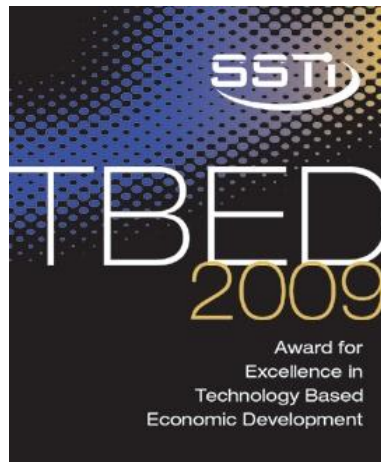


# Podcast Interview



Peggy Shults, President and CEO,  
Lytmos Group (now Solix)  
Interviewed by: John Slanina, SSTI

*2009 Excellence in TBED Award Winner:  
Expanding the Research Infrastructure*

Mr. Slanina: Hello, this is John Slanina with STTI. I'm speaking today with Peggy Shults, President and CEO of Lytmos Group. Lytmos Group is a contracting partner to the Florida Department of Health for the administration of the James and Esther King Biomedical Research Program. The James and Esther King Biomedical Research Program was the 2009 recipient of SSSI's Excellence in TBED Award in the category: Expanding the Research Infrastructure.

Peggy, first can you provide an overview of the King Biomedical Research Program?

Ms. Shults: Certainly. The James and Esther King Biomedical Research Program is a state funded, competitive grant program for Florida researchers and it is focused on diseases related to tobacco use. It has five long term goals and that's improving the health of Floridians, expanding the foundation of related biomedical knowledge, and improving the quality of the state's academic health centers, increasing the state's per capita funding and also stimulating the economic activity in the state. So the economic development component is certainly one of the primary goals. It offers funding ranging anywhere from \$100,000 a year up to about \$1.5 million over multi-year grants to investigators regardless of institution in the state of Florida.

Mr. Slanina: One of the things our judges for this application really recognized was how sustainable funding is an integral part of this program. Can you provide perhaps a historical context on how this program has been funded?

Ms. Shults: The program was actually created based on settlement money from the tobacco industry. Florida was one of the very first states to enter into a settlement and the legislature at the time that they received that, carved out \$150 million portion of what they call the Lawton Chiles Endowment exclusively for funding biomedical research. So in the early years, that was the money that was available for this program. In the first year of the program, they awarded a little over \$16 million for grants, with the idea that there would be follow-on funding every year. It turned out that in 2002 and 2003 that didn't happen. So really sustainable funding was provided in 2004 when the legislature gave the program the authority to spend money over a period of up to three years. Then what the program could do was reserve up to three years of funding for a single grant and hold that money, so they didn't have to depend on appropriations year-to-year to fund multi-year grants.

In 2009, the Florida Legislature decided to come up with an alternative form of funding this program. Rather than drawing entirely on the interest from the

endowment, and on supplementary state's appropriations, they set aside 2.5% of a \$1.00 per pack cigarette surcharge for this program. That essentially took the level of funding for this program from what had been an average of about \$9 million a year, to pretty close to \$25 million as a cap. Then based on actual cigarette sales over the course of a year it has proven that in this current fiscal year the program will get pretty close to that \$25 million. I think the current projection is \$23 million.

One of the things that the program saw was during a period of time between 2001 and 2004 when there wasn't stable funding for the program, that they lost a lot of momentum. There was some credibility issues in the biomedical research community, and it just made for challenges in continuing the momentum that had been started with those initial awards.

Anytime that you're dependent on state funds, the reality of it is that you're constantly educating people: because what one legislature puts in place another legislature can take away. So the burden is on the program to always be demonstrating that their delivering good value and that event in tough economic times it's a good use of state funds.

Mr. Slanina: So then over that entire period, do you have an approximate amount of how much has been awarded through the King Biomedical Research Program?

Ms. Shults: Through the end of the year, just this last December, the program has awarded just about \$80 million worth of grants. That's about 188 grants, and that money has gone to 16 different Florida institutions. As I mentioned, this program is one designed to be open to investigators throughout the state of Florida regardless of institution.

Mr. Slanina: Peggy, can you explain the functional relationship then between the Florida Department of Health and the Lytmos Group?

Ms. Shults: There are actually three partner roles involved in managing the James and Esther King Program. First, and foremost, is the Department of Health. By statute they are accountable to the legislature and the governor for the performance of the program. Within the department this is handled by a small team in the office of Public Health Research. They are kind of the deciders for all things related to the program, and kind of the central control point for all of the day-to-day activities and the annual planning calendar and so on. They handle the interface with other state, government organizations and departments.

The second partner in this is the Biomedical Research Advisory Council. They are also authorized in statute. Their role is to advise the department on the direction of the program, and besides considering peer view results and making award recommendations to the department, they also play a major role in strategic planning and in the design of grant mechanisms to achieve the program goals. Where Lytmos comes in, we are kind of the third partner in this group. One of our contributions is providing independent peer review of the grant applications and also the grantee progress reports. We also handle kind of day-to-day grant management activities for the department, dealing with day-to-day interface with grantees including making site visits. Lytmos provides the web based infrastructure for the program, and this is used for the application process, the online peer view, and also the grant management.

Finally, our role is kind of a consulting one as a partner in developing program policies and procedures, program communications including the annual report and so on. Basically, Lytmos' job is to take care of details so that the department and the advisory council can really focus on the larger programmatic issues.

