

By: Keffer

H.B. No. 951

A BILL TO BE ENTITLED

AN ACT

relating to the Cancer Prevention and Research Institute of Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 102.001, Health and Safety Code, is amended by amending Subdivision (3) to read as follows:

(3) "Research and prevention programs committee" means the Cancer Prevention and Research Institute of Texas Scientific Research and Prevention Programs committees appointed by the chief executive officer [~~director~~].

SECTION 2. Section 102.051, Health and Safety Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The institute may:

(1) make grants to provide funds to public or private persons to implement the Texas Cancer Plan, and may make grants to institutions of learning and to advanced medical research facilities and collaborations in this state for:

(A) research into the causes of and cures for all types of cancer in humans;

(B) facilities for use in research into the causes of and cures for cancer;

(C) research, including translational research, to develop therapies, protocols, medical pharmaceuticals, or procedures for the cure or substantial mitigation of all types of

1 cancer in humans; and

2 (D) cancer prevention and control programs in  
3 this state to mitigate the incidence of all types of cancer in  
4 humans;

5 (2) support institutions of learning and advanced  
6 medical research facilities and collaborations in this state in all  
7 stages in the process of finding the causes of all types of cancer  
8 in humans and developing cures, from laboratory research to  
9 clinical trials and including programs to address the problem of  
10 access to advanced cancer treatment;

11 (3) establish the appropriate standards and oversight  
12 bodies to ensure the proper use of funds authorized under this  
13 chapter for cancer research and facilities development;

14 (4) ~~[employ an executive director as determined by the~~  
15 ~~oversight committee;~~

16 [~~5~~] employ necessary staff to provide  
17 administrative support; and

18 (5) [~~6~~] monitor contracts and agreements authorized  
19 by this chapter.

20 (c) The institute shall employ a compliance officer, who,  
21 under the direction of the chief executive officer, shall ensure  
22 that:

23 (1) all grant proposals comply with this chapter and  
24 rules adopted under this chapter before being submitted to the  
25 oversight committee for approval;

26 (2) the institute, its employees, and its committee  
27 members appointed under this chapter comply with all laws and rules

1 governing the peer review process and conflicts of interest; and

2 (3) each grant recipient complies with the terms of  
3 the grant contract.

4 SECTION 3. Subchapter B, Chapter 102, Health and Safety  
5 Code, is amended by adding Section 102.0511 to read as follows:

6 Sec. 102.0511. CHIEF EXECUTIVE OFFICER; OTHER OFFICERS. (a)  
7 The oversight committee shall hire a chief executive officer. Under  
8 the direction of the oversight committee, the chief executive  
9 officer shall perform the duties required by this chapter or  
10 designated by the oversight committee.

11 (b) The chief executive officer must have:

12 (1) broad scientific and clinical experience;  
13 (2) a balanced research and development portfolio; and  
14 (3) a demonstrated ability to lead and develop  
15 academic, commercial, and governmental partnerships and  
16 coalitions.

17 (c) The chief executive officer shall hire:

18 (1) one chief scientific officer, who reports directly  
19 to the chief executive officer;  
20 (2) one chief operating officer, who reports directly  
21 to the chief executive officer; and  
22 (3) one development officer, who reports directly to  
23 the chief executive officer and assists in attracting  
24 public-private partnerships to further cancer research.

25 SECTION 4. Section 102.052(a), Health and Safety Code, is  
26 amended to read as follows:

27 (a) The institute shall issue an annual public report

1 outlining the institute's activities, grants awarded, grants in  
2 progress, research accomplishments, and future program  
3 directions. The report must include:

4 (1) the number and dollar amounts of research and  
5 facilities grants;

6 (2) identification of the grant recipients for the  
7 reported year;

8 (3) the institute's administrative expenses;

9 (4) an assessment of the availability of funding for  
10 cancer research from sources other than the institute;

11 (5) a summary of findings of research funded by the  
12 institute, including promising new research areas;

13 (6) an assessment of the relationship between the  
14 institute's grants and the overall strategy of its research  
15 program;

16 (7) a statement of the institute's strategic research  
17 and financial plans; ~~and~~

18 (8) an estimate of how much cancer has cost the state  
19 during the year, including the amounts spent by the state relating  
20 to cancer by the child health program, the Medicaid program, the  
21 Teacher Retirement System of Texas, and the Employees Retirement  
22 System of Texas; and

23 (9) a statement of the institute's compliance program  
24 activities, including any proposed legislation or other  
25 recommendations identified through the activities.

