

By: Nelson, et al.

S.B. No. 149

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 adding Subdivision (2-a) and amending Subdivision (3) to read as follows:

(2-a) "Program integration committee" means the Cancer Prevention and Research Institute of Texas Program Integration Committee.

(3) "Research and prevention programs committee" means a ~~the~~ Cancer Prevention and Research Institute of Texas Scientific Research and Prevention Programs committee ~~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

1 causes of and cures for cancer;

2 (C) research, including translational research,  
3 to develop therapies, protocols, medical pharmaceuticals, or  
4 procedures for the cure or substantial mitigation of all types of  
5 cancer in humans; and

6 (D) cancer prevention and control programs in  
7 this state to mitigate the incidence of all types of cancer in  
8 humans;

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

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

18 (4) ~~employ an executive director as determined by the~~  
19 ~~oversight committee;~~

20 ~~(5)~~ employ necessary staff to provide  
21 administrative support; and

22 (5) ~~(6)~~ monitor contracts and agreements authorized  
23 by this chapter.

24 (c) The institute shall employ a compliance officer, who,  
25 under the direction of the chief executive officer, shall ensure  
26 that:

27 (1) all grant proposals comply with this chapter and

1 rules adopted under this chapter before the proposals are submitted  
2 to the oversight committee for approval;

3 (2) the institute, its employees, and its committee  
4 members appointed under this chapter comply with all laws and rules  
5 governing the peer review process and conflicts of interest; and

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

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

10 Sec. 102.0511. CHIEF EXECUTIVE OFFICER; OTHER OFFICERS.

11 (a) The oversight committee shall hire a chief executive officer.  
12 Under the direction of the oversight committee, the chief executive  
13 officer shall perform the duties required by this chapter or  
14 designated by the oversight committee.

15 (b) The chief executive officer must have a demonstrated  
16 ability to lead and develop academic, commercial, and governmental  
17 partnerships and coalitions.

18 (c) The chief executive officer shall hire:

19 (1) one chief scientific officer, who reports directly  
20 to the chief executive officer;

21 (2) one chief operating officer, who reports directly  
22 to the chief executive officer;

23 (3) one development officer, who reports directly to  
24 the chief executive officer and assists in collaborative outreach  
25 to further cancer research and prevention; and

26 (4) one chief prevention officer, who reports directly  
27 to the chief executive officer.

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

3 (a) The institute shall issue an annual public report  
4 outlining the institute's activities, grants awarded, grants in  
5 progress, research accomplishments, and future program  
6 directions. The report must include:

7 (1) the number and dollar amounts of research and  
8 facilities grants;

9 (2) identification of the grant recipients for the  
10 reported year;

11 (3) the institute's administrative expenses;

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

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

16 (6) an assessment of the relationship between the  
17 institute's grants and the overall strategy of its research  
18 program;

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

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

26 (9) a statement of the institute's compliance program  
27 activities, including any proposed legislation or other

1 recommendations identified through the activities.

2 SECTION 5. Subchapter B, Chapter 102, Health and Safety  
3 Code, is amended by adding Section 102.0535 to read as follows:

4 Sec. 102.0535. RECORD OF GRANT APPLICATIONS. (a) The  
5 institute shall maintain a complete record of each grant  
6 application, including a grant application that is reviewed by a  
7 research and prevention programs committee or is withdrawn.

8 (b) The institute shall ensure that the score assigned to a  
9 grant application by a research and prevention programs committee  
10 in accordance with rules adopted under Section 102.251(a)(1) is  
11 included in the record for the application.

12 (c) The institute shall have periodic audits made of any  
13 electronic grant management system used to maintain records of  
14 grant applications under this section. The institute shall address  
15 in a timely manner each weakness identified in an audit of the  
16 system.

17 SECTION 6. Section 102.056, Health and Safety Code, is  
18 amended to read as follows:

19 Sec. 102.056. SALARY. (a) The institute may supplement  
20 the salary of the chief executive officer [~~director~~] and other  
21 senior institute staff members. Funding for a salary supplement  
22 may come from gifts, grants, donations, or appropriations.

