

## Cancer Research Endowment (CARE) Authority Board Meeting

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Wednesday, February 7, 2018, 3:00—5:00 PM (PST)

Fred Hutchinson Cancer Research Center, Arnold Building, Room M4-A805/817, Seattle, WA

**Call-in Information:** U.S. Toll-Free Access: 1-719-457-0816; passcode 990690#

### AGENDA

| TIME        | TOPIC   | LEAD          | MATERIALS  | ACTIONS  |
|-------------|---|---------------|--|--|
| 3:00 – 3:05 | <b>Welcome</b> – Roll Call of Board   | Dr. Appelbaum |  |  |
| 3:05 – 3:15 | <b>Consent Agenda</b>   | Dr. Appelbaum | <ul style="list-style-type: none"><li>• 12/13/17 Board Meeting Minutes</li><li>• 1/2/18 Board Subcommittee Meeting Minutes</li></ul>                           | <ul style="list-style-type: none"><li>• Approve meeting minutes</li></ul>  |
| 3:15 – 3:25 | <b>Legislative Update</b>   | Thomas Bates  |  | <ul style="list-style-type: none"><li>• [EHF will manage updates to confidentiality guidelines, website, etc.]</li></ul>   |
| 3:25 – 4:10 | <b>CARE Fund Allocation Plan Public Hearing</b>   | Dr. Appelbaum | <ul style="list-style-type: none"><li>• CARE Fund Allocation Considerations &amp; Background</li></ul>   | <ul style="list-style-type: none"><li>• Take public comments</li><li>• Allocation plan decision</li></ul>  |
| 4:10 – 4:30 | <b>Board Review Criteria – Breakthrough Program</b>   | Dr. Appelbaum | <ul style="list-style-type: none"><li>• Breakthrough Research Program Review Criteria</li></ul>  | <ul style="list-style-type: none"><li>• Approve Breakthrough Research Program decision-making process</li></ul>  |
| 4:30 – 4:40 | <b>Board Officer Elections</b>  | Dr. Appelbaum |  | <ul style="list-style-type: none"><li>• Elect Board Officers</li></ul>   |
| 4:40 – 5:00 | <b>CARE Update</b> <ul style="list-style-type: none"><li>• Distinguished Researcher Program Improvements</li><li>• Annual Report Draft – Preview</li><li>• Executive Director Search</li><li>• CARE Board Terms</li></ul> | Sarah Lyman   | <ul style="list-style-type: none"><li>• Summary of DR program clarifications for next cycle</li><li>• Draft Impact Report</li><li>• CARE Board Terms</li></ul> | <ul style="list-style-type: none"><li>• General feedback to help inform annual report to the public</li><li>• [EHF will manage minor changes to DR program language based on grantee feedback]</li></ul> |
| 5:00        | <b>Adjourn</b>  | Dr. Appelbaum |  |  |

## CARE Fund Allocation Plan – Background Information

RCW 43.348.040(2): The board must develop a plan for the allocation of projected amounts in the CARE 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.

### Per the CARE Inaugural Plan Outcome Projections (February 2017), by 2020:

Award 15 Distinguished Researchers (\$7.5 million) + 3 Breakthrough Research (\$38.25 million)

- \$45.75 million total obligation through 2025, assuming all Breakthrough grantees receive max amount for 5 years
- \$18.75 million obligation through FY2020 (June 30, 2020)
- \$28.4 million available CARE funds through FY2020, and roughly \$75M through FY2025 assuming full state support
  - *[(CARE funds – Administrative Costs); (does not factor grant obligations)]*

Assuming CARE follows roughly the plan outlined above, there would be approximately \$29-\$30M in available grant funds through FY2025 (with full state support and no additional fund raising). There are several options for CARE to consider, including:

1. Tentatively allocate all available funds to Distinguished Researchers and fully funded Breakthrough grants (all 5 years)
2. Tentatively allocate all available funds to Distinguished Researchers and Breakthrough grants, with only a portion of the Breakthrough Grants receiving funding for all 5 years
3. Consider setting aside CARE funds for an entirely new grant program (e.g., bridge funding, major infrastructure needed to advance WA cancer research, research expanding rural clinical trials, incentives to launch new research centers in WA state, etc.)

| Fiscal Year   | Total Distinguished Researcher Awards | Total Breakthrough Research Awards |         | Cumulative Total CARE Fund Obligation Through FY | Cumulative Total CARE Fund Available—if no grants awarded |          |
|---|---------------------------------------|------------------------------------|---------|--|---|----------|
|   |                                       | Year 1 only                        | Year 2+ |  |   |          |
|   |                                       |                                    |         |  |   |          |
| Scenario 1: Nine Breakthroughs awarded, only 4 receive funding after year 1 and through year 5        |                                       |                                    |         |  |   |          |
|   | 2018                                  | 5                                  | 0       | 0  | \$2.50M   | \$9.41M  |
|   | 2018–19                               | 11                                 | 3       | 0  | \$7.75M   | \$18.91M |
|   | 2018–20                               | 15                                 | 6       | 1  | \$15.00M  | \$28.41M |
|   | 2018–21                               | 19                                 | 9       | 2  | \$25.25M  | \$37.91M |
|   | 2018–22                               | 23                                 | 9       | 4  | \$39.25M  | \$47.41M |
|   | 2018–23                               | 28                                 | 9       | 4  | \$53.75M  | \$56.90M |
|   | 2018–24                               | 34                                 | 9       | 4  | \$65.75M  | \$66.39M |
|   | 2018–25                               | 40                                 | 9       | 4  | \$74.75M  | \$75.88M |
| Scenario 2: Four Breakthroughs awarded, all receive full 5 years of funding (8 additional DR awarded) |                                       |                                    |         |  |   |          |
|   | 2018                                  | 5                                  | 0       | 0  | \$2.50M   | \$9.41M  |
|   | 2018–19                               | 11                                 | 1       | 0  | \$6.25M   | \$18.91M |
|   | 2018–20                               | 15                                 | 3       | 1  | \$12.75M  | \$28.41M |
|   | 2018–21                               | 19                                 | 4       | 3  | \$24.50M  | \$37.91M |
|   | 2018–22                               | 24                                 | 4       | 4  | \$39.00M  | \$47.41M |
|   | 2018–23                               | 30                                 | 4       | 4  | \$54.00M  | \$56.90M |
|   | 2018–24                               | 36                                 | 4       | 4  | \$66.00M  | \$66.39M |
|   | 2018–25                               | 48                                 | 4       | 4  | \$75.00M  | \$75.88M |

An issue to consider is the timing of the larger Breakthrough Research Grants. If too many Breakthrough grants are awarded early in CARE's life cycle, it could cause a negative CARE Fund balance (multiple year 2-5 awards being paid out at the same time). If the board would like to award more Breakthrough Grants than what is proposed above, the spacing of grants will be important, so an option to consider in later years would be to create a 3-year grant or award smaller amounts.

Both scenarios proposed above ensure that CARE does not have a negative fund balance at any time. The full balance will be committed by FY2025.