26 SECTION 5. Section 102.056, Health and Safety Code, is  
27 amended to read as follows:

1           Sec. 102.056. SALARY. The institute may supplement the  
2 salary of the chief executive officer [~~director~~] and other senior  
3 institute staff members. Funding for a salary supplement may come  
4 from gifts, grants, donations, or appropriations.

5           SECTION 6. Subchapter B, Chapter 102, Health and Safety  
6 Code, is amended by adding Sections 102.057 through 102.063 to read  
7 as follows:

8           Sec. 102.057. PROHIBITED OFFICE LOCATION. An institute  
9 employee may not have an office in a facility owned by an entity  
10 receiving or applying to receive money from the institute.

11           Sec. 102.058. CONFLICT OF INTEREST REQUIRING RECUSAL. (a)  
12 An oversight committee member or institute employee shall disclose  
13 in writing to the chief executive officer if the member, the  
14 employee, or a person who is related to the member or employee  
15 within the second degree of affinity or consanguinity has a  
16 professional or financial interest in an entity receiving or  
17 applying to receive money from the institute.

18           (b) The member or employee described by Subsection (a) shall  
19 recuse himself or herself from the institute's consideration of  
20 grant applications from the entity receiving or applying to receive  
21 money from the institute as provided by Section 102.062(a) or (b),  
22 as applicable.

23           (c) A person has a professional interest in an entity  
24 receiving or applying to receive money from the institute if the  
25 person:

26           (1) is a member of the board of directors, the other  
27 governing board, or any committee of the entity, or of a foundation

1 or similar organization affiliated with the entity, during the same  
2 grant cycle;

3 (2) serves as an elected or appointed officer of the  
4 entity or of a foundation or similar organization affiliated with  
5 the entity;

6 (3) is an employee of or is negotiating future  
7 employment with the entity or with a foundation or similar  
8 organization affiliated with the entity;

9 (4) represents the entity or a foundation or similar  
10 organization affiliated with the entity;

11 (5) is a professional associate of a primary member of  
12 the entity's research or prevention program team;

13 (6) is, or within the preceding six years has been, a  
14 student, postdoctoral associate, or part of a laboratory research  
15 group for a primary member of the entity's research or prevention  
16 program team;

17 (7) is engaged or is actively planning to be engaged in  
18 collaboration with a primary member of the entity's research or  
19 prevention program team; or

20 (8) has long-standing scientific differences or  
21 disagreements with a primary member of the entity's research or  
22 prevention program team, and those differences:

23 (A) are known to the professional community; and

24 (B) could be perceived as affecting objectivity.

25 (d) A person has a financial interest in an entity receiving  
26 or applying to receive money from the institute if the person:

27 (1) owns or controls, directly or indirectly, an

1 ownership interest, including sharing in profits, proceeds, or  
2 capital gains, in an entity receiving or applying to receive money  
3 from the institute or in a foundation or similar organization  
4 affiliated with the entity; or

5 (2) could reasonably foresee that an action taken by a  
6 scientific research and prevention program committee, the  
7 institute, or the oversight committee could result in financial  
8 benefit to the person.

9 Sec. 102.059. STANDARDS OF CONDUCT. (a) An oversight  
10 committee member or institute employee may not:

11 (1) accept or solicit any gift, favor, or service that  
12 could reasonably influence the member or employee in the discharge  
13 of official duties or that the member or employee knows or should  
14 know is being offered with the intent to influence the member's or  
15 employee's official conduct;

16 (2) accept employment or engage in any business or  
17 professional activity that would reasonably require or induce the  
18 member or employee to disclose confidential information acquired in  
19 the member's or employee's official position;

20 (3) accept other employment or compensation that could  
21 reasonably impair the member's or employee's independent judgment  
22 in the performance of official duties;

23 (4) make personal investments or have a financial  
24 interest that could reasonably create a substantial conflict  
25 between the member's or employee's private interest and the member's  
26 or employee's official duties;

27 (5) intentionally or knowingly solicit, accept, or

1 agree to accept any benefit for exercising the member's official  
2 powers or performing the member's or employee's official duties in  
3 favor of another; or

4 (6) lease, directly or indirectly, any property,  
5 capital equipment, employee, or service to any program, business  
6 entity, organization, or institution that receives a grant from the  
7 institute.