23 (b) Money received from a nonprofit organization  
24 established to provide support to the institute may be used only to  
25 supplement the salaries of the persons authorized to receive salary  
26 supplements under this section.

27 SECTION 7. Subchapter B, Chapter 102, Health and Safety

1 Code, is amended by adding Sections 102.057 through 102.063 to read  
2 as follows:

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

6 Sec. 102.058. CONFLICT OF INTEREST REQUIRING RECUSAL.

7 (a) An oversight committee member, program integration committee  
8 member, or institute employee shall disclose in writing to the  
9 chief executive officer if the member, the employee, or a person who  
10 is related to the member or employee within the second degree of  
11 affinity or consanguinity has a professional or financial interest  
12 in an entity described by this section.

13 (b) The member or employee described by Subsection (a) shall  
14 recuse himself or herself from the institute's consideration of  
15 grant applications from the entity receiving or applying to receive  
16 money from the institute as provided by Section 102.062(a) or (b),  
17 as applicable.

18 (c) A person has a professional interest in an entity  
19 receiving or applying to receive money from the institute if the  
20 person:

21 (1) serves as an elected or appointed officer of the  
22 entity or of a foundation or similar organization affiliated with  
23 the entity;

24 (2) is an employee of or is negotiating future  
25 employment with the entity or with a foundation or similar  
26 organization affiliated with the entity;

27 (3) represents the entity or a foundation or similar

1 organization affiliated with the entity;

2 (4) is a professional associate of a primary member of  
3 the entity's research or prevention program team;

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

8 (6) is engaged or is actively planning to be engaged in  
9 collaboration with a primary member of the entity's research or  
10 prevention program team; or

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

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

15 (B) could be perceived as affecting objectivity.

16 (c-1) A person has a professional interest in an entity  
17 applying to receive money from the institute if the person is a  
18 member of the board of directors, the other governing board, or any  
19 committee of the entity, or of a foundation or similar organization  
20 affiliated with the entity, during the same grant cycle.

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

23 (1) owns or controls, directly or indirectly, an  
24 ownership interest, including sharing in profits, proceeds, or  
25 capital gains, in an entity receiving or applying to receive money  
26 from the institute or in a foundation or similar organization  
27 affiliated with the entity; or

1           (2) could reasonably foresee that an action taken by a  
2 research and prevention programs committee, the institute, the  
3 program integration committee, or the oversight committee could  
4 result in a financial benefit to the person.

5           Sec. 102.059. STANDARDS OF CONDUCT. (a) An oversight  
6 committee member, program integration committee member, or  
7 institute employee may not:

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

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

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

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

24           (5) intentionally or knowingly solicit, accept, or  
25 agree to accept any benefit for exercising the member's official  
26 powers or performing the member's or employee's official duties in  
27 favor of another;



1           (6) lease, directly or indirectly, any property,  
2 capital equipment, employee, or service to any entity that receives  
3 a grant from the institute; or

4           (7) serve on the board of directors of:

5                 (A) a nonprofit organization established with a  
6 grant from the institute; or

7                 (B) a grant recipient.

8           (b) Notwithstanding Section 102.058, an oversight committee  
9 member or the member's spouse may 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 an entity receiving money from the institute;

14                (3) own or control, directly or indirectly, a  
15 financial interest in an entity receiving money from the institute;  
16 or

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

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

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

1 development review council.

2 (e) The institute may not participate in a business decision  
3 of a nonprofit organization established with a grant from the  
4 institute.

5 Sec. 102.060. INVESTIGATION OF CONFLICTS OF INTEREST.

6 (a) An oversight committee member, a program integration  
7 committee member, a research and prevention programs committee  
8 member, or an institute employee shall immediately notify the chief  
9 executive officer of a conflict of interest, including a  
10 professional or financial interest described by Section 102.058 or  
11 102.156. On notification, the chief executive officer shall notify  
12 the presiding officer of the oversight committee and the general  
13 counsel, who shall determine the nature and extent of any conflict.

