

**Cancer Research Endowment Authority
Board Meeting Minutes—October 25, 2017, 2:00 p.m.–6:00 p.m.**

The following board members, constituting a quorum, were present:

Elaine Albert, Leslie Alexandre, Frederick Appelbaum (telephone), Thomas Brown, David Byrd, Weihang Chai (telephone), Carol Dahl (telephone), Steven Harr, James Hendricks, Eunice Hostetter, Jennifer Kampsula Wong (telephone)

Board Members Absent: None

Guest Attendees: Thomas Bates, Sarah Lyman, Peter Choi, Dave Luhn, Sandra Adix (telephone)

The CARE Board met on Wednesday, October 25, 2017 at 2:00 p.m. at Seattle Children's Research Institute, 818 Stewart St., Seattle, WA.

2:07 p.m. Welcome and Roll Call (Fred Appelbaum/Sarah Lyman)

2:10 p.m. July/August Board Meeting Minutes (Fred Appelbaum)

Motion was made and seconded, and it was unanimously resolved to approve the July 13, 2017 and August 23, 2017 CARE Board Meeting minutes.

2:10 – 2:33 p.m. Distinguished Researchers Update (Sarah Lyman)

An overview of the first cohort of Distinguished Researcher Program applications and the application review process was provided.

There was discussion to close the second Distinguished Researcher cohort to align with the Breakthrough Research Program's Letter of Interest closing date. There was discussion on soliciting Distinguished Researcher RFP feedback. It was determined that:

- feedback from applicants should be solicited now to make improvements for future cohorts;
- feedback should be solicited again after grants are awarded;
- a space should be made available on the CARE website to receive other feedback; and
- feedback should go back to the existing Distinguished Researcher Program subcommittee

There was discussion on the Distinguished Researcher Grant Award Agreement Letter. There was consensus that the award agreement letter should require:

- Invention reporting, but not grant payback from commercialization, patents, etc.
- CARE to be listed as a funding organization in all published materials
- Language that applications are subject to public disclosure laws. It was clarified that CARE would notify grant applicants of public records requests, and that applicants would have an opportunity to claim an exemption

- Annual Progress Reports (APR). The APR template should accompany the award agreement letter in the appendix.

Empire Health Foundation will develop an APR template and submit to Distinguished Researcher subcommittee for review. The template should include specific elements that the CARE Board is accountable for so that the information can be used to illustrate the impact of the CARE program.

2:33 p.m. Board Development and ED Search Update (Sarah Lyman)

An update was given to the Board that there are currently two vacant CARE Board seats (member of the public and a person nominated by private sector donors to the fund). For future consideration. An update was provided on the search for the CARE executive director. Have engaged a recruiting firm, and changes to the job posting will be communicated to the subcommittee.

The potential for a CARE Board strategic planning retreat was presented. EHF will work with the executive committee over the coming months regarding proposed retreat objectives to make a recommendation to the full board.

2:48 p.m. Legislative Update (Thomas Bates)

An update was given on the request for additional funding in the supplemental budget for fiscal year 2019. An update on the status of legislation that would change the name of the CARE Fund, address public disclosure, and clarify the mechanism for allowing the administrator to receive compensation was also provided.

2:52 p.m. CARE Banking and Investment Management (Sarah Lyman & Dave Luhn)

The selection process for a banking/investment management firm was presented. There was a discussion about the flow of funds into and out of the CARE Fund, and the need for investment management services.

A motion was made and seconded, and unanimously resolved to select Bessemer Trust as the Investment Manager; further resolved that EHF and Bessemer Trust will work with the CARE board treasurer to develop and submit an investment policy to the Board for approval; further resolved that the Board will monitor deposits, fees, returns, and other relevant metrics to monitor CARE fund balance and expenses; and further resolved that CARE Board may revisit the selection of the Investment Management Firm at a future date.

BREAK

3:37 p.m. Non-State Match, Allowable Cost, and Intellectual Property Policy (Sarah Lyman)

The next steps, program policy issues to consider, and initial feedback on the program materials for launching the Breakthrough Research Program were presented.

Intellectual Property Rights and Reporting

There was discussion on grantee requirements for invention and intellectual property reporting. Consensus was reached that:

1. Grantees shall report all inventions and intellectual property that that can be reasonably tied to CARE grant funding
2. Grantees shall report other metrics beyond intellectual property and inventions that can be reasonably tied to or associated with CARE grant funding. For example, the number of new jobs created, additional research funding obtained, number of new companies created, etc. should be reported to demonstrate the impact of grant funding.
3. Reports on inventions, intellectual property, and other appropriate metrics shall continue until the expiration of the CARE Authority. However, the Board can revisit the duration of invention reporting and reportable metrics at a future date.
4. Program administrator will solicit grantees to obtain the above-mentioned information, no less than annually. However, in the early years, CARE may request more frequent reporting to establish impact (e.g., 6 months after initial grant award).

