

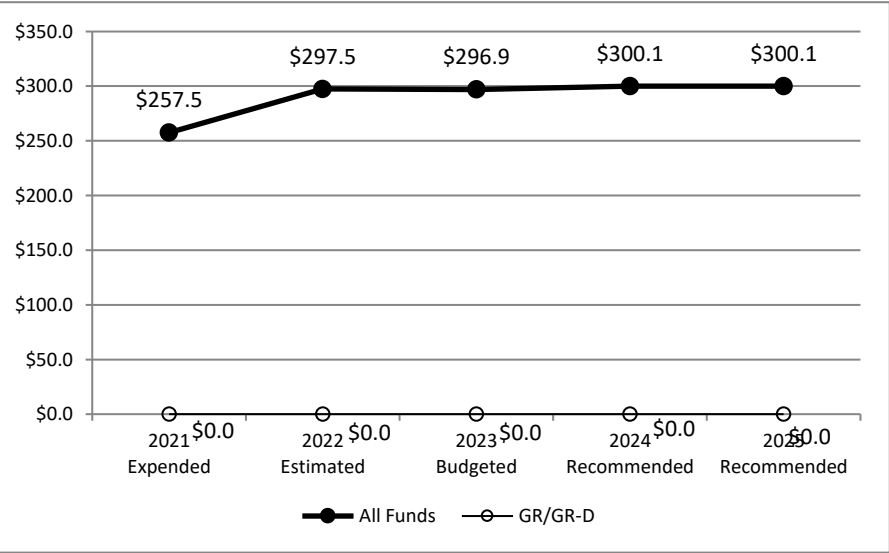
Cancer Prevention and Research Institute of Texas
Summary of Budget Recommendations - Senate

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Wayne Roberts, Chief Executive Officer
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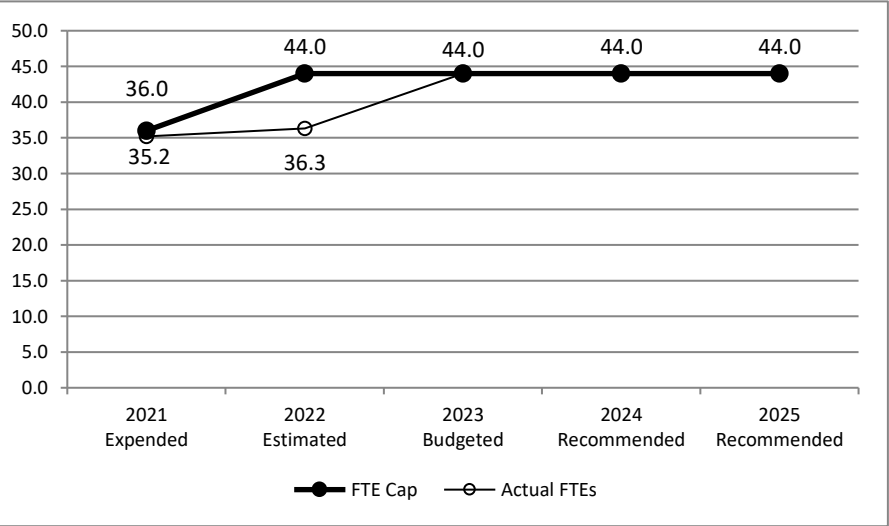
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$0	\$0	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$0	\$0	\$0	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$594,405,894	\$600,102,000	\$5,696,106	1.0%
All Funds	\$594,405,894	\$600,102,000	\$5,696,106	1.0%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	44.0	44.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

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

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Technical adjustment of \$3,118,032 per fiscal year in General Obligation (GO) Bond Proceeds to reinstate the funding transfer to the Department of State Health Services for the Cancer Registry.	\$0.0	\$0.0	\$0.0	\$6.2	\$6.2	A.1.1
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Decrease of \$39,765 in License Plate Trust Fund due to balances carried forward from the 2020-21 biennium to the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	A.1.2
C)	Decrease of \$488,946 in GO Bond Proceeds due to service contract balances carried forward from the 2020-21 biennium to the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	A.1.3; B.1.1
D)	Decrease of \$11,247 in Appropriated Receipts due to product development research application fee balances carried forward from the 2020-21 biennium to the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	A.1.3
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.0	\$0.0	\$0.0	\$5.7	\$5.7	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	(\$0.5)	(\$0.5)	As Listed

