



MEMORANDUM

TO: Members, Governing Board

FROM: James C. Harrison and Chila Silva-Martin

RE: Amendments to Board Bylaws: Per Diem Calculation

DATE: December 3, 2014

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Introduction

The Governance Subcommittee met on November 24, 2014, to consider proposed amendments to the Board's bylaws to adjust the manner in which the per diem is calculated for members of the Board. After discussing the item, the Governance Subcommittee recommended Board approved of the proposed bylaws amendments.

Background

Proposition 71 provides that members of CIRM's Governing Board are eligible to receive a per diem of \$100 for each day (or portion of a day) devoted to Board activities. (Health & Saf. Code, § 125290.45(d)(2).)¹ The per diem is adjusted annually to account for changes in the cost of living. Currently, the daily per diem is \$125 per day. Pursuant to the Board's bylaws, members are reimbursed on an hourly basis when they spend less than a full day in the discharge of their duties. Currently, the hourly and daily rates are adjusted separately, leading to a minor variation in rates. To ensure uniformity and ease of administration, we propose to amend the Bylaws to provide for adjustment of the daily rate by multiplying the adjusted hourly rate by eight hours.

Requested Action

Approve amendment of Bylaws to provide for adjustment of daily per diem rate based on the adjusted hourly per diem rate.

Attachment

¹ The per diem does not apply to service by Patient Advocate members of the Board on the Grants Working Group.

BYLAWS

INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE
(CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE)

ARTICLE I: AUTHORITY

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

Section 2. The Independent Citizen's Oversight Committee (the "ICOC") for the Institute was created by the California Stem Cell Research and Cures Act (the "Act"). (Health & Safety Code section 125290.10 to section 125290.70.)

ARTICLE II: PURPOSES

Section 1. The purposes of the Institute are the following:

- (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.)

Section 2. The purpose of the ICOC is to govern the Institute. (Health & Safety Code section 125290.15.)

ARTICLE III: FUNCTIONS

The ICOC shall perform, or delegate, the following functions:

- (a) Oversee the operations of the institute.
- (b) Develop annual and long-term strategic research and financial plans for the institute.
- (c) Make final decisions on research standards and grant awards in California.
- (d) Ensure the completion of an annual financial audit of the institute's operations.
- (e) Issue public reports on the activities of the institute.
- (f) Establish policies regarding intellectual property rights arising from research funded by the institute.

- (g) Establish rules and guidelines for the operation of the ICOC and its working groups.
 - (h) Perform all other acts necessary or appropriate in the exercise of its power, authority, and jurisdiction over the institute.
 - (i) Select members of the working groups.
 - (j) Adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of this chapter, and to govern the procedures of the ICOC.
 - (k) Request the issuance of bonds from the California Stem Cell Research and Cures Finance Committee and loans from the Pooled Money Investment Board.
 - (m) Modify as it sees appropriate its 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 operation without jeopardizing the progress of its core medical and scientific research program.
 - (n) Accept additional revenue and real and personal property, including, but not limited to, gifts, royalties, interest, and appropriations that may be used to supplement annual research grant funding and the operations of the institute.
- (Health & Safety Code section 125290.40.)

ARTICLE IV: MEMBERS

Section 1. (Appointment) The ICOC shall have 29 members appointed as set forth in the Act. (Health & Safety Code section 125290.20, subdivision (a).). A short summary of persons making appointments, nominations and elections and the respective appointees is attached as Exhibit A to these Bylaws for reference.

Section 2. (Delegation of Authority) Any ICOC member who is an executive officer of a California university, a nonprofit research institution or life science commercial entity may from time to time delegate those duties to an executive officer of the entity or to the dean of the medical school, as applicable (an "alternate"). (Health & Safety Code section 125290.20(a), subdivision (2)(D).) An ICOC member may not have more than one alternate at any one time. An ICOC member who has been elected by the ICOC to the office of Bylaws Vice Chairperson may not delegate the duties of that office, but may delegate his or her duties as an ICOC member as authorized by this section.