8 (b) An oversight committee member or the member's spouse may  
9 not:

10 (1) submit a grant application for funding by the  
11 institute;

12 (2) be employed by or participate in the management of  
13 a business entity or other organization receiving money from the  
14 institute;

15 (3) own or control, directly or indirectly, a  
16 financial interest in a business entity or other organization  
17 receiving money from the institute; or

18 (4) use or receive a substantial amount of tangible  
19 goods, services, or money from the institute other than  
20 reimbursement authorized for attendance or expenses.

21 (c) An oversight committee member, an institute employee,  
22 or an individual related to the employee within the second degree of  
23 affinity or consanguinity may not serve on the board of directors or  
24 other governing board of a nonprofit organization established to  
25 provide support to the institute.

26 (d) An institute employee may not serve on the board of  
27 directors of a nonprofit organization established with a grant from



1 the institute.

2 (e) An employee of a nonprofit organization established  
3 with a grant from the institute may not serve on the  
4 commercialization review council.

5 (f) The institute may not participate in a business decision  
6 of a nonprofit organization established with a grant from the  
7 institute.

8 (g) Notwithstanding Section 102.156, a member of a research  
9 and prevention programs committee appointed under this chapter may  
10 not serve on the board of directors or other governing board of an  
11 entity receiving a grant from the institute or of a foundation or  
12 similar organization affiliated with the entity.

13 Sec. 102.060. INVESTIGATION OF CONFLICTS OF INTEREST. (a)  
14 An oversight committee member, a committee member, or an institute  
15 employee shall immediately notify the chief executive officer of a  
16 conflict of interest, including a professional or financial  
17 interest described by Section 102.058 or 102.156. On notification,  
18 the chief executive officer shall notify the presiding officer of  
19 the oversight committee and the general counsel, who shall  
20 determine the nature and extent of any conflict.

21 (b) A grant applicant seeking an investigation regarding  
22 whether a prohibited conflict of interest was not reported shall  
23 file a written request with the institute's chief executive  
24 officer. The applicant must:

25 (1) include in the request all facts regarding the  
26 alleged conflict of interest; and

27 (2) submit the request not later than the 30th day

1 after the date the chief executive officer presents final funding  
2 recommendations for the affected grant cycle to the oversight  
3 committee.

4 (c) On notification of an alleged conflict of interest under  
5 Subsection (a) or (b), the institute's general counsel shall:

6 (1) investigate the matter; and

7 (2) provide to the chief executive officer and  
8 presiding officer of the oversight committee an opinion that  
9 includes:

10 (A) a statement of facts;

11 (B) a determination of whether a conflict of  
12 interest or another impropriety or self-dealing exists; and

13 (C) if the opinion provides that a conflict of  
14 interest or another impropriety or self-dealing exists,  
15 recommendations for an appropriate course of action.

16 (d) If the conflict of interest involves the presiding  
17 officer of the oversight committee, the institute's general counsel  
18 shall provide the opinion to the next ranking oversight committee  
19 member who is not involved with the conflict of interest,  
20 impropriety, or self-dealing.

21 (e) After receiving the opinion and consulting with the  
22 presiding officer of the oversight committee, the chief executive  
23 officer shall take action regarding the recusal of the individual  
24 from any discussion of or access to information related to the  
25 conflict of interest, impropriety, or self-dealing. If the alleged  
26 conflict of interest, impropriety, or self-dealing is held by, or  
27 is an act of, the chief executive officer, the presiding officer of

1 the oversight committee shall take actions regarding the recusal.

