

**DRAFT Bylaws of the
Scientific and Medical Facilities Working Group**

ARTICLE 1. Authority.

The Scientific and Medical Facilities Working Group (“Facilities WG”) of the Independent Citizen’s Oversight Committee (“ICOC”) to the California Institute for Regenerative Medicine (“Institute”) is established by Division 106, Part 5, Chapter 3, section 125290.50 and section 125290.65 of the Health & Safety Code, also known as the California Stem Cell Research and Cures Bond Act (“Act”).

ARTICLE II. Purpose.

The Facilities Working Group is created for the purpose of recommending to the ICOC interim and final criteria, requirements and standards for applications for grants and loans for buildings, building leases, and capital equipment. The Facilities Working Group will also recommend oversight procedures to ensure grantees’ compliance with the terms of the award to the ICOC.

ARTICLE III. Functions.

The duties of the Facilities Working Group shall include the following:

- (A) Recommend to the ICOC interim and final criteria, standards and requirements for applications for, and the awarding of, grants and loans for buildings, building leases, and capital equipment, including the following standards and requirements, among others:
1. Facility milestones and timetables for achieving such milestones;
 2. Priority for applications that provide for facilities that will be available for research no more than two years after the grant award;
 3. The requirement that all funded facilities and equipment be located solely within California
 4. The requirement that grantees comply with reimbursable building cost standards, competitive building leasing standards, capital equipment cost standards, and reimbursement standards and terms recommended by the Facilities Working Group and adopted by the ICOC;
 5. The requirement that grantees shall pay all workers employed on construction or modification of the facility funded by facilities grants or loans of the institute, the general prevailing rate of per-diem wages for work of similar character in the locality in which work on the facility is

performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code;

6. The requirement that grantees be not-for-profit entities;
7. The requirement that awards be made on a competitive basis, with the following minimum requirements:
 - a. That the grantee secure matching funds from sources other than the institute equal to at least 20 percent of the award. Applications of equivalent merit, as determined by the Facilities Working Group, considering research opportunities to be conducted in the proposed research facility, shall receive priority to the extent that they provide higher matching funds amounts. The Facilities Working Group may recommend waiving the matching fund requirement in extraordinary cases of high merit or urgency;
 - b. That capital equipment costs and capital equipment loans be allocated when equipment costs can be recovered in part by the grantee from other users of the equipment.

(B) Recommend oversight procedures to the ICOC to ensure grantees' compliance with the terms of the award.

ARTICLE IV. Facilities Working Group Membership, Selection, and Terms of Service

Section 1 (Method of Appointment) Members of the Facilities Working Group shall be appointed by the ICOC.

Section 2 (Appointment). The Facilities Working Group shall have 11 members as follows: (a) six (6) disease advocacy group members of the Scientific and Medical Research Funding Working Group ("SMRFWG"); (b) four (4) real estate specialists ("Real Estate members"); (c) the Chair of the ICOC.

Section 3 (Term of Service). Facilities Working Group members shall normally serve for six (6) years except that, after the first six-year term, the members' terms will be staggered so that one-third of the members shall be appointed for a term that expires two years later, one-third of the members shall be appointed for a term that expires four years later, and one-third of the members shall be appointed for a term that expires six years later. Subsequent terms are for six years. In the event that a Facilities Working Group member resigns prior to completing his or her term of service, incoming members appointed by the ICOC shall be invited to serve for a term of two (2), four (4), or six (6)

years. Facilities Working Group members may serve a maximum of two consecutive terms.

Section 4 (Expiration of Term). When a member's term expires, the ICOC shall appoint a new member within 30 days. Facilities Working Group members shall continue to serve until their replacements are appointed.

Section 5 Real Estate Specialist Qualifications. To be eligible to serve on the Scientific and Medical Research Facilities Working Group, a real estate specialist shall be a resident of California, shall be prohibited from receiving compensation from any construction or development entity providing specialized services for medical research facilities, and shall not provide real estate facilities brokerage services for any applicant for, or any funding by the Facilities Working Group and shall not receive compensation from any recipient of institute funding grants.