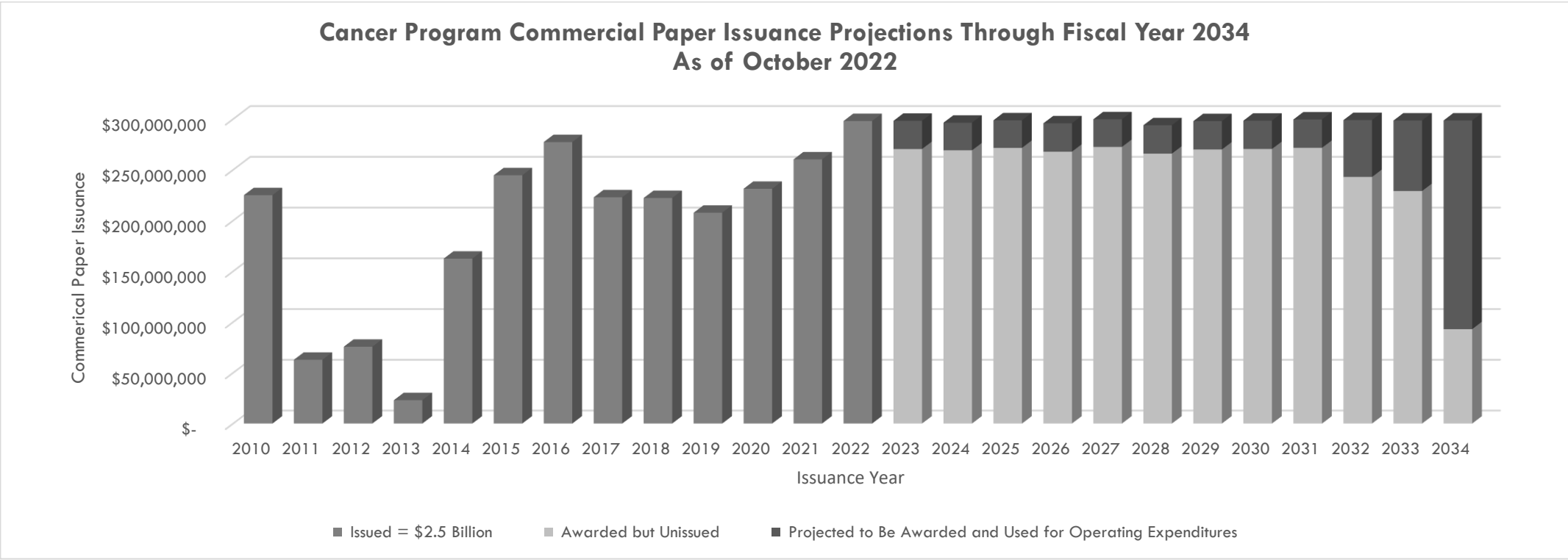
NOTE: Totals may not sum due to rounding.

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

- 1. **Rider 4, Transfer to Department of State Health Services for the Cancer Registry.** The Cancer Prevention and Research Institute of Texas (CPRIT) is required to transfer General Obligation (GO) bond proceeds to the Department of State Health Services (DSHS) for the Cancer Registry Program each fiscal year. This requirement is included in CPRIT Rider 4 and DSHS Rider 23. CPRIT's base request reflected the transfer of \$3,118,032 per fiscal year, thus lowering the agency's overall request from \$300 million in GO bond proceeds to \$296,881,968 per fiscal year. Recommendations include a technical adjustment to modify the total GO bond proceeds to continue funding for the registry transfer.
- 2. **Update on Bond Proceeds and Bond Issuances.** Each fiscal year, CPRIT is authorized \$300 million in GO bond proceeds to issue and review new grants and monitor compliance for existing grants. CPRIT requests \$600 million in GO bond proceeds for the 2024-25 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 estimates. This includes operating expenses, the transfer to DSHS for the cancer registry, and estimated grant reimbursements.

The agency estimates that after issuing bonds for the last grant awards using bond funds in fiscal year 2034, the final issuance would occur in quarter four of fiscal year 2034.



3. **Update on CPRIT Returns on Investment.** Pursuant to the Health and Safety Code, Sec. 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 projects funded by CPRIT grants. CPRIT is also authorized to transfer the 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 did not survive funds consolidation in the Eighty-third Legislature and beginning September 1, 2013 all grant revenues are 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.

