

AGENDA ITEM # 5 for 2/21/07  
Approved 6/02/06 ICOC Meeting  
Proposed amendments to be considered by Governance Subcommittee 2/21/07



## INTERNAL GOVERNANCE POLICY

### Proposed Amendments for Consideration by Governance Subcommittee

*Original version approved at 6/02/06 ICOC Meeting  
Amended at 10/11/06 ICOC Meeting*



**INTERNAL GOVERNANCE POLICY  
THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE**

The California Institute for Regenerative Medicine (the Institute) was established by the California Constitution (California Constitution, article XXXV, Section 1)

The purposes of the Institute are as follows:

- (a) To make grants and loans for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases.
- (b) To support all stages of the process of developing cures, from laboratory research through successful clinical trials.
- (c) To establish the appropriate regulatory standards and oversight bodies for research and facilities development.  
(California Constitution, article XXXV, Section 2)

**Organization of the Institute**

Section 1. (The Independent Citizens' Oversight Committee) The Institute shall be governed by its board, the Independent Citizens' Oversight Committee (ICOC). (Health & Safety Code section 125290.15 and 125290.40)

- (a) The Chairperson of the ICOC's primary responsibilities are:
  - (i) To manage the ICOC's agenda and work flow, including all evaluations and approvals of scientific and medical Working Group grants, loans, facilities, and standards evaluations;
  - (ii) To supervise the annual report and the annual financial strategic plan of the Institute, the public accountability requirements for the ICOC and its subcommittees, including compliance with public meeting and conflict of interest requirements, and the legal and financial accountability of the ICOC;

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(iii) To provide oversight for the annual audit of the Institute and for the legal and financial accountability of the Institute;

(iv) To manage and optimize the Institute's bond financing plans and funding cash flow plans;

(v) To optimize all financial leverage opportunities for the Institute; and

(vi) To provide oversight of, and establish the policies for, the Institute with respect to legislation through the ICOC and the Legislative Subcommittee and, consistent with these policies, to assist in carrying them out by interfacing with the California Legislature, the United States Congress, the California healthcare system, and the California public.

(b) The Vice-Chairperson of the ICOC's primary responsibilities are:

(i) To assist the Chairperson in carrying out his or her duties; and

(ii) To lead negotiations for intellectual property agreements, policies and contract terms.

Section 2. (President) The President shall serve as Chief Executive of the Institute and shall perform the duties of his or her office as set forth in the Act and such other duties as may be approved by the ICOC. The President's primary responsibilities are:

(a) To recruit the highest scientific and medical talent in the United States to serve the Institute on its Working Groups;

(b) To direct the staff of the Institute's Working Groups ;

(c) To direct ICOC staff and participate in the process of supporting all working group requirements to develop recommendations on grants, loans, facilities, and standards as well as to direct and support the ICOC process of evaluating and acting on those recommendations, the implementation of all decisions on these and general matters of the ICOC;

(d) To hire, direct and manage the staff of the Institute;

(e) To develop the budgets and cost control programs of the Institute;

(f) To manage compliance with all rules and regulations of the ICOC, including the performance of all grant recipients;

(g) To manage and execute all intellectual property agreements and any other contracts pertaining to the Institute or research it funds.

- (h) Supervise and direct the Policy Office of the Institute and implement the policies established by the ICOC and the Legislative Subcommittee with respect to legislation.

Section 3. (Organization and Administrative Structure)

- (a) The President shall recommend to the Governance Subcommittee for its consideration the organizational structure of the Institute. The ICOC shall approve the organizational structure of the Institute based on the recommendation of the Governance Subcommittee.
- (b) The staff of the Institute, other than the President, shall be organized into the following offices as depicted in Exhibit A:

Office of the President, which is responsible for support of the President in the performance of his or her duties, and for support of the Standards Working Group.

Office of the Chair, which is responsible for support of the Chair and Vice-Chair of the ICOC in the performance of their respective duties and for support of the ICOC and its Sub-Committees.

Science Office, which is responsible for scientific programs, scientific review (including support for the Grants Working Group) and for grants administration.

Administrative Office, which is responsible for financial administration, personnel and facilities and for support of the Facilities Working Group.

Communications Office, which is responsible for informing the scientific and research communities, patient advocates, the press and media, other government officials and the general public about CIRM activities.

Legal Office, which is responsible for all legal matters related to the Institute.

