

**- Protect and benefit the California budget: by postponing general fund payments on the bonds for the first five years; by funding scientific and medical research that will significantly reduce state health care costs in the future; and by providing an opportunity for the state to benefit from royalties, patents, and licensing fees that result from the research.**

**- Benefit the California economy by creating projects, jobs, and therapies that will generate millions of dollars in new tax revenues in our state.**

**- Advance the biotech industry in California to world leadership, as an economic engine for California's future.**

**SEC. 4. Article XXXV is added to the California Constitution to read:**

**Section 1 There is hereby established the California Institute for Regenerative Medicine ("Institute").**

**Section 2 The Institute shall have the following purposes:**

**(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.**

**Section 3 No funds authorized for, or made available to, the Institute shall be used for research involving human reproductive cloning.**

**Section 4 Funds authorized for, or made available to, the Institute shall be continuously appropriated without regard to fiscal year, be**

available and used only for the purposes provided herein, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.

**Section 5** There is hereby established a right to conduct stem cell research which includes research involving adult stem cells, cord blood stem cells, pluripotent stem cells and/or progenitor cells. Pluripotent stem cells are cells that are capable of self-renewal, and have broad potential to differentiate into multiple adult cell types. Pluripotent stem cells may be derived from somatic cell nuclear transfer or from surplus products of in vitro fertilization treatments when such products are donated under appropriate informed consent procedures. Progenitor cells are multipotent or precursor cells that are partially differentiated but retain the ability to divide and give rise to differentiated cells.

**Section 6** Notwithstanding any other provision of this Constitution or any law, the Institute, which is established in state government, may utilize state issued tax-exempt and taxable bonds to fund its operations, medical and scientific research, including therapy development through clinical trials, and facilities.

**Section 7** Notwithstanding any other provision of this Constitution, including Article VII, or any law, the Institute and its employees are exempt from Civil Service.

**SEC. 5.** Chapter 3 commencing with Section 125281.01 is added to Part 5 of Division 106 of the Health and Safety Code to read:

### Chapter 3

### California Stem Cell Research and Cures/Bond Act

### ARTICLE 1.

### California Stem Cell Research and Cures Act

**125281.01 General – Independent Citizen’s Oversight Committee (“ICOC”)**  
This Chapter implements California Constitution article XXXV which established

the California Institute for Regenerative Medicine ("Institute").

**125281.02 Creation of the ICOC**

There is hereby created the Independent Citizen's Oversight Committee, hereinafter, the ICOC, which shall govern the Institute and is hereby vested with full power, authority and jurisdiction over the Institute.

**125281.03 ICOC Membership; Appointments; Terms of Office**

**(a) ICOC Membership**

The ICOC shall have 29 members, appointed as follows:

(1) The Chancellors of the University of California at San Francisco, Davis, San Diego, Los Angeles and Irvine, shall each appoint an executive officer from his or her campus.

(2) The Governor, the Lieutenant Governor, the Treasurer and the Controller shall each appoint an executive officer from the following three categories:

(A) a California university, excluding the five campuses of the University of California described in paragraph (1), that has demonstrated success and leadership in stem cell research, and that has:

(i) a nationally-ranked research hospital and medical school; this criteria will apply to only two of the four appointments.

(ii) a recent proven history of administering scientific and/or medical research grants and contracts in an average annual range exceeding \$100 million.

(iii) a ranking within the past five years in the top 10 United States universities with the highest number of life-science patents or that has research or clinical faculty who are members of the National Academy of Sciences.

(B) a California non-profit academic and research institution that is not a part of the University of California, that has demonstrated success and leadership in stem cell research, and that has:

(i) a nationally-ranked research hospital or that has research or clinical faculty who are members of the National Academy of Sciences.

(ii) a proven history in the last five years of managing a research budget in the lifesciences exceeding \$20 million.

(C) a California life-science commercial entity that is not actively engaged in researching or developing therapies with pluripotent or progenitor stem cells, that has a background in implementing successful experimental medical therapies, and that has not been awarded, or applied for, funding by the Institute at the time of appointment. A board member of such entity with a successful history of developing innovative medical therapies may be appointed in lieu of an executive officer.

(D) only one member shall be appointed from a single university, institution, or entity. The executive officer of a California university, a non-profit research institution or life-science commercial entity who is appointed as a member, may from time to time delegate those duties to an executive officer of the entity or to the dean of the medical school, if applicable.