

**Cancer Prevention and Research Institute of Texas
Summary of Budget Recommendations - House**

Page I-17

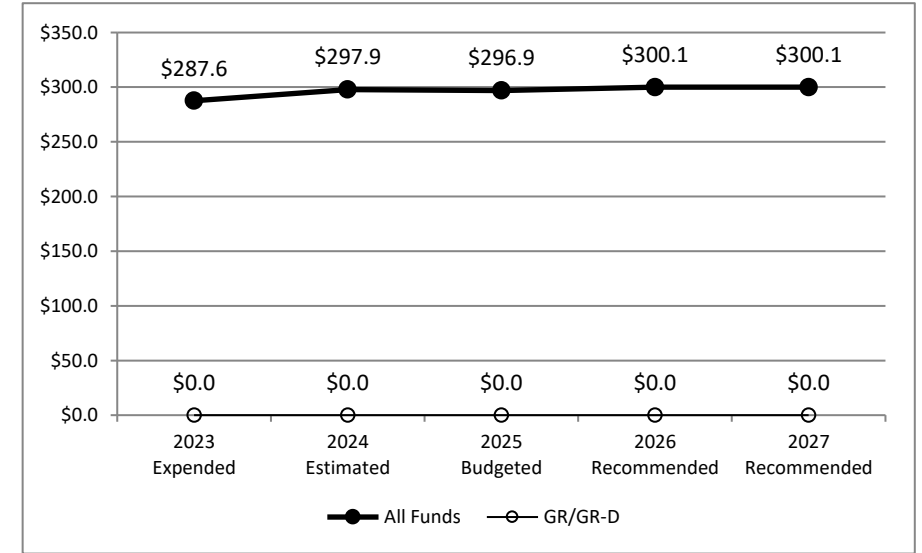
Kristen Doyle, Chief Executive Officer

KJ Curtiss, LBB Analyst

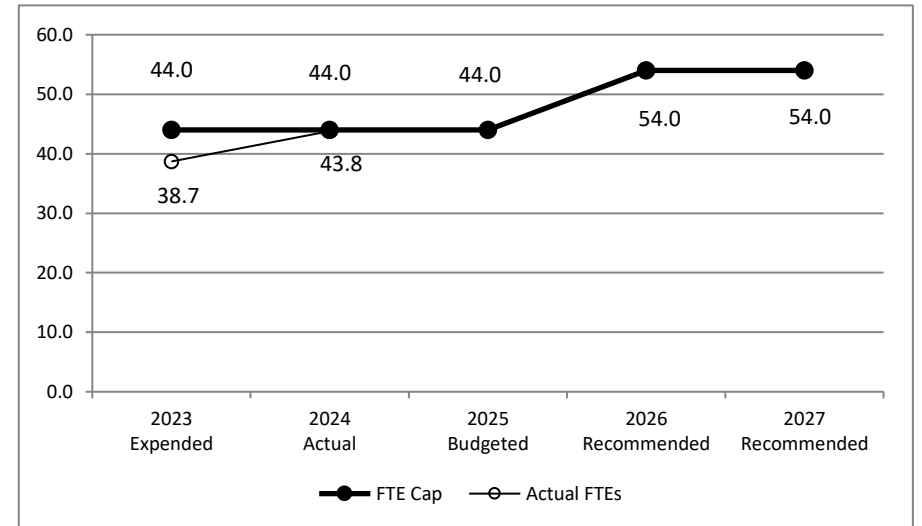
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$594,864,928	\$600,102,000	\$5,237,072	0.9%
All Funds	\$594,864,928	\$600,102,000	\$5,237,072	0.9%

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	44.0	54.0	10.0	22.7%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

**Cancer Prevention and Research Institute of Texas
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
--	-----------------	--------------	---------------	-------------	-----------	------------------------

<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>
--

A)	Decrease of \$329,446 in Appropriated Receipts due to balances carried forward from the 2022-23 biennium to the 2024-25 biennium. Appropriated Receipts are primarily from fees received for Product Development applications and conference registrations.	\$0.0	\$0.0	\$0.0	(\$0.3)	(\$0.3)	A.1.3
B)	Increase of \$6,236,064 in General Obligation (GO) Bond Proceeds due to technical corrections to the 2024-25 base to reinstate the funding previously transferred to the Department of State Health Services (DSHS) for the Cancer Registry. Recommendations for the 2026-27 biennium eliminate the requirement for the agency to transfer funding to DSHS, and General Revenue funding for the Cancer Registry is included within the DSHS bill pattern.	\$0.0	\$0.0	\$0.0	\$6.2	\$6.2	A.1.1
C)	Decrease of \$614,401 in GO Bond Proceeds due to balances carried forward from the 2022-23 biennium to the 2024-25 biennium.	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.6)	A.1.2; B.1.1
D)	Decrease of \$55,145 in License Plate Trust Fund Account 802 due to balances carried forward from the 2022-23 biennium to the 2024-25 biennium.	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	A.1.2