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

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

20 (2) submit the request not later than the 30th day  
21 after the date the chief executive officer presents final funding  
22 recommendations for the affected grant cycle to the oversight  
23 committee.

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

26 (1) investigate the matter; and

27 (2) provide to the chief executive officer and

1 presiding officer of the oversight committee an opinion that  
2 includes:

3 (A) a statement of facts;

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

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

9 (d) If the conflict of interest, impropriety, or  
10 self-dealing involves the presiding officer of the oversight  
11 committee, the institute's general counsel shall provide the  
12 opinion to the next ranking oversight committee member who is not  
13 involved with the conflict of interest, impropriety, or  
14 self-dealing.

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

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

24 (a) The chief executive officer or, if applicable, the presiding  
25 officer of the oversight committee shall make a determination  
26 regarding the existence of a conflict of interest, impropriety, or  
27 self-dealing. The determination must specify any actions to be

1 taken to address the conflict of interest, impropriety, or  
2 self-dealing, including:

- 3 (1) reconsideration of the application; or  
4 (2) referral of the application to another research  
5 and prevention programs committee for review.

6 (b) The determination made under Subsection (a) is  
7 considered final unless three or more oversight committee members  
8 request that the issue be added to the agenda of the oversight  
9 committee.

10 (c) The chief executive officer, or, if applicable, the  
11 presiding officer of the oversight committee, shall provide written  
12 notice of the final determination, including any further actions to  
13 be taken, to the grant applicant requesting an investigation.

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

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

- 26 (1) notify the chief executive officer, as provided by  
27 Section 102.058, and the presiding officer of the oversight

1 committee, or the next ranking member of the committee if the  
2 presiding officer has the conflict of interest;

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

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

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

12 (1) notify the chief executive officer of the conflict  
13 of interest; and

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

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

25 (d) An oversight committee member, program integration  
26 committee member, or institute employee who intentionally violates  
27 this section is subject to removal from further participation in

1 the institute's grant review process.

2 Sec. 102.063. ADDITIONAL DUTIES OF COMPLIANCE OFFICER.

3 (a) The compliance officer shall adopt and implement a policy on  
4 in-state or out-of-state residency requirements for members of the  
5 institute's development review council.

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

8 (1) each grant recipient's financial reports,  
9 including the amount of matching funds dedicated to the specific  
10 grant proposal;

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

12 (3) institute reviews of the financial reports and  
13 progress reports.

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

16 (1) is due; and

17 (2) is received by the institute.

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

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

23 (f) The compliance officer annually shall:

24 (1) verify the amount of matching funds dedicated to  
25 the specific grant awarded to a grant recipient; and

26 (2) review each grant recipient to ensure that the  
27 grant recipient is in compliance with the terms and conditions of

1 the grant recipient's contract with the institute.

2 (g) If the compliance officer determines that a grant  
3 recipient has not maintained compliance with the terms and  
4 conditions of the grant contract, the compliance officer shall  
5 recommend a remediation plan to the oversight committee to assist  
6 the grant recipient in complying with the contract. The oversight  
7 committee shall approve or disapprove a remediation plan submitted  
8 by the compliance officer. If approved, the compliance officer  
9 shall submit the approved remediation plan to the grant recipient.

10 (h) The compliance officer shall attend and observe the  
11 meetings of the program integration committee to ensure that the  
12 committee fulfills its duties under this chapter.