2 Sec. 102.061. FINAL DETERMINATION OF CONFLICT OF INTEREST.

3 (a) The chief executive officer or, if applicable, the presiding  
4 officer of the oversight committee shall make a final determination  
5 regarding the existence of a conflict of interest, impropriety, or  
6 self-dealing. The final determination must specify any actions to  
7 be taken to address the conflict of interest, impropriety, or  
8 self-dealing, including:

9 (1) reconsideration of the application; or

10 (2) referral of the application to another scientific  
11 research and prevention programs committee for review.

12 (b) The final determination is considered final unless  
13 three or more oversight committee members request that the issue be  
14 added to the agenda of the oversight committee.

15 (c) The chief executive officer shall provide written  
16 notice of the final determination, including any further actions to  
17 be taken, to the grant applicant requesting an investigation.

18 (d) Unless specifically determined by the chief executive  
19 officer or the oversight committee, the validity of an action taken  
20 on a grant application is not affected by the fact that an  
21 individual who failed to report a conflict of interest participated  
22 in the action.

23 Sec. 102.062. DISCLOSURE OF CONFLICT OF INTEREST. (a) If an  
24 oversight committee member has a conflict of interest, including a  
25 professional or financial interest described by Section 102.058,  
26 regarding an application that comes before the member for review or  
27 other action, the member shall:

1           (1) notify the chief executive officer, as provided by  
2 Section 102.058, and the presiding officer of the oversight  
3 committee or the next ranking member of the committee if the  
4 presiding officer has the conflict of interest;

5           (2) disclose the conflict of interest in an open  
6 meeting of the oversight committee; and

7           (3) recuse himself or herself from participating in  
8 the review, discussion, deliberation, and vote on the application  
9 and from accessing information regarding the matter to be decided.

10          (b) If an institute employee has a conflict of interest,  
11 including a professional or financial interest described by Section  
12 102.058, regarding an application that comes before the employee  
13 for review or other action, the employee shall:

14           (1) notify the chief executive officer of the conflict  
15 of interest; and

16           (2) recuse himself or herself from participating in  
17 the review of the application and be prevented from accessing  
18 information regarding the matter to be decided.

19          (c) An oversight committee member or institute employee who  
20 reports a potential conflict of interest or another impropriety or  
21 self-dealing of the member or employee and who fully complies with  
22 the recommendations of the general counsel and recusal is  
23 considered in compliance with the conflict-of-interest provisions  
24 of this chapter. The member or employee is subject to other  
25 applicable laws, rules, requirements, and prohibitions.

26          (d) An oversight committee member or institute employee who  
27 intentionally violates this section is subject to removal from

1 further participation in the institute's grant review process.

2 Sec. 102.063. ADDITIONAL DUTIES OF COMPLIANCE OFFICER. (a)

3 The compliance officer shall adopt and implement a policy on  
4 in-state or out-of-state residency requirements for members of the  
5 commercialization review council.

6 (b) The compliance officer shall retain documentation  
7 relating to:

8 (1) each grant recipient's financial reports;

9 (2) each grant recipient's progress reports; and

10 (3) institute reviews of the financial reports and  
11 progress reports.

12 (c) The compliance officer shall adopt and implement a  
13 system to track the date on which a grant recipient's report:

14 (1) is due; and

15 (2) is received by the institute.

16 (d) The compliance officer shall inquire into and monitor  
17 the status of any required report that is not timely submitted to  
18 the institute by a grant recipient.

19 (e) The compliance officer shall develop and implement a  
20 policy on advance payments to grant recipients.

21 SECTION 7. Section 102.101(e), Health and Safety Code, is  
22 amended to read as follows:

23 (e) A person may not be a member of the oversight committee  
24 if, at the time the person is appointed, the person or the person's  
25 spouse:

26 (1) is employed by or participates in the management  
27 of a business entity or other organization receiving money from the

1 institute;

2 (2) owns or controls, directly or indirectly, an [~~more~~  
3 ~~than a five percent~~] interest in a business entity or other  
4 organization receiving money from the institute; or

5 (3) uses or receives a substantial amount of tangible  
6 goods, services, or money from the institute, other than  
7 reimbursement authorized by this chapter for oversight committee  
8 membership, attendance, or expenses.

