

BILL ANALYSIS

CSHJR 90
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Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

TEXAS CANCER COUNCIL: CANCER FACTS

- Cancer is not a single disease, but actually represents more than 100 distinct diseases
- More than 77,000 Texans develop cancer each year
- More than 35,000 Texans die each year of cancer
- Cancer is the #2 killer of Texans, accounting for one of every four deaths
- Cancer is the leading cause of death for Texas women ages 35-74
- Cancer is the second-leading cause of death for Texas men ages 45-74

A report titled *The Cost of Cancer in Texas: A Report to the Texas Comprehensive Cancer Control Coalition on the Economic Impact of Cancer* by The Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin and the Texas Health Care Information Council found that the total estimated direct medical costs due to cancer in 1998 were \$4.9 billion, and indirect costs from lost productivity were \$9.1 billion – for a total of about \$14.0 billion attributable to cancer in Texas that year.

CSHJR 90 proposes a constitutional amendment providing for the establishment of the Cancer Prevention and Research Institute of Texas and authorizing the issuance of general obligation bonds for the purpose of scientific research of all forms of human cancer.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The resolution adds Section 67 (section) to Article III of the Texas Constitution to direct the legislature to establish the Cancer Prevention and Research Institute of Texas (Institute) to make grants to provide funds to public or private persons to implement the Texas Cancer Plan, and to institutions of learning and to advanced medical research facilities and collaborations in this state for research into the causes of and cures for all forms of cancer in humans; for facilities for use in research into the causes of and cures for cancer; and for research, including translational research, to develop therapies, protocols, medical pharmaceuticals, or procedures that will result in, as speedily as possible, the cure for, or substantial mitigation of, all types of cancer in humans. The Institute shall support institutions of learning and advanced medical research facilities and collaborations in this state in all stages in the process of finding the causes of all types of cancer in humans and developing cures, from laboratory research to clinical trials and including programs to address the problem of access to advanced cancer treatment; and shall establish the appropriate standards and oversight bodies to ensure the proper use of funds authorized for cancer research and facilities development.

The resolution states that the members of the governing body and any other decision-making body of the Cancer Prevention and Research Institute of Texas may serve four-year terms.

The resolution states that the legislature by general law may authorize the Texas Public Finance Authority to provide for, issue, and sell general obligation bonds of the State of Texas on behalf of the Cancer Prevention and Research Institute of Texas in an amount not to exceed \$3 billion and to enter into related credit agreements. The bonds shall be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments as prescribed by the

Texas Public Finance Authority. Proceeds from the sale of the bonds shall be deposited in separate funds or accounts, as provided by general law, within the state treasury to be used by the Cancer Prevention and Research Institute of Texas for the purposes of this section without appropriation.

The resolution states that notwithstanding any other provision of the constitution, the Cancer Prevention and Research Institute of Texas, which is established in state government, may use the proceeds from certain bonds issued by the Texas Public Finance Authority and federal or private grants and gifts to pay for:

- (1) grants and loans for cancer research, for research facilities, and for research opportunities in this state to develop therapies, protocols, medical pharmaceuticals, or procedures that will result in, as speedily as possible, the cure for, or substantial mitigation of, all forms of cancer in humans;
- (2) the purchase, subject to approval by the Cancer Prevention and Research Institute, of needed laboratory facilities by or on behalf of a state agency or grant recipient; and
- (3) the operation of the Cancer Prevention and Research Institute of Texas.

The resolution sets forth that maximum net effective interest rate to be borne by bonds issued under this section may be set by general law.

The resolution states that while any of the bonds or interest on the bonds authorized by this section is outstanding and unpaid, from the first money coming into the state treasury in each fiscal year not otherwise appropriated by this constitution, an amount sufficient to pay the principal of and interest on bonds that mature or become due during the fiscal year and to make payments that become due under a related credit agreement during the fiscal year is appropriated, less the amount in the sinking fund at the close of the previous fiscal year.

The resolution states that bonds issued, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable and are general obligations of the State of Texas under the constitution.

The resolution sets forth that this proposed constitutional amendment shall be submitted to the voters at an election to be held November 6, 2007. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment requiring the creation of the Cancer Prevention and Research Institute of Texas and authorizing the issuance of up to \$3 billion in bonds payable from the general revenues of the state for research in Texas to find the causes of and cures for cancer."

EFFECTIVE DATE

The resolution sets forth that this proposed constitutional amendment shall be submitted to the voters at an election to be held November 6, 2007. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment requiring the creation of the Cancer Prevention and Research Institute of Texas and authorizing the issuance of up to \$3 billion in bonds payable from the general revenues of the state for research in Texas to find the causes of and cures for cancer."

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute alters the name of the "Cancer Research Institute of Texas" to the "Cancer Prevention and Research Institute of Texas" and makes conforming changes.

The substitute adds additional language to allow the Institute to make grants to provide funds to public or private persons to implement the Texas Cancer Plan. The substitute deletes the words "and loans" from the original resolution.

The substitute includes a reference to allow funds to be spent for translational research. While the original resolution did not disallow this money to be spent for translational research, some groups asked for a specific reference to "translational research" to be included in the substitute.

The substitute adds additional language to allow the members of the governing body and any other decision-making body of the Cancer Prevention and Research Institute of Texas to serve four-year terms.

The original resolution states that proceeds from the sale of bonds shall be deposited in a separate account within the state treasury created by the comptroller of public accounts to be used the Institute for specified purposes without appropriation. The substitute states that proceeds from the sale of bonds shall be deposited in separate funds or accounts, as provided by general law, within the state treasury to be used by the Institute for specified purposes without appropriation.

The original resolution states that money may be used for the purchase, as authorized by the general law or the General Appropriations Act, of needed laboratory facilities by or on behalf of a state agency or grant recipient. The substitute states that money may be used for the purchase, subject to the approval by the Cancer Prevention and Research Institute, of laboratory facilities by or on behalf of a state agency or grant recipient.