

AGENDA ITEM # 17 3/15-16/07 ICOC Meeting

POSITION AND CANDIDATE SPECIFICATION

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE (CIRM)

PRESIDENT

Prepared by: Lisa R. Pieper, MD., MBA
Mimi Hancock, Ph.D.
Ben J. Holzemer

Assignment: 50717-002

Date: March 2007

Amsterdam
Atlanta
Barcelona
Beijing
Bogota
Boston
Brussels
Budapest
Buenos Aires
Chicago
Dallas
Frankfurt
Geneva
Hong Kong
Houston
Johannesburg
Leeds
London
Los Angeles
Madrid
Manchester
Melbourne
Mexico City
Miami
Milan
Minneapolis/St. Paul
Montreal
Munich
New York
Orange County
Paris
Philadelphia
Prague
Rome
San Francisco
San Mateo
Santiago
Sao Paulo
Scottsdale
Shanghai
Singapore
Stamford
Stockholm
Stuttgart
Sydney
Tokyo
Toronto
Vienna
Warsaw
Washington, D.C.
Zurich

POSITION SPECIFICATION

Client

The California Institute for Regenerative Medicine (CIRM) was created to support the California Stem Cell Research and Cures Act as an established institute that will issue bonds to support stem cell research, as well as other related, vital medical technologies for the development of life-saving regenerative medical treatments and cures. The purpose and intent of the initiative is to:

- Authorize an average of \$295 million per year in bonds over a 10-year period to fund stem cell research and dedicated facilities for scientists at California's universities and other advanced medical research facilities throughout the state. The sale of Bonds had been put on hold pending the outcome of two lawsuits questioning the constitutionality of Proposition 71. However, on April 21, 2006 the Superior Court gave Proposition 71 a resounding victory and on February 27, 2007, the Appellate Court upheld the trial court's ruling, with an extremely favorable opinion for CIRM, affirming the constitutionality of Proposition 71. The Court's decision is expected to be appealed by the Plaintiff to the California Supreme Court within 40 days. The California Supreme Court must then decide whether it will hear the case within 90 days. To bridge the funding gap, an initial closing of \$14 million in State of California BANs (Bond Anticipation Notes) was made on April 6, 2006, which will be paid off with Bond proceeds after the lawsuits are resolved. These proceeds funded the first grant program, 169 stem cell research training fellowships at 26 institutions – competitively selected – throughout California. CIRM closed an additional \$41 million in BANs in November 2006, and Governor Schwarzenegger has also provided CIRM with a loan of \$150 million from the State's General Fund. This has allowed CIRM to issue initial grants of approximately \$71 million to date. Additional funding of comprehensive grants of up to \$80 million is also expected to be approved by the ICOC in March 2007.
- Provide multi-year training grants to increase the number of young investigators (pre-doctoral, post-doctoral, and clinical fellows) with the technical and academic skills necessary to conduct basic and applied stem cell research. The first year of funding for these grants was issued to the institutions on April 7, 2006.
- Maximize the use of research funds by giving priority to stem cell research that has the greatest potential for therapies and cures that cannot, or are unlikely to, receive timely or sufficient federal funding, unencumbered by limitations that would impede the research. Research shall be subject to accepted patient disclosure and patient consent standards.
- Assure that research is conducted safely and ethically by including provisions to require compliance with standards based on national models that protect patient safety, patient rights, and patient privacy.

SpencerStuart

- Prohibit the use of bond proceeds of the initiative for funding of human reproductive cloning.
- Improve the California health care system and reduce the long-term health care cost burden on California through the development of therapies that treat diseases and injuries, with the ultimate goal to cure them.
- Require strict fiscal and public accountability through mandatory independent audits, open meetings, public hearings, and annual reports to the public. (i.e., Independent Citizen's Oversight Committee (ICOC)).
- Protect and benefit the California budget by: capitalizing general fund payments on the bonds for the first five years; by funding scientific and medical research that will significantly reduce state health care costs in the future; and by providing an opportunity for the state to benefit from royalties, patents, and licensing fees that result from the research.
- Benefit the California economy by creating projects, jobs, and therapies that will generate millions of dollars in new tax revenues for the state.
- Advance the biotechnology industry in California to a position of world leadership, serving as an economic engine for California's future.

The Institute (CIRM) is governed by the Independent Citizen's Oversight Committee (ICOC). The Institute's purpose is 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.
- Support all stages of the process of developing cures, from laboratory research through successful clinical trials.
- Establish the appropriate regulatory standards and oversight bodies for research and facilities development.

