

(3) The Governor, the Lieutenant Governor, the Treasurer, and the Controller shall appoint members from among California representatives of California regional, state, or national disease advocacy groups, as follows:

(A) The Governor shall appoint two members, one from each of the following disease advocacy groups: spinal cord injury, and Alzheimer's disease.

(B) The Lieutenant Governor shall appoint two members, one from each of the following disease advocacy groups: type II diabetes; and multiple sclerosis or amyotrophic lateral sclerosis.

(C) The Treasurer shall appoint two members, one from each of the following disease groups: type I diabetes and heart disease.

(D) The Controller shall appoint two members, one from each of the following disease groups: cancer and Parkinson's disease.

(4) The Speaker of the Assembly shall appoint a member from among California representatives of a California regional, state, or national Mental Health disease advocacy group.

(5) The President Pro Tem of the Senate shall appoint a member from among California representatives of a California regional, state, or national HIV/AIDS disease advocacy group.

(6) A Chairperson and Vice Chairperson who shall be elected by the ICOC members. Within 40 days of the effective date of this Act, each Constitutional Officer shall nominate a candidate for Chairperson and another candidate for Vice Chairperson. The Chairperson and Vice Chairperson shall each be elected for a term of six years. The Chairperson and Vice Chairperson of ICOC shall be full or part-time employees of the Institute and shall meet the following criteria:

(A) Mandatory Chairperson Criteria

(i) Documented history in successful stem cell research advocacy.

(ii) Experience with state and federal legislative processes that must include some experience with medical legislative approvals of standards and/or funding.

(iii) Qualified for appointment pursuant to Section 125281.03 (a) (3), (4) or (5).

(iv) Cannot be concurrently employed by or on leave from any prospective grant or loan recipient institutions in California.

(B) Additional Criteria for Consideration:

(i) Experience with governmental agencies or institutions (either executive or board position).

(ii) Experience with the process of establishing government standards and procedures.

(iii) Legal experience with the legal review of proper governmental authority for the exercise of government agency or government institutional powers.

(iv) Direct knowledge and experience in bond financing.

The Vice-Chairperson shall satisfy section 125281.03 (a) (6) (A) (i), (iii) and (iv). The Vice-Chairperson shall be selected from among individuals who have attributes and

experience complementary to those of the Chairperson, preferably covering the criteria not represented by the Chairperson's credentials and experience.

(b) Appointment of ICOC Members

(1) All appointments shall be made within 40 days of the effective date of this Act. In the event that any of the appointments are not completed within the permitted timeframe, the ICOC shall proceed to operate with the appointments that are in place, provided that at least 60 percent of the appointments have been made.

(2) 45 days after the effective date of this Act, the State Controller and the State Treasurer, or if only one is available within 45 days, the other shall convene a meeting of the appointed members of the ICOC to elect a Chairperson and Vice Chairperson from among the individuals nominated by the Constitutional Officers pursuant to section 125281.03 (a) (6).

(c) ICOC Member Terms Of Office

(1) The members appointed pursuant to section 125281.03 (a) (1), (a) (3), (a) (4), and (a) (5) shall serve eight-year terms, and all other members shall serve six-year terms. Members shall serve a maximum of two terms.

(2) If a vacancy occurs within a term, the appointing authority shall appoint a replacement member within 30 days to serve the remainder of the term.

(3) When a term expires, the appointing authority shall appoint a member within 30 days. ICOC members shall continue to serve until their replacements are appointed.

125281.04 Majority Vote of Quorum

Actions of the ICOC may be taken only by a majority vote of a quorum of the ICOC.

125281.05 Public and Financial Accountability Standards

(a) Annual Public Report

The Institute shall issue an annual report to the public which sets forth its activities, grants awarded, grants in progress, research accomplishments, and future program directions. Each annual report shall include, but not be limited to, the following: the number and dollar amounts of research and facilities grants; the grantees for the prior year; the Institute's administrative expenses; an assessment of the availability of funding for stem cell research from sources other than the Institute; a summary of research findings, including promising new research areas; an assessment of the relationship between the Institute's grants and the overall strategy of its research program; and a report of the Institute's strategic research and financial plans.

(b) Independent Financial Audit for Review by State Controller

The Institute shall annually commission an independent financial audit of its activities from a certified public accounting firm which shall be provided to the State Controller, who shall review the audit and annually issue a public report of that review.

(c) Citizen's Financial Accountability Oversight Committee

There shall be a Citizen's Financial Accountability Oversight Committee chaired

by the State Controller. This committee shall review the annual financial audit, the State Controller's report and evaluation of that audit, and the financial practices of the Institute. The State Controller, the State Treasurer, the President Pro-Tem of the Senate, the Speaker of the Assembly, and the Chairperson of the ICOC shall each appoint a public member of the committee. Committee members shall have medical backgrounds and knowledge of relevant financial matters. The committee shall provide recommendations on the Institute's financial practices and performance. The State Controller shall provide staff support. The committee shall hold a public meeting, with appropriate notice, and with a formal public comment period. The committee shall evaluate public comments and include appropriate summaries in its annual report. The ICOC shall provide funds for the per diem expenses of the committee members and for publication of the annual report.

(d) Public Meeting Laws

(1) 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.

(2) The Bagley-Keene Opening Meeting Act, Article 9 (commencing with section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, shall apply to all meetings of the ICOC, except as otherwise provided in this section. The ICOC shall award all grants, loans and contracts in public meetings and shall adopt all governance, scientific, medical and regulatory standards in public meetings.

(3) The ICOC 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:

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

(B) 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.

(C) Matters involving pre-publication, confidential scientific research or data.

(D) Matters concerning the appointment, employment, performance, compensation, or dismissal of Institute officers and employees. Action on compensation of the Institute's officers and employees shall only be taken in open session.

(4) The meeting required by section 125281.03 (b) (2) shall be deemed to be a special meeting for the purposes of Government Code section 11125.4.

(e) Public Records

(1) The California Public Records Act, Article 1 (commencing with section