

DRAFT ICOC BYLAWS

**By-laws for the Independent Citizens' Oversight Committee
to the California Institute for Regenerative Medicine**

ARTICLE I

Authority

The Independent Citizens' Oversight Committee (ICOC) to the California Institute for Regenerative Medicine (Institute) is established by an amendment to the California Constitution, adding an article thereto, an amended section to the California Government Code, and additions to the California Health and Safety Code.

ARTICLE II

Purpose and Intent

Section 1. (Purpose) The ICOC is created for the purpose of governing the Institute, which was established to support stem cell research through state-issued bonds emphasizing pluripotent stem cell and progenitor cell research and other vital medical technologies, for the development of life-saving regenerative medical treatments and cures. This purpose shall be accomplished through the selection of a chairperson, vice chairperson, and president who shall exercise all of the powers delegated to them by the ICOC and through meetings of the board and its subcommittees. This purpose shall also be accomplished by the appointment of advisory working group members, participation in working group assignments, and the exercise of decision-making authority over working group recommendations.

Section 2. (Intent) The intent of the ICOC is to oversee the operations of the Institute, develop annual and long-term strategic research and financial plans for the Institute, make final decisions on research standards and grant awards in California, ensure the completion of an annual financial audit of the Institute's operations, issue public reports on the activities of the Institute, establish policies regarding intellectual property rights arising from research funded by the Institute, select members of the working groups, adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the statute, request the issuance of bonds from the California Stem Cell Research and Cures Finance Committee and loans from the Pooled Money Investment Board, and modify as necessary its funding and finance programs to optimize the Institute's ability to achieve the objective that its activities be revenue-positive for the State of California during its first five years of operation, without jeopardizing the progress of its core medical and scientific research program.

ARTICLE III

Powers and Duties

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The powers and duties of the ICOC are prescribed by the California Stem Cell Research and Cures Act, Chapter 3 (commencing with section 125290.10) of Part 5, Division 106, of the Health & Safety Code, which is incorporated by this reference:

ARTICLE IV

Members

Section 1. (Appointment) The ICOC shall have 29 members composed of an appointee from each of the Chancellors of the University of California at San Francisco, Davis, San Diego, Los Angeles, and Irvine; five appointees each from the Governor, the Lieutenant Governor, the Treasurer and the Controller; one appointee from the Speaker of the Assembly, and one appointee from the President pro Tempore of the Senate, and a Chairperson and Vice Chairperson nominated by the Governor, the Lieutenant Governor, the Controller, and the Treasurer, and elected by the ICOC members. Fourteen of those members identified by statute shall serve eight-year terms and all other members shall serve six-year terms. All ICOC appointments shall be made consistent with the distribution and affiliation requirements found in the statute.

Section 2. (Compensation and Expenses) Each member of the ICOC except the Chairperson and Vice Chairperson, shall receive a per diem of one hundred dollars (\$100) per day (adjusted annually for cost of living) for each day actually spent in the discharge of the member's duties, plus reasonable and necessary travel and other expenses incurred in the performance of the member's duties. Each member shall be paid \$100 for the following:

- Any day on which a member attends a meeting of the full ICOC, an ICOC subcommittee or an ICOC working group to which the member is appointed.
- Any day in which the member is engaged in additional activities that have been pre-determined by the Chairman to be a discharge of the members' duties, pursuant to Health Safety Code Section 125290.40

Each member shall be paid \$12.50 per hour for time spent in preparation for a meeting of the full ICOC, an ICOC subcommittee, or an ICOC working group to which the member is appointed.

The ICOC shall set compensation for the Chairperson and Vice Chairperson pursuant to Health & Safety Code section 125290.45(b)(4).

Section 3. (Conflict of Interest Code) ICOC members shall file statements of economic interest as required by the Political Reform Act and the ICOC shall adopt a conflict of interest code. The terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with appendices in which officials and employees are designated and disclosure categories are set forth, are

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hereby incorporated by reference and constitute the Conflict of Interest Code of the California Institute for Regenerative Medicine.

