

## **BILL ANALYSIS**

Senate Research Center  
85R1304 AJZ-D

S.B. 1924  
By: Schwertner  
Health & Human Services  
3/27/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The legislature created the Cancer Prevention and Research Institute of Texas (CPRIT) in 2007, and voters approved a constitutional amendment authorizing up to \$3 billion in state funds for CPRIT to research the causes of and cures for cancer. CPRIT is scheduled to sunset on September 1, 2021.

Although the goal of finding a cure for cancer is a worthwhile endeavor, it is important that CPRIT begin planning for how to transition from a fully state-funded entity to a self-sufficient entity. S.B. 1924 requires CPRIT to develop a plan that specifies how it will become financially self-sufficient. The plan must include the steps CPRIT will take to accomplish the transition, specify sources of funding other than state funds, and describe how CPRIT will structure state-funded grants. A plan is due to the legislature annually on December 1st, beginning in December 2018, until the section expires.

As proposed, S.B. 1924 amends current law relating to the financial self-sufficiency of the Cancer Prevention and Research Institute of Texas.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 102, Health and Safety Code, by adding Section 102.005, as follows:

Sec. 102.005. FINANCIAL SELF-SUFFICIENCY PLAN. (a) Requires the Cancer Prevention and Research Institute of Texas (CPRIT) to develop a detailed plan for CPRIT to become financially self-sufficient and to continue operations without state funds other than patent royalties and license revenues realized as a result of projects undertaken with money awarded under Subchapter E (Cancer Prevention and Research Fund).

(b) Requires the plan described by Subsection (a) to:

(1) specify the steps CPRIT will take to accomplish the transition to financial self-sufficiency after issuance of the \$3 billion in general obligation bonds authorized by Section 67 (Cancer Prevention and Research Institute of Texas), Article III (Legislative Department), Texas Constitution;

(2) specify sources of funding other than state money that may be used to operate CPRIT after issuance of the \$3 billion in general obligation bonds authorized by Section 67, Article III, Texas Constitution; and

(3) describe CPRIT's method for structuring each state-funded grant to ensure that a grant recipient completes any contractual obligation for which the grant was awarded after all of the \$3 billion in general

obligation bonds authorized by Section 67, Article III, Texas Constitution, has been awarded to reimburse grant recipients for allowable expenditures pursuant to CPRIT's grant contract terms.

(c) Requires CPRIT to submit the plan described by Subsection (a) to the legislature not later than December 1, 2018. Requires CPRIT to submit any modification to the plan before December 1 of each subsequent year.

(d) Provides that this section expires September 1, 2023.

SECTION 2. Effective date: upon passage or September 1, 2017.