Section 3. (Oath of Allegiance) Each ICOC member and alternate shall take the oath of allegiance required by the California Constitution. (California Constitution, article XX, section 3)

Section 4. (Conflict of Interest Code) The Act provides that the California Political Reform Act (the "PRA"; Government Code section 81000 through section 91014) shall apply to the Institute and to the ICOC except as provided in section 125290.30 of the Act and in subdivision (e) of section 125290.50 of the Act. (Health & Safety Code section 125290.30, subdivision (g).) The PRA requires state and local governmental agencies to adopt and promulgate conflict of interest codes. Each ICOC member and alternate shall file a statement of

economic interest as required by any conflict of interest code adopted by the ICOC pursuant to the PRA.

Section 6. (Conflict of Interest Policy) Each ICOC member shall abide by the “Conflict of Interest Policy” adopted by the ICOC and attached as Exhibit B to these Bylaws.

Section 5. (Vacancies) If a vacancy occurs within a term and has not been filled in accordance with the Act, the ICOC shall proceed to operate with the remaining members, provided that at least 60 percent of the members have been appointed. (Health & Safety Code section 125290.20(b), subdivision (1).)

Section 6. (Expiration of Term) ICOC members whose terms have expired shall continue to serve until their replacements are appointed. (Health & Safety Code section 125290.20(b), subdivision (3).)

Section 7. (Compensation and Expenses) (a) As required in the Act, each member and alternate of the ICOC, except the Chairperson and Statutory Vice Chairperson, shall receive a per diem of one hundred dollars (\$100) per day for each day actually spent in the discharge of the member’s or alternate’s duties, plus reasonable and necessary travel and other expenses incurred in the performance of the member’s or alternate’s duties. (Health & Safety Code section 125290.45, subdivision (b)(2).) Therefore, each member and alternate shall be paid \$100 for the following:

- (1) Any day on which a member attends a meeting of the full ICOC, an ICOC subcommittee or an ICOC working group to which the member is appointed or performs an activity which has been pre-determined by the Chairperson as a discharge of the member’s duties..
- (2) Any day in which the member is engaged in additional activities that have been approved in advance by the Chairperson to be a discharge of the members’ duties.

(b) Furthermore, each member and alternate shall be paid \$12.50 per hour for time spent in preparation for a meeting of the full ICOC, an ICOC subcommittee, or an ICOC working group to which the member or alternate is appointed.

(c) The dollar amounts in subdivisions (a) and (b) shall be adjusted annually by multiplying them by a fraction, the denominator of which is the 2004 Annual Average, California Consumer Price Index - California, All Items (Los Angeles-Riverside-Orange County, San Francisco-Oakland-San Jose, San Diego (1982-84=100)) (the “Annual Index”) as prepared by the Division of Labor Statistics and Research in the California Department of Industrial Relations and the numerator of which is the Annual Index published for each subsequent year in which the adjustment is to be computed and made. The daily rate shall be adjusted by multiplying the adjusted hourly rate by eight hours. ~~The resulting daily and hourly figures will be carried two decimal places and rounded up or down to the next whole dollar (.50 and above will be rounded up; less than .50 will be rounded down). In no instance will the computation for an hourly activity exceed the amount available for a daily meeting.~~ The new daily and hourly per diems will become effective in the month following the month in which the Annual Index is published.

(d) In lieu of the per diem provided for in subdivisions (a) and (b), the Board may establish a daily consulting rate for ICOC members of the Grants Working Group and the ICOC co-chairs

of the Standards Working Group and the Facilities Working Group, excluding the Chair and Vice Chairs of the Board, for the time spent by the ICOC members of the working groups in service on the working groups, provided that:

1. The Board determines, on an individual basis and at a public meeting, that the ICOC member's service on the working group requires an extraordinary commitment of time;

2. The daily consulting rate for the ICOC member does not exceed seventy-five percent (75%) of the daily consulting rate established for scientific members of the Grants Working Group pursuant to article VII, section 4 of these Bylaws; and

3. Total compensation to an ICOC member for his or her service on a working group shall not exceed \$15,000 per fiscal year unless the ICOC approves an exception at a public meeting.