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$0.0	\$0.0	\$0.0	\$5.2	\$5.2	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$0.0	\$6.2	\$6.2	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	\$0.0	\$0.0	\$0.0	(\$1.0)	(\$1.0)	As Listed

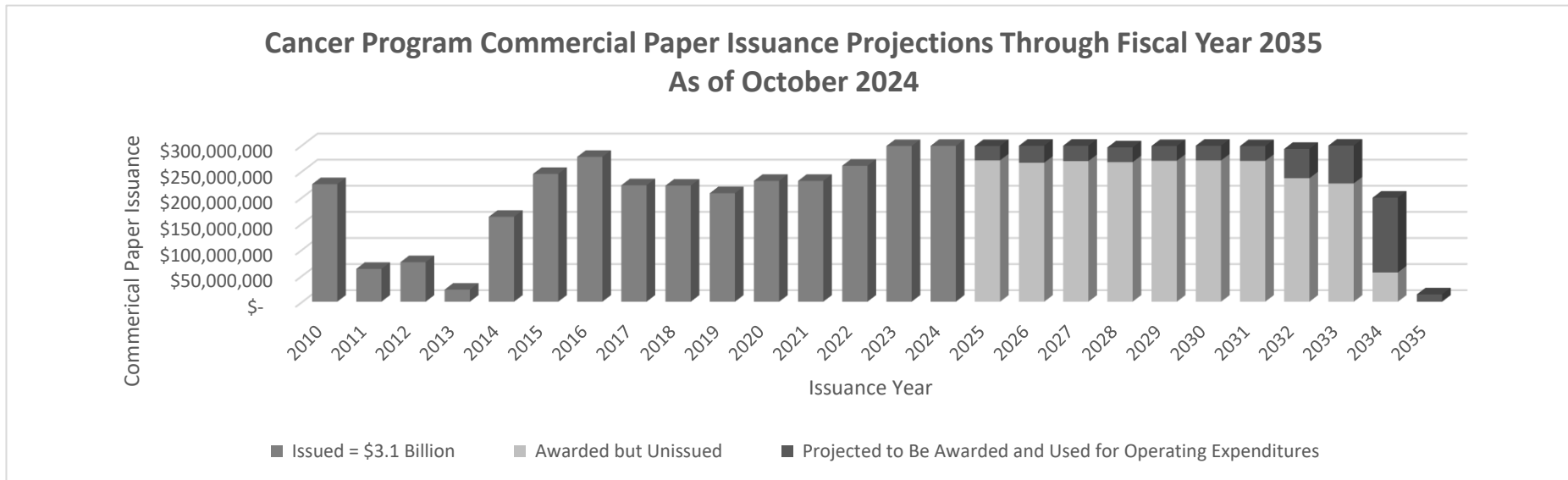
NOTE: Totals may not sum due to rounding.

**Cancer Prevention and Research Institute of Texas
Selected Fiscal and Policy Issues - House**

- Update on Bond Proceeds and Bond Issuances.** Each fiscal year, the Cancer Prevention and Research Institute of Texas (CPRIT) is authorized \$300.0 million in General Obligation (GO) bond proceeds to review and issue new grants and monitor compliance for existing grants. CPRIT requests \$600.0 million in GO bond proceeds for the 2026-27 biennium, the maximum amount authorized by the Texas Constitution, Article III, Section 67.

Grant award reimbursements can be spread over two- to seven-year spans, depending on the type of grant. As a result, CPRIT has the authority to transfer unexpended balances across biennia. The Texas Public Finance Authority (TPFA) issues bonds as needed for award expenditures and operating costs. Each May, the CPRIT Oversight Committee approves bond resolutions based on projected expenditures. This includes operating expenses and estimated grant reimbursements.

The agency now estimates that after issuing bonds for the last grant awards using bond funds in fiscal year 2032, the final issuance would occur in quarter one of fiscal year 2035, not quarter four of fiscal year 2034 as previously projected in the fall of 2022.