Section 4. (Delegation of Authority) ICOC members appointed pursuant to Health & Safety Code section 125290.20 subsections (a) (1) and (a) (2) may from time to time delegate those duties to an executive officer of the entity or to the dean of the medical school. An ICOC member shall not have more than one designee at the same time. Designees shall be required to take the oath of office and shall file statements of economic interests as required by the Political Reform Act.

Section 5. (Vacancies) If a vacancy occurs within a term, the appointing authority shall appoint a replacement member within 30 days to serve the remainder of the term.

Section 6. (Expiration of Term) When a term expires, the appointing authority shall appoint a member within 30 days. ICOC members shall continue to serve until their replacements are appointed.

ARTICLE V

Committees

Section 1. (Subcommittees) The ICOC may establish subcommittees to facilitate the work of the board, as the ICOC deems necessary. The ICOC shall determine the size, mission, and jurisdiction of each subcommittee, including whether it exercises advisory or delegated power. Based upon the recommendation of any member of the ICOC, the ICOC shall appoint one member of each subcommittee to act as chairperson. Members of the ICOC may volunteer for service on subcommittees; the final membership of each subcommittee shall be determined by the chairperson of the subcommittee, with the concurrence of the Chairperson of the ICOC. In between meetings of the ICOC, the chairperson of a subcommittee may expand the size of the subcommittee, with the concurrence of the Chairperson of the ICOC, in order to obtain specific expertise that is not represented on the subcommittee. The ICOC may expand or reduce the size of a subcommittee at any meeting of the ICOC, including the review of any interim expansion of the size of a subcommittee by the subcommittee chairperson; if the ICOC reduces the size of a subcommittee; the ICOC shall determine the membership of the subcommittee. Members of subcommittees shall receive a per diem of one hundred dollars (\$100) per day (adjusted annually for cost of living) for each day actually spent in the discharge of the member's duties, plus reasonable and necessary travel and other expenses incurred in the performance of the member's duties.

Section 2. (Citizens' Financial Accountability Oversight Committee) There shall be a Citizens' Financial Accountability Oversight Committee chaired by the State Controller, as established in Health & Safety Code section 125290.30 (c). This committee shall review the annual financial audit, the State Controller's report and evaluation of that audit, and the financial practices of the Institute.

Section 3. (Working Groups)

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- (A) **(Three scientific and medical working groups)** The Institute shall have three separate scientific and medical working groups, as established in Health & Safety Code section 125290.50. The members of the working groups will be selected by the ICOC.
- (B) **(Rules and procedures)** Each working group will recommend to the ICOC rules, procedures and practices for that working group, which the ICOC will discuss and review, and may adopt or modify as necessary.
- (C) **(Reimbursement)** The ICOC shall establish daily consulting rates and expense reimbursement standards for the non-ICOC members of all of its working groups.
- (D) **(Advisory)** The working groups are purely advisory and have no final decision-making authority.
- (E) **(Meetings)** Each scientific and medical working group shall hold at least four meetings per year, one of which shall be designated as its annual meeting.

Section 4. (California Stem Cell Research and Cures Finance Committee) There shall be a California Stem Cell Research and Cures Finance Committee, as established in Health & Safety Code section 125291.40 (a). This committee is created for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds and interim debt authorized by the California Stem Cell Research and Cures Bond Act of 2004 (Health & Safety Code section 125291.10 *et seq.*) The chairperson of the ICOC shall serve on the Finance Committee and shall appoint two members of the ICOC to serve on the Finance Committee.

ARTICLE VI

Officers and Duties

Section 1. (Officers) The officers of the ICOC shall be the Chairperson and Vice-Chairperson. The Chairperson and Vice-Chairperson shall perform the duties of their respective offices, and such other duties as may be approved by the ICOC.

