



Andy Hill Cancer Research Endowment (CARE) Fund Board Meeting Minutes April 28, 2021

The following board members, constituting a quorum, were present: Elaine Albert, Leslie Alexandre, Fred Appelbaum, Thomas Brown, David Byrd, Carol Dahl, Steve Harr, Eunice Hostetter, Gary Kaplan, Beth Lawlor, Jennifer Kampsula Wong

Board Members Absent: Cliff Berkman

CARE Fund Staff Attendees: Laura Flores Cantrell, Peter Choi, Sarah Hiller, Sooyoun Park, Alejandra Tres

Guest Attendees: Sandra Adix (WA State Assistant Attorney General); Allegra Calder (BERK Consulting); Erica Hallock (Empire Health Foundation, Government Affairs Liaison); Julia Terlinchamp (WA State Department of Commerce)

Wednesday, April 28, 2021, 3:00–5:00 p.m. (PT)

Note: The CARE board has been conducting remote meetings since April 2020 in accordance with Governor's Proclamation 20-28 dated March 24, 2020. The April 28, 2021 remote meeting link published in the meeting notice malfunctioned. CARE Fund staff became aware of this malfunction just before the scheduled start time and immediately created a new link, posted the new link on the CARE website, and emailed updated information to the board distribution list. The public meeting began 7 minutes later than the scheduled time.

1. Welcome

The meeting was called to order at 3:07 p.m. A quorum was confirmed with a roll call of the board by the Chair.

Fred Appelbaum announced that two previously vacant board seats were filled in April. He introduced Dr. Elizabeth Lawlor and Dr. Gary Kaplan. Elizabeth Lawlor, MD, PhD, is the Co-center Director for Basic and Translational Science and the Associate Director for Cancer Biology at Seattle Children's Hospital and is appointed from a nomination submitted by the Seattle Children's Research Institute. Gary Kaplan, MD, FACP, FACMPE, FACPE, is the Chairman and CEO of the Virginia Mason Health System and is appointed from nominations submitted by entities or systems that provide health care delivery services.

2. Consent Agenda

Fred Appelbaum presented the consent agenda for approval.

The consent agenda was composed of the February 28, 2021 Board Meeting Minutes, the Endowment Investment Policy (Revised), and the Board Resolution on the interpretation of

RCW 43.348.040 (1) “cancer research to be conducted in the state.” The proposed revision to the Endowment Investment Policy includes a clarification of the Program Administrator responsibilities. The purpose of the Board Resolution is to clarify the meaning of RCW 43.348.040(1).

MOTION: Fred Appelbaum made a motion to approve the consent agenda as presented. David Byrd seconded the motion. The motion was approved unanimously.

3. CARE Program Administration Update

A program administration update was provided as follows:

Board members were asked to please contact Laura Cantrell if they are interested in serving in a board officer position. Officer elections will take place at the June 9, 2021 CARE Fund Board Meeting.

There are no current updates regarding the performance audit. Milliman, the auditor selected to conduct the performance audit of the CARE Fund, will present preliminary findings at the upcoming June 9, 2021 board meeting.

Empire Health Foundation will not be applying to serve as the CARE Fund’s Program Administrator. Philanthropy in Action, Empire Health Foundation’s 501(c)(3) subsidiary, is dissolving. Because Philanthropy in Action is co-holder of the CARE Fund’s grantmaking account, staff submitted paperwork to establish a new 501(c)(3) to serve the functions of Philanthropy in Action.

As part of the transition, an RFP was issued seeking a full-service investment management and advisory relationship for the CARE Fund. Steve Harr, CARE Fund Treasurer, will assist with the review of proposals. A recommendation will be presented to the board at the June 9 board meeting. The board was advised by the Treasurer that it may be prudent to assess whether to incorporate a longer-term investment strategy into the Endowment Investment Policy.

Additional updates related to the plan for CARE Fund Program Administration will be discussed during the Commerce update later in the agenda.

4. Legislative Update

Erica Hallock provided a legislative update to the board. She noted that the 2021 Legislative Session ended on Sunday, April 25, 2021. The appropriation for the CARE Fund passed and is awaiting the Governor’s signature. The CARE Fund appropriation in the FY21 Supplemental Budget is \$6,881,000. For the upcoming 2021-2023 biennium (beginning July 1, 2021 and ending June 30, 2023) the CARE Fund was appropriated \$11,711,000. However, there may be additional funding in the supplemental budgets for this same time period that will account for updated figures for (1) enforcement dollars; (2) vapor products revenue; and (3) sales tax collected on vaping products. The board asked for clarification of the biennial appropriation by fiscal year. Erica confirmed FY22 is \$6,328,000 and FY23 is \$5,383,000.

