

Commonwealth Health Research Board Meeting Minutes for December 9, 2021

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Members in Attendance:

Robert W. Downs, Jr., M.D., Chair
Eric Lowe, M.D., Vice Chair
Thomas W. Eppes, Jr., M.D.
Ethlyn McQueen-Gibson, DNP
Julia Spicer

Members Absent:

Cynda A. Johnson, M.D. M.B.A.

Others in Attendance:

Anne C. Pace, M.P.A.
Carla R. Collins (virtual via WebEx)

Raya Mandler, Ph.D. (virtual via WebEx)
Merrill Mitler, Ph.D. (virtual via WebEx)
Arnold Revzin, Ph.D. (virtual via WebEx)

Position:

Administrator
Senior Assistant Attorney General
Office of the Attorney General
Scientific Consultant
Scientific Consultant
Scientific Consultant

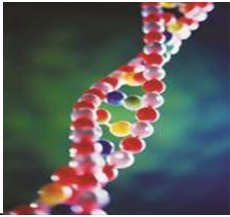
Call to Order:

Chair, Robert Downs, Jr., M.D., called the meeting to order at 10:00 a.m. The meeting was held at the Monroe Building, 101 North 14th Street, 2nd Floor, George Washington Conference Room, Richmond, Virginia 23219. A quorum was present for the transaction of business throughout the meeting.

Ethlyn McQueen-Gibson, DNP, MSN, RN-BC was welcomed to the Commonwealth Health Research Board.

Approval of Minutes for the June 23, 2021 CHRB Meeting:

Dr. Downs moved to approve the minutes of the June 23, 2021 meeting. Dr. Eppes seconded the motion. The motion was voted upon and passed unanimously.



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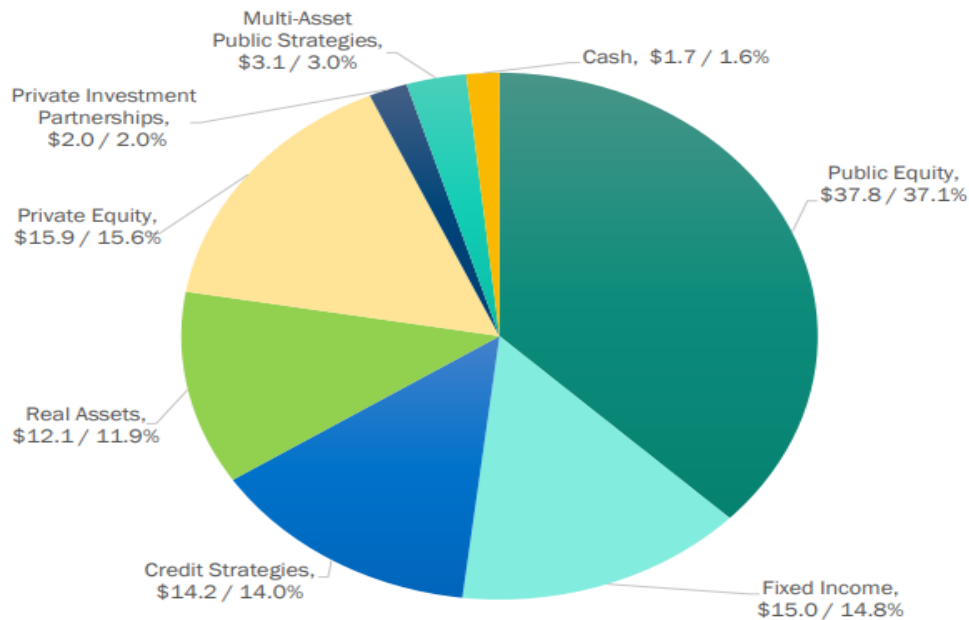
Virginia Retirement System (VRS) Financial Reports

CHRB Administrator Anne Pace discussed several documents with the members to include the following: [Source of documents: VRS Finance Division]

1. VRS Investments Report for the quarter ending June 30, 2021
 - The VRS Trust Fund achieved a record-setting return of 27.5% exceeding the total fund benchmark and far surpassing the 6.75% annual assumed rate of return.
 - The fund ended the year with approximately \$101.8 billion, crossing the \$100 billion mark for the first time in its history.
2. Analysis of Commonwealth Health Research Fund Activity Report reflects the June 30, 2021 CHRFB ending balance at \$48,389,925.
3. Performance Summary Rolling Periods ending June 30, 2021 which reflects Total VRS Fund Performance for various periods ranging from 1 year to 10 years.
4. Virginia Retirement System Asset Allocation as of June 30, 2021 for the Total VRS \$101.8 billion VRS Fund. See pie chart below for more detail.