Section 2. (Selection) Each Constitutional Officer shall nominate a candidate for Chairperson and Vice Chairperson. The Chairperson and Vice-Chairperson shall each be elected by the ICOC members, for a term of six years.

Section 3. (Duties) The Chairperson shall preside at all meetings of the ICOC and shall serve as a member of the Scientific and Medical Accountability Standards Working Group and the Scientific and Medical Research Facilities Working Group and as an ex officio member of the Scientific and Medical Research Funding Working Group. The Vice-Chairperson shall assist the Chairperson in the performance of the Chairperson's duties.

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Section 4. (President) The President shall serve as Chief Executive of the Institute. The president shall serve as an ex-officio member of each of the Institute's working groups.

ARTICLE VII

Meetings

Section 1. (Regular Meetings) The ICOC shall hold at least two public meetings per year, one of which will be designated as the Institute's annual meeting. The ICOC may hold additional meetings as it determines are necessary or appropriate. Regular meetings shall be attended in person by ICOC members or their designees. Teleconference meetings shall be held for the benefit of the ICOC and the public in special or emergency circumstances as determined by the Chairperson.

Section 2. (Teleconference Meetings) Generally, teleconference meetings shall be attended from within the state of California. The Chairperson shall make exceptions to this rule for ICOC members traveling out of state, who have a particularly important connection to an issue under discussion. It will not be ICOC policy to encourage these exceptions, because of the positive benefits to the ICOC and the public of conducting in-person meetings for final approval of ICOC decisions.

Section 3. (Open Meetings) All meetings of the ICOC, except those closed sessions permitted by law, shall be open and public. All meetings shall conform to the Bagley-Keene Open Meeting Act, including requirements for notice of meetings, preparation and distribution of agendas and written materials, inspection of public records, closed sessions and emergency meetings, maintenance of records, and disruption of a public meeting. The public shall be invited to comment upon each item on the agenda and shall be requested to limit their comments to three minutes. Those provisions of law which govern the conduct of meetings of the ICOC are hereby incorporated by reference into these Bylaws.

Section 4. (Notice of Meetings) Notice of each regular meeting shall be posted at least 10 days prior to the time of the meeting and shall include the time, date, and place of the meeting and a copy of the meeting agenda. Notice of any meeting of the ICOC shall be given to any person so requesting. Upon written request, individuals and organizations wishing to receive notice of meetings of the ICOC will be included on the distribution list for notice of regular meetings.

Section 5. (Special and Emergency Meetings) Special and emergency meetings may be called by the Chair if compliance with the 10-day notice would impose a substantial hardship on the ICOC or if immediate action is required to protect the public interest. These meetings shall conform to the requirements of the Bagley-Keene Open Meeting Act, applicable to special and emergency meetings.

ARTICLE VIII

Quorum

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Sixty five percent (65%) of the ICOC members who are eligible to vote shall constitute a quorum of the ICOC.

ARTICLE IX

Voting

All actions of the ICOC shall be taken by a majority vote of a quorum, except as otherwise required by law or these bylaws. Amendments to pending motions may be made with the concurrence of the maker of the motion and the second, unless a member of the ICOC requests a vote on the proposed amendment, in which case, action on the proposed amendment shall be taken by a majority vote of a quorum, before the vote on the pending motion. Amendments to the Policy Enhancements adopted by the ICOC at its July 12, 2005 and August 5, 2005 meetings shall only be made by a vote of seventy percent (70%) of a quorum of ICOC members, after notification to the Legislature.

ARTICLE X

Rules of Order

Debate and proceedings before the ICOC shall be conducted in accordance with Robert's Rules of Order (Newly Revised) when not in conflict with rules of the ICOC and other statutory requirements.

ARTICLE XI

Amendments

These Bylaws may be amended or repealed by the ICOC at any duly-noticed regular or special meeting by a majority vote of a quorum of the ICOC.