(e) Subdivision (d) shall become effective only upon the enactment of Senate Bill No. 1064.

ARTICLE V MEETINGS

Section 1. (Regular Meetings) The ICOC shall hold at least two public meetings per year, one of which will be designated as the Institute's annual meeting. The ICOC may hold additional meetings as it determines are necessary or appropriate. (Health & Safety Code section 125290.30, subdivision (d)(1).) Regular meetings shall be attended in person by ICOC members or by their alternates, except as provided in Exhibit C (Policy for Teleconference Participation in Regular ICOC Meetings).

Section 2. (Open and Closed Meetings) (a) All meetings of the ICOC, except those closed sessions described below or otherwise permitted by law, shall be open and public and in conformance with law. (Health & Safety Code section 125290.30(d).) In particular, all open meetings shall conform to the Bagley-Keene Open Meeting Act, including requirements for notice of meetings, preparation and distribution of agendas and written materials, inspection of public records, closed sessions and emergency meetings, maintenance of records, and disruption of a public meeting. The public shall be invited to comment upon each item on the agenda and each individual speaker so commenting may be required to limit their comments to as few as three minutes.

(b) The ICOC shall adopt all governance, scientific, medical, and regulatory standards in public meetings. (Health & Safety Code section 125290.30, subdivision (d)(3).)

(c) The ICOC, and its subcommittees, may conduct closed sessions as permitted by the Bagley-Keene Open Meeting Act. (Government Code section 11126.) In addition, the ICOC may conduct closed sessions when it meets to consider or discuss:

(1) Matters involving information relating to patients or medical subjects, the disclosure of which would constitute an unwarranted invasion of personal privacy.

- (2) Matters involving confidential intellectual property or work product, whether patentable or not, including, but not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information, which is not patented, which is known only to certain individuals who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know it or use it.
- (3) Matters involving prepublication, confidential scientific research or data.
- (4) Matters concerning the appointment, employment, performance, compensation, or dismissal of institute officers and employees; however, action on compensation of the institute's officers and employees shall only be taken in open session.

Section 3. (Teleconference Meetings) Teleconference meetings shall be held for the benefit of the ICOC and the public as determined by the Chairperson or the chair of a subcommittee where applicable. Generally, teleconference meetings shall be attended from locations within the State of California. The Chairperson or the chair of a subcommittee where applicable may make exceptions to this rule for ICOC members traveling out of state who have a particularly important connection to an issue under discussion. Such exceptions shall be discouraged, however, because of the positive benefits to the ICOC and the public of conducting in-person meetings for final approval of ICOC decisions.

Section 4. (Notice of Meetings) At least 10 days in advance of each regular meeting of the ICOC, notice of the meeting shall be given to any person or organization who requests that notice in writing and also made available on the Internet. The notice shall include the name, address, and telephone number of any person who can provide further information prior to the meeting and a specific agenda for the meeting, containing a brief description of the items of business to be transacted or discussed in either open or closed session. The written notice shall additionally include the address of the Internet site where notices required by this article are made available and otherwise comply with the Bagley-Keene Open Meeting Act. If the agenda for any meeting includes consideration of any amendment to the "policy enhancements" adopted by the ICOC at its July 12, 2005, and August 5, 2005, meetings, notice of the meeting shall also be given to the President pro Tempore of the California Senate and the Speaker of the California Assembly at least 10 days in advance of the meeting.

