

Life Sciences Discovery Fund Authority

Board Meeting Minutes

November 8, 2005 | 9a-3p

Washington State University West Campus, Seattle WA

Present: Lura Powell (chair), Lisa Brown, Jim Cook, Gary Locke, Bruce Montgomery, Jeff Morris, Skip Priest, Cheryl Scott

Absent: Rita Colwell, Bill Finkbeiner

Others Attending: Lee Huntsman (executive director), Pam Anderson (Attorney General's Office), Marc Baldwin (Governor's office), Shan Mullin, Monica Banks.

MINUTES

Greetings from the Governor – Baldwin

Marc conveyed words of support and appreciation from the Governor.

Synopsis of Bio 21/LSDF History - Powell, Mullin

As co-chairs of the Bio 21 effort, Lura and Shan reviewed the history that culminated in the creation of the Fund. They pointed out the critical role of: 1) Gov. Locke in initiating the discussion and providing resources; 2) the broad participation from the academic, industry and public policy communities and; 3) the active participation of a number of members of the legislature. All observers expressed appreciation for Gov. Gregoire's strong endorsement and critical role in the final creation of the Fund.

Summary of Legislation - Baldwin

Marc provided a summary of the legislation creating the Fund and the Authority with special emphasis on the intent and the responsibility/authority of the trustees. Discussion ensued in which Pam Anderson summarized for the board the open public meeting and freedom of information requirements that apply to the Authority's work. The question was raised whether it would be advantageous to the purpose of the Authority to create a 501 (c) 3 entity. One benefit of such an entity would include a streamlined ability to receive gifts. It was decided to gather additional information about the potential advantages and pitfalls of such an organization.

It was highlighted that the legislation charges the executive director to provide a report by December 1, 2005 re the feasibility/desirability of the LSDF participating in technology transfer revenues, and a report by December 1, 2006 re the potential return on investment that grants from the Fund might engender for the state's economy.

Board Operations - Powell

After discussion about how the board can best direct the work of the Authority, it was decided that:

- Board meetings should be held more frequently during the first year with the goal of meeting every other month. Thereafter (in 2007) meetings would be quarterly.
- While visitors and observers will be welcome at all board meetings, trustees may not appoint a designate to substitute for their participation.
- The board will seek to have a teleconference in December.

- The board will seek to schedule a trustee meeting in January 2006 in Olympia during the legislative session.
- The board will select a secretary and treasurer soon.

Legal Issues – Mullin and Anderson

Shan led a discussion of legal issues likely to emerge as the LSDF gets organized. There will be a number of policies to be developed, such as contractual models with recipient organizations, as well as a need for careful thought about the programs developed, in order to assure their compliance with Washington State law. Pam summarized the services available from the Attorney General's office and pointed out that the board has the ability to use private counsel if it chooses.

Typically, with newly created state agencies, issues develop that require "clean-up" legislation, but at this early stage, it is not evident whether any such adjustments will be needed.

Developing the LSDF Organization – Huntsman and Powell

- Reconnaissance – Lee presented some initial ideas about how the design and the ramp-up of the Authority might proceed. It was agreed that among the early steps should be reconnaissance about how similar agencies operate in other states and how foundations with like purposes organize themselves. To this end, we will seek to identify one or more nationally recognized consultants who can help us conduct this benchmarking.
- Expenditure Authority – In order to proceed with reimbursement for board travel, hiring consultants and other early stage expenditures, a motion was introduced and unanimously passed to grant the executive director expenditure authority in consultation with the board chair.

Fund Raising - Mullin

Recognizing that the work of the Authority will not be able to proceed until 2008 unless interim funding is secured, Mullin provided the board with a summary of the thinking to date about soliciting charitable support. It was recognized that there is a need both for funds to allow grant making and funds to ramp-up the organization. It's believed that it may be possible to secure philanthropic support for grant making, but it is unlikely donors will provide funds for operations. Since the \$150K appropriation to the Authority for the current biennium is substantially less than originally proposed by the Governor and not nearly adequate to the needs of the ramp-up, the consensus was that we will need to ask the Governor and the legislature to consider providing operations support for the period up to April 2008.

There was also discussion about the potential for borrowing some money against the revenues expected in 2008 for either grant making or operations or both.

Developing Program Ideas – Huntsman

Lee provided both a PowerPoint presentation and a narrative description of early thinking about how the Authority might target its grant making. He pointed out that the LSDF came into existence primarily out of motivation for economic development and that both program ideas and metrics for success will need to consider economic development carefully. One cornerstone of the opportunity before us is to recognize that research is an industry with significant economic impact in Washington, by virtue of the external funding it attracts, the highly

qualified individuals it trains, and the intellectual property it produces. One clear intent of the LSDF is to facilitate the competitive success of life sciences research in Washington. Additional goals are to support the translation of research into technology transfer venture investment and job creation and to improve the quality of care in the state's health care system. Drawing on our own ideas and examples from elsewhere, we expect to develop an array of grant programs that will aid both research and commercialization and provide substantial economic leverage.

Conclude and Adjourn - *Powell*

The meeting ended with an overall expression of enthusiasm for the work of the Authority and appreciation for the hospitality of WSU West.

Respectfully submitted,
Lee Huntsman