

DRAFT
Andy Hill Cancer Research Endowment (CARE) Fund
FY2019–2021 Strategic Plan
February 11, 2019

For public comment

Public comments will be accepted in-person at a public hearing scheduled for March 1, 2019, 10:00 a.m. to 10:25 a.m., at 1800 Ninth Ave., Suite 250, Seattle, WA. Written comments to the Draft Strategic Plan will be accepted via email to peter@empirehealthfoundation.org until March 13, 2019, 5:00 p.m. (PDT). The final CARE Fund—FY2019–2021 Strategic Plan will be posted on the CARE website (www.wacarefund.org).

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BACKGROUND

The Andy Hill Cancer Research Endowment (CARE) Fund, *Washington’s Cancer Research Endowment*, was established by the Washington State legislature in 2015 to advance cancer research in our state. The nearly unanimous, bi-partisan creation of this public-private partnership continues to represent a bold and critical commitment to supporting world-class cancer research with sustained public investments.

The law authorizes the legislature to provide up to \$10 million per year in public funding to support cancer research. CARE incentivizes additional investments by requiring that all public funds be matched dollar for dollar by private or other non-state resources.

Use of Appropriated Funds

Since 2016, CARE has received a total of \$14 million in state funding, including \$5 million for Fiscal Year 2016 included in the 2015–17 biennial budget, \$5 million for FY 2018 in the 2017–19 operating budget, and \$4 million in the 2017–19 supplemental budget.

CARE anticipates that all of the available public funds will be expended (\$4.65M grants awarded; \$1.2M program administration) or committed (\$8.15M grants awarded, to be paid upon demonstration of milestones) by June 30, 2019. Additional investments from the state for Fiscal Years 2019–2021 will enable the CARE Fund to continue to leverage additional non-state funding to advance the goals of the legislation, promoting cancer research to be conducted within Washington to support the fight against cancer.

To date, CARE has awarded two innovative Breakthrough Research programs and the recruitment of seven world-class Distinguished Researchers to our state. In addition to enriching Washington’s cancer research ecosystem, these researchers are expected to create dozens of laboratory jobs and attract millions of dollars in additional research funding. The public investments in awarded grants have been matched by a better than 5:1 match, \$5 non-state dollars for every \$1 of state investment.

The CARE Fund has developed a two-year track record of funding innovative research projects, bringing world-class researchers to Washington and funding scientifically significant projects. In accordance with RCW 43.348.050, CARE’s independent expert scientific peer review process is in place for Distinguished Researchers and

Breakthrough Research Grant programs. To-date, the CARE Fund has received requests for funding totaling more than \$143.4 million.

Developing a Strategic Plan

The CARE Fund must develop a plan for the allocation of projected amounts in the fund, which it must update annually, following at least one annual public hearing. The plan must provide for appropriate funding continuity and take into account the projected speed at which revenues will be available and amounts that can be spent during the plan period. (RCW 43.348.040)

Therefore, the Board of Directors formed a strategic planning committee, which, upon formation in 2018, deliberated and emphasized the following three focus areas within which to develop CARE’s strategies:

Mission: How might the CARE Fund advance its mission and demonstrate public benefit for Washingtonians?

Sustainability: How might the CARE Fund become more sustainable?

Governance: How can the CARE Fund optimize its governance?

After a competitive bidding process to identify a consulting firm with appropriate experience, the CARE Fund engaged Jan Glick & Associates (JGA) to facilitate a strategic planning process from October 2018–March 2019. JGA implemented the following process to develop the strategic plan herein:

1. Reviewed CARE organizational documents and statute
2. Held 17 phone interviews with CARE Fund board members, independent scientific advisory committee members, and administrators of similar funds in four other states
3. Worked collaboratively with the internal and external strategic planning committees, CARE Fund staff, and Program Administrator to collect additional information as necessary to refine findings and concepts
4. Attended and observed the December 12, 2018 CARE Fund board meeting at which one round of funding awards was discussed and granted
5. Successive draft plans were developed, reviewed, edited and refined by the strategic planning committee, Fund staff, and Program Administrator

Based on the findings from the organizational assessment, the gap analysis and observation of the CARE Fund’s grants award discussion during the December 12, 2018 board meeting, the following three primary strategies are proposed to address all three strategic planning focus areas.

The findings of the CARE Fund organizational assessment lead to the conclusion that by overlaying a new strategic approach to the design of its future funding rounds, the CARE Fund could:

- Meet a broader set of statewide needs regarding cancer research, including prevention of cancer, developing potential cures and treatment;
- More effectively and comprehensively demonstrate a public benefit from the investment of state dollars; and
- Increase the probability of achieving a sustainable funding mechanism.

STRATEGY A: STRENGTHEN MISSION & ENHANCE PUBLIC BENEFIT

MEET STATEWIDE NEEDS BY SELECTING A STRATEGIC FOCUS FOR FUTURE FUNDING OPPORTUNITIES

The CARE Fund’s relatively modest amount of funds available for award presents a significant limitation on the number of projects that can be funded, while still achieving an impact. As a result, the Fund’s ability to demonstrate public benefit and foster non-state investment in the Fund will need targeted focus and impact in order to be successful. A consequence of these governance and operating parameters, demonstrating unique value is important to ensure sustainability of the Fund.