Section 5. (Special and Emergency Meetings) Special and emergency meetings may be called by the Chair if compliance with the 10-day notice would impose a substantial hardship on the ICOC or if immediate action is required to protect the public interest. These meetings shall conform to the requirements of the Bagley-Keene Open Meeting Act (Government Code section 11120 through section 11132) applicable to special and emergency meetings.

Section 6. (Quorum) A quorum of the ICOC or an ICOC subcommittee shall be at least sixty five percent (65%), respectively, of the ICOC members or members of an ICOC subcommittee who are eligible to vote. (Health & Safety Code section 125292.10, subdivision (s).)

Section 7. (Voting)

(a) All actions of the ICOC shall be taken at properly called meetings at which there is a quorum. Unless a greater number is required by the Act or these Bylaws, the ICOC shall act by a majority

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vote of a quorum. Amendments to pending motions may be made with the concurrence of the maker of the motion and the second, unless a member of the ICOC requests a vote on the proposed amendment, in which case, action on the proposed amendment shall be taken by a majority vote of all members present before the vote on the pending motion. Amendments to the "policy enhancements" adopted by the ICOC at its July 12, 2005, and August 5, 2005, meetings shall only be made by a vote of seventy percent (70%) of all members present.

(b) Provided that five or fewer members have a need to place their vote before the debate has concluded and provided that the Board has taken a sampling of public comment both for and against the motion at the instant meeting or at an earlier meeting, the Chair may open the roll to record the votes of members who have to leave a meeting under one or more of the following circumstances:

1. The Board has had a prior discussion regarding the matter under consideration and has had an opportunity to review written materials in advance of the meeting; or

2. It is critical to the agency's mission for the Board to take action on the matter at the meeting and there will be another opportunity for the Board to revisit the matter in the future.

When the roll has been opened before debate has been completed, the Board shall take additional public comment before the roll call vote is concluded.

(c) In addition, the Chair may leave the roll open after debate has concluded in order to permit a member to participate in the vote.

Section 8. (Manner of Disqualification)

A member of the Governing Board shall leave the room when a member of the Application Review Subcommittee requests a discussion of a particular application for funding under the following circumstances:

(a) The member has a financial interest, as defined by Government Code section 87103 and Health and Safety Code section 125290.30(g), in the application under discussion by the Board; and

(b) The applicant has self-identified either by submitting written comments to the Board or the Application Review Subcommittee regarding the application in advance of the meeting or by offering public comments regarding the application during the meeting at which the application is being considered.

(c) When the Application Review Subcommittee's discussion of the application, including any vote, is complete, the member may return to the room.

Section 9. (Rules of Order) Debate and proceedings before the ICOC shall be conducted in accordance with Robert's Rules of Order Newly Revised (10th Edition) except to the extent in conflict with the Act, these Bylaws, other rules of the ICOC or other statutory requirements.

ARTICLE VI SUBCOMMITTEES

Section 1. (Establishment) The ICOC may establish subcommittees to facilitate the work of the board. The ICOC shall determine the size, mission, and jurisdiction of each subcommittee, including whether it exercises advisory or delegated power. The chairperson of a subcommittee may expand the size of the subcommittee, with the concurrence of the Chairperson of the ICOC, in order to obtain specific expertise that is not otherwise represented on the subcommittee, subject to the right of the ICOC thereafter to expand or reduce the size of the subcommittee.

Section 2. (Members) For each subcommittee (other than the Governance Subcommittee), the ICOC shall appoint the chairperson of the subcommittee based upon the recommendations of the members of the ICOC. The chairperson of the subcommittee shall then appoint the other members of the subcommittee with the concurrence of the Chairperson. Members of the ICOC may volunteer for service on subcommittees. If the ICOC reduces the size of a subcommittee, the ICOC shall determine the membership of the subcommittee.

Section 3. (Compensation and Expenses) Members of subcommittees shall receive a per diem of one hundred dollars (\$100) per day (adjusted annually as set forth in Article IV, Section 7 above) for each day actually spent in the discharge of the member's duties, plus reasonable and necessary travel and other expenses incurred in the performance of the member's duties.