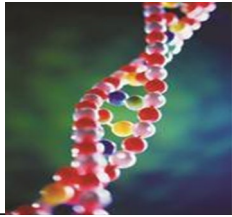
Source: <https://www.varetire.org/pdf/publications/investment-quarterly-report-06-30-21.pdf>

Total Fund Market Value = \$101.8 billion



Dollar Amounts in Billions / Percent of Total Fund

Source: Bank of New York Mellon



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CHRB Financial Reports:

Administrator Pace provided the Board with FY 2020/2021 FINAL administrative and grant expenses through June 30, 2021 and FY 2021/2022 YTD through October 31, 2021: [Per the Commonwealth's CARDINAL accounting system]

**FINAL FY 2020/2021 (July 1, 2020 – June 30, 2021)
CHRB Administrative & Grants Expenses**

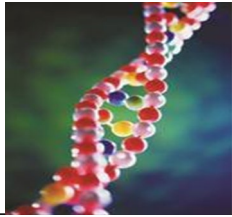
FY 2020/2021 Revenue and Cash Balance

| | |
|---|----------------------|
| CHRB Revenue and Cash Balance as of June 30, 2021 | \$ 583,954.49 |
|---|----------------------|

FY 2020/2021 Final Expenses

| FY 2020/2021 Proposed Budget | Approved | FINAL Expenses as of June 30, 2021 | Difference | Expenses as a % of Budget | Notations |
|------------------------------|----------------|------------------------------------|--------------|---------------------------|---|
| Administrative | \$278,312.66 | \$229,054.59 | \$49,258.07 | 82% | Majority of difference reflected below. |
| Grants | \$1,517,067.00 | \$1,337,799.00 | \$179,268.00 | 88% | Majority of funds disbursed in July and November 2020 for initial and ongoing grant payments. |

| Budget Line Item | Difference attributed to: |
|---|---|
| CHRB Administrator Benefits | Actual benefits less than budgeted (health insurance line item) |
| Rental Expenses and Liability Insurance [CHRB Meetings] | CHRB meetings held at DOA at no cost |
| Attorney Services | Paid in FY 2021/2022: August 2021 = \$10,250.82 |
| Management Services | Paid in FY 2021/2022: August 2021 = \$14,160.40 |
| VITA Security Audit | Not completed during FY 2020/2021 due to COVID-related issues = \$11,087.50 |
| Travel expenses related to Meeting Attendance | Virtual meeting attendance versus in-person attendance |
| Office Supplies, Stationary and Forms | Did not use full budgeted amount for supplies |
| Fiscal Services Department of Accounts (DOA) | Actual costs less than anticipated |



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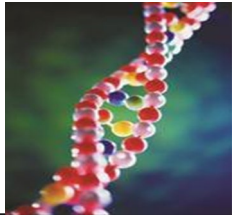
**Year-to-Date 2021/2022 (July 1, 2021 – June 30, 2022)
CHRB Administrative & Grants Expenses through October 31, 2021**

FY 2021/2022 Revenue and Cash Balance

| | |
|--|------------------------|
| CHRB Revenue and Cash Balance as of October 31, 2021 | \$ 1,490,804.60 |
|--|------------------------|

FY 2021/2022 Year to Date (YTD) Expenses

| FY 2021/2022 Approved Budget | Approved | YTD Expenses as of October 31, 2021 | Difference | Expenses as a % of Budget | Notations |
|------------------------------------|----------------|---|--------------|---------------------------------|--|
| Administrative | \$304,625.42 | \$99,659.96 | \$204,965.46 | 33% | Greatest expenditures are for salaries and management services. |
| Grants | \$1,400,000.00 | \$723,703.67 | \$676,296.33 | 52% | Majority of funds disbursed in July 2021 for initial and ongoing grant payments. |



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Grant Funding Available for FY 2020/2021 CHRBR Grant Awards and Commonwealth Accounting and Financial Reporting (CAFR)

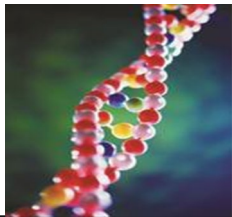
Per the *Code of Virginia* § 32.1-162.28 E. : An amount not to exceed six percent of the moving average of the market value of the Fund calculated over the previous five years or since inception, whichever is shorter, on a one-year delayed basis, net of any administrative fee assessed pursuant to subsection E of § ~~51.1-124.36~~, may be expended in a calendar year for any purpose permitted by this chapter.