2. **Update on CPRIT Returns on Investment.** Pursuant to the Health and Safety Code, Section 102.256, the CPRIT Oversight Committee is required to establish standards to make all grant awards subject to an intellectual property agreement that allows the state to collect royalties and other benefits generated from academic research, product development, and prevention projects funded by CPRIT grants. CPRIT is also authorized to transfer management and authority of the state’s interest in projects selected by the CPRIT Oversight Committee to the Texas Treasury Safekeeping Trust Company to maximize returns.

Prior to fiscal year 2014, all revenues generated from these agreements were deposited into General Revenue-Dedicated Account No. 5136 Cancer Prevention and Research Institute of Texas Fund. Statute allows the fund to be used to pay debt service on CPRIT bonds, as well as provide CPRIT grants and fund agency operations. Senate Bill 149, Eighty-third Legislature, Regular Session, 2013, amended Health and Safety Code to establish a cancer prevention and interest and sinking fund to receive any income received under a grant contract. This limited the use of the fund to pay only debt service on CPRIT bonds. However, the fund was not included in the funds consolidation bill in the Eighty-third Legislature, and beginning September 1, 2013, all grant revenues were deposited into General Revenue until the fund was recreated by House Bill 3849, Eighty-fifth Legislature, Regular Session, 2017, as General Revenue-Dedicated Account No. 5168 Cancer Prevention Interest and Sinking. Statute allows revenue sharing deposits made to the interest and sinking account be used to pay down debt service.

The table below provides an overview of revenues received from grant contracts over the history of the agency. The revenue sharing in 2022 and 2023 was higher than previous years due to milestone payments from Merk & Co., Inc. (Peloton Therapeutics) for the sale of Welireg. Revenues are expected to increase as CPRIT continues to invest in companies through product development awards.

Total Revenue Sharing Received by CPRIT

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
GR-D Account 5136	\$14,367	\$136,826	\$145,436	-	-	-	-	-	-	-	-	-	-	-	-	\$296,629
General Revenue	-	-	\$101,324	\$1,769,790	\$45,774	\$921,686	\$60,318	-	-	-	-	-	-	-	-	\$2,898,892
GR-D Account 5168	-	-	-	-	-	-	\$40,195	\$187,337	\$295,740	\$960,317	\$284,265	\$2,799,288	\$1,830,886	\$846,115	\$1,667	\$7,245,809
2011 – 2025 Total Revenue Sharing as of October 2024																\$ 10,441,330

**Cancer Prevention and Research Institute of Texas
Rider Highlights - House**

Deleted Riders

4. **Transfer to Department of State Health Services for the Cancer Registry.** Recommendations remove this rider. The funding associated with this transfer will remain available in Strategy A.1.1, Award Cancer Research Grants, to award academic and product development grants.

The following riders include recommendations to remove obsolete language, make conforming changes such as updating fiscal years and amounts to reflect funding recommendations, and clarify deadlines:

- Rider 5, Limitation on Expenditure for Contracts.
- Rider 6, Unexpended Balances Within the Biennium.
- Rider 7, Unexpended Balances Between Biennia.

**Cancer Prevention and Research Institute of Texas
Items Not Included in Recommendations - House**

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	<p>10% Increase for Exempt Position Salaries. This request is for authority only to increase exempt position salaries by 10 percent.</p> <ul style="list-style-type: none"> - Agency requests the authorized salary of the Chief Executive Officer increase from \$282,277 to \$310,505. - Agency requests the authorized salary of the Chief Scientific Officer increase from \$671,300 to \$738,430. <p>A total of \$190,716 in GO Bond Proceeds would move from the 2026-27 Grants object of expense in Strategies A.1.1 (\$171,644) and A.1.2 (\$19,072) into the Salaries and Wages object of expense in Strategies A.1.3 (\$162,488) and B.1.1 (\$28,228).</p>	\$0	\$0	0.0	No	No	\$190,716
----	---	-----	-----	-----	----	----	-----------

TOTAL Items Not Included in Recommendations		\$0	\$0	0.0			\$190,716
--	--	------------	------------	------------	--	--	------------------

**Cancer Prevention and Research Institute of Texas
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	8
B	Summary of Federal Funds	*
C	FTE Highlights	10