9 SECTION 8. Section 102.102(c), Health and Safety Code, is  
10 amended to read as follows:

11 (c) If the chief executive officer [~~director~~] has knowledge  
12 that a potential ground for removal exists, the chief executive  
13 officer [~~director~~] shall notify the presiding officer of the  
14 oversight committee of the potential ground. The presiding  
15 officer shall then notify the appointing authority and the attorney  
16 general that a potential ground for removal exists. If the  
17 potential ground for removal involves the presiding officer, the  
18 chief executive officer [~~director~~] shall notify the next highest  
19 ranking officer of the oversight committee, who shall then notify  
20 the appointing authority and the attorney general that a potential  
21 ground for removal exists.

22 SECTION 9. Section 102.103(a), Health and Safety Code, is  
23 amended to read as follows:

24 (a) Oversight committee members appointed by the governor,  
25 lieutenant governor, and speaker of the house serve at the pleasure  
26 of the appointing officer for staggered six-year terms, with the  
27 terms of three members expiring on January 31 of each odd-numbered

1 year.

2 SECTION 10. Section 102.104, Health and Safety Code, is  
3 amended to read as follows:

4 Sec. 102.104. OFFICERS. (a) The oversight committee shall  
5 select a presiding officer from among its members.

6 (b) The presiding officer may not serve more than two years.

7 SECTION 11. Section 102.107, Health and Safety Code, is  
8 amended to read as follows:

9 Sec. 102.107. POWERS AND DUTIES. The oversight committee  
10 shall:

11 (1) hire a chief [an] executive officer;

12 (2) annually set priorities, as prescribed by the  
13 Legislature, for each grant program and each category of funded  
14 research that receives money under this chapter; and

15 (3) consider the priorities set under Subdivision (2)  
16 in awarding grants under this chapter [director].

17 SECTION 12. Section 102.151, Health and Safety Code, is  
18 amended by amending Subsections (a-1) and (b) and adding  
19 Subsections (c), (e), and (f) to read as follows:

20 (a-1) The chief executive officer [director], with approval  
21 by simple majority of the members of the oversight committee, shall  
22 appoint as members of scientific research and prevention programs  
23 committees experts in the field of cancer research and prevention.

24 (b) Individuals appointed to [~~the~~] research and prevention  
25 programs committees [committee] may be residents of this state or  
26 another state.

27 (c) The oversight committee shall establish as scientific

1 research and prevention programs committees the following standing  
2 review committees:

- 3           (1) a basic research committee;  
4           (2) a translation research committee;  
5           (3) an infrastructure committee; and  
6           (4) a multidisciplinary committee.

7           (e) The oversight committee, as the oversight committee  
8 considers necessary, may add committee members to a scientific  
9 research and prevention programs committee or standing review  
10 committee.

11           (f) The chief executive officer, in consultation with the  
12 oversight committee, shall implement a system to document any  
13 change in the amount of honorarium paid to a member of a scientific  
14 research and prevention programs committee, including information  
15 explaining the basis for changing the amount.

16           SECTION 13. Section 102.152, Health and Safety Code, is  
17 amended to read as follows:

18           Sec. 102.152. TERMS OF RESEARCH AND PREVENTION PROGRAMS  
19 COMMITTEE MEMBERS. Members of a research and prevention programs  
20 committee serve for terms as determined by the chief executive  
21 officer [~~director~~].

22           SECTION 14. Section 102.156, Health and Safety Code, is  
23 amended by amending Subsections (a) and (c) and adding Subsection  
24 (d) to read as follows:

25           (a) A member of a research and prevention programs  
26 committee, the university advisory committee, or any ad hoc  
27 committee appointed under this subchapter shall disclose in writing



1 to the chief executive officer [~~director~~] if the member has a  
2 professional [~~an interest in a matter that comes before the~~  
3 ~~member's committee~~] or [~~has a substantial~~] financial interest in an  
4 entity that has a direct interest in a [~~the~~ matter that comes  
5 before the member's committee.