The table below provides an overview of revenues received from grant contracts over the past 10 years. The revenue sharing in 2022 is higher than previous years due to a milestone payment by Peloton Therapeutic. Revenues are expected to increase as CPRIT continues to invest in companies through product development awards.

2013-2022 Revenue Sharing Received by CPRIT

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
GR-D Account 5136	\$ 145,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,436
General Revenue	\$ 101,324	\$ 1,768,790	\$ 46,774	\$ 921,686	\$ 60,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,898,892
GR-D Account 5168	\$ -	\$ -	\$ -	\$ -	\$ 38,695	\$ 187,337	\$ 295,740	\$ 947,206	\$ 275,119	\$ 2,808,167	\$ 4,552,263
2013-2022 Revenue Sharing as of October 2022											\$ 7,596,591

Source: Comptroller of Public Accounts and CPRIT

Cancer Prevention and Research Institute of Texas
Appendices - Senate

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* Appendix is not included - no significant information to report

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

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
AWARD CANCER RESEARCH GRANTS 1.1.1	\$496,487,061	\$502,738,864	\$6,251,803	1.3%	Recommendations include: 1) Technical adjustment increase of \$6,236,064 in General Obligation (GO) Bond Proceeds for the reinstatement of Cancer Registry transfer to the Department of State Health Services reflected in the agency's base request. 2) Increase of \$15,739 in GO Bond Proceeds for operational expenses.
AWARD CANCER PREVENTION GRANTS 1.1.2	\$55,381,576	\$54,787,390	(\$594,186)	(1.1%)	Recommendations include: 1) Decrease of \$39,765 in License Plate Trust Fund related to balances carried forward from the 2020-21 biennium to the 2022-23 biennium. 2) Overall decrease of \$554,421 in GO Bond Proceeds comprised of an increase of \$1,749 for operational expenses offset by a reallocation of \$556,170 for the statewide salary adjustments.
GRANT REVIEW AND AWARD OPERATIONS 1.1.3	\$32,558,517	\$32,197,790	(\$360,727)	(1.1%)	Recommendations include: 1) Decrease of \$349,480 in GO Bond Proceeds related to service contract balances carried forward from the 2020-21 biennium to the 2022-23 biennium. 2) Decrease of \$11,247 in Appropriated Receipts related to product development research application fee balances carried forward from the 2020-21 biennium into the 2022-23 biennium.
Total, Goal 1, CANCER RESEARCH AND PREVENTION SVCS	\$584,427,154	\$589,724,044	\$5,296,890	0.9%	
INDIRECT ADMINISTRATION 2.1.1	\$9,978,740	\$9,821,786	(\$156,954)	(1.6%)	Recommendations include: 1) Decrease of \$139,466 in GO Bond Proceeds related to service contract balances carried forward from the 2020-21 biennium to the 2022-23 biennium. 2) Decrease of \$17,488 in GO Bond Proceeds for operational expenses.
Total, Goal 2, INDIRECT ADMINISTRATION	\$9,978,740	\$9,821,786	(\$156,954)	(1.6%)	

Cancer Prevention and Research Institute of Texas					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
SALARY ADJUSTMENTS 3.1.1	\$0	\$556,170	\$556,170	100.0%	Recommendations include a reallocation from Strategy A.1.2, Award Cancer Prevention Grants, of \$556,170 in GO Bond Proceeds for the statewide salary adjustments.
Total, Goal 3, SALARY ADJUSTMENTS	\$0	\$556,170	\$556,170	100.0%	
Grand Total, All Strategies	\$594,405,894	\$600,102,000	\$5,696,106	1.0%	

Cancer Prevention and Research Institute of Texas
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	36.0	44.0	44.0	44.0	44.0
Actual/Budgeted	35.2	36.3	44.0	NA	NA

Schedule of Exempt Positions (Cap)					
Chief Executive Officer, Group 9	\$281,875	\$281,875	\$281,875	\$282,277	\$282,277
Chief Scientific Officer, No Group	\$533,500	\$608,850	\$608,850	\$608,850	\$608,850

Notes:

- a) The State Auditor's Office Report, Executive Director Compensation at State Agencies (Report 22-706, August 2022), indicates a market average salary of \$282,277 for the Chief Executive Officer position at the Cancer Prevention and Research Institute of Texas.
- b) The State Auditor's Office Report, Executive Director Compensation at State Agencies (Report 22-706, August 2022), does not indicate a market average salary based on similar professional positions for Chief Scientific Officer.
- c) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.