

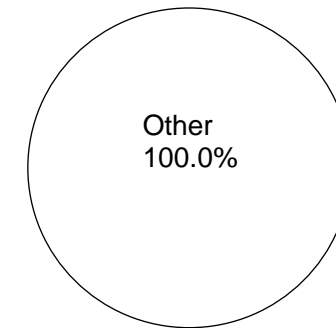
**Cancer Prevention and Research Institute of Texas
Summary of Recommendations - Senate**

Page I-15
Bill Gimson, Executive Director

Elizabeth Prado, LBB Analyst

**RECOMMENDED FUNDING
BY METHOD OF FINANCING**

Method of Financing	2010-11 Appropriations	2010-11 Base	2012-13 Recommended	Biennial Change	% Change
General Revenue Funds	\$0	\$203,094	\$0	(\$203,094)	(100.0%)
GR Dedicated Funds	\$42,000	\$42,000	\$12,000	(\$30,000)	(71.4%)
<i>Total GR-Related Funds</i>	<i>\$42,000</i>	<i>\$245,094</i>	<i>\$12,000</i>	<i>(\$233,094)</i>	<i>(95.1%)</i>
Federal Funds	\$0	\$50,000	\$0	(\$50,000)	(100.0%)
Other	\$448,125,000	\$227,337,606	\$820,894,969	\$593,557,363	261.1%
All Funds	\$448,167,000	\$227,632,700	\$820,906,969	\$593,274,269	260.6%



Note: Agency's MOF includes \$12,000 out of GR- Dedicated Funds

	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	36.0	26.0	24.0	(2.0)	(7.7%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2012-13 biennium.

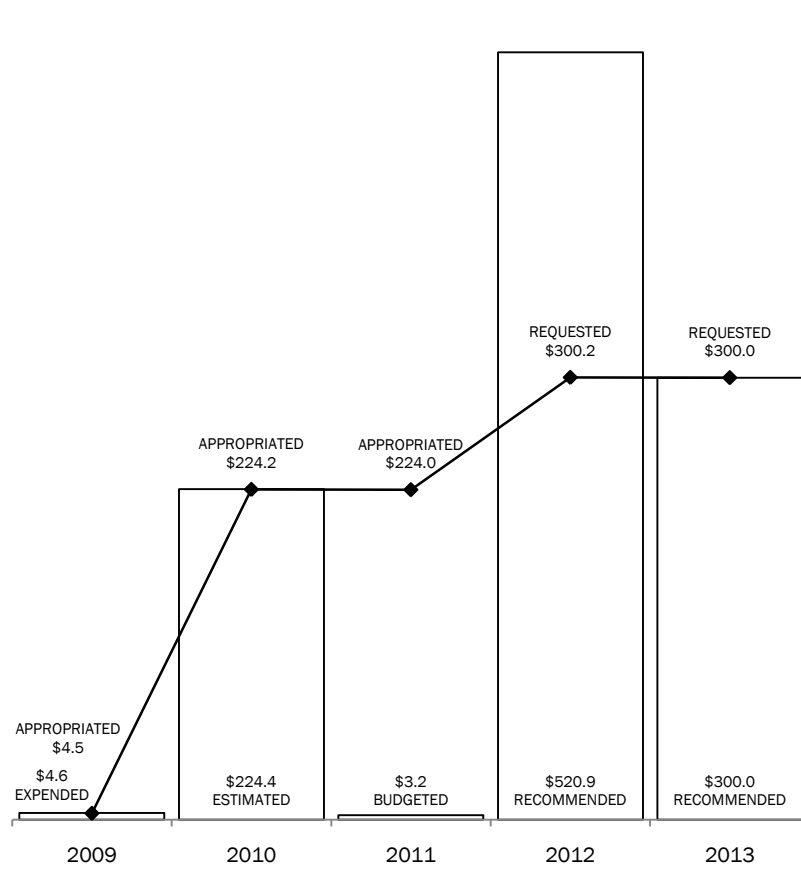
Cancer Prevention and Research Institute of Texas