By tailoring immediate future funding rounds to directly benefit underserved communities and build a more well-balanced geographic portfolio, the Fund will be better positioned to demonstrate its statewide public impact. To this end, the Fund must address the factors and considerations raised in the assessment. For example, the Fund could design its next two or more rounds of funding to include targeted investments. Examples of targeted grant investments may include the following:

- Prevention - Address prevention of cancer
- Disparities/Population health - Address disparities, e.g., emphasis on equitable access to clinical trials
- Rural health - Are based in or directly benefit rural communities in Washington

In order to provide for appropriate funding continuity and take into account the projected speed at which revenues will be available and amounts that can be spent during the plan period, the Board may lower the grant maximum award level on Distinguished Researchers and/or Breakthrough Research grant awards.

STRATEGY B: ACHIEVE SUSTAINABILITY

B1: BASED ON SELECTED STRATEGIC FOCUS, STRENGTHEN COLLABORATIVE EFFORTS TO INCREASE SUSTAINABILITY

- Educate stakeholders
- Form a working coalition of board members' organizations and other stakeholders/leaders
- Develop consistent, persuasive messaging
 - Build and refine message based on results of Strategic Planning process
 - Report metrics/results on a regular basis

B2. BASED ON SELECTED STRATEGIC FOCUS, STRENGTHEN MATCH TO LEVERAGE PUBLIC DOLLARS TO ACHIEVE SUSTAINABILITY

- Identify additional private and non-state match funding
- Leverage unique value proposition of the CARE Fund within Washington's cancer research environment as follows:
 - CARE Fund improves the lives of Washingtonians by maximizing the benefit and impact of cancer research, particularly to improve the health of groups bearing a disproportionate burden of disease
 - Based on this value proposition, identify gaps in existing research and/or leverage to identify new, co-funding philanthropic revenue sources, and provide unique value to stakeholders
- Explore capital investments as another way to encourage broader leverage from the private sector

STRATEGY C: STRENGTHEN GOVERNANCE

CONTINUE AND IMPROVE GOOD GOVERNANCE PRACTICES; ADOPT ADDITIONAL BOARD POLICIES AS APPROPRIATE

C1. ADDRESS THE CHALLENGE OF A STATEWIDE SERVICE AREA

Based on stakeholders' responses to several questions and the consultants' experience with other statewide and national nonprofit organizations, the issue of fulfilling the board's governance role, and by implication, fulfilling a public benefit statewide, represents a geographical and sub-population challenge that may be addressed in the following ways:

- (a) Long-term: Prioritize geographic diversity in the board composition over time
- (b) Short-term: Implement board-approved grantmaking policies that support a more diversified portfolio, such as:
 - Limiting the number of awardees or the percentage of funding per institution in a given grant cycle/year
 - Cap on the actual amount, number or percentage of awards that may be granted to any one organization over a specified period of time (e.g., grant cycle, fiscal year, calendar year, etc.)
- (c) Short-term: Identify strategies in funding rounds that will elicit more applications directly benefiting underserved areas of the state (e.g., ensuring that access to clinical trials or research studies is spread throughout the state)

C2. BUILD AN ENVIRONMENT THAT SUPPORTS BROAD ENGAGEMENT OF BOARD OF DIRECTORS

- Support ongoing learning to further organizational sustainability including becoming the best possible body to govern a Fund for the public benefit
- Allocate sufficient time for Board to spend together as a group to collectively perform a strategic governance role for the Fund. To the extent the board invests in staff and Program Administrator capacity to manage operations, additional board time may be freed up for strategic work
- Make board meeting locations as accessible as possible for all board members
- Balance the time commitment of the Chair with that of the other board members, (possibly through development of committees such as a Finance Committee)

C3. DIVERSIFY THE FUNDING PORTFOLIO

Address the current concentration of funding, by revising scoring model, review criteria, grant mechanisms, or consideration of other funding factors (e.g., RCW 43.348.040(3)) that may result in a more diverse portfolio.

C4. DEVELOP ADDITIONAL POLICIES AND PRACTICES TO AVOID ANY PERCEIVED CONFLICTS OF INTEREST

- Formalize role of board Committee (e.g., Finance) and CARE Fund Executive Director in grant award decision meeting, including recommendations on the number of awards and/or facilitation of process
- Board may elect to task staff to perform additional framing of award scenarios and/or make specific recommendations regarding possible awards
- Refine/clarify metrics for quantitative and qualitative evaluation
- Learn by benchmarking other state's cancer funds as well as other funding agencies' metrics and evaluation processes (e.g., American Cancer Society)

C5. ESTABLISH A SUCCESSION POLICY (OR PLAN) FOR BOTH BOARD AND STAFF LEADERSHIP, INCLUDING:

- Officer terms limits
- Process for annual election of new Chair, Treasurer and Secretary (RCW 43.348.020)
- Emergency and planned leadership succession