cancer research and in the creation of high-quality new jobs in Texas; and
- develop and implement the Texas Cancer Plan.

CPRIT was funded by the issuance of \$3 billion in general obligation bonds, which was approved by voters in a November 2007 election. The institute is subject to Sunset review and will be abolished if not continued on September 1, 2021.

DIGEST:

CSSB 197 would require the Cancer Prevention and Research Institute of Texas (CPRIT) to develop a financial self-sufficiency plan. The plan would outline strategies for the institute to continue operations without relying primarily on state funding, other than on patent royalties and license revenues from projects funded through the cancer prevention and research fund.

CPRIT's plan would be required to specify how it would continue the work initiated by the initial \$3 billion general obligation bond authorization. The plan would be required to contain:

- the steps CRPIT would take to accomplish a transition to self-sufficiency after issuance of the \$3 billion in general obligation bonds;
- potential sources of funding other than state funding to continue operation of CPRIT once the bonds had been issued; and
- earning projections through at least 2030 for patent royalties and license revenues from projects funded by the cancer prevention and research fund;
- a description of how the institute would structure state-funded grants to ensure that all recipients of these grants could complete any work for which the grant was made after the last of the \$3 billion was used to reimburse award recipients; and
- an assessment of how much funding would be required, at a minimum, to manage and protect the state's initial \$3 billion investment.

CPRIT's plan also would have to outline an estimate of the effect on cancer incidence and mortality rates in Texas if the institute was not extended beyond the state's initial general obligation bond investment and the economic impact to the state if the institute was not extended after all

initial funds had been issued.

An initial plan would be due to the Legislature by December 1, 2016, and CPRIT would be required to provide an updated plan by December 1 of each subsequent year until September 1, 2021.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

**SUPPORTERS  
SAY:**

CSSB 197 appropriately would require the Cancer Prevention and Research Institute of Texas (CPRIT) to plan for the future and develop a plan for sustainability now, when the institute is about halfway to its Sunset date. The bill would ensure that CPRIT began planning while there was time to adequately prepare.

The bill would require CPRIT to include important considerations in this plan, including potential alternative sources of funding and ways to ensure that the initial investment and approval of CPRIT by the state and voters was protected. It is important to ensure that the institute would have a transparent funding and operations plan to continue the important work it does for the state in the event the Legislature decided not to authorize more state funding in 2021.

CSSB 197 would contain language that would allow for a variety of potential funding options for CPRIT in the future, including state funding. The version that passed the Senate seems to suggest state funding might not be available for CPRIT in the future and that the program could Sunset unless other funds were secured.

The state's investment in CPRIT is not small in the overall scheme of cancer prevention and research funding. Private foundation dollars tend not to fund services for specific types of cancer, and research funding for cancer treatments is unpredictable. Texas has become a national leader for its investment in CPRIT and should continue its leadership role in fighting cancer.

OPPONENTS  
SAY:

CSSB 197 would include important steps for CPRIT to take in securing the institute's future but should represent the reality that the state has competing funding priorities and that CPRIT was authorized for limited general obligation bond funding for a finite period of time. The Senate engrossed version of the bill would require a transition plan that required CPRIT to become self-sufficient without accounting for what the state might need to pay to continue the institute. Ultimately, the amount of funds that Texas invests in CPRIT are relatively small compared with the billions each year invested in cancer research by organizations such as the National Institutes of Health and the National Cancer Institute.

NOTES:

CSSB 197 differs from the Senate engrossed version of the bill in that it would require the institute's plan to specify how it would become financially self-sufficient without *primarily* state funds, rather than simply without state funds. The House substitute also would require the plan to specify *potential* sources of funding other than state money, rather than sources of funding other than state money.