Policy Office, which is responsible for analyzing the impact of proposed legislation and implementing the ICOC's policy directives through outreach to the Legislature, Congress, Constitutional Officers and to other constituents, including the patient advocate, life science and public health communities.

Information Technology Office, which is responsible for the information systems of the institute, both for office functions and for the grants program.

The Senior Officers of the Institute will be the Chief Finance and Administration Officer, the Chief Scientific Officer (and/or the Head, Scientific Program and Review), the Chief Communications Officer and the Chief Legal Officer. All

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Senior Officers will report directly to the President who is responsible for hiring, directing and supporting them. The hiring of the Chief Legal Officer will be subject to the concurrence of the Chair. The Chief Legal Officer's duties will include coordinating with the Chair in financing and litigation matters.

The organization of the Offices and their reporting relationships are shown in the accompanying Organization Chart.

(c) The Office of the Chair shall be limited to no more than three (3) employees whose primary duties are to support the Chair and one (1) employee whose primary duty is to support the Vice-Chair. The President may assign additional CIRM staff to assist the Chair or Vice-Chair as necessary, consistent with the priorities of the Institute. The Governance Subcommittee may review these staff allocations on a periodic basis and recommend any adjustments to the ICOC.

(d) All employees, except the Chairperson and Vice-Chairperson of the ICOC, shall report to the President, either directly or through one of the Senior Officers of the Institute. Each Senior Officer shall be responsible to the President for management of those personnel who report to them. Each Senior Officer is responsible for managing the internal affairs of his or her office, including its organization, reporting relationships within the office, assignment of duties, allocation of time, employee evaluations, and recommendations for hiring, firing, salary, promotion and merit increases. The President shall have final responsibility for hiring, firing, and personnel management of Institute employees, except the Chairperson and Vice-Chairperson of the ICOC. All employees of the Institute are subject to personnel policies of the Institute whose execution is the responsibility of the President. These policies include, but are not limited to, compensation policy as established by the ICOC, merit increases, office assignment, approval for travel, parking privileges and policies in the Personnel Handbook. When the ICOC travel requests exceed the pre-approved budget, the decision authority on such requests rests with the President or the Governance subcommittee.

(e) The President shall be responsible for setting the salary for all employees within the range for each salary level established and approved by the ICOC pursuant to section 125290.45(b)(4) of the Health & Safety Code, with two exceptions: (1) For employees in levels 6 through 10, the President shall obtain the approval of the Governance Subcommittee in order to set the salary in an amount that is 80 percent or higher than the minimum salary for that level; and (2) For employees in all levels, the President shall obtain the approval of the ICOC in order to set the salary in an amount that would exceed the maximum salary for that level.

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- (f) Each office of the Institute is responsible for supporting the President, the Chair of the ICOC, and the Vice-Chair of the ICOC in the performance of their duties as described herein.

### Section 4. (Leadership and Management Committees)

- (a) The President and any Senior Officers he wishes to attend will be available twice monthly for an executive committee meeting of the ICOC. The “ICOC Executive Committee” will meet on all board matters. The Chairperson of the ICOC shall set the agenda, chair the meeting, and prepare the minutes for the meeting.
- (b) There shall be an “Executive Committee” of the Institute, comprised of the President of the Institute, the Chair of the ICOC, and the Vice-Chair of the ICOC, the Chief Financial and Administrative Officer, the Chief Legal Officer, other Senior Officers or staff whom the President wishes to include, and staff whom the President, Chair, and Vice-Chair unanimously agree should be included. The Chief of Staff to the Chair may attend as staff to the Chair. The Executive Committee will hold weekly meetings. The President will chair the Executive Committee and shall be responsible for preparing the agenda for, and the minutes of, its meetings.
- (c) There shall be a “Senior Management Committee”, comprised of the President, the Senior Officers, and other staff members that the President wishes to include. The President will chair the meetings of the Senior Management Committee and will be responsible for preparing the agenda for, and the minutes of, its meetings.

### Section 5. ( Budget)

- (a) The President, with the assistance of the Chief Finance and Administrative Officer shall develop the budgets and cost controls of the Institute. Where possible, budget decisions will be made by consensus within the Executive Committee, but all final budget decisions will be made by the President.
- (b) Annual budgets will be prepared for the approval of the ICOC. The President has the responsibility to implement the approved budget and to report on any significant changes in a timely manner to the ICOC for approval.