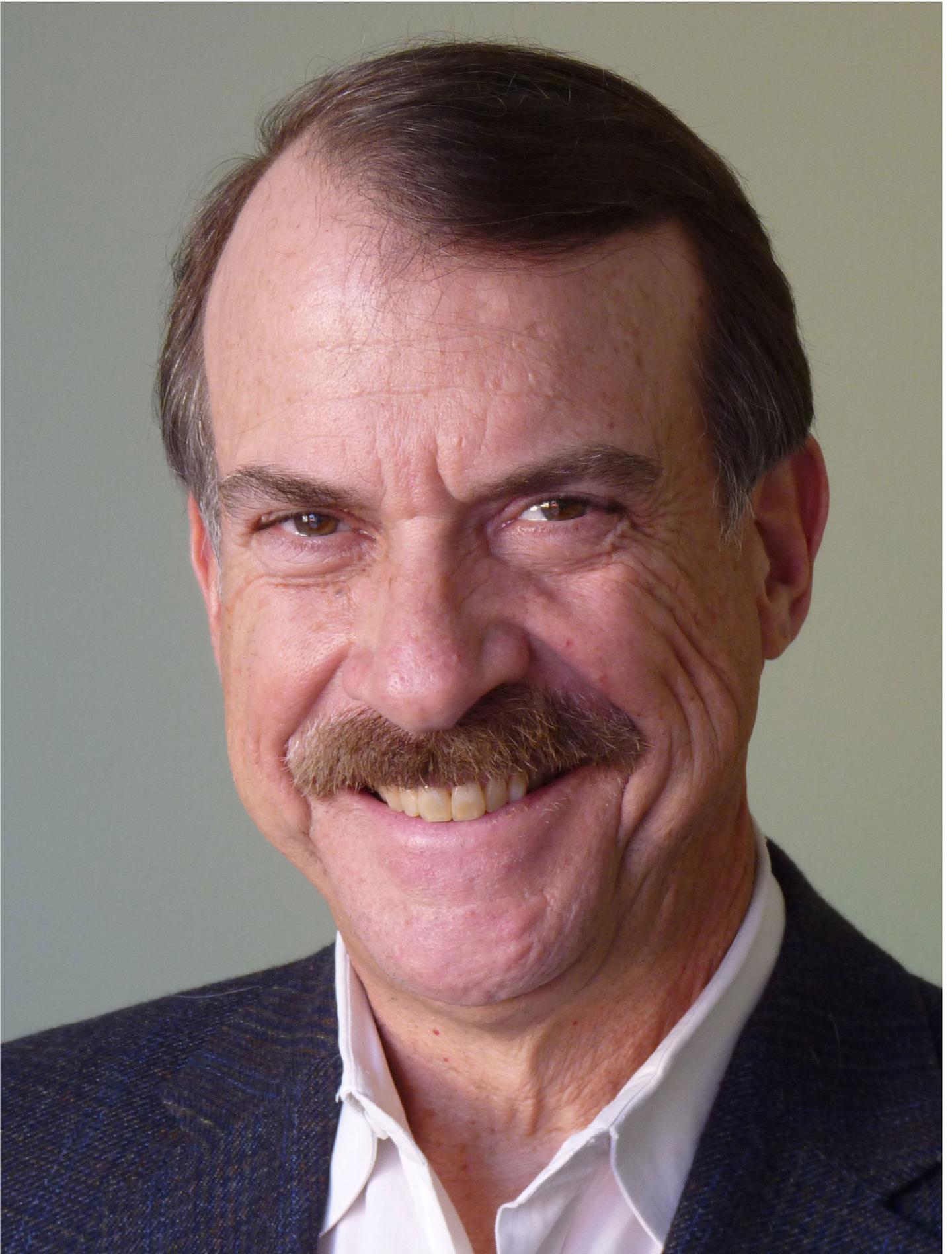


2011 Annual Report: Letter from the Chair

Letter from the Chair



It was with a great sense of pride, privilege and anticipation that I took over for Bob Klein as the second Chairman of CIRM's governing board this past June. To be sure, Bob's were very difficult shoes to fill. Against significant odds, he had created a new paradigm for funding medical research. His coalition of patient advocates, scientists, philanthropists and supporters helped engineer the passage of Proposition 71, which authorized an unprecedented \$3 billion in state general obligation bond money to be used for the sole purpose of stem cell research. That funding made California the "Stem Cell State" and the epicenter for stem cell research in the world.

