

(j) Adopt, amend and rescind rules and regulations to carry out the purposes and provisions of this chapter, and to govern the procedures of the ICOC. Except as provided in subdivision (k), these rules and regulations shall be adopted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 4.5, Sections 11371 et seq.)

(k) Notwithstanding the Administrative Procedure Act ("APA"), and in order to facilitate the immediate commencement of research covered by this chapter, the ICOC may adopt interim regulations without compliance with the procedures set forth in the APA. The interim regulations shall remain in effect for 270 days unless earlier superseded by regulations adopted pursuant to the APA.

(l) Request the issuance of bonds from the California Stem Cell Research and Cures Finance Committee and loans from the Pooled Money Investment Board.

(m) May annually modify its funding and finance programs to optimize the Institute's ability to achieve the objective that its activities be revenue-positive for the State of California during its first five years of operation without jeopardizing the progress of its core medical and scientific research program.

(n) Notwithstanding Government Code section 11005, accept additional revenue and real and personal property, including but not limited to gifts, royalties, interest and appropriations that may be used to supplement annual research grant funding and the operations of the Institute.

125281.08 ICOC Operations

(a) Legal Actions and Liability

(1) The Institute may sue and be sued.

(2) Based upon ICOC standards, Institute grantees shall indemnify or insure and hold the Institute harmless against any and all losses, claims, damages, expenses or liabilities, including attorneys' fees, arising from research conducted by the grantee pursuant to the grant, and/or, in the alternative, grantees shall name the Institute as an additional insured and submit proof of such insurance.

(3) Given the scientific, medical and technical nature of the issues facing the ICOC, and notwithstanding Government Code section 11042, the Institute is authorized to retain outside counsel when the ICOC determines that the Institute requires specialized services not provided by the Attorney General's Office.

(4) The Institute may enter into any contracts or obligations which are authorized or permitted by law.

(b) Personnel

(1) The ICOC shall from time to time determine the total number of authorized employees for the Institute, up to a maximum of fifty employees, excluding members of the working groups, who shall not be considered Institute employees. The ICOC shall select a Chairperson, Vice-Chairperson and President who shall exercise all of the powers delegated to them by the ICOC. The following functions apply to the Chairperson, Vice-Chairperson and President:

The Chairperson's primary responsibilities are to manage the ICOC agenda and work flow including all evaluations and approvals of scientific and medical working group grants, loans, facilities, and standards evaluations, and to supervise all annual reports and public accountability requirements; to manage and optimize the Institute's bond financing plans and funding cash flow plan; to interface with the California legislature, the United States Congress, the California healthcare system, and the California public; to optimize all financial leverage opportunities for the Institute; and to lead negotiations for intellectual property agreements, policies, and contract terms. The Chairperson shall also serve as a member of the Scientific and Medical Accountability Standards Working Group and the Scientific and Medical Research Facilities Working Group and as an ex-officio member of the Scientific and Medical Research Funding Working Group. The Vice-Chairperson's primary responsibilities are to support the Chairperson in all duties and to carry out those duties in the Chairperson's absence.

The President's primary responsibilities are to serve as the Chief Executive of the Institute; to recruit the highest scientific and medical talent in the United States to serve the Institute on its working groups; to serve the Institute on its working groups; to direct ICOC staff and participate in the process of supporting all working group requirements to develop recommendations on grants, loans, facilities, and standards as well as to direct and support the ICOC process of evaluating and acting on those recommendations, the implementation of all decisions on these and general matters of the ICOC; to hire, direct, and manage the staff of the Institute; to develop the budgets and cost control programs of the Institute; to manage compliance with all rules and regulations on the ICOC, including the performance of all grant recipients; and to manage and execute all intellectual property agreements and any other contracts pertaining to the Institute or research it funds.

(2) Each member of the ICOC except the Chairperson, Vice Chairperson and President, shall receive a per diem of one hundred dollars (\$100) per day (adjusted annually for cost of living) for each day actually spent in the discharge of the member's duties, plus reasonable and necessary travel and other expenses incurred in the performance of the member's duties.

(3) The ICOC shall establish daily consulting rates and expense reimbursement standards for the non-ICOC members of all of its working groups.

(4) Notwithstanding Government Code section 19825, the ICOC shall set compensation for the Chairperson, Vice-Chairperson and President and other officers, and for the scientific, medical, technical, and administrative staff of the Institute within the range of compensation levels for executive officers and scientific, medical, technical, and administrative staff of medical schools within the University of California system and the non-profit academic and research institutions described in section 125281.03 (a) (2).

125281.09 Scientific and Medical Working Groups-General

(a) The Institute shall have, and there is hereby established three separate scientific and medical working groups as follows:

**Scientific and Medical Research Funding Working Group;
Scientific and Medical Accountability Standards Working Group; and
Scientific and Medical Research Facilities Working Group**

(b) Working Group Members

Appointments of scientific and medical working group members shall be made by a majority vote of a quorum of the ICOC, within 30 days of the election and appointment of the initial ICOC members. The working group members' terms shall be six years except that, after the first six year terms, the members' terms will be staggered so that one-third of the members shall be elected for a term that expires two years later, one third of the members shall be elected for a term that expires four years later, and one-third of the members shall be elected for a term that expires six years later. Subsequent terms are for six years. Working group members may serve a maximum of two consecutive terms.

(c) Working Group Meetings

Each scientific and medical working group shall hold at least four meetings per year, one of which shall be designated as its annual meeting.

(d) Working Group Recommendations to the ICOC

Recommendations of each of the working groups may be forwarded to the ICOC only by a vote of a majority of a quorum of the members of each working group. If 35 percent of the members of any working group join together in a minority position, a minority report may be submitted to the ICOC. The ICOC shall consider the recommendations of the working groups in making its decisions on applications for research and facility grants and loan awards and in adopting regulatory standards. Each working group shall recommend to ICOC rules, procedures and practices for that working group.

(e) Conflict of Interest

(1) The ICOC shall adopt conflict of interest rules, based on standards applicable to members of scientific review committees of the National Institutes of Health, to govern the participation of non-ICOC working group members.

(2) The ICOC shall appoint an ethics officer from among the staff of the Institute.

(3) Because the working groups are purely advisory and have no final decision-making authority, members of the working groups shall not be considered public officials, employees or consultants for purposes of the Political Reform Act (commencing with Government Code section 81000), Government Code sections 1090 and 19990, and Public Contract Code sections 10516 and 10517.

(f) Working Group Records

All records of the working groups submitted as part of the working groups' recommendations to the ICOC for approval shall be subject to the Public Records Act. Except as provided in this subdivision, the working groups shall not be subject to the