Section 6 (Alternate Real Estate Members). Individuals with expertise in real estate may be appointed by the ICOC to serve as Alternate Real Estate members of the Facilities Working Group. Alternate Real Estate members may be invited to attend Facilities Working Group meetings to provide specialized real estate expertise on a specific issue, but are not eligible to vote. Alternate Real Estate members may also be appointed to serve as Real Estate members of the Facilities Working Group in the event that an existing Real Estate member of the Facilities Working Group resigns. Alternates shall be subject to the same qualifications as Real Estate Specialist as specified in Section 5.

Section 7 (Ad Hoc) – Individuals with expertise in real estate may be appointed by the ICOC to serve as Ad Hoc Members of the Facilities Working Group. Ad Hoc Members may be invited to attend Facilities Working Group meetings to provide specialized real estate expertise on a specific issue, but are not eligible to vote.

Section 8 (Chair of Facilities Working Group)

(A) **(Appointment)** The ICOC shall appoint a Real Estate Specialist member of the Facilities Working Group to serve as Chair of the SMGWG.

(B) **(Duties)** The Chair of the Facilities Working Group shall preside over evaluation of the merits of each application and the assignment of a score for each application, under the guidelines described in Article VII, Section 2(B) herein.

Section 9 (Vice-Chair of Facilities Working Group)

(A) **(Appointment)** The ICOC shall appoint a Patient Advocate member of the SMRFGW to serve as Vice-Chair of the Facilities Working Group.

- (B) **(Duties)** The Vice-Chair of the Facilities Working Group shall preside over the grant and loan recommendation process described in Article VII, Section 2(C) herein.

Section 10 (Compensation and Expenses of GRWG Members).

- (A) **ICOC Members** – Each member of the Facilities Working Group who is also an ICOC member, except the chairperson, shall receive a per diem of one hundred dollars (\$100) per day (adjusted annually for cost of living) for each day the member attends a Facilities Working Group meeting, plus reasonable and necessary travel and other expenses incurred in the performance of the member’s duties. In addition, compensation in the amount of \$12.50 per hour shall be paid to ICOC members of the Facilities Working Group for time spent in preparation for a meeting of the Facilities Working Group.
- (B) **Non-ICOC Members** – Non-ICOC members of the Facilities Working Group shall be entitled to a daily consulting rate and reimbursement for expenses, as established by the ICOC.

Section 11 (Conflict of Interest). All non-ICOC members of the Facilities Working Group shall be governed by conflict of interest rules and economic disclosure requirements adopted by the ICOC. ICOC members of the Facilities Working Group shall be governed by California conflict of interest laws, as set forth in Health & Safety Code section 125290.30(g) and the conflict of interest policy for ICOC members adopted by the ICOC.

ARTICLE V. Duties of Facilities Working Group Members.

Section 1 (Real Estate Members). The four (4) Real Estate members of the Facilities Working Group are responsible for providing technical expertise in the evaluation of facilities grant and loan applications, and for evaluating and recommending, with other members, grant and loan funding awards to the ICOC.

Section 2 (Patient Advocate Members and ICOC Chair). The six (6) Patient Advocate members of the Facilities Working Group, together with the ICOC Chair and the Real Estate members, are responsible for evaluating and recommending grant and loan funding awards to the ICOC.

Section 3 (Alternate Real Estate Members). Alternate Real Estate members are responsible for attending meetings of the Facilities Working Group, when requested, to provide specialized real estate expertise on specific issues, but are not eligible to vote.

Section 4 (Ad Hoc Members). Ad Hoc members are responsible for attending meetings of the Facilities Working Group, when requested, to provide specialized real estate expertise on specific issues, but are not eligible to vote.

ARTICLE VI. Meetings.

Section 1 (Regular Meetings). The Facilities Working Group shall hold at least four meetings per year, one of which will be designated as its annual meeting. The GRWG may hold additional meetings as the CIRM determines are necessary or appropriate. The annual meeting shall be attended **in-person** by Facilities Working Group members. Additional meetings may be attended via teleconference.

