

REMCHO, JOHANSEN & PURCELL, LLP
ATTORNEYS AT LAW

201 DOLORES AVENUE
SAN LEANDRO, CA 94577
PHONE: (510) 346-6200
FAX: (510) 346-6201
EMAIL: harrison@rjp.com
WEBSITE: www.rjp.com

SACRAMENTO PHONE: (916) 264-1818

Joseph Remcho (1944-2003)
Robin B. Johansen
Kathleen J. Purcell (Ret.)
James C. Harrison
Thomas A. Willis
Karen Getman
Margaret R. Prinzing
Kari Krogseng

MEMORANDUM

VIA EMAIL

To: Members, Governance Subcommittee
California Institute for Regenerative Medicine

From: James C. Harrison

Date: July 27, 2010

Re: Proposed Amendments to Bylaws of CIRM Governing Board
(Our File No.: 2297-0)

INTRODUCTION

At the August 3, 2010 meeting of the Governance Subcommittee, we plan to present proposed amendments to the Board's bylaws. We will ask the Subcommittee to recommend these proposed amendments to the Board for its consideration at the August Board meeting.

PROPOSED AMENDMENTS TO BYLAWS

The proposed amendments, which are attached, would: (1) establish a procedure for conducting the election of the Chair and Statutory Vice Chair; (2) move the open roll voting procedure into the Bylaws; (3) establish a policy for compensating Patient Advocate members of the Working Groups for their service on the Working Groups in the event that Senate Bill No. 1064 is enacted; and (4) change the minimum number of Governance/Legislative Subcommittee meetings per year from four and three, respectively, to one. These proposals are described in greater detail below.

1. Election of Chair and Vice Chair (Article VIII, Section 2)

The amendment to the bylaws would establish a procedure for conducting the election of the Chair and the Statutory Vice Chair. The terms of the Chair and the Statutory Vice

Chair expire at the end of this year. In anticipation of the nomination of candidates for these positions by the Governor, the Lieutenant Governor, the Treasurer and the Controller, we have proposed a bylaw to govern the Board's consideration of nominees.

2. Open Roll Voting Policy (Article V, Section 7)

The amendment to the bylaws would move the open roll voting procedures into the bylaws. Currently, the open roll voting procedure, which was adopted by the Board in June 2009, is a free-standing policy. Because it relates to the Board's consideration of motions, we propose to incorporate the policy into the Board's bylaws. In addition, we propose to clarify the intent of the policy to permit the Chair to leave the roll open after debate has concluded in order to permit members to vote.

3. Patient Advocate Compensation (Article IV, Section 7)

The amendment to the bylaws would establish a policy for compensating Patient Advocate members of the Working Groups in the event that Senate Bill No. 1064 is enacted. SB 1064 would authorize the Board to establish a daily consulting rate, in lieu of a per diem, for Patient Advocate members of the Working Groups, excluding the Chair and Vice Chair of the Board. Under Proposition 71, Patient Advocate members of CIRM's Governing Board are required to participate as members of CIRM's Working Groups. Thus, Proposition 71 requires that: (1) seven of the ten Patient Advocate members of the Board serve on the Grants Working Group; (2) six of the seven Patient Advocate members of the Grants Working Group serve on the Facilities Working Group; and (3) five of the ten Patient Advocates members of the Board serve on the Standards Working Group.

As a result of the requirements in Proposition 71, the Patient Advocate members of CIRM's Governing Board are required to devote a substantial amount of time to the review of applications for research and facilities funding and the development of the standards pursuant to which research must be conducted. The time devoted to service on the Working Groups is above and beyond the time devoted to Board, subcommittee and task force meetings. In the aggregate, this service can seriously affect members' ability to serve while simultaneously carrying out their other responsibilities, including their current occupations.

Under the proposed bylaw, the Board would have the authority to set a daily consulting rate to compensate Patient Advocate members of the Grants Working Group and the Vice Chairs of the Facilities and Standards Working Groups for their service on the Working Groups. The Patient Advocates would continue to be limited to a per diem of approximately \$116 per day for their service on the Board, Board subcommittees, and task forces. The proposed bylaw also addresses concerns that SB 1064 imposes no cap on the daily consulting rate the Board could set for Patient Advocate members of the Working Groups. Thus, it would impose a \$15,000 annual cap and it would limit the daily rate to no more than 75% of the rate paid to scientific members of the Grants Working Group. In addition, the bylaw would require the Board to find that service on the Working Groups requires an extraordinary commitment of time.

**4. Minimum Number of Governance/Legislative Subcommittee Meetings
(Article VI, Section 4 and 5)**

The proposed amendment would change the minimum number of Governance/Legislative Subcommittee meetings per year from 4 and 3, respectively, to 1. Rather than requiring a fixed number of meetings per year, we propose to amend the bylaws to require at least one annual meeting. This provides the Chairs of the Subcommittees with the flexibility to call meetings as required by workflow, rather than setting an artificial number.

If you have any questions about these materials or if you need additional information, please contact me.

JCH:NL
Attachment
(00114184.2)