Section 4. (Governance Subcommittee) (a) The Governance Subcommittee reviews language and makes comments upon policies related to management of the ICOC and the Institute. The Subcommittee's corporate governance responsibilities involve (i) making recommendations on the Institute's mission statement and core principles, organizational chart and strategic plan, compensation policy and contracting policies; (ii) working with the President to establish goals for the management of the Institute; and (iii) monitoring the achievement of these goals in order to optimize performance. The Governance Subcommittee's recommendations shall be considered by the board at regular ICOC meetings. The Governance Subcommittee shall make regular reports back to the ICOC, as appropriate.

(b) The Governance Subcommittee shall be composed of the Chairperson, a chairperson chosen by the ICOC and 3 to 12 other ICOC members chosen by such chairperson based on nominations by the Chairperson and self-nomination by ICOC members. The Subcommittee shall be composed of ICOC members with experience and/or demonstrated interest in organizational management and expertise in human resources and financial oversight.

(c) The Governance Subcommittee shall meet at least once per year.

Section 5. (Legislative Subcommittee) (a) The Legislative Subcommittee shall review proposed state and federal legislation and major public policy issues relating to stem cell research and the operations of the Institute and make recommendations to the ICOC on positions on policies and legislation to be considered at regular ICOC meetings.

(b) The Legislative Subcommittee shall be composed of a chairperson chosen by the ICOC and 8 to 13 other ICOC members chosen by such chairman based on nominations by the Chairperson and self-nomination by ICOC members. The Subcommittee shall be comprised of ICOC members with experience and/or demonstrated interest in public policy.

(c)(i) The Legislative Subcommittee shall recommend to the ICOC positions on stem cell research-related policies.

(ii) The Legislative Subcommittee, with the approval of two-thirds of the members of the Subcommittee, may communicate the position of the Legislative Subcommittee on state or federal legislation or policy before the Board has considered its recommendation if it determines that it is critical to express a position before the next regularly scheduled meeting of the Board.

(d) The Legislative Subcommittee shall meet at least once per year.

Section 6. (Application Review Subcommittee) (a) The Application Review Subcommittee shall be composed of the members of the Board appointed or elected pursuant to Health and Safety Code section 125290.20(a)(2)(C) and (a)(3)-(6). The other members of the ICOC shall serve as ex officio members of the Subcommittee. The Subcommittee shall be chaired by the Chairperson of the ICOC, with the support of the Vice-Chairs of the ICOC.

(b) The Subcommittee shall review the Grants Working Group's recommendations for research funding and shall make decisions on applications for research funding in public meetings, provided, however, that the Subcommittee may meet in closed session to consider proprietary information relating to applications as permitted by Health and Safety Code section 125290.30(f).

(c) In anticipation of the meeting of the Application Review Subcommittee at which funding decisions will be made, scientific staff will provide the Subcommittee with the recommendation of the Grants Working Group. In addition, scientific staff will review the recommendations of the GWG, make any additional recommendations they deem necessary, and present these recommendations to the Subcommittee at its meeting.

(d) As part of its consideration of applications for research funding, the Subcommittee shall consider: (i) programmatic issues, with a focus on portfolio balance, relevance to unmet health need, urgency of timeline, alignment with focus of Proposition 71, alignment with the goals and priorities of the Request for Applications, budget adjustments if necessary, and other stipulations; (ii) recommendations made by CIRM's scientific staff based on their review of the Grants Working Group's recommendations; and (iii) public comment. The Vice Chairs of the Grants Working Groups shall moderate the Subcommittee's programmatic review.

(e) The Subcommittee shall meet concurrently with the Board whenever applications for research funding are to be considered.

(f) Because members of the Subcommittee will be entitled to a per diem as members of the Board, they shall not be entitled to a separate per diem as members of the Subcommittee.

