

**Life Sciences Discovery Fund Authority**  
**Public Board Meeting Minutes**  
**Tuesday, January 8, 2008 8:30a-9:30a**  
**Watertown Hotel, 4242 Roosevelt Way NE, Seattle WA**

**Trustees Present:** Lura Powell, Jim Cook, Sen Chris Marr, Rep Jeff Morris, Bruce Montgomery, Rep Skip Priest, Cheryl Scott, Tony Hey, Sen Jerome Delvin and Gov Gary Locke

**Trustees Absent:** Rita Colwell

**Others Attending:** Lee Huntsman, John Des Rosier, Mark Hertle, Kelly Moutsos, Alden Jones, Rich Murphy, Brenda Stav, Pamela Anderson, Ed Derrick (AAAS), Kent Nakamura (ethics observer), Mike Tribble (AG's office), Brad Jurkovich, Shan Mullin, Bill Grinstein, Jack Nagan (Benaroya Research Institute)

## MINUTES

### PUBLIC SESSION

**Welcome** – Chair welcomed group and Pam Anderson introduced Mike Tribble (AG's office) and ethics observer Kent Nakamura.

**Approval of Minutes from November 11, 2007 meeting** – minutes approved with no changes.

### Updates

- **Fund Raising** (Huntsman) – LSDF final report submitted to Paul G. Allen Family Foundation and second payment of \$1.5M received. Bill & Melinda Gates Foundation donation anticipated in January 2008. Donors advised \$4.3 committed for LSDF 07-01 competition and that LSDF trustees will consider in spring 2008 another competition with \$1.7M balance of funds. Ideas to be considered include: pre-commercialization research and encouraging and enabling new investigators. Powell thanked fund raising team of Grinstein, Mullin and Huntsman.
- **Coalition** (Mullin) – Plan was to sunset coalition after legislative session, but Mullin and Grinstein willing to continue thanks to Washington Biotechnology and Biomedical Association's willingness to provide back office assistance. Jurkovich working closely with LSDF staff and board this legislative session to increase awareness of LSDF's awarded projects and upcoming competitions. Grinstein noted Higher Education Commission Board's (HEC) master plan mentions life sciences research and LSDF as positive models for enhancing economic development, technology and commercialization. Grinstein to provide copy to staff to share with trustees.
- **Donor Conflict of Interest Policy** (DesRosier) – Board approved adoption of policy on conflict of interest and donors which codifies approach taken at September 18, 2007 board meeting. Policy allows for, but does not require, an outside ethics observer. Nakamura serving in observer capacity for today's meeting.
- **Board Items** (Powell) – Board elected Cook as board treasurer, Delvin as board secretary for one year term (max two consecutive terms). Per Anderson, Montgomery and Colwell reappointments confirmed by the Governor. Board retreat timing and location discussed. Staff to repoll trustees on their preferences.
- **Grant Agreement and Intellectual Property** (DesRosier) – An ad hoc subcommittee of the Board (Powell, Montgomery, and Morris) met in December with Anderson, Huntsman and DesRosier to discuss returns to the state on IP developed under LSDF grants. Two proposals considered: pay back to LSDF in event that IP achieves certain threshold of revenue return from commercialization; and/or non-exclusive royalty free license accruing to the state for non commercial purposes including royalty free sales. Board advocated convening group of applicant organizations for feedback on issue and options, as well as staff learning more about what other organizations do, why, pros and cons.

- **Public Records Request** (DesRosier) – Assistant Attorney General Shannon Inglis upheld LSDF’s claims of exemptions in Associated Press (AP) 07-01 public records request with one exception: proposal signature page falls outside the exemption. LSDF has contacted AP to offer to provide signature pages.
- **07-01 Competition** (DesRosier) – Grant agreements have been sent to all awardees. Two signed and returned to date. An issue arose regarding the completeness of the Daniel Chiu proposal. After being flagged by the Board, further information provided by LSDF staff regarding this issue was considered by the Board and the award was confirmed.
- **08-01 and 08-02 Competitions** – 08-01 funds directed to “project” proposals; 08-02 funds directed to “programs”. RFPs for each competition being finalized. Information sessions scheduled around the state: Seattle, Olympia, Vancouver, Bellingham, Tri Cities, Spokane, Pullman.
- **Communications** (Murphy) – Recent activities include: creation of PowerPoint presentation for Marr, Delvin op ed in Spokesman Review, Priest op ed in Tacoma News Tribune, mid session update for Morris district, informational brochure for legislature, presence at WBBA bioscience day in Olympia January 22, Puget Sound Business Journal special section March 14, Powell interview on Comcast’s “Local Edition”, and Seattle PI editorial in conjunction with April 8 award deliberations and selection.
- **Personnel** (Huntsman) – Acknowledgement of Murphy’s service in launching LSDF’s communications efforts. Murphy’s temporary employment contract concludes in February and he’s decided to go back to consulting. In addition to Communications Manager position, LSDF is also recruiting Program Officer.
- **Operations** – State audit still in progress. Staff researching more integrated financial systems and reporting tools.

#### **Executive Session Preview – 07-02 Proposal (DesRosier)**

- **07-02 Competition Goals** – Programmatic in nature: “Innovative Programs to Advance Health Research”. Purpose is to fund “programs” not “projects” that position institutions for future competitive success. Programs must be innovative and show synergy; be built upon applicant organization’s strengths; be of strategic importance to applicant organization(s); receive resource commitments from the applicant organization; show the potential to attract future monies and endure over time; and advance LSDF’s goals of improving health and health care, contributing to economic development and fostering competitiveness.
- **07-02 Proposal Evaluation** - AAAS organized proposal review and assigned “highly recommended”, “recommended”, or “not recommended” ratings to assist board in deliberations regarding advancement to the interview round. On March 17-18, AAAS-organized interviews scheduled in Seattle (panel of 5-6 experts) with LSDF trustees invited to attend. AAAS interview panel to rate interviewees again using HR, R and NR format. Selection of awardees to take place at April 8 board meeting.
- **AAAS Comments** (Derrick) – 07-02 was heavily subscribed, highly competitive grant round: 75 proposals, \$288M in requests. Three reviewers considered proposals independently then convened via teleconference to prepare consensus review and rating against stated criteria. Derrick briefly described March interview process.

9:30a Conclusion of Public Meeting

9:30a-5:00p Executive Session – 07-02 Proposal Discussion

*Respectfully submitted,*  
Lee Huntsman