* Appendix is not included - no significant information to report

**Cancer Prevention and Research Institute of Texas
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
AWARD CANCER RESEARCH GRANTS A.1.1	\$497,773,749	\$500,947,684	\$3,173,935	0.6%	Recommendations include: 1) Increase of \$6,236,064 in General Obligation (GO) Bond Proceeds related to the Department of State Health Services (DSHS) for the Texas Cancer Registry. The funds had been regularly transferred to DSHS each biennium and were reinstated in the appropriations bill for the following biennium. Recommendations for the 2026-27 biennium remove the transfer requirement and retain the funds at CPRIT. 2) Decrease of \$1,270,949 in GO Bond Proceeds reversing a 2024-25 reallocation of funding from A.1.2 into A.1.1; A.1.3; and B.1.1. 3) Decrease of \$1,791,180 related to a reallocation of funding from A.1.1 and A.1.2 to A.1.3 and A.1.4 for 2026-27 increase in FTEs.
AWARD CANCER PREVENTION GRANTS A.1.2	\$53,266,585	\$54,396,902	\$1,130,317	2.1%	Recommendations include: 1) Increase of \$1,575,949 in GO Bond Proceeds reversing a 2024-25 reallocation of funding from A.1.2 into A.1.1; A.1.3; and B.1.1. 2) Decrease of \$191,467 in GO Bond Proceeds related to reallocation of funding to Strategy A.1.3 for the 2024-25 statewide salary adjustments and unexpended balances carried forward and expended in the 2024-25 base. 3) Decrease of \$55,145 in License Plate Trust Fund related to balances carried forward and expended in the 2024-25 biennium. 4) Decrease of \$199,020 related to a reallocation of funding from A.1.1 and A.1.2 to A.1.3 and A.1.4 for 2026-27 increase in FTEs.
GRANT REVIEW AND AWARD OPERATIONS A.1.3	\$32,865,114	\$34,024,718	\$1,159,604	3.5%	Recommendations include: 1) Decrease of \$120,000 in GO Bond Proceeds reversing a 2024-25 reallocation of funding from A.1.2 into A.1.1; A.1.3; and B.1.1. 2) Increase of \$342,850 in GO Bond Proceeds related to reallocation of funding related to the 2024-25 statewide salary adjustments. 3) Decrease of \$329,446 in Appropriated Receipts related to balances carried forward from the 2022-23 biennium to the 2024-25 biennium. 4) Increase of \$1,266,200 related to a reallocation of funding from A.1.1 and A.1.2 to A.1.3 and A.1.4 for 2026-27 increase in FTEs.
Total, Goal A, CANCER RESEARCH AND PREVENTION SVCS	\$583,905,448	\$589,369,304	\$5,463,856	0.9%	

**Cancer Prevention and Research Institute of Texas
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION B.1.1	\$10,959,480	\$10,732,696	(\$226,784)	(2.1%)	Recommendations include: 1) Decrease of \$185,000 in GO Bond Proceeds reversing a 2024-25 reallocation of funding from A.1.2 into A.1.1; A.1.3; and B.1.1. 2) Decrease of \$765,784 in GO Bond Proceeds related to reallocation of funding to Strategy A.1.3 for the 2024-25 statewide salary adjustments and unexpended balances carried forward. 3) Increase of \$724,000 related to a reallocation of funding from A.1.1 and A.1.2 to A.1.3 and A.1.4 for 2026-27 increase in FTEs.
Total, Goal B, INDIRECT ADMINISTRATION	\$10,959,480	\$10,732,696	(\$226,784)	(2.1%)	
Grand Total, All Strategies	\$594,864,928	\$600,102,000	\$5,237,072	0.9%	

**Cancer Prevention and Research Institute of Texas
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2023	Actual 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	44.0	44.0	44.0	54.0	54.0
Actual/Budgeted	38.7	43.8	44.0	NA	NA

Schedule of Exempt Positions (Cap)					
Chief Executive Officer, Group 9	\$281,875	\$282,277	\$282,277	\$282,277	\$282,277
Chief Scientific Officer, No Group	\$608,850	\$639,300	\$671,300	\$671,300	\$671,300

Notes:

- a) The State Auditor's Office is the source for the FY 2023 and FY 2024 annual average (actual) FTE levels.
- b) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024), indicates a market average salary of \$289,329 for the Chief Executive Officer position at the Cancer Prevention and Research Institute of Texas. The agency is requesting to increase the salary cap for the Chief Executive Officer from \$282,277 to \$310,505.
- c) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024), does not indicate a market average salary based on similar professional positions for the Chief Scientific Officer. The agency is requesting to increase the salary cap for the Chief Scientific Officer from \$671,300 to \$738,430.