Mr. Slanina: The awards philosophy provided in the application is: Open to all and fund the best. Can you elaborate on some of the steps you take in the administration of this program to ensure this philosophy?

Ms. Shults: The independent scientific peer review process is a kind of a central feature, and that it that we work with investigators experienced subject matter experts outside of the state of Florida to serve as peer reviewers for these applications. So there is no conflict in doing the scientific assessments. Then we provide blinded information to the advisory council when they make their funding decisions. At the time that we present the results of the peer review, these individuals have no idea which applicants are involved, which institutions they represent. So it goes a long ways towards helping to make sure that the awards are truly made based on merit, as opposed to any bias for particular institutions and so on.

There is also an interest in the program in making sure that it extends across the state of Florida, there's heavy emphasis on collaborative projects. The program encourages inter-institutional applications for teen science programs and so on. So the idea there is to kind of simulate collaboration among institutions to help some of the smaller institutions, or individuals who might be in departments that would benefit from collaborating with researchers at other institutions, to participate in the programs funds that way also.

The council is also one of the current topics is considering ways of how to mentor some of the smaller institutions that are trying for funding, and maybe not having the same kind of success rate as some of the other institutions. Some of the things they have talked about are things like sharing examples of older applications that were highly rated at a point where it's really safe to protect the intellectual property rights, or the confidential information of the investigator to help them actually improve their ability to compete for funding; which in the long run improves their ability to compete for funding from other sources including the federal government.

Mr. Slanina: So what are some of the other best practices you believe the King Research Program demonstrates?

Ms. Shults: From a best practice standpoint, I think you could hold this advisory council up to any in the country in terms of skill, in terms of qualifications for the kind of work that needs to be done. This council is appointed by the government, for the most part. There are members that represent voluntary health organizations first of all, The American Heart Association, American Lung Association and American Cancer Society. The other members are appointed either by the governor, by the Senate President, by the House Speaker, and they have chosen their people well. These folks are active researchers in many cases. While they don't represent their institutions; they come from a cross section of institutions in the state of Florida. It's a very good blend between people, who have experience in different aspect of tobacco related disease, and also some of the health aspects – community oncologist for example, or nursing or something like that.

They are able to advise the program from the standpoint of coming from this world, understanding what the needs of the state of Florida are, and following good discipline from the scientific standpoint in making their awards selections. I would definitely say the advisory council as it's implemented in this case, would constitute a best practice there.

Another best practice is the way that we've been able to manage this program with pretty low administrative costs. The James and Esther King Program has a cap in the state's statute of 15% for administrative expenses. In the early days when the program had \$6 - \$9 million to award, we were able to do it for that amount or just a little bit under, and that's the total administrative expenses. As the program has gotten larger, in fiscal years 2009-2010 for example, our administrative costs are running closer to about 7-7 ½% of the money. The state is working pretty hard to make sure that the money they are making available is

being vested out there in the grants. We've been pretty creative in finding ways to keep our costs down on the administrative side.

Mr. Slanina: Judges on the application really commended your program on its metrics. What are some of the metrics that you regularly measure?

Ms. Shults: The metrics that we regularly measure, and have for some time, include things like follow-on grants that are received by our investigators. Especially in the case where you have new investigators and you're trying to get them established. It's a success when they go on to win follow-on funding and further their career as independent investigators. But the idea is to leverage Florida funding by attracting dollars from other sources based on work that this money buys. The follow-on grant is a major factor.

Presentations at seminars or conferences, is another one, because that's really the currency of the scientific accomplishments. It's the findings that Florida researchers can put out there that are recognized by their peers in their research communities as being leading edge or new and promising, or information that could be the basis for further study.

The number of patents filed and patents issued is also a metric. We realize that you can have very good research that may not necessarily go as far as producing patents, but in cases where it is, that's definitely a success for the program. We track along a similar line invention disclosures, and we also keep track of jobs created. The jobs that this program creates are not only the laboratory directors and the principal investigators, but there is also a whole host of people that are supported by these grants, such as post-doctoral researchers, research associates, laboratory technicians, biostatisticians. So these are high paying jobs in the state of Florida, and we have learned that keeping tracking of a metric like that is very helpful in speaking the language of the legislators and the people who are providing the funding for the program.

Mr. Slanina: Can you explain how the King Research Program is linked to other economic development efforts in the state of Florida?

Ms. Shults: There are a number of initiatives in the state of Florida that are around economic development in the life sciences. As many people know, Florida has made some major investments in attracting institutes such as Scripps Florida, Burnham Institute, Torrey Pines. So those organizations now as they are becoming more established in the state of Florida, those researchers are also competing for these funds. Where they are producing research projects that are competitive at a statewide level their benefiting from state money in that regard as well.

We also are reaching out to the tech transfer offices at the different institutions. There is some activity going on right now to tie better into the activities that are happening at that level to find out how might we be able to further to the goals of those programs by understanding what the needs are in the economic development world. Particularly an early stage high-technology in biomedicine and biotechnology; what types of grant mechanisms this program can offer. As Chuck Wells, who is associated with the Office of Public Health Research likes to say, this program buys research. But we are always open to what is the market, what are the needs, and how might we craft grant mechanisms that will encourage behavior. One of the things that we're really focusing on is in this area of economic development and how might we better develop grant mechanisms that will stimulate economic development activities.

More information about the James & Esther King Biomedical Research Program is available at: <http://www.floridabiomed.com/>. For more information about the Excellence in TBED Awards, visit: <http://www.sstiawards.org>.