2012-2013 BIENNIUM

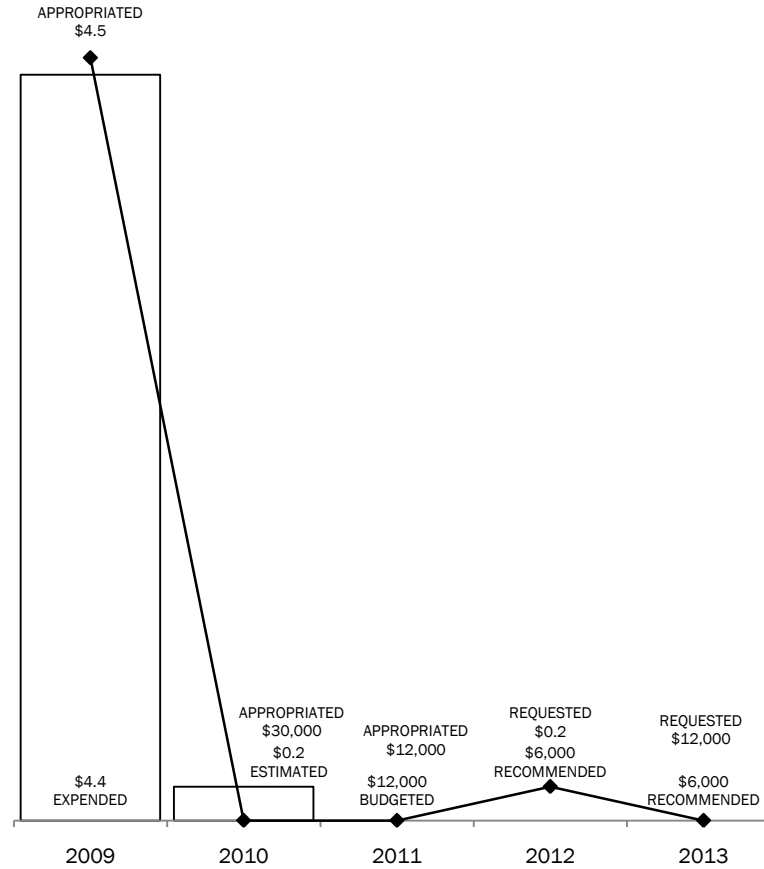
IN MILLIONS

TOTAL= \$820.9 MILLION

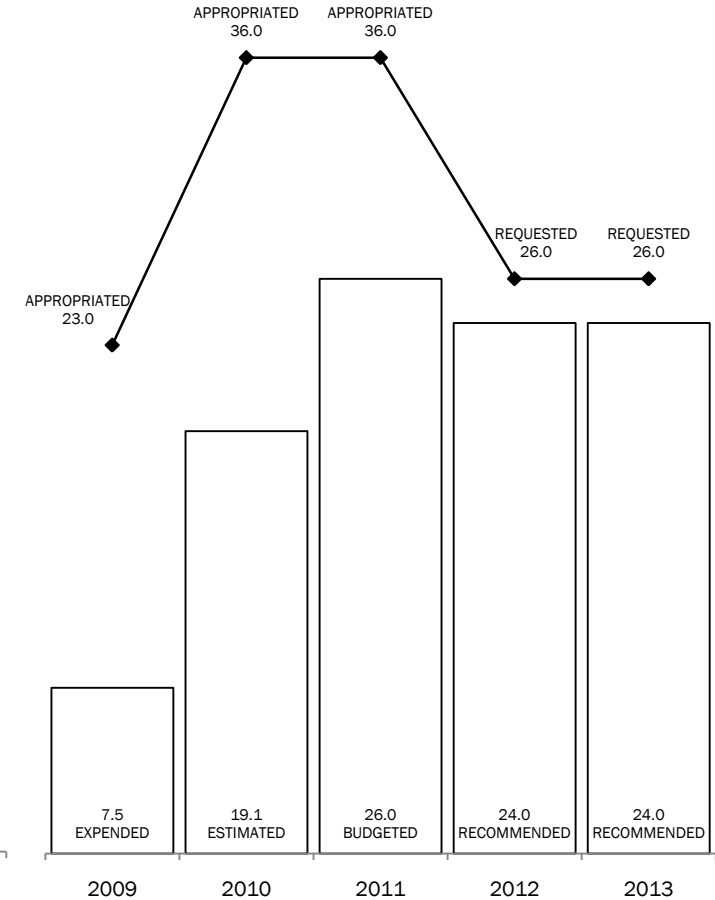
ALL FUNDS



**GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



**Cancer Prevention and Research Institute of Texas
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					Recommendations provide for \$820.9 million in General Obligation Bond Proceeds for cancer prevention and research activities including:
					• \$220.9 million in GO Bond Proceeds in estimated balances remaining as of August 31, 2011 for cancer prevention and research grants awarded in the 2010-11 biennium; and
					• \$600 million in General Obligation Bond Proceeds to the Cancer Prevention and Research Institute of Texas (CPRIT) primarily for new cancer research and prevention grants and agency operations, contingent on the passage of legislation.
					Recommendations also include a reduction of 2.0 full-time equivalent positions to eliminate the Government Relations and Performance Manager positions.
AWARD CANCER RESEARCH GRANTS A.1.1	\$194,432,629	\$713,776,153	\$519,343,524	267.1%	
AWARD CANCER PREVENTION GRANTS A.1.2	\$21,742,848	\$79,297,894	\$57,555,046	264.7%	
GRANT REVIEW AND AWARD OPERATIONS A.1.3	\$6,436,007	\$19,261,081	\$12,825,074	199.3%	
Total, Goal A, CANCER RESEARCH AND PREVENTION SVCS	\$222,611,484	\$812,335,128	\$589,723,644	264.9%	
INDIRECT ADMINISTRATION B.1.1	\$5,021,216	\$8,571,841	\$3,550,625	70.7%	
Total, Goal B, INDIRECT ADMINISTRATION	\$5,021,216	\$8,571,841	\$3,550,625	70.7%	
Grand Total, All Strategies	\$227,632,700	\$820,906,969	\$593,274,269	260.6%	

**Cancer Prevention and Research Institute of Texas
 Summary of Recommendations - Senate, By Method of Finance -- GR & GR DEDICATED FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
