



SOMETHING  
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THAN HOPE

Right now.

CIRM Presentation

Ideas for Enhancements to Proposition 71

May 15, 2019

**CIRM**  
CALIFORNIA / STEM CELL AGENCY

Every Moment Counts. **Don't Stop Now.**

## Background:

- Background: Bob Klein, author of Proposition 71, has pledged to bring a bond measure to the voters in November 2020 that would invest \$5 billion or more in CIRM and its mission.
- Challenge: CIRM has a unique perspective to offer regarding possible enhancements to Proposition 71 that might further CIRM's mission more efficiently and improve its operations.
- ICOC/Subcommittees Discussion:
  - 1) Identify areas for improvement
  - 2) Discuss possible solutions

(the following ideas are intended to spark discussion and are not intended to limit discussion topics)

## Governance:

- Background: The perception of conflicts on the board is well-documented: Little Hoover Commission, IOM, etc – to wit: ICOC composition is flawed by the presence of members appointed from research institutions that receive funding. Creation of Application Review Subcommittee addresses the issue but also leaves some board members less vested in participation.
- Challenge: How to harness value and expertise from academic and research institutions while eliminating the conflict of interest criticism that persists in some quarters.
- Ideas: Range of possibilities.....
  - 1) Continue with Application Review Subcommittee process
  - 2) Appoint former (retired) institutional officials to represent the sector
  - 3) Create advisory group to the ICOC consisting of such officials to advise on strategic issues and program concepts
  - 4) Eliminate the institutional members from the board

## Equity Ownership:

- Background: CIRM's ATP partnering was complicated due to CIRM's inability as a state agency to accept stock. In addition, CIRM's loan program was also disadvantaged by this prohibition. In order for CIRM and the State of California to have the ability to maximize the return on investment, take a leadership role in commercializing and thus making accessible to patients new therapies, and to assist new biotech formation and success, CIRM needs to have a mechanism that allows it to act as "venture capital."
- Challenge: Given the State prohibition on holding stock, can CIRM create a new entity that acts as a "sovereign fund" on behalf on the State and CIRM that will create revenue for the General Fund and provide an ongoing funding stream for CIRM..
- Ideas:
  - Change State law to make an exception for CIRM—Create a separate entity/fund that can hold stocks and/or warrants and define destination of returns.

## HQ:

- Background: CIRM's unique mission and team composition narrow the geographical regions best suited for the agency's HQ. Acquiring sufficient office space to meet possibly greater strategic objectives and volumes in premium markets will take a significant toll on administrative resources.
- Challenge: How to ensure long-term HQ space efficiently?
- Idea:
  - Provide designated resources to acquire office space (lease or own)

## Administrative Budget:

- Background: Prop 71 originally capped personnel to 50 and budget at six percent (6%). Legislative fix to personnel, but 6% remains. If CIRM's mission grows, is evergreened, and continues successful redeployment of recovered research funds, 6% cap is likely insufficient.
- Challenge: How to ensure administrative resources are adequate to meet demand brought about by mission demand and research recoupment?
- Ideas:
  - Allow additional 6% admin on redeployed/royalties/returned funds
  - Scientific conferences allocated to research budget

## Working Groups:

- Background: Prop 71 contains restraints around GWG composition and responsibilities. In practice, GWG panels are tailored to reviews and primary policy calls are made by ICOC in concept plans. Clinical stage programs have varied expertise requirements.
- Challenge: How to codify CIRM best practices and efficiencies?
- Ideas:
  - Allow # range of scientist members per panel/review:10-20
  - Simplify appointment terms to multiples of 10 years
  - Allow interim appointments by CIRM in between ICOC meetings
  - Reexamine GWG role in recommending review criteria
  - “Nationally recognized experts in the pertinent scientific field”

## Scope – Science Funded:

- Background: Proposition 71 provides for stem cell research and “other vital research opportunities.” Establishes priority for pluripotent stem cell and progenitor cell research that is unlikely to receive adequate or timely NIH funding. Requires GWG to determine whether proposal is a VRO. In practice, the ICOC establishes eligibility requirements and technology focus. Moreover, CIRM looks to partner with the NIH and others to leverage CIRM resources. Ultimately, NIH funding is unpredictable.
- Challenge: How to ensure that CIRM can continue to fund new and innovative technologies?
- Ideas:
  - Clarify requirement of lack of NIH funding
  - Should VRO responsibility lie with ICOC?
  - Expand stem/progenitor cell research to “regenerative medicine,” with a specific definition consistent with NIH, FDA and others

## Infrastructure Review:

- Background: While Prop 71 provides for separate science and facility review groups, CIRM's infrastructure programs have matured beyond such basic distinctions. Programs such as ATP3, Genomics, Stem Cell Accelerating Center or other infrastructure goals (manufacturing, etc) require more nuanced working group composition.
- Challenge: How to ensure adequate and efficient reviews of infrastructure proposals?
- Idea:
  - Allow CIRM to create an ad-hoc working group to address infrastructure proposals (other than strict facilities)

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