Annual Progress Reports

There was discussion and consensus that grantee progress reports (Annual Progress Reports) should be due on the anniversary of the grant award.

Intellectual Property Rights and Grant Payback

Sample intellectual property rights and grant payback policies of other organizations were presented to the Board. There was a discussion about whether CARE should assert intellectual property rights and require grant payback. There was consensus that CARE will not assert intellectual property rights or require grant payback. Grantees will be required to report all inventions and intellectual property, job creation, additional research dollars, company creation, etc. to CARE, and to name the CARE Fund as a funding organization on all patent applications and publications.

Grantee Payment & Match Funding

Background information on match funding and allowable cost issues to be considered was presented. There was a discussion on the process of providing funds to grantees. There was a consensus that grantees must provide a commitment of the full match upfront prior to release of any funds, which would release state funds to the CARE Fund account. CARE funds would be awarded annually, but would be released to grantee organizations quarterly, based on actual expenses. Inability of the grantee organization to sufficiently spend down funds according to their proposed budget without a valid reason may result in termination of grant. Furthermore, CARE should establish triggers that stop future funding, but also have allowances for realistic carry-forwards.

Background information on match funding was presented. There was a discussion about the purpose of match funding. Consensus was reached for CARE's policy on allowable non-state match fund items listed below. All costs must be directly allocated to the specific research proposed in the grant application.

Type of Match	Allowable	Rationale/Qualifier
Federal Funds	Yes	Costs allocated to the specific research(er). Federal funds for standard patient care are NOT allowed.
Unrecovered Indirect Costs	Yes	Only the pro rata costs attributable to the research(er) at the federally negotiated rate, if relevant
Third-Party Non-Federal Funds	Yes	Except deferred giving (e.g. charitable remainder annuity)
Tuition/Scholarships	Yes	Directly attributable to the research(er) proposed
Donated Equipment	Yes	If used specifically for the research(er) proposed
Equipment (purchased during the grant project period)	Yes	If used specifically for the research(er) proposed
Goods/Services	Yes	Directly attributable to the specific research(er) proposed
Cost related for maintaining equipment	Yes	Only the pro rata costs directly attributable to the research(er) proposed
Existing capital equipment	No	
Land and Buildings	No	Capital expenses not allowed, unless part of direct cost needed for proposed research
Voluntary Service	No	

5:27 – 5:40 p.m. Breakthrough Cancer Research Program Development (Sarah Lyman)

An overview of the Breakthrough Program materials was provided. There was discussion about the intent of the Breakthrough Research Program and the types of research it should fund. There was discussion on the appropriate review process and next steps for the Breakthrough Research Program. There was a consensus for next steps for launching the Breakthrough Research Program.

1. EHF will revise the Breakthrough Research Program RFP materials based on discussions during this meeting and recirculate to the Board
2. CARE Board members will review revisions and respond with feedback, directly to EHF (not reply all)
3. A further revised draft, addressing CARE Board feedback, will be sent to subcommittee for review (Fred, Jim, Tom, and Eunice). The subcommittee will bring a recommendation to the full Board.
4. Target for approving final materials is at a December 2017 meeting (date to be confirmed based on doodle poll)
5. LOIs will be reviewed by the CARE Board to ensure applications are in line with the intent of the program. LOIs will also be evaluated to help assess whether the program materials are attracting the intended research proposals. After review, the Board will submit all or none of the LOIs to AAAS for review.

5:40 – 5:57 p.m. Review Timeline of Meetings and Key Dates (Sarah Lyman)

There was a review of future meeting dates. There was a discussion on the length and frequency of future meetings. The length of future meetings will be limited to no longer than 2–2.5 hours. In the first year, during the launch of inaugural CARE programs, the Board will meet every other month. After the successful launch of all programs, the frequency of future meetings may be reduced.

EHF will propose future meeting dates for 2018 for Board input. The next meeting will be held in December 2017 to approve Breakthrough Program materials and make Distinguished Researcher Funding decisions.

5:57 p.m. Meeting Adjourned

Dated: 1/18/2019

DocuSigned by:
Eunice Hostetter
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Eunice Hostetter
CARE Board Secretary