13 SECTION 8. Subsections (b) and (e), Section 102.101, Health  
14 and Safety Code, are amended to read as follows:

15 (b) The oversight committee is composed of the following  
16 nine [~~11~~] members:

17 (1) three members appointed by the governor;

18 (2) three members appointed by the lieutenant  
19 governor; and

20 (3) three members appointed by the speaker of the  
21 house of representatives[+]

22 [~~(4) the comptroller or the comptroller's designee,~~  
23 ~~and~~

24 [~~(5) the attorney general or the attorney general's~~  
25 ~~designee].~~

26 (e) A person may not be a member of the oversight committee  
27 if the person or the person's spouse:

1           (1) is employed by or participates in the management  
2 of a business entity or other organization receiving money from the  
3 institute;

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

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

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

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

24           SECTION 10. Subsection (a), Section 102.103, Health and  
25 Safety Code, is amended to read as follows:

26           (a) Oversight committee members appointed by the governor,  
27 lieutenant governor, and speaker of the house serve at the pleasure



1 of the appointing officer for staggered six-year terms, with the  
2 terms of three members expiring on January 31 of each odd-numbered  
3 year.

4 SECTION 11. Section 102.104, Health and Safety Code, is  
5 amended to read as follows:

6 Sec. 102.104. OFFICERS. (a) The oversight committee shall  
7 elect [~~select~~] a presiding officer and assistant presiding officer  
8 from among its members every two years. The oversight committee may  
9 elect additional officers from among its members.

10 (b) The presiding officer and assistant presiding officer  
11 may not serve more than two years.

12 (c) The oversight committee shall:

13 (1) establish and approve duties and responsibilities  
14 for officers of the committee; and

15 (2) develop and implement policies that distinguish  
16 the responsibilities of the oversight committee and the committee's  
17 officers from the responsibilities of the chief executive officer  
18 and the employees of the institute.

19 SECTION 12. Section 102.107, Health and Safety Code, is  
20 amended to read as follows:

21 Sec. 102.107. POWERS AND DUTIES. The oversight committee  
22 shall:

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

24 (2) annually set priorities as prescribed by the  
25 legislature for each grant program and each category of funded  
26 research that receives money under this chapter; and

27 (3) consider the priorities set under Subdivision (2)

1 in awarding grants under this chapter [~~director~~].

2 SECTION 13. Section 102.151, Health and Safety Code, is  
3 amended by amending Subsections (a-1) and (b) and adding Subsection  
4 (c) to read as follows:

5 (a-1) The oversight committee shall establish research and  
6 prevention programs committees. The chief executive officer  
7 [~~director~~], with approval by simple majority of the members of the  
8 oversight committee, shall appoint as members of [~~scientific~~]  
9 research and prevention programs committees experts in the field of  
10 cancer research and prevention.

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

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

19 SECTION 14. Section 102.152, Health and Safety Code, is  
20 amended to read as follows:

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

25 SECTION 15. Section 102.156, Health and Safety Code, is  
26 amended by amending Subsections (a) and (c) and adding Subsections  
27 (d) and (e) to read as follows:

1 (a) A member of a research and prevention programs  
2 committee, the university advisory committee, or any ad hoc  
3 committee appointed under this subchapter shall disclose in writing  
4 to the chief executive officer [~~director~~] if the member has a  
5 professional [~~an interest in a matter that comes before the~~  
6 ~~member's committee~~] or [~~has a substantial~~] financial interest in an  
7 entity that has a direct interest in a [the] matter that comes  
8 before the member's committee.

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

11 (1) is an employee, member, director, or officer of  
12 the entity; or

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

15 (d) A person has a professional interest in an entity  
16 receiving or applying to receive money from the institute if the  
17 person:

18 (1) is a member of the board of directors, the other  
19 governing board, or any committee of the entity during the same  
20 grant cycle;

21 (2) serves as an elected or appointed officer of the  
22 entity;

23 (3) is an employee of or is negotiating future  
24 employment with the entity;

25 (4) represents the entity;

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

1           (6) is, or within the preceding six years has been, a  
2 student, postdoctoral associate, or part of a laboratory research  
3 group for a primary member of the entity's research or prevention  
4 program applicant's team;

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

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

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

12                   (B) could be perceived as affecting objectivity.