ARTICLE VII WORKING GROUPS

Section 1. (Establishment) The Institute has the following three separate scientific and medical working groups, which shall report to the President. (Health & Safety Code section 125290.50):

- (a) Scientific and Medical Research Funding Working Group.
- (b) Scientific and Medical Accountability Standards Working Group.
- (c) Scientific and Medical Research Facilities Working Group.

Section 2. (Appointment of Members) (a) The ICOC shall appoint members of each working group by a majority vote of all members present. (Health & Safety Code section 125290.50, subdivision (b).)

(b) The Scientific and Medical Accountability Standards Working Group shall have 19 members as follows:

(i) Five ICOC members from the 10 disease advocacy group members described in paragraphs (3), (4), and (5) of subdivision (a) of section 125290.20 of the Health & Safety Code.

(ii) Nine scientists and clinicians nationally recognized in the field of pluripotent and progenitor cell research.

(iii) Four medical ethicists.

(iv) The Chairperson of the ICOC.

(Health & Safety Code section 125290.55, subdivision (a).)

(c) The Scientific and Medical Research Funding Working Group shall have 23 members as follows:

(i) Seven ICOC members from the 10 disease advocacy group members described in paragraphs (3), (4), and (5) of subdivision (a) of section 125290.20 of the Health & Safety Code.

(ii) Fifteen scientists nationally recognized in the field of stem cell research.

(iii) The Chairperson of the ICOC.

(Health & Safety Code section 125290.60, subdivision (a).)

(d) The Scientific and Medical Research Facilities Working Group shall have 11 members as follows:

(i) Six members of the Scientific and Medical Research Funding Working Group.

(ii) Four real estate specialists. 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 Scientific and Medical Research Facilities Working Group and shall not receive compensation from any recipient of institute funding grants.

(iii) The Chairperson of the ICOC.

(Health & Safety Code section 125290.65, subdivision (a).)

Section 2. (Function) (a) The Scientific and Medical Research Funding Working Group shall have and perform the following functions:

(i) Recommend to the ICOC interim and final criteria, standards, and requirements for considering funding applications and for awarding research grants and loans.

- (ii) Recommend to the ICOC standards for the scientific and medical oversight of awards.
- (iii) Recommend to the ICOC any modifications of the criteria, standards, and requirements described in paragraphs (1) and (2) above as needed.
- (iv) Review grant and loan applications based on the criteria, requirements, and standards adopted by the ICOC and make recommendations to the ICOC for the award of research, therapy development, and clinical trial grants and loans.
- (v) Conduct peer group progress oversight reviews of grantees to ensure compliance with the terms of the award, and report to the ICOC any recommendations for subsequent action.
- (vi) Recommend to the ICOC standards for the evaluation of grantees to ensure that they comply with all applicable requirements. Such standards shall mandate periodic reporting by grantees and shall authorize the Scientific and Medical Research Funding Working Group to audit a grantee and forward any recommendations for action to the ICOC.

(Health & Safety Code section 125290.60, subdivision (b).)

(b) The Scientific and Medical Accountability Standards Working Group shall have and perform following functions:

- (i) Recommend to the ICOC scientific, medical, and ethical standards.
- (ii) Recommend to the ICOC standards for all medical, socioeconomic, and financial aspects of clinical trials and therapy delivery to patients, including, among others, standards for safe and ethical procedures for obtaining materials and cells for research and clinical efforts for the appropriate treatment of human subjects in medical research consistent with paragraph (2) of subdivision (b) of Section 125290.35 of the Act, and to ensure compliance with patient privacy laws.
- (iii) Recommend to the ICOC modification of the standards described in paragraphs (1) and (2) as needed.
- (iv) Make recommendations to the ICOC on the oversight of funded research to ensure compliance with the standards described in paragraphs (1) and (2).
- (v) Advise the ICOC, the Scientific and Medical Research Funding Working Group, and the Scientific and Medical Research Facilities Working Group, on an ongoing basis, on relevant ethical and regulatory issues.