AWARD CANCER RESEARCH GRANTS A.1.1	\$0	\$0	\$0	0.0%	
AWARD CANCER PREVENTION GRANTS A.1.2	\$42,000	\$12,000	(\$30,000)	(71.4%)	Recommendations include 50 percent of estimated revenue collections in the 2012-13 biennium of \$6,000 per year out of revenue generated by the Texans Conquer Cancer license plates which is deposited into the General Revenue Dedicated Account - Cancer Prevention and Research Fund No. 5136.
GRANT REVIEW AND AWARD OPERATIONS A.1.3	\$0	\$0	\$0	0.0%	
Total, Goal A, CANCER RESEARCH AND PREVENTION SVCS	\$42,000	\$12,000	(\$30,000)	(71.4%)	
INDIRECT ADMINISTRATION B.1.1	\$203,094	\$0	(\$203,094)	(100.0%)	Recommendations include a decrease of \$0.2 million in General Revenue appropriated by House Bill 4586, Eighty-first Legislature (supplemental bill) reflecting a method of finance swap with general obligation bond proceeds primarily for rent.
Total, Goal B, INDIRECT ADMINISTRATION	\$203,094	\$0	(\$203,094)	(100.0%)	
Grand Total, All Strategies	\$245,094	\$12,000	(\$233,094)	(95.1%)	

**Cancer Prevention and Research Institute of Texas
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
AWARD CANCER RESEARCH GRANTS A.1.1	\$0	\$0	\$0	0.0%	
AWARD CANCER PREVENTION GRANTS A.1.2	\$50,000	\$0	(\$50,000)	(100.0%)	Recommendations reflect a decrease of \$50,000 out of Federal Funds due to a one-time grant from the Centers for Disease Control for a cancer awareness conference and provide travel costs for nurse oncologists to attend the conference.
GRANT REVIEW AND AWARD OPERATIONS A.1.3	\$0	\$0	\$0	0.0%	
Total, Goal A, CANCER RESEARCH AND PREVENTION SVCS	\$50,000	\$0	(\$50,000)	(100.0%)	
INDIRECT ADMINISTRATION B.1.1	\$0	\$0	\$0	0.0%	
Total, Goal B, INDIRECT ADMINISTRATION	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$50,000	\$0	(\$50,000)	(100.0%)	