5. Conflict of Interest Policy; Disclosure and Recusal Policy

Dr. Appelbaum introduced the Conflict of Interest Policy (Revised) and the Disclosure and Recusal Policy. As noted in the background summary in the meeting materials, the CARE Fund must adopt policies to ensure all potential conflicts have been disclosed and have been eliminated or mitigated. Dr. Appelbaum noted that the board actions are to 1) vote on a revised CARE Board Conflict of Interest Policy and 2) vote on adopting a CARE Board Disclosure and Recusal Policy. The board's approvals of the Conflict of Interest and Disclosure and Recusal policies, as presented or amended after board discussion, would become effective immediately.

Sandra Adix (WA State Assistant Attorney General) explained that the common practice for board members is to disclose a conflict at a board meeting and recuse from discussion and/or board action. Generally speaking, abstention is when a board member refrains due to a conflict of interest or they do not have enough information to vote. Recusal is understood as not participating or influencing in any way a decision of the board because of a conflict of interest. It is not unusual that boards will ask a member that discloses a conflict of interest to leave the room. Recusals do not impact quorum, nor does abstention. As long as a majority acts, the board can proceed. If the abstaining or recusing member stays, there is no loss of quorum.

The board discussed the policies presented, and the specific language about recusals and how they would impact board decision-making. The board came to an agreement that it would be helpful for the Disclosure and Recusal Policy to specifically outline that a conflicted board member would still be able to provide general expertise *if requested*.

Sandra Adix proposed that a revision be made to the draft Disclosure and Recusal Policy as follows (strike through indicates removal, underline indicates addition):

If recusal is required, such recusal does not prohibit the board member or staff person from using, at the board's request, his or her general expertise to educate and provide general information on the subject area to other board members or staff persons. In that event, the board member may provide general information as may be requested and shall abstain from any action on the matter that gave rise to the conflict.

In addition, the board agreed the Scope of Recusal section of the draft Disclosure and Recusal Policy be revised as follows: "Recuse himself/herself from ~~all~~ discussions or deliberations pertaining to the specific matter that precipitated the recusal."

MOTION: Tom Brown made a motion to approve the revised Conflict of Interest Policy, as presented and the Disclosure and Recusal Policy, as amended. Steve Harr seconded the motion. The motion was unanimously approved.

6. Population Health Grant Award Decision

Fred Appelbaum introduced the applications that were submitted for the Population Health Grant Program. Four applications were received and reviewed by American Institute of Biological Sciences (AIBS). Of the four applications, American Institute of Biological Sciences (AIBS)'s

scientific peer review committee rated one of the applications as “Highly Recommended”, one as “Worthy of Consideration”, and two as “Not Recommended”.

Board members were asked to disclose conflicts and the nature of the conflict prior to the discussion about the applications. Fred Appelbaum disclosed a conflict of interest due to his employment at the Fred Hutchinson Cancer Research Center. Beth Lawlor also disclosed a conflict of interest as she is an affiliate member of the Fred Hutchinson Cancer Research Center.

The board agreed to discuss each application separately to limit any potential conflicts of interest to the application being reviewed. The board first reviewed the application that was highly recommended by AIBS, “Night Shift Work as a Carcinogen: Molecular Mechanisms, Biomarkers, and Therapeutic Targets”.

MOTION: Carol Dahl made a motion to award a Population Health grant with a maximum grant award of \$200,000 to Washington State University for the research project *Night Shift Work as a Carcinogen: Molecular Mechanisms, Biomarkers, and Therapeutic Targets* led by the Principal Investigator Dr. Briann Satterfield. Leslie Alexandre seconded the motion. The motion to award was approved unanimously by the board.

MOTION: Leslie Alexandre made a motion to not award the two proposals that were not recommended by AIBS; Tom Brown seconded the motion. The motion to not award was approved unanimously by the board.

Before the discussion of the third application from the Fred Hutchinson Cancer Research Center, Fred Appelbaum and Beth Lawlor recused themselves from the discussion and decision due to their earlier disclosed conflict of interest. The remainder of the board discussed AIBS’s review of the application. After the staff researched whether Dr. Naresh had an appointment at the University of Washington and confirmed that he did, David Byrd disclosed a potential conflict due to his affiliation with the University of Washington and recused himself from the decision.