(Health & Safety Code section 125290.55, subdivision (b).)

(c) The Scientific and Medical Research Facilities Working Group shall have and perform the following functions:

- (i) Make recommendations to the ICOC on interim and final criteria, requirements, and standards for applications for, and the awarding of, grants and loans for buildings, building leases, and capital equipment; those standards and requirements shall include, among others:

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- (A) Facility milestones and timetables for achieving such milestones.
- (B) Priority for applications that provide for facilities that will be available for research no more than two years after the grant award.
- (C) The requirement that all funded facilities and equipment be located solely within California.
- (D) 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 Scientific and Medical Facilities Funding Working Group, and adopted by the ICOC.
- (E) 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 a 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.
- (F) The requirement that grantees be not-for-profit entities.
- (G) The requirement that awards be made on a competitive basis, with the following minimum requirements:
 - (I) 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 Scientific and Medical Research Funding Working Group, considering research opportunities to be conducted in the proposed research facility, shall receive priority to the extent that they provide higher matching fund amounts. The Scientific and Medical Research Facilities Working Group may recommend waiving the matching fund requirement in extraordinary cases of high merit or urgency.
 - (II) 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.
- (ii) Make recommendations to the ICOC on oversight procedures to ensure grantees' compliance with the terms of an award.

(Health & Safety Code section 125290.65, subdivision (b).)

Section 3. (Meetings) The ICOC shall adopt rules, procedures and practices for each working group based on recommendations made by that working group. (Health & Safety Code section 125290.50, subdivision (d).)

Section 4. (Reimbursement) The ICOC shall establish daily consulting rates and expense reimbursement standards for the non-ICOC members of its working groups. (Health & Safety Code section 125290.45, subdivision (b)(3).)

Section 5. (Grounds for Removal of Members) Any member of the Scientific and Medical Accountability Standards Working Group, the Scientific and Medical Research Funding Working Group, and Scientific and Medical Facilities Working Group may be removed by the ICOC for cause. The grounds for removal are as follows:

- (a) An intentional violation or violations of the Working Group conflict of interest policy applicable to the member;
- (b) Two or more grossly negligent violations of the Working Group conflict of interest policy applicable to the member;
- (c) Consistent failure to perform the assigned duties of the Working Group member or unexcused absence from three consecutive Working Group meetings;
- (d) Violation of medical or ethical standards by the member in his or her professional capacity as determined by the appropriate research institution or the appropriate professional group;
- (e) In the case of a member of the Medical Research Funding Working Group, employment by an institution located in the State of California;
- (f) In the case of a member of the Medical Facilities Working Group, acceptance of a contract in his or her professional capacity that would create a conflict of interest under the Act and that cannot be avoided through the procedures and policies preventing actual conflict of interest at the Working Group;
- (g) The conviction of a felony or act involving serious moral turpitude.

Section 6. (Procedure for Suspension of Members) The President of the CIRM may suspend a member of a Working Group based on any of the grounds enumerated above by giving the member written notice of his or her suspension, including the grounds for the suspension. The suspension shall remain in effect until it is terminated by the President, the member resigns from the Working Group, or the ICOC has considered the permanent removal of the member pursuant to Section 7.

Section 7. (Procedure for Removal of Members) The President of CIRM may recommend to the ICOC the removal of a Working Group member based on any of the grounds enumerated above. The President must inform the member in writing that he has requested that the ICOC consider removal of the member at least 10 days prior to the ICOC's consideration of the matter. The notice must include the grounds for the recommendation. The member may address the ICOC in writing or in person during the meeting of the ICOC at which the removal of the member is considered.

Section 8. (Procedure for Temporary Leave of Absence) The President of CIRM or the chairperson of a Working Group shall consider and may, at his or her discretion, grant requests, from working group members for temporary leaves of absence, not to exceed six months, due to family or personal illness, death of a loved one, or other extenuating circumstances.