

2005 California Stem Cell Research-Related Bill Update
As of May 18, 2005

Assembly Concurrent Resolution (ACR) 1 (Negrete McLeod)

Conflicts-of-interest and open meetings

- ACR 1 urges the Independent Citizens' Oversight Committee (ICOC) to adopt robust conflict-of-interest standards for itself and for members of the working groups prior to the award of loans, grants and contracts.
- Urges the ICOC that the conflict-of-interest standards and subsequent standards be developed in compliance with standards set forth in the Bagley-Keene Open Meeting Act and the California Public Records Act.
- Asks for a report to the Legislature on or before July 1, 2005 regarding implementation of this resolution.

Status: Passed Assembly; in Senate Health

Assembly Concurrent Resolution (ACR) 24 (Mullin)

California Council on Science and Technology and ACR 252

- Requests the California Council on Science and Technology to expand the scope of the study approved in ACR 252 in the 2003-04 session to establish a study group to develop recommendations to the Governor and the Legislature on how the state should treat intellectual property made under state contracts, grants, and agreements, to include in the scope of the study contracts, grants, and agreements developed under Proposition 71 and to study how the commercialization of technology developed with taxpayer dollars could generate a public financial benefit.
- Requests the study group to study how the commercialization of technology developed with the investment of taxpayer dollars in the form of contracts and grants could generate some public benefit, including, but not limited to, state revenues, favorable pricing, revenue sharing, and reinvestment into research.
- Requests that membership of the study group includes representatives from the ICOC.

Status: Passed Assembly; in Senate Health

Assembly Bill 1398 (Plescia)

CalPERS investments

- Encourages the Public Employees' Retirement System to fully deploy funds earmarked for life science investments, and to ensure that its asset allocation reflects the long-term value that the corporations present to California.

Status: Assembly Public Employees, Retirement, and Social Security Committee

Senate Bill (SB) 18 (Ortiz)

Conflicts-of-interest rules, reproductive health and research, and state audit

- Requires the State Auditor to conduct an audit of the CIRM and the ICOC and to provide the audit report to the Legislature by June 30, 2006. Expresses legislative intent that if the results of the analysis warrant further inquiry the Joint Legislative Audit Committee shall direct the State Auditor to conduct additional audits. The audits to be conducted by the State Auditor shall include a review of policies and procedures established by the ICOC to determine whether the ICOC has established a suitable structure for administering the California Institute for Regenerative Medicine, whether those policies and procedures comply with relevant laws and regulations and best practices, and, whether the institute is complying with those policies and procedures. The audit shall include, but not be necessarily limited to:
 - (1) The strategic policies and plans developed by the institute and the ICOC.
 - (2) Policies and procedures for issuance of contracts and grants and a review of a sample of contracts and grants executed by the institute and the ICOC.
 - (3) Policies and procedures relating to protection or treatment of intellectual property rights associated with research funded or commissioned by the institute.
- Requires that the State Auditor provide to the Legislature an analysis of the Institute's implementation of the recommendations contained in the audit report by October 2007, June 2008, and December 2009.
- Requires that prior to providing assisted oocyte production for research or development of medical therapies, a physician to provide to his or her patient a standardized written summary of health and consumer issues associated with assisted oocyte production. The summary shall include, but not be limited to, disclosures concerning the potential risks of assisted oocyte production and oocyte donation.
- Requires the Department of Health Services to print and make available to physicians the the patient guide published and updated by the American Society for Reproductive Medicine entitled, "Assisted Reproductive Technology: A Guide for Patients."
- Requires the physician to obtain written consent from his or her patient prior to providing assisted oocyte production for research.
- Provides that no human oocyte or embryo may be acquired, sold, received, or otherwise transferred for valuable consideration for the purposes of medical research or development of medical therapies, excluding reasonable payment for the removal, processing, disposal, preservation, quality control, storage, transplantation, or implantation of oocytes or embryos.
- Prohibits payments in excess of the amount of reimbursement of expenses to any research subject to encourage her to produce human oocytes for the purposes of medical research.
- Encourages the ICOC to review existing studies concerning the health risks and benefits of ovarian stimulation drugs used for assisted oocyte production, identify

gaps in existing knowledge concerning health risks and benefits, and undertake further research as necessary to characterize the risks and benefits of those drugs.

Status: Passed Senate Health Committee; to be heard in the Senate Appropriations Committee on May 26, 2005

SB 340 (Battin)

IP Revenues into General Fund

- Requires that all revenues derived from patents, royalties, and licenses paid to the state as a result of intellectual property agreements entered into by the ICOC for the California Institute for Regenerative Medicine be deposited into the General Fund.

Status: Senate Health; made a 2-year bill

SCA 13 (Ortiz/Runner) *[note: while this includes 5/18/05 Elections Committee amendments, this is not based upon official language as it is not available at writing]*

California Institute for Regenerative Medicine Implementation

- Conflict of Interest -- This measure would require the chair and vice chair and any appointed member of the Independent Citizen's Oversight Committee (ICOC), the president and each employee of the institute, and any member of any working or advisory group appointed to assist the institute or its governing body shall disclose his or her income, investments, and interests in real property. The chair and vice chair and any appointed member of the ICOC, the president of the institute or its governing body shall divest themselves of or place into a blind trust, any financial or real property interest held by that person in any organization that applies for funding from, or contracts with, the institute or in any organization with a substantial interest in stem cell therapy. An organization with a substantial interest in stem cell therapy is one for which, based upon publicly available information, more than five percent of the organization's current annual research budget is allocated to stem cell therapy;
- Open Meetings – This measure would require records and meetings be subject to state open meeting and public record laws that are applicable to state agencies with certain exceptions related to proposals that include intellectual property or proprietary information and matters involving prepublication confidential scientific information and matters involving prepublication confidential scientific information associated with individual research proposals submitted for funding;
- Future Revenues -- This measure would require every contract, award, grant, loan, or other arrangement entered into by the institute or the ICOC to ensure that these financial arrangements do not result in a gift of public funds, that loan, lease, or rental arrangement terms are consistent with market rates for rent or interest;
- Fair Pricing – this measure would require that any clinical treatments, products, or services resulting from the biomedical research funded by the state are made available at the costs of producing them to California residents who are eligible to receive assistance through state and county health care and preventive health

programs including, but not limited to, the Medi-Cal and Healthy Families programs.

- Recoup costs -- The measure would require that the state recoup the full amount of its legal and administrative costs incurred with respect to patenting and licensing activities, would require that the state be provided with its share of royalties or licensing revenues derived from the research, that is sufficient to repay its expenses, including costs of issuing bonds.

Status: Passed Senate Health Committee on April 20, 2005 and Senate Elections, Reapportionment and Constitutional Amendments Committee on May 18, 2005. A hearing in the Senate Appropriations Committee is tentatively scheduled for May 26th.

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