

(e) **“Constitutional Officers”** means the Governor, Lieutenant Governor, Treasurer and Controller of California.

(f) **“Facilities”** means buildings, building leases, or capital equipment.

(g) **“Floating-rate Bonds”** means bonds which do not bear a fixed rate of interest until their final maturity date, including commercial paper notes.

(h) **“Fund”** means the California Stem Cell Research and Disease Cures Fund created pursuant to Section 125282.04.

(i) **“Grant”** means a grant, loan or guarantee.

(j) **“Grantee”** means a recipient of a grant from the Institute. All University of California grantee institutions shall be considered as separate and individual grantee institutions.

(k) **“Human Reproductive Cloning”** means the practice of creating or attempting to create a human being by transferring the nucleus from a human cell into an egg cell from which the nucleus has been removed for the purpose of implanting the resulting product in a uterus to initiate a pregnancy.

(l) **“Indirect Costs”** mean the recipient’s costs in the administration, accounting, general overhead and general support costs for implementing a grant or loan of the Institute. NIH definitions of indirect costs will be utilized as one of the bases by the Scientific and Medical Research Standards Working Group to create a guideline for recipients on this definition, with modifications to reflect guidance by the ICOC and this Act.

(m) **“Institute”** means the California Institute for Regenerative Medicine.

(n) **“Interim Standards”** means temporary standards that perform the same function as **“emergency regulations”** under the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 4.5, sections 11371 et seq) except that in order to provide greater opportunity for public comment on the permanent regulations, remain in force for 270 days rather than 180 days.

(o) **“Life-Science Commercial Entity”** means a firm or organization, headquartered in California, whose business model includes biomedical or biotechnology product development and commercialization.

(p) **“Medical Ethicist”** means an individual with advanced training in ethics—who holds a PhD, MA or equivalent training and who spends or has spent substantial time (a) researching and writing on ethical issues related to medicine, and (b) administering ethical safeguards during the clinical trial process, particularly through service on institutional review boards.

(q) **“Pluripotent Cells”** means 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. These excess cells from in vitro fertilization treatments would otherwise be intended to be discarded if not utilized for medical research.

(r) **“Progenitor Cells”** means multipotent or precursor cells that are partially differentiated but retain the ability to divide and give rise to differentiated cells.

(s) **“Quorum”** means at least 65 percent of the members who are eligible to vote.

(t) **“Research Donor”** means a human who donates biological materials for research purposes after full disclosure and consent.

(u) **“Research Funding”** includes interdisciplinary scientific and medical funding for basic research, therapy development, and the development of pharmacologies and treatments through clinical trials. When a facilities grant or loan has not been provided to house all elements of the research, therapy development, and/or clinical trials, research funding shall include an allowance for a market lease rate of reimbursement for the facility. In all cases, operating costs of the facility, including but not limited to library and communication services, utilities, maintenance, janitorial and security, shall be included as direct research funding costs. Legal costs of the Institute incurred in order to negotiate standards with federal and state governments and research institutions; to implement standards or regulations; to resolve disputes; and/or to carry out all other actions necessary to defend and/or advance the Institute’s mission shall be considered direct research funding costs.

(v) **“Research Participant”** means a human enrolled with full disclosure and consent, and participating in clinical trials.

(w) **“Revenue Positive”** means all state tax revenues generated directly and indirectly by the research and facilities of the Institute are greater than the debt service on the state bonds actually paid by the state general fund in the same year.

(x) "Stem Cells" mean non-specialized cells that have the capacity to divide in culture and to differentiate into more mature cells with specialized functions.

(y) "Vital Research Opportunity" means scientific and medical research and technologies and/or any stem cell research not actually funded by the Institute under Section 125281.11 (c) (1) (C) which provides a substantially superior research opportunity vital to advance medical science as determined by at least a two-thirds vote of a quorum of the members of the Scientific and Medical Research Funding Working Group and recommended as such by that working group to the ICOC. Human reproductive cloning shall not be a vital research opportunity.

**SEC. 6.** Government Code section 20069 is amended to read as follows:

(a) "State service" means service rendered as an employee or officer (employed, appointed or elected) of the state, the California Institute for Regenerative Medicine and the officers and employees of its governing body, the university, a school employer, or a contracting agency, for compensation, and only while he or she is receiving compensation from that employer therefore, except as provided in Article 4 (commencing with Section 20990) of Chapter 11.

(b) State service," solely for purposes of qualification for benefits and retirement allowances under this system, shall also include service rendered as an officer or employee of a county if the salary for the service constitutes compensation earnable by a member of this system under section 20638.

**SEC. 7. Severability**

If any provision of this Act, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable.

**SEC. 8. Amendments**

The statutory provisions of this measure, except the bond provisions, may be amended to enhance the ability of the Institute to further the purposes of the grant and loan programs created by the measure, by a bill introduced and passed no earlier than the third full calendar year following adoption, by seventy percent of the membership of both houses of the Legislature and signed by the Governor, provided that at least 14 days prior to passage in each house, copies of the bill in final form shall be made available by the clerk of each house to the public and news media.