Bob's vision led to the construction of 12 state-of-the-art research facilities that will significantly speed research toward new therapies, attracted more than 100 senior scientists and their lab personnel to the state, generated discoveries leading to more than 900 academic publications. By 2014, that vision will have generated more than \$200 million net to the State Treasury (more than enough to cover debt service on the bonds to that point) and created more than 25,000 years of jobs, all while capping administrative costs at six percent, unheard of for a state agency.

By the time Bob stepped down, CIRM had awarded \$1.3 billion to 57 different institutions, a significant portion of it in 43 major translational awards targeting 26 incurable diseases or conditions (see all funded awards, and a list of all funded institutions). The agency had funded research in all kinds of stem cells, leaving no stone unturned in the search for cures. It had entered into collaborative funding agreements with 13 countries or states, linking the best and the brightest California stem cell scientists to their colleagues around the globe. In short, CIRM had created the infrastructure for an explosion of discovery and galvanized the research community worldwide in ways heretofore unseen. Altogether, a remarkable feat.

I join my colleagues on the governing board in congratulating Bob for his vision, drive and tireless dedication for more than six and a half years in the continuous quest to accelerate stem cell research in the state with the end goal of alleviating human suffering.

Telling the Patient Story

Now, CIRM is poised for a new phase in its development: translating the infrastructure investment and early discoveries of its initial years into therapies that are available to patients who need them—the so-called journey from bench to bedside. Our goal is to establish proof-of-concept for a number of potential therapies in the coming years.

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Jonathan Thomas

Since becoming governing board chair in June, I have met with a number of patients and their families, and with patient advocacy groups. These visits are unfailingly moving and inspirational. In the upcoming years we hope to more effectively tell the extraordinary story of the CIRM-funded projects and the advances made to date. That initiative will prominently feature patients and their stories. They are the reason we were established and are our most compelling face. I invite you to read the selected patient stories in this Annual Report and online – you will see the need for therapies and the hope that drives us every day.

In addition to speaking with patients, I have spent time visiting our funded facilities and talking to the scientists. Without exception, they are highly motivated, dedicated people who are excited to share their research and to express their gratitude to CIRM for having made it all possible. Before Proposition 71 and in the midst of the stem cell ban by President Bush, stem cell researchers in California were adrift, unable to pursue the potential they saw in the field. Now, with help from CIRM and leveraged funding from National Institutes of Health, international collaborators and others, they are well into projects that they believe will one day yield advances that will fundamentally alter medicine as we know it.

Funding Future Advances

As Chairman of the governing board and a finance person, one of my principal concerns is making sure our funding remains constant.

CIRM gets its money from semi-annual State bond sales. With each bond issue, we have submitted our needs for the following six months to the Director of Finance in the Governor's office, who in turn tells the State Treasurer how many bonds to issue on our behalf. It is important to note that we are but one of many agencies funded with each bond issue. As a result, we need to be accurate and make a compelling case for our needs. This was never more true than last October when Governor Brown had all participating agencies tighten their belts and restructure their part of the bond sale where necessary. Through a series of discussions with the Director and her staff, we restructured CIRM's participation in a way that both gave us all we needed for the coming period and reduced that part of the bond sale attributed to us – a win-win for all concerned that will serve as a model for future bond sales as well.

We firmly believe that a number of our projects will succeed and that every single breakthrough will be a game changer.

We are always looking for ways to make CIRM better. Towards that end, we have engaged the Institute of Medicine to do a top to bottom review of CIRM's structure, funding mechanism and approach. The IOM, part of the National Academy of Sciences, has undertaken many such reviews, including one recently for the Food and Drug Administration. Their comprehensive report, due at the end of 2012, will give us many insights into how to continue getting the best value for California taxpayer dollars.

In closing, I wanted to emphasize that while we have much great work under way, there will be many fits and starts as these projects play out. Remember that medical progress takes time. Think back to one of the greatest medical achievements of the last century, the eradication of polio. That story is instructive as we evaluate the work done by CIRM-funded scientists today. The March of Dimes began raising money for polio research in 1938. It wasn't until 1955 that Jonas Salk discovered the polio vaccine. Though 17 years in the making, that discovery has since saved billions of dollars in medical costs and stopped cold one of the greatest scourges the world had ever seen. We at CIRM hold that out as a model for our funded research.

We are going after similar big game in the form of heart disease, cancer, neurological disease, autoimmune disease, diabetes and much more. Not every effort will lead to a new cure. We know that and ask that you understand it as well. But we firmly believe that a number of our projects will succeed and that every single breakthrough will be a game changer.

Thank you once again California for this unparalleled opportunity to change the world.

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