**Cancer Prevention and Research Institute of Texas
Summary of Recommendations - Senate, By Method of Finance -- 666 - Appropriated Receipts**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
AWARD CANCER RESEARCH GRANTS A.1.1	\$0	\$0	\$0	0.0%	
AWARD CANCER PREVENTION GRANTS A.1.2	\$0	\$0	\$0	0.0%	
GRANT REVIEW AND AWARD OPERATIONS A.1.3	\$54,100	\$40,000	(\$14,100)	(26.1%)	Recommendations provide a decrease related to reimbursements for reviewing commercialization grant applications.
Total, Goal A, CANCER RESEARCH AND PREVENTION SVCS	\$54,100	\$40,000	(\$14,100)	(26.1%)	
INDIRECT ADMINISTRATION B.1.1	\$1,475	\$0	(\$1,475)	(100.0%)	Recommendations reflect a decrease primarily for copies related to public information requests due to an increase in the amount of information available on the agency's website.
Total, Goal B, INDIRECT ADMINISTRATION	\$1,475	\$0	(\$1,475)	(100.0%)	
Grand Total, All Strategies	\$55,575	\$40,000	(\$15,575)	(28.0%)	

**Cancer Prevention and Research Institute of Texas
Summary of Recommendations - Senate, By Method of Finance -- 780 - Bond Proceed-General Obligation**

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments
					Recommendations reflect an overall increase of \$593.6 million which consists of the appropriation of \$220.9 million in GO bond proceeds out of estimated unexpended and unobligated balances remaining as of August 31, 2011, and \$600 million in GO bond proceeds, contingent on the passage of legislation authorizing the issuance of cancer related bonds to be issued on an as needed basis, for cancer prevention and research grants, grant administration, and agency operations.
AWARD CANCER RESEARCH GRANTS A.1.1	\$194,432,629	\$713,776,153	\$519,343,524	267.1%	Recommendations include an increase of \$519.3 million for cancer research grants primarily due to the appropriation of \$191.5 million out of unexpended and unobligated balances remaining at the end of fiscal year 2011 for cancer research grants awarded in the 2010-11 biennium and \$327.8 million for new cancer research grants for the 2012-13 biennium.
AWARD CANCER PREVENTION GRANTS A.1.2	\$21,650,848	\$79,285,894	\$57,635,046	266.2%	Recommendations include an increase of \$57.6 million for cancer research grants primarily due to the appropriation of \$21.3 million in unexpended and unobligated balances remaining at the end of fiscal year 2011 for cancer prevention grants awarded in the 2010-11 biennium and \$36.3 million for new cancer prevention grants for the 2012-13 biennium.
GRANT REVIEW AND AWARD OPERATIONS A.1.3	\$6,381,907	\$19,221,081	\$12,839,174	201.2%	Recommendations include an increase of \$12.8 million for cancer prevention and research grant administration primarily due to the appropriation of \$5.4 million in unexpended and unobligated balances remaining at the end of fiscal year 2011 for cancer prevention grants awarded in the 2010-11 biennium and \$7.4 million for grant administration activities for the 2012-13 biennium.
Total, Goal A, CANCER RESEARCH AND PREVENTION SVCS	\$222,465,384	\$812,283,128	\$589,817,744	265.1%	
INDIRECT ADMINISTRATION B.1.1	\$4,816,647	\$8,571,841	\$3,755,194	78.0%	Recommendations include an increase of \$3.8 million for agency administration costs primarily due to the appropriation of \$2.7 million in unexpended and unobligated balances remaining at the end of fiscal year 2011 and \$1.1 million for various operating costs related to filling certain positions in fiscal year 2011. Recommendations also include a reduction of 2.0 full-time equivalent positions to eliminate the Government Relations and Performance Manager positions.
Total, Goal B, INDIRECT ADMINISTRATION	\$4,816,647	\$8,571,841	\$3,755,194	78.0%	
Grand Total, All Strategies	\$227,282,031	\$820,854,969	\$593,572,938	261.2%	

Section 3

Cancer Prevention and Research Institute of Texas Selected Fiscal and Policy Issues