Administrator Pace provided updates regarding grant funding available for 2022/2023 Grant Awards:

Funds available for 2022 Grant Awards

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| Calendar Year | | Market Value as of 12/31/xx | |
|--|----------------------|-----------------------------|--|
| January 1 - December 31, 2016 | Year 1 | \$35,296,332.08 | Source: VRS Finance Division Activity Report through December 31, 2016 |
| January 1 - December 31, 2017 | Year 2 | \$38,776,234.09 | Source: VRS Finance Division Activity Report through December 31, 2017 |
| January 1 - December 31, 2018 | Year 3 | \$36,998,370.93 | Source: VRS Finance Division Activity Report through December 31, 2018 |
| January 1 - December 31, 2019 | Year 4 | \$40,977,689.88 | Source: VRS Finance Division Activity Report through December 31, 2019 |
| January 1 - December 31, 2020 | Year 5 | \$43,250,731.05 | Source: VRS Finance Division Activity Report through December 31, 2020 |
| | Total | \$195,299,358.03 | |
| | Average Market Value | \$39,059,871.61 | |
| Funds available for 2022 grants based on 5% of the average market value (AMV) | 5.00% | \$1,952,994 | |
| Less Administrative Expenses: | | | |
| Less Operating Expenses (estimate based upon FY 2021/2022 budget) | | 304,625 | |
| Less VRS Administrative Fees | | \$2,600 | |
| Total Administrative Expenses | | \$307,225 | |
| Funds Available for 2022 grants less estimated expenses (utilizing 5% AMV scenario): | | \$1,645,769 | |



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Status of Ongoing 2020 CHRB Grant Awards

Administrator Pace provided interim reports, and summary reviews, for the following 2020 grant awards that were awarded November 1, 2020. All interim fiscal and scientific reports were deemed satisfactory.

FY 2020/2021 Grant Awards with a start date of November 1, 2020

One-Year Grant Awards

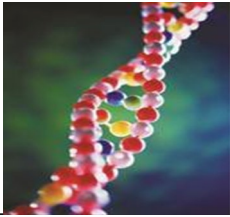
| Principal Investigator | Submitting Institution/Organization | Grant Title | Start Date | First Interim Report Due | Final Reports Due |
|-------------------------------|--|---|-------------------|---------------------------------|--------------------------|
| Farrokh Alemi, Ph.D. | George Mason University | Optimizing Antidepressant Selection through Artificial Intelligence | November 1, 2020 | May 31, 2021 | December 31, 2021 |
| Steven Shell, Ph.D. | University of Virginia's College at Wise | Mass Spectrometry Analysis of the Human XPA-XPC Complex | November 1, 2020 | May 31, 2021 | December 31, 2021 |

FY 2020/2021 Grant Awards with a start date of November 1, 2020

Two-Year Grant Awards

| Principal Investigator | Submitting Institution/Organization | Grant Title | Start Date | First Interim Report Due | Second Interim Report Due | Final Reports Due |
|--------------------------------|---|--|-------------------|---------------------------------|----------------------------------|--------------------------|
| Paul Fisher, MPhil, Ph.D. | Virginia Commonwealth University | Rational Design of Cancer Invasion and Metastasis Inhibitors | November 1, 2020 | July 31, 2021 | May 31, 2022 | December 30, 2022 |
| Aurora Esquela Kerscher, Ph.D. | Eastern Virginia Medical School | Molecular dissection of a microRNA cluster network of aggressiveness | November 1, 2020 | July 31, 2021 | May 31, 2022 | December 30, 2022 |
| Alicia Pickrell, Ph.D. | Virginia Polytechnic Institute and State University | STING-dependent Type I Interferon Response in TBI | November 1, 2020 | July 31, 2021 | May 31, 2022 | December 30, 2022 |

CHRB Member, Julia Spicer, made a motion to continue second-year funding for the two-year grant awards. The motion was seconded by Dr. Eppes and unanimously approved by the Board. Administrator Pace will contact these Principal Investigators with notification of continued second year funding with EDI deposit effective December 15, 2021.