6 (c) A person has a [~~substantial~~] financial interest in an  
7 entity if the person:

8 (1) is an employee, member, director, or officer of  
9 the entity; or

10 (2) owns or controls, directly or indirectly, an [~~more~~  
11 ~~than a five percent~~] interest in the entity.

12 (d) A person has a professional interest in an entity  
13 receiving or applying to receive money from the institute if the  
14 person:

15 (1) is a member of the board of directors, the other  
16 governing board, or any committee of the entity during the same  
17 grant cycle;

18 (2) serves as an elected or appointed officer of the  
19 entity;

20 (3) is an employee of or is negotiating future  
21 employment with the entity;

22 (4) represents the entity;

23 (5) is a professional associate of a primary member of  
24 the entity's research or prevention program applicant's team;

25 (6) is, or within the preceding six years has been, a  
26 student, postdoctoral associate, or part of a laboratory research  
27 group for a primary member of the entity's research or prevention

1 program applicant's team;

2 (7) is engaged or is actively planning to be engaged in  
3 collaboration with a primary member of the entity's research or  
4 prevention program applicant's team; or

5 (8) has long-standing scientific differences or  
6 disagreements with a primary member of the entity's research or  
7 prevention program applicant's team, and those differences:

8 (A) are known to the professional community; and

9 (B) could be perceived as affecting objectivity.

10 SECTION 15. Section 102.251, Health and Safety Code, is  
11 amended by amending Subsection (a) and adding Subsections (c), (d),  
12 and (e) to read as follows:

13 (a) The oversight committee shall issue rules regarding the  
14 procedure for awarding grants to an applicant under this chapter.  
15 The rules must require grant applications to include specific  
16 periodic deliverables that if not met prohibit continued grant  
17 funding. The rules must include the following procedures:

18 (1) a research and prevention programs committee shall  
19 semiquantitatively rate [~~review~~] grant applications according to  
20 predetermined categories and make recommendations to the Program  
21 Integration Committee, established under Subchapter G, [~~executive~~  
22 director] regarding the award of cancer research grants, including  
23 a prioritized list that:

24 (A) ranks the grant applications in the order the  
25 committee determines applications should be funded; and

26 (B) includes information explaining how each  
27 grant application on the list meets the research and prevention

1 programs committee's standards for recommendation;

2 (2) the Program Integration Committee [~~executive~~  
3 ~~director~~] shall submit to the oversight committee a list of grant  
4 applications, including documentation on the factors the Program  
5 Integration Committee considered in making the grant  
6 recommendations, that is substantially based on the list submitted  
7 by the committee under Subdivision (1) and, to the extent possible,  
8 gives priority to proposals that:

9 (A) could lead to immediate or long-term medical  
10 and scientific breakthroughs in the area of cancer prevention or  
11 cures for cancer;

12 (B) strengthen and enhance fundamental science  
13 in cancer research;

14 (C) ensure a comprehensive coordinated approach  
15 to cancer research;

16 (D) are interdisciplinary or interinstitutional;

17 (E) address federal or other major research  
18 sponsors' priorities in emerging scientific or technology fields in  
19 the area of cancer prevention or cures for cancer;

20 (F) are matched with funds available by a private  
21 or nonprofit entity and institution or institutions of higher  
22 education;

23 (G) are collaborative between any combination of  
24 private and nonprofit entities, public or private agencies or  
25 institutions in this state, and public or private institutions  
26 outside this state;

27 (H) have a demonstrable economic development

1 benefit to this state;

2 (I) enhance research superiority at institutions  
3 of higher education in this state by creating new research  
4 superiority, attracting existing research superiority from  
5 institutions not located in this state and other research entities,  
6 or enhancing existing research superiority by attracting from  
7 outside this state additional researchers and resources; and

8 (J) expedite innovation and commercialization,  
9 attract, create, or expand private sector entities that will drive  
10 a substantial increase in high-quality jobs, and increase higher  
11 education applied science or technology research capabilities; and

12 (3) the institute's chief scientific officer and  
13 development officer shall compare the list of grant applicants  
14 submitted to the oversight committee under Subdivision (2) to a  
15 list of donors from any nonprofit organization established to  
16 provide support to the institute compiled from information made  
17 available under Section 102.262(c).

