

## **BILL ANALYSIS**

C.S.S.B. 197  
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Public Health  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Almost a decade ago, the legislature created the Cancer Prevention and Research Institute of Texas (CPRIT), and voters approved a constitutional amendment providing for up to \$3 billion in general obligation bonds for CPRIT to research the causes of and cures for cancer. CPRIT is scheduled to sunset on September 1, 2021. Recognizing the importance of the goal of finding a cure for cancer, interested parties assert that it is important for CPRIT to begin planning for how to transition from a fully state-funded entity to a self-sufficient entity after its bond authority runs out. C.S.S.B. 197 seeks to ensure the financial self-sufficiency of CPRIT.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

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

### **ANALYSIS**

C.S.S.B. 197 amends the Health and Safety Code to require the Cancer Prevention and Research Institute of Texas to develop a plan that specifies how the institute will become financially self-sufficient and continue to operate without primarily state funds other than patent royalties and license revenues realized as a result of projects undertaken with money awarded through the cancer prevention and research fund.

C.S.S.B. 197 requires the plan to achieve the following: specify the steps the institute will take to accomplish the transition to financial self-sufficiency after issuance of the \$3 billion in general obligation bonds authorized by the Texas Constitution; specify potential sources of funding other than state money to be used to operate the institute after issuance of those bonds; provide a projection of patent royalties and license revenues to be realized annually as a result of projects undertaken with money awarded from the cancer prevention and research fund for a period extending through at least 2030; describe how the institute will structure state-funded grants, to ensure that all recipients of grants that use state money may complete any work for which the grant was made after the last of the bonds are used to reimburse grant awardees for allowable expenditures pursuant to institute award contract terms; provide an assessment of how much funding would be required to, at a minimum, manage and protect the state's \$3 billion investment in cancer research and prevention beyond the issuance of those bonds; provide an estimate of the effect on cancer incidence and mortality rates in Texas if the institute is not extended beyond the issuance of those bonds; and provide an estimate of the economic impact in Texas if the institute is not extended beyond the issuance of those bonds.

C.S.S.B. 197 requires the institute to submit the initial plan to the legislature not later than December 1, 2016, and to submit an updated plan before December 1 of each subsequent year. The bill's provisions expire September 1, 2021.

## **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

## **COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 197 may differ from the engrossed version in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

### SENATE ENGROSSED

SECTION 1. Subchapter A, Chapter 102, Health and Safety Code, is amended by adding Section 102.005 to read as follows:

Sec. 102.005. FINANCIAL SELF-SUFFICIENCY PLAN. (a) The institute shall develop a plan that specifies how the institute will become financially self-sufficient and continue to operate without state funding with the exception of patent royalties and license revenues realized as a result of projects undertaken with money awarded under Subchapter E.

(b) The plan described by Subsection (a) must:

(1) specify the steps the institute will take to accomplish the transition to financial self-sufficiency after issuance of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution;

(2) specify sources of funding other than state money to be used to operate the institute after issuance of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution; and

(3) describe how the institute will structure state-funded grants, to ensure that all grants that use state money are closed out when the last of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution is used to reimburse grant awardees for allowable expenditures pursuant to institute award

### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter A, Chapter 102, Health and Safety Code, is amended by adding Section 102.005 to read as follows:

Sec. 102.005. FINANCIAL SELF-SUFFICIENCY PLAN. (a) The institute shall develop a plan that specifies how the institute will become financially self-sufficient and continue to operate without primarily state funds other than patent royalties and license revenues realized as a result of projects undertaken with money awarded under Subchapter E.

(b) The plan described by Subsection (a) must:

(1) specify the steps the institute will take to accomplish the transition to financial self-sufficiency after issuance of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution;

(2) specify potential sources of funding other than state money to be used to operate the institute after issuance of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution;

(3) provide a projection of patent royalties and license revenues to be realized annually as a result of projects undertaken with money awarded under Subchapter E for a period extending through at least 2030;

(4) describe how the institute will structure state-funded grants, to ensure that all recipients of grants that use state money may complete any work for which the grant was made after the last of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution is used to reimburse grant

contract terms.

- (c) The institute shall submit the initial plan to the legislature not later than December 1, 2016. The institute shall submit an updated plan before December 1 of each subsequent year.
- (d) This section expires September 1, 2021.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

- awardees for allowable expenditures pursuant to institute award contract terms;
- (5) provide an assessment of how much funding would be required to, at a minimum, manage and protect the state's \$3 billion investment in cancer research and prevention beyond the issuance of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution;
- (6) provide an estimate of the effect on cancer incidence and mortality rates in Texas if the institute is not extended beyond the issuance of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution; and
- (7) provide an estimate of the economic impact in Texas if the institute is not extended beyond the issuance of the \$3 billion in general obligation bonds authorized by Article III, Section 67 of the Texas Constitution.

- (c) The institute shall submit the initial plan to the legislature not later than December 1, 2016. The institute shall submit an updated plan before December 1 of each subsequent year.
- (d) This section expires September 1, 2021.

SECTION 2. Same as engrossed version.