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**TO:** MEMBERS OF THE GOVERNANCE SUBCOMMITTEE

**FROM:** ALAN TROUNSON, PRESIDENT; ELLEN FEIGAL, VICE PRESIDENT OF RESEARCH AND DEVELOPMENT

**SUBJECT:** CIRM MANAGEMENT'S REQUESTED CHANGES TO THE PENDING AMENDMENTS TO THE INTERNAL GOVERNANCE POLICY

**DATE:** JUNE 10, 2011

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**The memorandum accompanying agenda item 4 of the Subcommittee's June 13<sup>th</sup> meeting states that the proposed revisions to the Internal Governance Policy may well serve as a "starting point." It recognizes that the proposed amendments are being made in a context where the new Chair has not been selected. Accordingly, we request that the Governance Subcommittee schedule a meeting within 30 days to consider the President's and Chair's proposals for operational structures and governance policies that will strengthen CIRM and ensure we are best positioned to build upon our successes and deliver CIRM's mission.**

Specific comments to the proposed amendments to the Internal Governance Policy include the following:

**Organization Chart:**

- While it is appropriate that the Board approve the organizational structure of CIRM, the organizational structure of CIRM should not be part of the Internal Governance Policy. Rather CIRM's organization and functions should be in a separate document which the Board approves.



**Duties of the Chair:**

- In light of the fact that the new Chair may not necessarily have the appropriate legal expertise and institutional knowledge required to supervise “compliance with public meeting and conflict of interest requirements and the legal and financial accountability of the Governing Board” we believe that this provision should be deleted. In its place, we recommend that the text simply include the language of Proposition 71 which provides the Chair is to “supervise all annual reports and public accountability requirements.”

**Organization and Administrative Structure (section 3):**

- The Executive Director and Public Media Director should not be considered “Senior Officers of CIRM” as provided in this section. We therefore request that the designated paragraph simply state “The following positions report to the Chair and Vice Chair.”
- The Chief Financial Officer position should have joint reporting to the Chair and President with the position residing in the Office of the President for purposes of accounting/budgeting
- The CIRM HR policies and procedures should apply to the staff that supports the Chair of the Board and other Board functions. All employees of CIRM regardless of whether they are in the Office of the President or Office of the Chair shall be held to the same personnel policies including those related to travel, benefits, compensation, merit increases, office assignments, parking and telecommuting policies and there shall be absolute parity in application as between the two offices. Section 3(f) should be revised to reflect this.
- The budget of the Office of the Chair shall be prepared in collaboration with the President and section 5 should reflect this.