13           (e) A member of a research and prevention programs committee  
14 appointed under this chapter may not serve on the board of directors  
15 or other governing board of an entity receiving a grant from the  
16 institute or of a foundation or similar organization affiliated  
17 with the entity.

18           SECTION 16. Section 102.251, Health and Safety Code, is  
19 amended by amending Subsection (a) and adding Subsections (c), (d),  
20 and (e) to read as follows:

21           (a) The oversight committee shall issue rules regarding the  
22 procedure for awarding grants to an applicant under this chapter.  
23 The rules must include the following procedures:

24           (1) a research and prevention programs committee shall  
25 score [review] grant applications and make recommendations to the  
26 program integration committee, established under Section 102.264,  
27 and the oversight committee [executive director] regarding the

1 award of cancer research grants, including a prioritized list that:

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

4 (B) includes information explaining how each  
5 grant application on the list meets the research and prevention  
6 programs committee's standards for recommendation;

7 (2) the program integration committee [~~executive~~  
8 ~~director~~] shall submit to the oversight committee a list of grant  
9 applications the program integration committee by majority vote  
10 approved for recommendation that:

11 (A) includes documentation on the factors the  
12 program integration committee considered in making the grant  
13 recommendations;

14 (B) [that] is substantially based on the list  
15 submitted by the research and prevention programs committee under  
16 Subdivision (1); and

17 (C) [r] to the extent possible, gives priority to  
18 proposals that:

19 (i) [~~A~~] could lead to immediate or  
20 long-term medical and scientific breakthroughs in the area of  
21 cancer prevention or cures for cancer;

22 (ii) [~~B~~] strengthen and enhance  
23 fundamental science in cancer research;

24 (iii) [~~C~~] ensure a comprehensive  
25 coordinated approach to cancer research;

26 (iv) [~~D~~] are interdisciplinary or  
27 interinstitutional;

1                   (v) [~~(E)~~] address federal or other major  
2 research sponsors' priorities in emerging scientific or technology  
3 fields in the area of cancer prevention or cures for cancer;

4                   (vi) [~~(F)~~] are matched with funds  
5 available by a private or nonprofit entity and institution or  
6 institutions of higher education;

7                   (vii) [~~(G)~~] are collaborative between any  
8 combination of private and nonprofit entities, public or private  
9 agencies or institutions in this state, and public or private  
10 institutions outside this state;

11                   (viii) [~~(H)~~] have a demonstrable economic  
12 development benefit to this state;

13                   (ix) [~~(I)~~] enhance research superiority  
14 at institutions of higher education in this state by creating new  
15 research superiority, attracting existing research superiority  
16 from institutions not located in this state and other research  
17 entities, or enhancing existing research superiority by attracting  
18 from outside this state additional researchers and resources; and

19                   (x) [~~(J)~~] expedite innovation and  
20 development [~~commercialization~~], attract, create, or expand  
21 private sector entities that will drive a substantial increase in  
22 high-quality jobs, and increase higher education applied science or  
23 technology research capabilities; and

24                   (3) the institute's chief scientific officer and  
25 development officer shall compare each grant application submitted  
26 to the institute to a list of donors from any nonprofit organization  
27 established to provide support to the institute compiled from

1 information made available under Section 102.262(c) before the  
2 application is submitted to a research and prevention programs  
3 committee for review and again before any grant is awarded to the  
4 applicant.

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

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

10 (2) the application's peer review score assigned by  
11 the research and prevention programs committee;

12 (3) the pre-grant due diligence reviews of the  
13 application; and

14 (4) if applicable, the intellectual property reviews  
15 of the application.

16 (d) A member of the program integration committee may not  
17 discuss a grant applicant recommendation with a member of the  
18 oversight committee unless the chief executive officer and the  
19 program integration committee have fulfilled the requirements of  
20 Subsections (a)(2) and (c), as applicable.