18 (c) The chief executive officer shall submit a written  
19 affidavit for each grant application recommendation included on the  
20 list submitted to the oversight committee under Subsection (a)(2).  
21 The affidavit must contain all relevant information on:

22 (1) the peer review process for the grant application;

23 (2) the application's peer review score;

24 (3) the pre-grant due diligence reviews of the  
25 application; and

26 (4) if applicable, the intellectual property reviews  
27 of the application.

1        (d) The chief executive officer may not discuss a grant  
2 applicant recommendation with a member of the oversight committee  
3 unless the chief executive officer has fulfilled the requirements  
4 of Subsections (a)(2) and (c).

5        (e) The institute may not award a grant to an applicant who  
6 has made a gift or grant to a nonprofit organization established to  
7 provide support to the institute.

8        SECTION 16. Section 102.252, Health and Safety Code, is  
9 amended to read as follows:

10        Sec. 102.252. FUNDING [~~OVERRIDING~~] RECOMMENDATIONS. (a)  
11 The oversight committee must follow the funding recommendations of  
12 the chief executive officer [~~director~~] in the order the chief  
13 executive officer [~~director~~] submits the applications to the  
14 oversight committee unless two-thirds of the members of the  
15 oversight committee vote to disregard a recommendation.

16        (b) The oversight committee shall approve or disapprove  
17 each grant application submitted to the committee by the chief  
18 executive officer.

19        SECTION 17. Section 102.255(d), Health and Safety Code, is  
20 amended to read as follows:

21        (d) Before the oversight committee may make for cancer  
22 research any grant of any proceeds of the bonds issued under  
23 Subchapter E, the recipient of the grant must have an amount of  
24 funds equal to one-half of the grant and dedicate those funds to the  
25 specific grant proposal ~~dedicated to the research that is the~~  
26 ~~subject of the grant request.~~

27        SECTION 18. Sections 102.260(b) and (c), Health and Safety

1 Code, are amended to read as follows:

2 (b) The chief executive officer [~~director~~] shall determine  
3 the grant review process under this section. The chief executive  
4 officer [~~director~~] may terminate grants that do not meet  
5 contractual obligations.

6 (c) The chief executive officer [~~director~~] shall report at  
7 least annually to the oversight committee on the progress and  
8 continued merit of each research program funded by the institute.

9 SECTION 19. Section 102.262, Health and Safety Code, is  
10 amended by adding Subsection (c) to read as follows:

11 (c) The records of the institute and of a nonprofit  
12 organization established to provide support to the institute shall,  
13 to the extent the records pertain specifically to any gift, grant,  
14 or other consideration provided by the organization to the  
15 institute, an employee of the institute, or a member of a committee  
16 of the institute, be made available to the public. A record that is  
17 available under this subsection is public information subject to  
18 Chapter 552, Government Code.

19 SECTION 20. Subchapter F, Chapter 102, Health and Safety  
20 Code, is amended by adding Section 102.263 to read as follows:

21 Sec. 102.263. COMPLIANCE PROGRAM. (a) In this section,  
22 "compliance program" means a process to assess and ensure  
23 compliance by the institute's committee members and employees with  
24 applicable laws, rules, and policies, including matters of:

- 25 (1) ethics and standards of conduct;  
26 (2) financial reporting;  
27 (3) internal accounting controls; and

1           (4) auditing.

2           (b) The institute shall establish a compliance program that  
3 operates under the direction of the institute's compliance officer.  
4 The institute may establish procedures, such as a telephone  
5 hotline, to allow private access to the compliance program office  
6 and to preserve the confidentiality of communications and the  
7 anonymity of a person making a compliance report or participating  
8 in a compliance investigation.

9           (c) The following are confidential:

10           (1) information that directly or indirectly reveals  
11 the identity of an individual who made a report to the institute's  
12 compliance program office, sought guidance from the office, or  
13 participated in an investigation conducted under the compliance  
14 program; and

15           (2) information that directly or indirectly reveals  
16 the identity of an individual who is alleged to have or may have  
17 planned, initiated, or participated in activities that are the  
18 subject of a report made to the office if, after completing an  
19 investigation, the office determines the report to be  
20 unsubstantiated or without merit.