- 1. Fiscal Implications of Recommendations.** Included in the recommendations, and contingent on the passage of legislation authorizing the issuance of cancer related bonds to be issued on an as needed basis as recommended by the Sunset Advisory Commission, is \$600 million in General Obligation Bond Proceeds appropriated to CPRIT for cancer prevention and research grants, grant administration, and agency operations. In addition, approximately \$14.4 million in General Revenue is appropriated to the Texas Public Finance Authority for the related debt service. Debt service assumptions for the recommendations are consistent with Sunset staff recommendations adopted by the Sunset Advisory Commission related to removing the escrow requirement for multiyear projects which would allow the debt to be issued as needed instead of all upfront (see Item 2). Other debt service assumptions include the issuance of taxable debt at a six percent interest rate, a 20-year level principal repayment schedule, and bonds would be issued semi-annually to align with CPRIT's fiscal year 2010 award dates.
- 2. Sunset Commission.** Sunset staff conducted a review of the Texas Public Finance Authority (TPFA) during the 2010-11 biennium. As a client agency of TPFA, CPRIT's bond authority and related statute was included in the review. In June 2010, the Sunset Advisory Commission adopted Sunset staff's recommendation to remove CPRIT's statutory requirement to escrow multiyear grant funds at the time of the award (Health and Safety Code, §102.257). This would allow TPFA the flexibility to issue the CPRIT bonds as funds are needed or expended. However, the constitutional limit of \$300 million a year for CPRIT bonds (Article III, Sec. 67) would have to be considered when issuing the bonds.

If the Eighty-second Legislature adopts this recommendation, Sunset staff estimates a cost avoidance for debt service of approximately \$31.0 million in the 2012-13 biennium assuming \$300 million per fiscal year is appropriated to CPRIT. Additional, debt service assumptions used by Sunset staff are mentioned above in Item 1.

- 3. Honoraria.** Recommendations provide for an honorarium which is limited to \$200 per day, in addition to the reimbursement of meals, lodging, and transportation costs, to align with the standards of other entities that award cancer related grants. See Rider 5, Reimbursement of Advisory Committees.

In addition to reimbursement for travel, lodging, and meals, CPRIT established an honorarium of \$2,000 per day per scientific reviewer and members of the respective councils for attendance of application review meetings. The scientific reviewers meet 6 times a year for two-day meetings to review the scientific research and prevention programs grant applications.

Review of honoraria limits for similar grant making entities such as the National Cancer Institute (NCI) and the National Institute of Health (NIH) indicate a \$200 per day honorarium in addition to reimbursement of transportation, lodging, and meals for the scientific review of cancer related grant applications. The reviewers for NCI and NIH have the opportunity to apply for the grants for the respective entities. According to CPRIT staff, a larger honorarium is necessary for the CPRIT grant reviewers because they are out of state and are not eligible to apply for CPRIT grants.

Section 3

Health and Safety Code, § 102.151 requires that the executive director, with approval by the Oversight Committee, appoint experts in the field of cancer research and prevention to Scientific Research and Prevention Programs committees. These individuals may be residents of another state and may receive an honorarium. Also, Government Code, Sec. 2110 requires that a reasonable number of members be appointed to a state advisory committee not to exceed 24.

CPRIT currently has three steering committees (Scientific Review Council, Prevention Review Council, and Commercialization Review Council) totaling 19 scientific professionals that review grant applications and make recommendations to the Chief Scientific Officer regarding the award of cancer research and prevention grants. The Chief Scientific Officer provides recommendations for grant awards to the Executive Director. Two of the steering committees have access to a pool of 136 additional scientific grant reviewers that review cancer and research grant applications and make recommendations to the respective chairs of the committees.

The three steering committees are described below:

- **Scientific Review Council (SRC)** consists of 1 chairperson that receives up to \$75,000 per year and 7 members that receive up to \$50,000 per year to provide the initial review of cancer research applications and assign the applications to reviewers with subject matter expertise in the applicable area. The SRC makes recommendations for grant awards to the Chief Scientific Officer based on analysis and recommendations provided by the reviewers.
- **Prevention Review Council (PRC)** consists of 1 chairperson that receives up to \$50,000 per year and 2 members that each receive up to \$15,000 per year to provide the initial review of cancer prevention applications and assign the applications to reviewers with subject matter expertise in the applicable area. The PRC makes grant award recommendations to the Chief Scientific Officer based on analysis and recommendations provided by the reviewers.
- **Commercialization Review Council (CRC)** consists of 1 chairperson that receives up to \$50,000 per year and 7 members that receive up to \$25,000 per year to review commercialization applications and make recommendations to the Chief Scientific Officer. There are currently no reviewers in this grants area.

