

DRAFT MINUTES OF 3/12/09 ICOC MEETING

Location:
Sacramento Convention Center
3rd Floor
1400 J Street
Sacramento, CA 95814

Ricardo Azziz Alternate Donald Dafoe	Present
Robert Birgeneau Alternate Robert Price	Absent
Floyd Bloom	Present
David Brenner Alternate Gordon Gill	Present
Susan V. Bryant Alternate Jacob Levin	Present
Marsha Chandler Alternate Kim Witmer	Present
Marcy Feit	Present
Michael A. Friedman	Absent
Leeza Gibbons	Absent
Michael Goldberg	Present
Sam Hawgood	Present
Robert Klein	Present
Sherry Lansing	Absent
Gerald S. Levey Alternate Leonard Rome	Present
Ted W. Love	Absent
Ed Penhoet	Present
Philip A. Pizzo	Absent
Claire Pomeroy	Present
Francisco J. Prieto	Present
Carmen Puliafito	Present
Robert Quint	Present
John C. Reed Alternate Jeannie Fontana	Present
Duane Roth	Present
Joan Samuelson	Absent
David Serrano Sewell	Absent
Jeff Sheehy	Present
Jonathan Shestack	Absent
Oswald Steward	Present

Agenda Item # 6: Chairman's Report.

Chairman Klein gave a report recapping President Obama Signing Ceremony lifting the Ben on federal funding for stem cell research. He emphasized that the President believes embryonic stem cell research is an integral component of his efforts to champion science. Numerous leaders from California and over a dozen member of Congress, including Speaker Nancy Pelosi, were present.

Agenda Item # 7: President's Report

Dr. Trounson began his report began by asking Chief Communications Officer Don Gibbons to update the Board on efforts to integrate stem cell science into California's High School Curriculum. Mr. Gibbons said that working under a very narrow time constraint he was able to work with Senator Gloria Romero and get the Science curriculum framework amended to include stem cells going forward.

Dr. Trounson highlighted several recent science articles, including studies on Alzheimer's Disease, Piggyback Transposition, neural stem cells, and fetal neural stem cells. He reported on his trip to Novartis Research Institute, announced new personally hires: Science Officers Kelly Shepard and Rebecca Jorgenson, reported on his priorities to review the Strategic Plan and emphasize an Autism focus for CIRM. Additionally, he outlined the upcoming Grant Schedule and did a brief review of CIRM's monthly budget allocations.

To view Dr. Trounson's slides for his report, please see this URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_9.pdf

Shelly Walker-Davy, an Audit Manger at Macias, Gini, & O'Connell, presented the CIRM Financial Audit to the board. No major deficiencies were discovered during he audit process, and the audit team had no problems dealing with management. Ultimately, no recommendations are suggested from this audit. The audit team presented two documents:

- Report to the Board is available at
http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_9.pdf
- Report to Management avialble at:
- http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_9b.pdf

Head Scientific Officer Marie Csete gave an overview of the programming planned for the upcoming CIRM Autism Workshop, scheduled for May 28 through 29 in San Francisco.

Agenda Items # 5, 6, & 7: Consent Calendar

Information on # 5: Adoption of Regulation 100502, Definition of “California Supplier” can be found at this URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_5_100502.pdf

Information on #6: Initiation of the OAL process to amend CIRM Medical and Ethical Standards regulations regarding oversight and consent requirements for use of blastocysts and somatic cells can be found at this URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_6.pdf

Information on #7 Adoption of Regulation 100081, “Exemption” Petition for hESC line can be found at this URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_7.pdf

Motion:

- Chairman Klein moved to accept the entire consent item agenda except for item 4.
- Mr. Serrano-Sewell seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion, accepting the consent item agenda

Agenda Item # 10: Update on private bond placement program

Chairman Klein gave an update of the Bond Placement Program emphasizing the goal of the new private placement bond is to pay down the \$250 million PMI loan, with additional funds raised were to go to new program commitments.

- Chairman Klein met with Treasurer Bill Lockyer, and the State has agreed to take over CIRM’s \$250 million obligation
- Chairman Klein outlined the advantages of CIRM going with Taxable Bond Private Placement, including timing and legal ramifications
 - o Taxable bonds have been adopted by 25% of others following this model

Chairman Klein emphasized that CIRM is committed to working with the State, and actually produced \$100 million in tax revenue while incurring only \$15 million in Bond Debt payments.

Agenda Item # 11: Closed Session on Discussion of Personnel and Public Report of Any Action Taken During Closed Session:

There was no action to report from the Closed Session.

