



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

MEMORANDUM

To: OVERSIGHT COMMITTEE MEMBERS
From: WAYNE ROBERTS, CHIEF EXECUTIVE OFFICER
**Subject: FY2014 REPORT ON MERIT AND PROGRESS OF PROGRAMS
PURSUANT TO TEXAS HEALTH & SAFETY CODE § 102.260(C)**
Date: FEBRUARY 11, 2015

This report outlines my assessment of the progress and merit of CPRIT's Academic Research Program, Prevention Program and Product Development Research Program for fiscal year 2014. Senate Bill 149 amended Texas Health and Safety Code §102.260(c) to require the Chief Executive Officer to report at least annually to the Oversight Committee on the progress and continued merit of each research program. FY2014 is the first, complete fiscal year since the statutory change became effective; therefore, this report serves as the first iteration fulfilling the statutory requirement.

As described in this report, I believe that CPRIT's programs showed progress and merit in FY2014. This was a year of new beginnings for CPRIT, with the resumption of CPRIT's three programs in November 2013 following a one year hiatus. CPRIT restarted to unprecedented demand for its programs and funding opportunities; awarding 142 grants in FY2014 (108 academic research grants, nine product development research grants, and 25 prevention grants).

In addition to the information provided in CPRIT's 2014 Annual Report, I provide an overview below that lists some of the accomplishments that help illustrate program progress for each program. With regard to progress made by individual grant projects within each of CPRIT's three programs, I note that Texas Administrative Code § 703.21 requires all CPRIT grantees to submit progress reports at least annually. These progress reports are evaluated by experts to ensure that the grantee has made sufficient progress and should continue work under the grant. To the extent that an expert reviewer determines that a grant project is not making sufficient progress, CPRIT may take a number of actions including contract termination, which will be communicated to the Oversight Committee at the time the issue arises.

Academic Research Program

CPRIT's Academic Research Program supports innovative and meritorious projects that are discovering new information about cancer that can lead to prevention, early detection and cures; translating new and existing discoveries into practical advances in cancer diagnosis and treatment; and increasing the prominence and stature of Texas in the fight against cancer. In FY2014, CPRIT's Academic Research Program awarded 61 Individual Investigator Research Awards, 15 High Impact-High Risk research grants, seven continuation grants for Research Training Awards, and four continuation grants for Multi-Investigator Research Awards, for a total of \$77,175,515.

Building a critical mass of cancer researchers in Texas is addressed by supporting recruitment of cancer scientists and clinicians, at all career levels, to academic institutions in Texas. CPRIT approved 25 recruitment awards in FY2014, and 21 recruits accepted positions, for a total amount of \$52,339,259 in grant awards. Since its inception through August 31, 2014, CPRIT has supported the recruitment of 77 outstanding cancer researchers to 13 academic institutions in Texas. This program has been highly successful in enhancing Texas' cancer research efforts and increasing the external visibility of the state in this field.

During the past fiscal year, 87 new peer reviewers from outside the State were recruited to the Scientific Review Panels for Research, making a total of 145. These panel members reviewed a total of 595 academic research grant applications, 108 of which were recommended to the Program Integration Committee and the Oversight Committee for funding. In addition, 10 Requests For Applications (RFAs) for research projects were released, including newly developed ones for the high priority areas of prevention and early detection, and cancers of children and adolescents. Other activities during the past year included reconstitution of the University Advisory Committee and Advisory Committee on Childhood Cancer; both committees provided valuable input that was considered during CPRIT's program priorities project, development of priorities for the academic research program in conjunction with the Oversight Committee, and implementation of a new formal mechanism for reviewing progress reports.

Prevention Program

CPRIT's Prevention Program supports effective, evidence-based prevention programs to underserved populations in the state. Our efforts help Texans reduce the risk of getting cancer, identify cancers earlier and assist people in finding treatment when cancer is detected, thereby reducing the burden of cancer in Texas.

There were 81 active Prevention Program projects in FY2014, 25 of which were awarded during the fiscal year. The Prevention Program began the fiscal year with projects that provided targeted services in 64% of counties in Texas. The statewide coverage was comparatively low due to effects of the moratorium on grants that was lifted in late 2013; however, by the end of the fiscal year prevention projects were providing targeted services to 89% of counties across the state. Five additional statewide projects offer programs accessible to all counties.

To date the Prevention Program has provided 1.8 million prevention services to Texans. These services include education and training, vaccinations, tobacco cessation services, genetic testing and counseling, survivor care and cancer screenings. Of the more than 433,000 cancer screenings, 195,000 included people who had never before been screened. More than 2,600 cancer precursors were detected; potentially preventing the development of cancer in these individuals. In addition, 1,206 cancers were detected, the majority of which were early stage cancers. Early detection of cancers, at a stage when treatment is most effective, offers the best chance for survival and reduces the costs of treatment.

Product Development Research Program

CPRIT's Product Development Research Program funds innovative and scientifically meritorious product development projects with the potential of translating research discoveries into commercial products that can benefit cancer patients.

In early 2014, the Oversight Committee ratified grant awards to six companies with applications that had been pending approval during the moratorium. One company declined the relocation award, electing to stay in Michigan. In addition, the Product Development Research Program issued three Product Development RFAs during FY2014 and received 43 applications that underwent scientific review. Of those received, four applications totaling \$58,533,944 were approved by the Oversight Committee. The total amount of grants awarded to the nine companies in FY2014 is \$107,691,509.

A major policy initiative of the Product Development Research Program in FY2014 was to establish standard revenue sharing terms for all Product Development research grants. CPRIT Staff, members of the Oversight Committee and the newly formed Advisory Committee on Product Development, composed of nine members from the economic development, venture capital, and academic communities, worked together to develop standard revenue sharing terms. As a result of their hard work, CPRIT standard contract terms were approved by the Oversight Committee on January 20, 2015.

CPRIT has 12 active company grants in FY2014, with several more companies approved for grant awards and awaiting contract execution. CPRIT funded companies have raised \$865 million follow-on funding from other investors to continue development. These investments testify to the quality of CPRIT's original awards. CPRIT funded companies with notable follow on funding raised after receiving CPRIT grants include: Bellicum Pharmaceuticals, which raised \$129 million and went public in an IPO that raised an additional \$140 million; Cell Medica and DNATRIX, which raised \$75 million and \$20 million, respectively, in B-round financings; Visualase, which was acquired by Medtronic for about \$105 million; and Rules-Based Medicine, which was acquired by Myriad Genetics for \$80 million.

The continuing Texas presence of the companies whose projects were funded and the increasing number of jobs at those companies also demonstrate the impact of the Product Development Research Program. The Program benefits not only cancer patients, but also results in economic development in Texas.

Conclusion

It is my opinion that CPRIT's three programs show merit and progress and should continue operations. CPRIT's programs are part of an iterative cycle with observations emerging from the laboratory making their way to the patient's bedside and back again to the laboratory. Essential players in this cycle are basic scientists, physician scientists, clinical researchers, product development entrepreneurs, patients and health care providers in community organizations, early stage companies, and research institutions across Texas.