Section 3

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

Full-Time-Equivalent Positions	Expended 2009	Actual 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	7.0	36.0	36.0	24.0	24.0
Actual/Budgeted	7.5	19.1	26.0	NA	NA
Schedule of Exempt Positions (Cap)					
Executive Director, Group 1	\$61,729	NA	NA	NA	NA
Executive Director, Group 7	\$214,000	\$214,000	\$214,000	\$214,000	\$214,000
Chief Scientific Officer, Group 6	\$212,000	\$212,000	\$212,000	\$212,000	\$212,000

Reduction of 10 FTEs from the agency's 2011 cap to the 2011 budgeted amount are associated with the agency's request to eliminate unfilled FTE positions.

Reduction of 2 FTEs from the agency's 2011 budgeted amount reflects the recommendation to eliminate the Government Relations and Performance Manager positions in Strategy B.1.1, Indirect Administration.

State Auditor's Office Report 10-706, *A Classification Study on Exempt Positions*, indicates that the salary cap for the Executive Director is within the recommended range of \$162,000 to \$254,700 and current Group 7 classification but above the market average of \$166,264. The SAO report did not address the Chief Scientific Officer exempt position.

Rider 8, Salary Supplements for Exempt Positions (General Appropriations Act 2010-11 biennium) provides for the Executive Director to receive a salary supplement not to exceed \$86,000 and the Chief Scientific Officer to receive a salary supplement not to exceed \$488,000 in each year of the 2010-11 biennium with total salaries not to exceed the highest salary paid to a chancellor of a public university system. The Cancer Prevention and Research Institute Foundation provided the Executive Director a supplement of \$86,000 and the Chief Scientific Officer \$488,000 for fiscal years 2010 and 2011.

Section 4

Cancer Prevention and Research Institute
Performance Review and Policy Report Highlights

Reports & Recommendations	GEER Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Is included in the Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

Cancer Prevention and Research Institute of Texas Rider Highlights

2. (old) **Capital Budget.** Delete rider due to no recommended capital budget projects for the 2012-13 biennium.
2. (revised) **Texans Conquer Cancer Plates: Appropriation of License Plate Receipts.** Revise rider to delete carry forward provision across biennia and to limit appropriation to 50 percent of estimated 2012-13 revenue collections.
5. (new) **Reimbursement of Advisory Committees.** Add new rider limiting the honorarium for scientific research and prevention program committees members establish by House Bill 1358, Eighty-first Legislature, 2009.
5. (old) **Unexpended Balances Between Fiscal Years.** Delete rider due to redundant authority in existing Rider 3, Unexpended Balances Within the Biennium.
6. (new) **Unexpended Balances of Bond Proceeds.** Add new rider which appropriates unexpended and unobligated balances of bond proceeds appropriated from the 2010-11 biennium for grants and agency administration.
6. (old) **Contingency for Senate Bill 895 or House Bill 1358: Reimbursement of Advisory Committees.** Delete rider due to the enactment of legislation.
7. (old) **Out of State Travel Exemption.** Delete rider which exempts the agency from Article IX, Sec. 5.08, Limitation on Travel Expenditures.
7. (new) **Contingency Appropriation Requiring Statutory Change: General Obligation Bond Proceeds for Cancer Prevention and Research Grants.** Add contingency rider which appropriates \$600 million in GO bond proceeds primarily for cancer prevention and research grants to CPRIT and approximately \$14.4 million in General Revenue for the related debt service to the Texas Public Finance Authority, contingent on passage of legislation authorizing the issuance of cancer related bonds to be issued on an as needed basis.

Section 6

**Cancer Prevention and Research Institute of Texas
Items not Included in the Recommendations**

	2012-13 Biennial Total	
	GR & GR-Dedicated	All Funds
1. Restore 2 full-time equivalent positions for government relations and performance management in Strategy B.1.1, Indirect Administration.	\$ -	\$ -
2. Appropriate remaining 50 percent of estimated license plate revenue for grants in the 2012-13 biennium.	\$ 12,000	\$ 12,000
3. Revise Rider 5, Reimbursement of Advisory Committees, to remove cap on honorarium for members of Scientific Research and Prevention Programs Committees.	\$ -	\$ -
4. Revise Rider 6, Unexpended Balances of Bond Proceeds, to reduce the estimated unexpended and unobligated balances carried forward from the 2010-11 biennium to the 2012-13 biennium.	\$ -	\$ (220,854,969)
Total, Items Not Included in the Recommendations	\$ 12,000	\$ (220,842,969)