Agenda Item #12: Consideration of amendments to ICOC bylaws and Internal Governance Policy regarding Vice-Chair(s).

Sherry Lansing gave brief introductions of the two candidates nominated for the ICOC Vice-Chair position, Art Torres and Duane Roth. CIRM Counsel James Harrison introduced a proposal from the Governance Subcommittee to amend the Bylaws to elect a Statutory Vice Chair and a Bylaws Vice Chair.

Motion:

- Mr. Serrano-Sewell moved to amend the Bylaws to create Co-Vice Chair positions.
- Chairman Klein seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion, approving the proposed names for CIRM funded Major Facilities.

The adopted changes to the Bylaws can be found at thus URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_12.pdf

Agenda Item # 13 & #14: Consideration of amendment to lower CIRM salary range for Vice-Chair & Consideration of election of Vice-Chair(s).

Many board members publicly praised the two candidates for Vice Chair, emphasizing their combine leadership and potential to impact the mission of CIRM.

Motion:

- Ms. Lansing moved for approval appointing Art Torres Statuary Vice Chair (with a salary of \$75,000) and Duane Roth Bylaws Vice Chair.
- Dr. Puliafito seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion, electing Art Torres and Duane Roth as Co-Vice Chairs. (The vote was unanimous, but Mr. Roth abstained.)

Agenda Item # 15: Consideration of staff recommendations on research funding priorities.

Per the Board request, Dr. Trounson outlined the financial challenged facing CIRM and introduced the main scientific funding priorities of CIRM staff. A key element is the need to maintain funding for current programs while moving forward with new funding. Vice President of Operations John Robson presented specific budget elements:

<u>Program</u>	<u>Budget</u>	<u>Expenditure (thru 12/31/10)</u>
1. Early Translation (initial)	36.5	18.2

2. Bridges	17.5	8.8
3. Disease Team (initial)	105.0	26.2
4. Basic Biology 1 (initial)	10.0	3.3
5. Basic Biology 2 (initial)	10.0	1.7
6. Immunology	30.0	2.5
7. Training 2 (delay 12 months)	40.6	6.8
8. Disease Team (balance)	105.0	26.3
9. Basic Biology 1 (balance)	20.0	6.7
10. Basic Biology 2 (balance)	20.0	3.3
11. Tools and Technology 2	30.0	0
12. Early Translation (balance)	23.5	11.7

To see Dr. Robson's presentation, please see this URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_15.pdf

Motion:

- Vice Chairman Roth moved for increase the Early Translation cap by \$11.7 million.
- Chairman Klein seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion, funding the Bridges Applications.

Motion:

- Mr. Sheehy moved for the following:
 - Move the balance of Disease Team Program from Line 8 to Line 4;
 - Move Immunology Program from Line 6 to Line 5;
 - Increase the total to \$240 million so that Line 1-7 are above the line
- Chairman Klein seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion altering Funding Priorities.

Agenda Item # 16: Consideration of funding for approved Bridges to Stem Cell Research grant applications.

There was a spirited debate by the board regarding the critical timeframe in regards to initiating this funding.

Motion:

- Mr. Serrano-Sewell moved for approval of funding the Bridges Applications approved at the last meeting.
- Dr. Shestack seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion, funding the Bridges Applications.

Agenda Item # 17: Consideration of funding for approved Training Program II grant applications.

Motion:

- Ms. Gibbons moved to defer for 12 months the funding of Training II.
- Mr. Serrano-Sewell seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion to defer the funding of Training II.

Agenda Item # 18: Consideration of amendment to CIRM travel policy with regard to meal reimbursement

Motion:

- Dr. Love moved to amendment to CIRM travel policy
- Dr. Pomeroy seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion to amendment to CIRM travel policy.

The CIRM Travel Policy can be founds at this URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_18b.pdf

The amendment can be found here:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_18.pdf

Agenda Item # 19: Consideration of new scientific members for Grants Working Group.

This item was not addressed at this meeting.

Agenda Item # 20. Consideration of amendment to contract with Remcho, Johansen and Purcell.

Motion:

- Mr. Roth moved to amend the contract with Remcho, Johansen and Purcell.
- Dr. Love seconded the motion.

Vote:

- The ICOC, by voice vote, approved this motion to amend the contract.

The changes to the Remcho, Johansen and Purcell contract can be found at this URL:

http://www.cirm.ca.gov/sites/default/files/PDFs/ICOC_agendas/031209_item_20.pdf

###