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

24 SECTION 17. Section 102.252, Health and Safety Code, is  
25 amended to read as follows:

26 Sec. 102.252. FUNDING [~~OVERRIDING~~] RECOMMENDATIONS.

27 (a) Two-thirds of the members of the [~~The~~] oversight committee

1 must vote to approve [~~follow~~] the funding recommendations of the  
2 program integration committee [~~executive director in the order the~~  
3 ~~executive director submits the applications to the oversight~~  
4 ~~committee unless two-thirds of the members of the oversight~~  
5 ~~committee vote to disregard a recommendation~~].

6 (b) The oversight committee by majority vote may remove a  
7 grant application from the funding recommendations submitted to the  
8 committee by the program integration committee.

9 SECTION 18. Subsections (b), (c), and (d), Section 102.255,  
10 Health and Safety Code, are amended to read as follows:

11 (b) Before awarding a grant under Subchapter E, the  
12 committee shall enter into a written contract with the grant  
13 recipient. The contract may specify that:

14 (1) if all or any portion of the amount of the grant is  
15 used to build a capital improvement:

16 (A) the state retains a lien or other interest in  
17 the capital improvement in proportion to the percentage of the  
18 grant amount used to pay for the capital improvement; and

19 (B) the grant recipient shall, if the capital  
20 improvement is sold:

21 (i) repay to the state the grant money used  
22 to pay for the capital improvement, with interest at the rate and  
23 according to the other terms provided by the contract; and

24 (ii) share with the state a proportionate  
25 amount of any profit realized from the sale; [~~and~~]

26 (2) if [~~as of a date specified in the contract,~~] the  
27 grant recipient has not used grant money awarded under Subchapter E



1 for the purposes for which the grant was intended, the recipient  
2 shall repay that amount and any related interest applicable under  
3 the contract to the state at the agreed rate and on the agreed  
4 terms; and

5 (3) if, as a result of an annual review required under  
6 Section 102.063, the compliance officer determines the grant  
7 recipient has not complied with the terms and conditions of the  
8 grant contract and refuses to comply with a remediation plan  
9 approved by the oversight committee, the recipient shall repay the  
10 grant money awarded under Subchapter E and any related interest  
11 applicable under the contract to this state at the agreed rate and  
12 on the agreed terms.

13 (c) The contract must:

14 (1) include terms relating to intellectual property  
15 rights consistent with the standards developed by the oversight  
16 committee under Section 102.256;

17 (2) require, in accordance with Subsection (d), the  
18 grant recipient to dedicate an amount of matching funds equal to  
19 one-half of the amount of the grant awarded; and

20 (3) specify:

21 (A) the amount of matching funds to be dedicated  
22 under Subdivision (2);

23 (B) the period in which the grant award must be  
24 spent;

25 (C) the name of the specific project to which  
26 matching funds are to be dedicated; and

27 (D) the specific deliverables of the research

1 that is the subject of the grant proposal.

2 (d) Before the oversight committee may make for cancer  
3 research any grant of any proceeds of the bonds issued under  
4 Subchapter E, the recipient of the grant must have an amount of  
5 funds equal to one-half of the grant and dedicate those funds  
6 ~~[dedicated]~~ to the specific research that is the subject of the  
7 grant request.

8 SECTION 19. Subsections (b) and (c), Section 102.260,  
9 Health and Safety Code, are amended to read as follows:

10 (b) The chief executive officer ~~[director]~~ shall determine  
11 the grant review process under this section. The chief executive  
12 officer ~~[director]~~ may terminate grants that do not meet  
13 contractual obligations.

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

17 SECTION 20. Section 102.262, Health and Safety Code, is  
18 amended by adding Subsections (c) and (d) to read as follows:

19 (c) The records of the institute and of a nonprofit  
20 organization established to provide support to the institute shall,  
21 to the extent the records pertain specifically to any gift, grant,  
22 or other consideration provided by the organization to the  
23 institute, an employee of the institute, or a member of a committee  
24 of the institute, be made available to the public. A record that is  
25 available under this subsection is public information subject to  
26 Chapter 552, Government Code.

