

DRAFT MINUTES OF 5/6-7/08 ICOC MEETING

**Luxe Hotel
11461 Sunset Boulevard
Los Angeles, CA 95814**

Ricardo Azziz Alternate Donald Dafoe	Present
Robert Birgeneau Alternate Bob Price	Present
Floyd Bloom	Present
David Brenner	Present
Susan V. Bryant	Present
Marsha Chandler	Present
Marcy Feit	Absent
Michael A. Friedman	Present
Leeza Gibbons	Present
Michael Goldberg	Absent
Sam Hawgood	Present
Robert Klein	Present
Sherry Lansing	Present
Gerald S. Levey	Present
Ted W. Love	Present
Tina S. Nova	Absent
Ed Penhoet	Present
Philip A. Pizzo	Present
Claire Pomeroy	Present
Francisco J. Prieto	Present
John C. Reed	Absent
Duane Roth	Present
Joan Samuelson	Present
David Serrano Sewell	Present
Jeff Sheehy	Present
Jonathan Shestack	Present
Oswald Steward	Present
Janet Wright	Present

Agenda Item # 4: Approval of minutes from March 12, 2008 ICOC meetings.

Motion:

- Dr. Bloom moved for approval of the minutes.
- Dr. Prieto seconded the motion.

Vote:

- The ICOC approved the minutes.

To view the minutes as approved, see this URL:

<http://www.cirm.ca.gov/minutes/pdf/2008/03-12-08.pdf>

Agenda Item # 5: Chairman's Report.

Chairman Klein gave a brief Chairman's Report, starting by complimenting Sherry Lansing on her full-page ad in the New York Times, in which her foundation reminds Californians about the tremendous value of the University of California system and our obligation to extend its benefits to future generations. He reported that he specifically reminded us that greatness has been achieved through private donations, complementing state funding, and that greatness can only continue to be sustained to the extent that private donations rise as state support drops from 44% to approximately 18%. Chairman Klein then touched on the following points:

- Over the next two days, we will consider the largest building program for a new area of medical research in the history of the United States, deriving facilities and new faculty expansion valued at over 400% of the state's contribution.
- Eli and Edith Broad showed tremendous leadership through more than \$50 million in announced contributions to the stem cell programs. Other great patrons of this research have joined them throughout the state in the historic leadership of this medical research and clinical development program, including, for example, Edward and Vivian Thorpe, donors at UC Irvine; Ray and Dagmar Dolby, donors to UC San Francisco; Larry Lokey, donors to Stanford; Li Ka-Shing, donor to UC Berkeley; the Wing Fat family, donor to UC Davis; and Angelo Tsakapoulous, donor to UC Davis.
- We will consider requests for \$288 million. Unless we are extremely creative and careful, cutting \$25 million in state funds could cost the overall program \$100 million in value. Or if individual cuts are deep enough, entire building programs could be lost because the institutional contributions become too large. Sincere thanks go to our donors and the institutions for their incredible commitment to this critical stem cell facilities development program.
- Another major initiative that provides leverage for our program is the loan program being developed by the ICOC Loan Task Force. The Loan Task Force

finished their recommendations to the Finance Subcommittee earlier today. These recommendations will go first to the Finance Subcommittee, which will consider portfolio and resource allocation options before bringing the report to the board, with potential final action in August. Many thanks to Duane Roth, Chairman of the Task Force, along with Lynn Harwell and Scott Tocher for their work on the program.

Agenda Item # 6: President's Report

Dr. Trounson gave an informative report, including information on some recent scientific publications; a welcome for two new CIRM employees and current and upcoming CIRM RFAs; a planned update to the strategic plan and requests from scientific reviewers on the Grants Working Group asking about having a cap on the number of CIRM grant applications per PI; and an update on meetings he and other CIRM staff members had with Canada “with a view to exchanging MOUs in the area to look for ways to enhance a relationship between Canada and California in cancer stem cells.”

To view Dr. Trounson's slides for his report, see this URL:
http://www.cirm.ca.gov/meetings/pdf/2008/050708_item_6.pdf

Agenda Item # 7: Consideration of telephonic peer review called on short notice for urgent and/or opportune research opportunities.

This item was not considered at this meeting.

Agenda Item # 8: Consideration of new scientific members for the Grants Working Group.

Motion:

- Dr. Love made a motion for the ICOC to approve the recommended new scientific members for the Grants Working Group.
- Dr. Levey seconded the motion.

Vote:

- The motion carried; the ICOC approved the new scientific members for the Grants Working Group.

To view the bios of the new members as approved, see this URL:
http://www.cirm.ca.gov/meetings/pdf/2008/050708_item_8.pdf

Agenda Items # 9: Consideration of concept plan for Training Grants II Program.

Motion:

- Dr. Friedman moved for approval of the proposed concept plan for Training Grants II.
- Dr. Levey seconded the motion.

Vote:

- The motion carried; the ICOC approved the concept plan for Training Grants II.

To view the concept plan as approved, see this URL:

http://www.cirm.ca.gov/meetings/pdf/2008/050708_item_9.pdf

Agenda Item # 10: Consideration of concept plan for Technical Training Awards (renamed “Bridges to Stem Cell Research Awards”).

Motion:

- Dr. Pomeroy moved for approval of the proposed concept plan for the Bridges to Stem Cell Research Awards program.
- Dr. Prieto seconded the motion.

Vote:

- The motion carried; the ICOC approved the concept plan for the Bridges to Stem Cell Research Awards program.