The California Institute for Regenerative Medicine was created as a result of the successful passage of Proposition 71, known as the California Stem Cell Research and Cures Act, which was approved by a 59% vote in the statewide elections in November 2004. The Act provided \$3 billion in funding for stem cell research at California universities and research institutions. Relevant aspects of the legislation have been included as an addendum to this document. The full text of Proposition 71 may be viewed on the following website <http://www.voterguide.ss.ca.gov/propositions/prop71text.pdf>.

The State of California is an equal opportunity employer.

SpencerStuart

Position Summary

The CIRM President will act as the chief executive of the Institute and will oversee the many aspects of operating the institute to meet the goals of The California Stem Cell Research and Cures Act (Proposition 71). These aspects include: creating with the board and implementing a strategic vision to optimize achievement of the mission; recruiting an exceptional team of leading scientific and medical minds for the institution's working groups; developing and managing an appropriate executive and administrative operating team for the Institute; and developing recommendations for the grant of research monies from the Institute, as well as the corresponding licensing and intellectual property framework.

The President of the CIRM must be a well-recognized leader with vision, scientific credibility and exceptional leadership skills, unassailable integrity, a keen appreciation of the financial and business aspects of scientific research, a sense of urgency and ability to deliver results, and a profound respect for the ground-breaking effort represented by CIRM and the ethical issues involved in this project. S/he or she also must be comfortable operating in a very public capacity, be adept at working with a board or other oversight body, have a good rapport with regulators, and be sufficiently self-possessed to not be perturbed by criticism or controversy.

The next President will be expected to successfully build upon the foundation established in the first two years of the Institute's operations and by the first President, working to continue issuing grants in the context of the current legal and financial circumstances, while developing a strategy for increased activity when the legal issues are resolved, bonds are floated and increased funding is available. An initial team is in place, and an operating framework has been established, and CIRM is now located in its own facilities in San Francisco. While there has been significant progress over the last two years, the next President will need to lead efforts to map a compelling long-term strategy and scale the Institute to fully realize the goals established by Proposition 71 and the voters of California.

Key Relationships

Reports to:

Independent Citizens Oversight Committee (ICOC), a board of 29 citizens established by Proposition 71 and composed of patient advocates, President and Deans of leading schools in the state of California, including Schools of Medicine, a Chancellor of the UC System, Presidents of Research Institutes and experienced executives from industry.

SpencerStuart

Direct reports: The President will oversee all of the operational executives that s/he appoints to the management team.

Other key relationships: The President will oversee three key committees and working groups, including the Grants Committee, the Facilities Committee, and the Standards Committee. The President will also coordinate with the office of the Chairman (Robert Klein) of the ICOC, who manages the board's public policy, collaborates on external communications, and directs bond, external legal and board governmental affairs of the agency.

Major Responsibilities

The President's primary responsibilities are to:

- Serve as the chief executive of the Institute;
- Guide the development of the Institute's strategic plan;
- Recruit the best scientific and medical talent to serve the Institute on its working groups;
- Collaborate with the established working groups to develop recommendations on grants, loans, facilities, and standards; facilitate the evaluation of working group recommendations by the ICOC and, when approved, lead the implementation of these recommendations;
- Implement all decisions on the aforementioned and on general matters of the ICOC;
- Hire, develop and manage the staff of the Institute;
- Develop the budgets and cost control programs of the Institute;
- Manage compliance with all rules and regulations of the ICOC, including the performance of all grant recipients; manage and execute all intellectual property agreements and any other contracts pertaining to the Institute or research it funds.

SpencerStuart

CANDIDATE SPECIFICATION: KEY SELECTION CRITERIA

Ideal Experience

The successful candidate will have some combination of the following:

- Track record of setting, and effectively communicating, the vision for an organization.
- Demonstrated excellence in managing a research-based, or research-funding-based, organization in academia or industry, ideally in a multi-disciplinary and public environment.
- While an MD, PhD or MD/PhD background is ideal, equivalent industry experience and a similar body of knowledge developed in industry roles is also desirable. While the specific academic discipline or area of expertise is less important than scientific accomplishments and professional reputation, there is a requirement of a personal commitment to stem cell research or related medical therapies and technologies. A demonstrated commitment to best-in-class research that positively impacts medical practice and patient care is essential.
- A firm commitment to both basic and applied research/translational medicine and moving biomedical research efforts into clinical trials and/or the development of successful therapies and/or relevant technology.
- Track record of identifying and, ideally, developing top-tier scientific talent for biomedical research.
- Experience evolving an organization; developing and managing the infrastructure to facilitate an innovative, high-functioning, and rapidly growing scientific enterprise.
- Public speaking and/or extensive experience communicating scientific subjects to both professional and non-technical audiences, and comfort with and tolerance of managing diverse and conflicting opinions and input.
- Track record in pharmaceutical product, therapy or research tool development and/or related biotech start-up, or successful management of an academic research/product development-biotech start-up relationship/s.
- Track record in innovative grant-making—i.e., either developing or implementing grant-making and grant administration processes that have been to shown to accelerate research from basic/bench science into pre-clinical and/or into clinical development.
- Track record in managing or developing academic research institution and industry collaboration/s.