27 (d) The institute shall post the records described by

1 Subsection (c) on the institute's Internet website. The  
2 information posted on the website must include each donor's name  
3 and the amount and date of the donation.

4 SECTION 21. Subchapter F, Chapter 102, Health and Safety  
5 Code, is amended by adding Sections 102.263 and 102.264 to read as  
6 follows:

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

- 11 (1) ethics and standards of conduct;
- 12 (2) financial reporting;
- 13 (3) internal accounting controls; and
- 14 (4) auditing.

15 (b) The institute shall establish a compliance program that  
16 operates under the direction of the institute's compliance officer.  
17 The institute may establish procedures, such as a telephone  
18 hotline, to allow private access to the compliance program office  
19 and to preserve the confidentiality of communications and the  
20 anonymity of a person making a compliance report or participating  
21 in a compliance investigation.

22 (c) The following are confidential:

- 23 (1) information that directly or indirectly reveals  
24 the identity of an individual who made a report to the institute's  
25 compliance program office, sought guidance from the office, or  
26 participated in an investigation conducted under the compliance  
27 program; and

1           (2) information that directly or indirectly reveals  
2 the identity of an individual who is alleged to have or may have  
3 planned, initiated, or participated in activities that are the  
4 subject of a report made to the office if, after completing an  
5 investigation, the office determines the report to be  
6 unsubstantiated or without merit.

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

9           (e) Information is excepted from disclosure under Chapter  
10 552, Government Code, if it is collected or produced in a compliance  
11 program investigation and releasing the information would  
12 interfere with an ongoing compliance investigation.

13           (f) Information made confidential or excepted from public  
14 disclosure by this section may be made available to the following on  
15 request in compliance with applicable law and procedure:

16                   (1) a law enforcement agency or prosecutor;

17                   (2) a governmental agency responsible for  
18 investigating the matter that is the subject of a compliance  
19 report, including the Texas Workforce Commission civil rights  
20 division or the federal Equal Employment Opportunity Commission; or

21                   (3) a committee member or institute employee who is  
22 responsible under institutional policy for a compliance program  
23 investigation or for a review of a compliance program  
24 investigation.

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

27           Sec. 102.264. PROGRAM INTEGRATION COMMITTEE. (a) The

1 institute shall establish a program integration committee. The  
2 committee is composed of the following five members:

- 3 (1) the chief executive officer;
- 4 (2) the chief scientific officer;
- 5 (3) the development officer;
- 6 (4) the commissioner of state health services; and
- 7 (5) the chief prevention officer.

8 (b) The committee has the duties assigned under this  
9 chapter.

10 (c) The chief executive officer shall serve as the presiding  
11 officer of the program integration committee.

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

16 (b) The changes in law made by this Act apply only to a grant  
17 application submitted to the Cancer Prevention and Research  
18 Institute of Texas on or after the effective date of this Act. A  
19 grant application submitted before the effective date of this Act  
20 is governed by the law in effect on the date the application was  
21 submitted, and that law is continued in effect for that purpose.

22 (c) Not later than January 1, 2014, employees, oversight  
23 committee members, and members of other committees of the Cancer  
24 Prevention and Research Institute of Texas must comply with the  
25 changes in law made by this Act regarding the qualifications of the  
26 employees and members.

27 (d) Not later than December 1, 2013, the Cancer Prevention

1 and Research Institute of Texas Oversight Committee shall employ a  
2 compliance officer and a chief executive officer as required by  
3 Subsection (c), Section 102.051, and Section 102.0511, Health and  
4 Safety Code, as added by this Act.

5 (e) As soon as practicable after the effective date of this  
6 Act, the Cancer Prevention and Research Institute of Texas  
7 Oversight Committee shall establish a compliance program as  
8 required by Section 102.263, Health and Safety Code, as added by  
9 this Act.

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