

- SUBJECT:** Increasing CPRIT's bond authority from \$3 billion to \$6 billion
- COMMITTEE:** Public Health — favorable, without amendment
- VOTE:** 7 ayes — S. Thompson, Allison, Guerra, Lucio, Price, Sheffield, Zedler
- 1 nay — Frank
- 3 absent — Wray, Coleman, Ortega
- WITNESSES:** For — David Arthur, Salarius Pharmaceuticals; Jessica Boston, Texas Association of Business; Bernice Joseph; Cathleen McBurney; Andrew Strong; (*Registered, but did not testify*: Bradley Wisdom, American Cancer Society; Marina Hench, American Cancer Society Cancer Action Network; Denise Rose, AstraZeneca; Dana Harris, Austin Chamber of Commerce; Eric Woomer, Biotechnology Innovation Organization; Christina Hoppe, Children's Hospital Association of Texas; Priscilla Camacho, Dallas Regional Chamber; Rebecca Young-Montgomery, Fort Worth Chamber of Commerce; Lindsay Munoz, Greater Houston Partnership; Jim Keffer, Keffer Consulting; Michelle Wittenburg, KK125 Ovarian Cancer Research Foundation; Lindsay Lanagan, Legacy Community Health; Christine Yanas, Methodist Healthcare Ministries of South Texas, Inc.; Holli Davies, North Texas Commission; Amber Pearce, Pfizer; Martin Hubert, Rice University; Jessica Schleifer, Teaching Hospitals of Texas; Nora Belcher, Texas e-Health Alliance; Carlton Schwab, Texas Economic Development Council; Tom Kowalski, Texas Healthcare and Bioscience Institute; Troy Alexander, Texas Medical Association; Charlie Gagen, Texas Public Health Coalition; and 14 individuals)
- Against — None
- On — (*Registered, but did not testify*: Kristen Doyle and Wayne Roberts, Cancer Prevention and Research Institute of Texas)
- BACKGROUND:** Under Tex. Const. Art. 3, sec. 67, a constitutional amendment approved

by voters in 2007 established the Cancer Prevention and Research Institute of Texas (CPRIT) to provide grants to support institutions of learning, advanced medical research facilities, and others in the process of finding the causes of all types of human cancer and developing cures from lab research and clinical trials. CPRIT also supports programs to address the problem of access to advanced cancer treatment and to establish appropriate standards to ensure the proper use of funds authorized for cancer research and prevention programs.

The constitutional amendment allowed the Legislature to authorize the Texas Public Finance Authority to provide for, issue, and sell up to \$3 billion in general obligation bonds on behalf of CPRIT. Statute limits the issuance of authorized bonds to \$300 million each fiscal year.

Under Health and Safety Code sec. 102.254, CPRIT's authority to grant awards expires after August 31, 2022. To date, CPRIT has awarded about 1,300 grants totaling \$2.2 billion to about 100 academic institutions, nonprofits, and public companies.

DIGEST:

HJR 12 would amend the Texas Constitution to increase from \$3 billion to \$6 billion the maximum amount of general obligation bonds that the Texas Public Finance Authority could provide for, issue, and sell on behalf of the Cancer Prevention and Research Institute of Texas.

The ballot proposal would be presented to voters at an election on November 5, 2019, and would read: "The constitutional amendment authorizing the legislature to increase by \$3 billion the maximum bond amount authorized for the Cancer Prevention and Research Institute of Texas."

**SUPPORTERS
SAY:**

Reauthorizing the funding and continuing taxpayer support of the Cancer Research and Prevention Institute (CPRIT) under HJR 12 is needed to maintain the agency's current level of activity and continue Texas' national leadership in cancer research and prevention.

Although CPRIT has statutory approval to continue making grant awards

through fiscal 2022, without added funds it could issue its last awards during fiscal 2020-21. The sustained funding proposed by HJR 12 is necessary to plan and complete research and report on prevention successes and failures.

Funding CPRIT is an investment into the state economy and worthy of state dollars. Annual grant funding under CPRIT has supported world-renowned scholars, including a 2018 Nobel Prize recipient, and helped make Texas a biomedical center. The multiplier effects of CPRIT's programs have created thousands of jobs, generated billions of dollars in economic activity, and encouraged biotech companies to expand or relocate to the state.

By approving the original bond program in 2007, voters agreed that cancer research was worthy of public investment. CPRIT's efforts have been shown to reduce cancer costs and serve an important state goal by enhancing patients' quality of life, productivity, and lifespans. The substantial benefits to the economy and the health of Texans from the sustainable funding for CPRIT's programs in HJR 12 far outweigh the direct commitment of taxpayer resources and state debt.

HJR 12 would provide voters another opportunity to decide whether a new bond package should be issued to further fund cancer prevention and research programs, which a majority of voters said they would support in a recent poll.

OPPONENTS
SAY:

HJR 12 would double the size of the original bond package approved by voters for CPRIT, committing \$3 billion more in taxpayer money and increasing state debt.

Funding cancer research is not an essential function of state government, and although CPRIT's mission is noble, bonds require interest and future appropriations which could be better spent on other priorities and more pressing needs. HJR 12 is not necessary at this time because CPRIT has authority to issue the original bonds through the end of fiscal 2022. Instead of asking voters to commit additional taxpayer money, the

Legislature should use this time to discuss CPRIT's long-term future, including a plan for it to become financially self-sufficient.

NOTES:

According to the Legislative Budget Board, the joint resolution would have an estimated cost of about \$12.5 million in general revenue related funds for debt service payments through fiscal 2020-21.