SpencerStuart

Critical Competencies For Success

Strategic Leadership Abilities:

An executive who has demonstrated the ability to provide strategic leadership and insights in an area of rapidly evolving science, medicine or related technology by identifying early and important trends in research and development, and driving success in an organization by embracing and adopting leading-edge practices to enable successful research and development. Evidence of this ability will be apparent from prior successes in industry or academia, where the individual was responsible for shifting an organization's strategy to capture the advantage of newly available technologies, techniques or trends, and thereby helping translate such research into the development of successful therapies.

Team Leadership Abilities:

Evidence of an ability to create and inspire high-performance teams is sought in the ideal candidate, as seen in a history of identifying, developing and retaining top-tier talent, removing barriers to success, providing resources to accomplish agreed-upon objectives, and using a variety of techniques to facilitate the subordination of individual needs in order to achieve a common goal. Exemplary leadership will have been demonstrated by having overcome significant complexity in forging a team-based culture.

Collaborative Skills:

The ideal candidate will work as effectively through influence as through direct authority. (S)he will initiate the forging of collaborations and be comfortable sharing responsibility and engaging others in successfully arriving at joint decisions. To be successful, the candidate will show an awareness of sources of conflict and an ability to constructively manage the issues and stakeholders in order to arrive at mutually beneficial outcomes. Experience in successfully overcoming cultural, historical or political barriers in forging new relationships or teams, or a leadership role in aligning disparate stakeholders in establishing innovative partnerships, is particularly valued.

Other Personal Characteristics

- Organized and results-oriented; able to prioritize and willing to hold others and self accountable regarding commitments and goals.
- An inspiring presence; confident, yet low-ego.
- A personable, inclusive style of interaction.
- A high degree of personal and professional integrity and credibility.

SpencerStuart

LOCATION

The position is located in the headquarters for CIRM in San Francisco.

COMPENSATION

CIRM is committed to providing a competitive compensation package commensurate with the experience and accomplishments of the new President, and the challenges of establishing a new institute. Under Proposition 71, the governing board of CIRM, the Independent Citizens' Oversight Committee ("ICOC") has authority to establish the salary for the president "within the range of compensation levels for executive officers . . . of medical schools within the University of California system and the nonprofit academic and research institutions" from which members of the ICOC are appointed.

DRAFT

SpencerStuart

ADDENDUM – ADDITIONAL INFORMATION (as excerpted directly from Proposition 71)

Role of Independent Citizens Oversight Committee (ICOC)

- 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.
- Establish rules and guidelines for the operation of the ICOC and its working groups.
- Perform all other acts necessary or appropriate in the exercise of its power, authority, and jurisdiction over the Institute.
- Select members of the working groups.
- Adopt, amend and rescind rules and regulations to carry out the purposes and provisions and to govern the procedures of the ICOC.
- Request the issuance of bonds from the California Stem Cell Research and Cures Finance Committee and loans from the Pooled Money Investment Board.
- Modify 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 operations, without jeopardizing the progress of its core medical and scientific research program.

Role of ICOC Chairperson

The Chairperson's primary responsibilities are:

- To manage the ICOC agenda and work flow, including all evaluations and approvals of scientific and medical working group grants, loans, facilities and standards evaluations.
- To supervise all annual reports and public accountability requirements.
- To manage and optimize the Institute's bond financing plans and funding cash flow plan.
- To interface with the California Legislature, the United States Congress, the California health care system and the California public.
- To optimize all financial leverage opportunities for the Institute and to lead negotiations for intellectual property agreements, policies and contract terms.

SpencerStuart

- 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.

Role of ICOC Vice Chairperson

The Vice Chairperson's primary responsibilities are to support the Chairperson in all duties and to carry out those duties in the Chairperson's absence.

Role of CIRM President

The President's primary responsibilities are to:

- Serve as the chief executive of the Institute.
- Recruit the highest scientific and medical talent in the United States to serve the Institute on its working groups.
- Provide scientific leadership pertaining to grant programs and research standards.
- 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 and the implementation of all decisions on these and general matters of the ICOC.
- Hire, direct and manage the staff of the Institute.
- Develop the budgets and cost control programs of the Institute.
- Develop the strategic plan for the Institute.
- Manage compliance with all rules and regulations of the ICOC, including the performance of all grant recipients.
- Manage and execute all intellectual property agreements and any other contracts pertaining to the Institute or the research it funds.

For more information, please visit:

<http://www.cirm.ca.gov>

or

<http://www.voterguide.ss.ca.gov/propositions/prop71text.pdf>