21           (d) Subsection (c) does not apply to information related to  
22 an individual who consents to disclosure of the information.

23           (e) Information is excepted from disclosure under Chapter  
24 552, Government Code, if it is collected or produced in a compliance  
25 program investigation and releasing the information would  
26 interfere with an ongoing compliance investigation.

27           (f) Information made confidential or excepted from public

1 disclosure by this section may be made available to the following on  
2 request in compliance with applicable law and procedure:

3 (1) a law enforcement agency or prosecutor;

4 (2) a governmental agency responsible for  
5 investigating the matter that is the subject of a compliance  
6 report, including the Texas Workforce Commission civil rights  
7 division or the federal Equal Employment Opportunity Commission; or

8 (3) a committee member or institute employee who is  
9 responsible under institutional policy for a compliance program  
10 investigation or for a review of a compliance program  
11 investigation.

12 (g) A disclosure under Subsection (f) is not a voluntary  
13 disclosure for purposes of Section 552.007, Government Code.

14 SECTION 21. Chapter 102, Health and Safety Code, is amended  
15 by adding Subchapter G to read as follows:

16 SUBCHAPTER G. PROGRAM INTEGRATION COMMITTEE

17 Sec. 102.301. COMPOSITION. (a) The program integration  
18 committee is composed of the following seven members:

19 (1) the chief executive officer;

20 (2) the chief scientific officer;

21 (3) the development officer;

22 (4) the commissioner of state health services;

23 (5) one member appointed by the governor;

24 (6) one member appointed by the lieutenant governor;

25 and

26 (7) one member appointed by the speaker of the house of  
27 representatives.



1        (b) The members appointed under Subsections(a)(5)-(7) must  
2 have expertise in academic science or business.

3        Sec. 102.302. DUTIES. The program integration committee  
4 shall:

5            (1) review and assess the ratings assigned by a  
6 research and prevention programs committee in its initial review of  
7 grant applications;

8            (2) prioritize the applications that the committee  
9 determines will have the greatest impact on the health and economy  
10 of this state;

11           (3) prepare grant application recommendations for the  
12 oversight committee;

13           (4) make recommendations to the oversight committee  
14 concerning the development and maintenance of any institute  
15 investment grants and other investments, including any investment  
16 requirements prescribed by the legislature or under state law; and

17           (5) ensure that the institute does not duplicate other  
18 cancer-related research, including research conducted by the  
19 United States Department of Health and Human Services National  
20 Institutes of Health.

21        SECTION 22. (a) As soon as practicable after the effective  
22 date of this Act, the Cancer Prevention and Research Institute of  
23 Texas Oversight Committee shall adopt the rules necessary to  
24 implement the changes in law made by this Act.

25        (b) The changes in law made by this Act apply only to a grant  
26 application submitted to the Cancer Prevention and Research  
27 Institute of Texas on or after the effective date of this Act. A

1 grant application submitted before the effective date of this Act  
2 is governed by the law in effect on the date the application was  
3 submitted, and that law is continued in effect for that purpose.

4 (c) Not later than January 1, 2014, employees, oversight  
5 committee members, and members of other committees of the Cancer  
6 Prevention and Research Institute of Texas must comply with the  
7 changes in law made by this Act regarding the qualifications of the  
8 employees and members.

9 (d) Not later than December 1, 2013, the Cancer Prevention  
10 and Research Institute of Texas Oversight Committee shall employ a  
11 chief executive officer and a compliance officer as required by  
12 Sections 102.051(c) and 102.0511, Health and Safety Code, as added  
13 by this Act.

14 (e) As soon as practicable after the effective date of this  
15 Act, the Cancer Prevention and Research Institute of Texas  
16 Oversight Committee shall establish a compliance program as  
17 required by Section 102.263, Health and Safety Code, as added by  
18 this Act.

19 SECTION 23. This Act takes effect immediately if it  
20 receives a vote of two-thirds of all the members elected to each  
21 house, as provided by Section 39, Article III, Texas Constitution.  
22 If this Act does not receive the vote necessary for immediate  
23 effect, this Act takes effect September 1, 2013.