



To: Members, Governing Board

From: James Harrison

Date: January 21, 2021

Re: Interim Conflict of Interest Policy for Members of Advisory Task Forces

Proposition 14 authorizes the Chair and the President to establish advisory task forces to provide expert guidance regarding specific issues within CIRM's jurisdiction, such as scientific, policy, ethical, financial, and technical matters. Health & Saf. Code, § 125290.76. For purposes of conflict of interest rules, advisory task forces are treated like working groups because they do not exercise decision-making authority. *Id.*, § 125290.76(c). However, unlike members of the working groups, members of the advisory task forces are barred from reviewing, commenting upon, or exercising any jurisdiction over any individual grant or loan approval. *Id.*, § 125290.76(c)(2).

Health and Safety Code section 125290.50(e) requires the Board to adopt conflict of interest rules to govern members of the working groups. Health and Safety Code section 125290.40(m) authorizes CIRM to adopt interim regulations to take effect immediately and to remain in effect for 270 days unless earlier superseded by regulations adopted pursuant to the Administrative Procedure Act.

The Chair and the President have determined to establish a scientific strategy advisory panel to provide CIRM with expert guidance related to its scientific strategic plan. To allow this task force to begin to meet, we propose that the Board adopt an interim conflict of interest policy for members of advisory task forces. This policy is modeled on the policies of the working groups but tailored to task forces, which will not consider individual applications but will instead provide high level direction. The policy will remain in effect for 270 days or until such time as the Office of Administrative Law approves a permanent regulation.



**Proposed Interim Regulation for Conflict of Interest Standards for Members of Advisory Task Forces
(Adopted Pursuant to Health & Saf. Code, §§ 129290.76(c), 125290.50(e) and 125290.40(m))**

(a) Prohibitions: Members of Advisory Task Forces are precluded from deriving direct financial benefit from CIRM through research grants or loans and from acting as a Principal Investigator on any CIRM-funded award.

(b) Disclosure: Before a meeting of an Advisory Task Force, members of the Advisory Task Force shall disclose:

(1) All California-based academic or non-profit research institutions from which the member or the member's spouse has received income of \$5,000 or more in the preceding 12 months;

(2) All public biotechnology and pharmaceutical companies that are primarily focused on stem cell or genetic research and therapy development in which the member or the member's spouse has an investment of \$5,000 or more. A public biotechnology company or a public pharmaceutical company is considered to be primary focused on stem cell or genetic research and therapy development if it devotes more than 50 percent of its annual research and development budget to stem cell or genetic research and therapy development.

(c) Disqualification: A conflict of interest exists when a member has any financial interest identified in subdivision (b) of this regulation that is the subject of a decision before the Advisory Task Force. A member who has a conflict of interest with respect to a decision may not participate in the decision and must leave the room when that decision is discussed. In exceptional cases, the President of CIRM may decide that the need for special expertise of a member outweighs any possible bias posed by a conflict of interest. Under these circumstances, the member shall be permitted to participate in the discussion but will not be permitted to vote on the matter.

(d) Record-Keeping: All financial disclosures shall be kept confidential by CIRM staff and preserved for purposes of review by the State Auditor or another independent auditor and any other audit as required by law. Records of the Advisory Task Force indicating those members who participated in or voted on particular recommendations shall be maintained by CIRM staff. If CIRM or an auditor discovers a violation of these conflict of interest provisions, a report will be made to the Legislature along with a review of corrective actions taken by the CIRM to prevent future occurrences.