MOTION: Tom Brown made a motion to award a Population Health grant with a maximum award of \$200,000 to Fred Hutchinson Cancer Research Center for the research project *Understanding the Contribution of the Immune Tumor Microenvironment to the Observed Regional Disparities in Mortality Among Different Lymphoma Types in Washington State* led by Principal Investigator Dr. Kikkerri Naresh. Elaine Albert seconded the motion. Carol Dahl and Gary Kaplan abstained. Fred Appelbaum, David Byrd, Beth Lawlor recused. The motion passed by majority vote.

7. Distinguished Researchers Cycle 5 Award Reissue

Dr. Appelbaum introduced the Distinguished Researchers Cycle 5 (reissue) Program Description to the board. In this revised program description, the start-date eligibility period has been extended to approximately 18 months from the candidate’s start-date at the recruiting institution to the application deadline date. The aim of this revision and reissue of the Distinguished Researchers Cycle 5 RFP is to address the extenuating circumstances of recruiting researchers during the COVID-19 pandemic.

MOTION: Carol Dahl made a motion to reissue the Cycle 5 Distinguished Researchers Program Request for Proposals (RFP). David Byrd seconded the motion. The motion was unanimously approved.

8. Department of Commerce Update

Julia Terlinchamp (Life Science Sector Lead, Washington State Department of Commerce) informed the board that the CARE Fund Program Administrator RFP was issued and is now closed. There were no bidders on the RFP; however, this outcome was identified as a possible outcome and a contingency plan was in place. The RFP will be re-issued.

The board discussed possible barriers to application.

MOTION: Thomas Brown made a motion to approve a maximum contract award for CARE Fund Program Administration not to exceed \$1,361,642 in FY22 and \$1,412,539 in FY23. Leslie Alexandre seconded the motion. The motion was unanimously approved.

9. Finance and Financial Planning

The board discussed three options for allocating the FY21 Supplemental Budget appropriation to the CARE Fund. There was a consensus to proceed with planning based on Option 1 that allocates funds to fully fund Breakthrough Research grants for years 4 and 5 with the remainder into a board designated (wind down/bridge) reserve. A board vote on the FY21 Allocation Plan is tabled to the next board meeting to allow staff an opportunity to incorporate the FY21 Supplemental Budget appropriation final amount passed by the legislature.

10. CARE Fund Strategic Plan

Allegra Calder (Principal, BERK Consulting) informed the board that she will conduct interviews with board members prior to the board retreat on June 30, 2021. Her goal is to identify themes and key strategic questions at this point in the CARE Fund's organizational growth. Allegra will incorporate feedback from the External Advisory Committee into her findings and facilitate the strategic planning process to produce the next biennium strategic plan document.

The board reviewed the strategic planning external advisory committee nominees to advise the endowment during the development and review of its strategic plans. The board discussed the qualifications of nominees and identified additional potential areas of expertise or experience. There was discussion of experience in implementing a smaller cancer research program with broad statewide impact, specific expertise in navigating state funding, and philanthropy. Board members were asked to please send any recommendations for additional stakeholder outreach to Laura.

MOTION: Carol Dahl made a motion to appoint the Strategic Planning External Advisory Committee Members as presented; David Byrd seconded the motion. The motion was unanimously approved.

11. CARE Fund Video

Alejandra Tres presented the CARE Fund Video to the board. She provided a brief introduction of the video that SRH Creative produced for the CARE Fund. The video will be posted to the CARE Fund website and shared with stakeholders. It is intended as an early effort to broaden the CARE Fund's reach and further develop messages for a general (non-scientific) audience. The video project highlights a CARE Fund investment in cancer research that was later adapted to include studies of COVID-19 patients. The storyline emphasizes the importance of cancer research and the unique impact of the CARE Fund. The process of developing the video project included important, critical feedback from a variety of stakeholders, including Fred Appelbaum (Chair), David Byrd (Vice Chair), Leslie Alexandre (Board member), and Jennifer Kampsula Wong (Board member and patient advocate), grantees, and several others.

12. Public Comment

No members of the public were present to provide comment.

13. Adjourn

With no other business, the meeting was adjourned at 5:05 p.m.

I certify that the foregoing is a true and correct copy of the minutes approved by the CARE Board of Directors at a regular meeting of the board on June 9, 2021.

DocuSigned by:

Eunice Hostetter

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Eunice Hostetter, CARE Board Secretary

6/29/2021

Date