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CLOSED SESSION: FY 2022/2023 CHRHB Grant Process

MOTION

Dr. Lowe moved that the Board go into closed session in accordance with the provisions of Sections 2.2-3711 (A)(7), 2.2-3711(A)(30), and 2.2-3705.6 (17) of the Code of Virginia, for the purpose of

Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Board, and consultation with legal counsel employed or retained by the Board regarding specific legal matters requiring the provision of legal advice by such counsel regarding:

records submitted as a grant or loan application, or accompanying a grant or loan application.....to the extent such records contain proprietary business or research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, if the disclosure of such information would be harmful to the competitive position of the applicant. Virginia Code § 2.2-3705.6 (17).

Dr. Eppes seconded the motion; which was voted upon and approved unanimously.

Dr. Lowe moved that the Board reconvene in open session. Julia Spicer seconded the motion. The motion was voted upon and passed unanimously. The Board adopted the following resolution by roll call vote.

CERTIFICATION (After closed meeting; roll call vote)

Dr. Lowe moved, and Ms. Spicer seconded, the adoption of the following resolution:

WHEREAS, the Commonwealth Health Research Board has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Health Research Board certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

A roll call vote of members present approved this resolution unanimously.



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CHRB Member Julia Spicer made a motion that 24 Concept Papers be developed into Full Proposals. Dr. Lowe seconded the motion. The motion was voted upon and passed unanimously. Administrator Pace will contact these 24 Principal Investigators regarding the CHRB's request for a Full Proposal submission. Administrator Pace will also provide reviewer comments to those Principal Investigators from whom Full Proposal submissions will not be requested.

Other Business to come before the Board:

Election of CHRB Officers effective November 1, 2021:

The Board unanimously approved the election of CHRB officers for November 1, 2021 through November 1, 2022: Robert Downs, Jr., M.D. was re-elected as CHRB Chair and Eric Lowe, M.D. was re-elected as the CHRB's Vice Chair.

Annual Financial Disclosure Forms due by February 1, 2022:

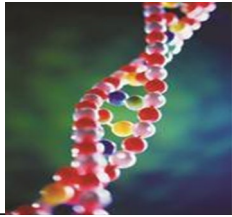
The Virginia Conflict of Interest and Ethics Advisory Council has issued a reminder regarding the requirement that each of the CHRB's members submit an annual financial disclosure form. All disclosures must be submitted electronically through the on-line filing system. Administrator Pace will coordinate this process with the members.

State Council of Higher Education in Virginia (SCHEV) Commonwealth of Virginia Engineering and Science (COVES) Fellowship Report on Basic Research Funding in Virginia:

This report was completed by Nikita Lad; a Ph.D. candidate at the Department of Environmental Science and Policy at George Mason University. As part of her research, Ms. Lad interviewed 31 stakeholders across Virginia to include the Commonwealth Health Research Board Chair, Dr. Robert Downs, Jr., and Administrator, Anne Pace.

From these interviews, Ms. Lad provided that, "there is a need for Basic Research (BR) support in the Commonwealth as it has heavily focused on commercialization and economic development in the past. Other recommendations:

- The state needs to define its role in BR and pick leaders in an area of research: recognize the strengths of each university by having a repository, enhance, and advertise/communicate them.
- The state should look for more public-private and/or national labs partnerships and invest in key-research infrastructure & equipment (like the Higher Education Equipment Trust Fund-HEETF) and ensure equitable but differentiated regional distribution.



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- SCHEV should act as a conduit/liaison/advisory/oversight entity that has an objective voice to ensure coordination and no duplication within universities BR activities.
- More investments are required for hiring eminent scholars, faculty, operational support, graduate students by evaluating current mechanisms, and providing seed grants or matching dollars for federal resources.
- BR is not restricted to higher education; it does involve non-profits/profit institutions as BR is the pipeline to commercialization/translational research, and
- The state should not expect immediate returns on investment.

Next Meeting:

Dr. Downs moved that the meeting be adjourned. The motion was seconded by Dr. Lowe, voted upon, and passed unanimously by the Board. The meeting adjourned at 1:31 p.m.

The Board's next meeting will be Thursday, March 31, 2022 in Richmond, Virginia at the Jepson Alumni Center, Rosenbaum Conference Room, University of Richmond. The meeting will begin promptly at 10:00 a.m. At this meeting, as part of the 2022/2023 grant review process, the Board will review the recommendations of the review panel and determine which Full Proposals should be presented to the Board.

For planning purposes, please note that presentations to the Board are scheduled for Thursday, May 5, 2022 at the Jepson Alumni Center, Rosenbaum Conference Room, University of Richmond.