

1 Adopt 17 Cal. Code of Regs. section 100003 to read:

2 **§ 100003. Conflicts of Interest – Non-ICOC Members of the Scientific and Medical**
3 **Research Funding Working Group.**

4 (a) Prohibition: Except as provided otherwise in this regulation, a Grants Review
5 Working Group member may not participate in a decision of the working group in which the
6 individual has a conflict of interest. A conflict of interest exists when a non-ICOC Grants
7 Review Working Group member has a real or apparent interest in the outcome of an application
8 such that the member is in a position to gain financially, professionally or personally from either
9 a positive or negative evaluation of the grant proposal.

10 (b) “Financial: Conflict of Interest - Defined: A non-ICOC member has a financial
11 conflict of interest if:

12 (1) The member, his or her spouse, or any other person with whom the member has a
13 common financial interest, is an employee of either the institution or the Principal Investigator
14 on an application.

15 (2) The member, his or her spouse, or any other person with whom the member has a
16 common financial interest, is under active consideration for a faculty or administrative position
17 at an applicant institution.

18 (3) A member, his or her spouse, or any other person with whom the member has a
19 common financial interest, stands to receive a financial benefit of any amount from an
20 application under review.

21 (4) A member, his or her spouse, or any other person with whom the member has a
22 common financial interest, has received or could receive a financial benefit of any type from an

1 applicant institution or organization unrelated to the proposal, of over \$5,000 per year. This total
2 includes honoraria, fees, stock and other benefits. It also includes current stock holdings, equity
3 interest, intellectual property or real property interest, but does not include diversified mutual
4 funds.

5 (c) “Professional” Conflict of Interest - Defined: A non-ICOC member has a professional
6 conflict of interest if:

7 (1) A person listed on the grant application as Principal Investigator or someone who
8 receives salary from the grant is a professional associate, such as a former student or post-
9 doctoral fellow, or someone with whom the member has co-authored a publication within the last
10 three years.

11 (2) The member and a primary member of the applicant’s research team are engaged in,
12 or are planning to be engaged in, collaboration.

13 (3) An applicant is someone with whom the member has had long-standing scientific
14 differences or disagreements that are known to the professional community and could be
15 perceived as affecting the member’s objectivity.

16 (d) “Personal” Conflict of Interest - Defined: A non-ICOC member has a personal
17 conflict of interest if:

18 (1) A close family member or close personal friend is an applicant.

19 (2) An applicant is someone with whom the member has had long-standing personal
20 differences.

21 (e) Disclosure: A non-ICOC working group member shall disclose confidentially and
22 under penalty of perjury the following financial interests:

1 (1) All California-based academic or non profit research institutions from which
2 members, their spouses, or others with whom the member has a common financial interest,
3 receive income or other benefit of \$5,000 or more.

4 (2) All publicly-held biotechnology and pharmaceutical companies from which
5 members, their spouses, or others with whom a member has a common financial interest, receive
6 current income or other benefit, or hold an investment, of \$5,000 or more.

7 (3) All privately held biotechnology companies in which reviewers, their spouses,
8 or others with whom a member has a common financial interest, have an equity interest.

9 (4) Real property interests in California held by members, their spouses, or others
10 with whom a member has a common financial interest.

11 (f) Disqualification: A non-ICOC member is required to report to the CIRM staff any
12 conflict of interest of which he or she is aware, including, but not limited to, those described in
13 subdivisions (b) through (e) of this regulation. Any member of the Grants Review Working
14 Group who has a real or apparent conflict of interest with respect to an application may not
15 review or vote on the application and must leave the room when that application is discussed. In
16 exceptional cases, the President of the CIRM may decide that the need for special expertise of
17 the reviewer outweighs any possible bias posed by a real or apparent conflict of interest. Under
18 these circumstances, the CIRM staff shall publicly disclose the working group member's interest
19 before the meeting and the working group member shall be permitted to participate in the
20 discussion but will not be permitted to vote on the application or participate in the scientific
21 scoring.

1 (g) All non-ICOC members must sign a pre-review statement indicating any possible
2 conflicts of interest that they have, and must also sign a post-review statement that they did not
3 participate in the discussion or review of any application for which they might have a conflict of
4 interest, or shall indicate permission to participate was granted by the President pursuant to
5 subdivision (f) of this regulation.

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

13 Note: Authority cited: California Constitution, article XXXV; Section 125290.40, subd.(j),
14 Health and Safety Code.

15 Reference: Sections 125290.50, subd. (e), 125290.60, Health and Safety Code.