Section 2 (Teleconference Meetings). At the discretion of staff, members of the Facilities Working Group may participate in Facilities Working Group meetings, with the exception of the annual meeting, by teleconference, provided that the public has the opportunity to participate in the public sessions of Facilities Working Group meetings that are conducted by teleconference. Significant medical needs of members of the Facilities Working Group will be given priority in arranging teleconference meetings.

Section 3 (Open Meetings). The Facilities Working Group shall meet in public session, except when the Facilities Working Group meets to discuss: (1) confidential land negotiations; (2) confidential construction contract negotiations; (3) confidential input from the Scientific and Medical Research Funding Working Group regarding the scientific portions of proposals; (4) confidential input from the Scientific and Medical Research Funding Working Group regarding the strength of stem cell research programs at applicant institutions and their ability to execute the scope of the proposed research; (5) the identity of donors who wish to have their donations kept confidential; (6) confidential financial information about an institution or an application; (7) other matters that may be considered in closed session under the Bagley-Keene Open Meeting Act or under Health & Safety Code section 125290.30. The Facilities Working Group may recommend additional exceptions to the ICOC as necessary to carry out the mission of the Facilities Working Group.

Section 4 (Special and Emergency Meetings). Special and emergency meetings may be called by the Chair if necessary.

ARTICLE VII. Facilities Working Group Procedure for Recommending Grant and Loan Applications.

Section 1 (Quorum). Sixty-five percent of the Facilities Working Group members who are eligible to vote shall constitute a quorum of the Facilities Working Group.

Section 2 (Facilities Working Group Recommendation Procedures).

- (A) Unless excused due to conflicts, both ICOC members and non-ICOC members of the Facilities Working Group shall be present in-person or via teleconference during the entire Facilities Working Group meeting, and may participate in all discussions.

(B) Merit Review and Scoring

1. The Chair of the Facilities Working Group shall preside over the evaluation and scoring process.
2. The voting members of the Facilities Working Group shall evaluate each grant and loan application and assign a numerical score to each grant based on standards and criteria adopted by the ICOC. The criteria and standards for evaluation are hereby incorporated by reference into these Bylaws.
3. The average numerical score for each grant or loan will be calculated and recorded for use in the funding recommendations process.

(C) Funding Recommendations

1. The Vice-Chair of the Facilities Working Group shall preside over the funding recommendations process.
2. Once grant and loan applications have been assigned a score, the voting members of the Facilities Working Group shall place each grant and loan application into one of three categories by separate or by en bloc vote as appropriate:
 - a. **Recommended for Funding (Tier 1)** – Highly meritorious grant and loan applications that are recommended for funding to the ICOC.
 - b. **Recommended for Funding Pending Available Funds (Tier 2)** – Meritorious grant and loan applications that are recommended for funding to the ICOC pending available funds.
 - c. **Not recommended for Funding (Tier 3)** - Grant or loan applications that are not recommended for funding *at this time*.
3. The Facilities Working Group may recommend partial funding of an application, if it determines that parts of an application are not sufficiently meritorious to be recommended for funding to the ICOC.

(D) The recommendations of the Facilities Working Group to the ICOC shall include the following information: (1) the title of the application; (2) a summary of the proposal written by the applicant that includes a description of how the proposal could benefit the State of California; (3) a brief summary of the scientific evaluation, facility evaluation, and the reasons for recommendation, along with any minority report, as applicable.

Section 3 (Recommendations and Minority Reports). Recommendations of the Facilities Working Group to the ICOC shall be made by a majority vote of a quorum of the members of the Facilities Working Group. If thirty-five percent (35%) of the members of the Facilities Working Group join together in a minority position, a minority report may be submitted to the ICOC.

ARTICLE VIII. Rules of Order.

Debate and proceedings in the Facilities Working Group shall be conducted in accordance with Robert's Rules of Order (Newly Revised) when not in conflict with rules of the Facilities Working Group or other statutory requirements.

ARTICLE IX. Amendments.

These Bylaws may be amended or repealed by the ICOC at any regular or special meeting by a majority vote of a quorum of the ICOC. The Facilities Working Group may recommend amendments to these bylaws to the ICOC for its consideration.