To view the concept plan as approved, see this URL:

http://www.cirm.ca.gov/meetings/pdf/2008/050708_item_10.pdf

Agenda Item # 11: Consideration of final adoption of Grants Administration Policy for For-Profit Organizations.

Motion:

- Mr. Roth moved for final adoption of the Grants Administration Policy for For-Profit Organizations.
- Dr. Price seconded the motion.

Vote:

- The motion carried; the ICOC adopted the Grants Administration Policy for For-Profit Organizations, which will now be sent back to the Office of Administrative Law for their final review before it becomes a state regulation.

To view the Grants Administration Policy for For-Profit Organizations as adopted, as well as in regulation form, see these URLs:

http://www.cirm.ca.gov/meetings/pdf/2008/050708_item_11.pdf

http://www.cirm.ca.gov/meetings/pdf/2008/050708_item_11a.pdf

Agenda item # 12: Consideration of update from Loan Task Force.

Duane Roth gave a summary of the Loan Task Force meeting that took place earlier in the day on May 6th, before the start of the ICOC meeting. Mr. Roth began by thanking the Task Force, which has sat through several meetings together on this subject. The Task Force came up with something quite workable, which will have a positive impact on the ability of CIRM to fund product lines, and that's what we were focused on.

Product loans can come from one of two places. They can come from institutions that want to advance a product that's identifiable, or they can come from companies large and small that are looking for assistance in advancing the products. The focus, as it was in the strategic plan, is that we would fund the gaps – where there is no available financing, or very little available financing that would allow the technology to move ahead. This means that by definition, it's fairly high risk in terms of the loans we're going to make.

There are two parts the Loan Task Force dealt with: one is which things should really be part of the RFA process and which should be part of the Loan Policy. In the RFA process, the Task Force left open how big the total amount of money invested would be, which will be specific to each RFA and would be determined as we go. The second part that remains in the RFA process is the size of the individual loans to be given – this will be specific to the given RFA allowing for a loan component.

The items that actually went into the Loan Policy, after getting input from all the constituents are the following:

- Recourse Loans
- Non-Recourse Loans
- Terms of Loans

More details on this policy will be provided during the approval process, first to the Finance Subcommittee and then to the ICOC, with the hope of final adoption of the policy in August, 2008.

Agenda Item # 13: Consideration of amendments to CIRM Grant Administration Policy for Major Facilities Grants.

Motion:

- Dr. Bloom moved for approval of the proposed amendments to the CIRM Grant Administration Policy for Major Facilities Grants.
- Dr. Pizzo seconded the motion.

Vote:

- The motion carried; the ICOC approved the amendments to the CIRM Grant Administration Policy for Major Facilities Grants.

To view the amendments as approved, see this URL:

http://www.cirm.ca.gov/meetings/pdf/2008/050708_item_13.pdf

Agenda Item # 14: Consideration of recommendations from Facilities Working Group and Grants Working Group on Major Facilities applications

Following a presentation on the up-front payment Discount Proposal by James Harrison, this item was considered as part of the Major Facilities grant program as follows:

Motion:

- Mr. Serrano-Sewell moved for approval of the discount proposal at 9% per applicant subject to the terms of the discount offer as stated in the report in item # 14, as presented by Mr. Harrison. This included proposals for a 9% nominal discount submitted by Stanford, UC Davis, UC Irvine, UCLA, UCSF, USC, UC Berkeley and UC Santa Barbara.
- Dr. Wright seconded the motion.

Vote:

- The motion carried; the discount proposals were accepted.

Recommendation from President to fill remaining funding gap with approximately \$9 million in additional equipment funds (AGENDA ITEM # 18):

Motion:

- Dr. Wright moved for approval of approximately \$9 million in additional equipment funds for the Major Facilities program.
- Mr. Roth seconded the motion.

Vote:

- The motion carried; the funds were approved.

Consideration of approval of \$270 million in total funds for the 12 Major Facilities applicants:

Motion:

- Dr. Love moved for approval of \$270 million in funds for the 12 Major Facilities applicants.
- Dr. Wright seconded the motion.

Vote:

- The motion carried; the funds were approved.

Agenda Item # 15: Closed Session discussion of personnel and pending litigation; report back and vote in open session on personnel item.

There was nothing to report back from the Closed Session.

Agenda Item # 17: Consideration of definition of “California Supplier.”

Motion:

- Mr. Roth moved for approval of the draft definition to post for public comment.
- Dr. Penhoet seconded the motion.

Vote:

- The motion carried; the draft definition was approved to post for public comment.

To view the draft definition as approved and the posted for public comment, see this URL:

http://www.cirm.ca.gov/pdf/CA_Supplier_pub_com.pdf

Agenda Item # 18: Consideration of equipment funding for Major Facilities program.

This item was considered during the discussion and voting on the Major Facilities program. Please see the details under Agenda Item # 14 above.

Agenda Item # 19: Consideration of recommendations from ICOC subcommittee regarding definitions and requirements for CIRM RFAs including, but not limited to, definition of PI, minimum required effort by PIs and number of application

submissions per institution.

This item was not considered at this meeting, and will be considered at a future ICOC meeting after further discussions between the ICOC Subcommittee and CIRM staff.

FDA-FOCUSED SUBCOMMITTEE:

Following public and staff comments regarding a recent hearing at the FDA, two ICOC members volunteered to serve on an ICOC Subcommittee focused on the work of, and relations with, the FDA. These were members Leeza Gibbons and Jeff Sheehy.

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