

# Life Sciences Discovery Fund Authority

## Public Board Meeting Minutes

Tuesday, November 10, 2009 8:30am-12:30pm PDT

Talaris Conference Center (Cedar Room), Seattle WA

**Trustees Present:** Lura Powell (Board chair), Skip Davis (new trustee attending his first board meeting), Rep Glenn Anderson, Jim Cook, Sen Jerome Delvin, Tony Hey, and Bruce Montgomery

**Trustees Present via Telecon:** Chris Marr, Rita Colwell

**Trustees Absent:** Cheryl Scott, Jeff Morris

**Others Present:** John Des Rosier, Mark Hertle, Alden Jones, Cathy Manner, Brenda Stav, Kristina Montgomery, Pamela Anderson (AG), Mike Tribble (AG), Prof David Boerner (ethics observer), Brad Jurkovich, David Fisher, Jeff Stevens, Phillip Fleckman, and grant recipients, Debbie Nickerson (UW) and Gerald Nepom (Benaroya Research Institute), who made presentations about their work.

**Others Present via Telecon:** Jack Nagan

### MINUTES

#### PUBLIC SESSION

**Welcome** – Cook acted as temporary chair until Powell arrived. Cook welcomed the group and introduced new LSDF trustee Ryland “Skip” Davis. Trustee Montgomery was recognized for his recent UW Medicine “Inventor of the Year” award. September 15, 2009 meeting minutes approved without changes.

**Personnel** (Des Rosier) – Cathy Manner recognized for her promotion to Senior Program Officer. Program Officer interviews in progress.

**Financials** (Jones) – Composite financials as of October 31, 2009 indicate no significant deviations from budget forecast. Staff working on more GAAP-aligned format and anticipate presenting to board in December or January.

#### Programs Update (Des Rosier)

- *Update on Awards:* 07-01 third progress reports coming in; 07-02 second progress reports are in; 08-01 first progress reports coming in; 08-02 program research underway; 09-01 five agreements under negotiation, one ready to sign; 09-03 one agreement signed, one in negotiation; 09-05 opportunity grant agreement signed.
- *Update on Current Competitions:* 09-02 proceeding to interview stage; 09-04 summer commercialization grants - 10 proposals received with commercial panel review on November 12.
- *Upcoming Board Evaluation:* 09-02 programs competition proposals to be evaluated for interviewee selection this afternoon, in-person AAAS interviews on January 11 and 12, board evaluation of interviews on February 9, and vote and announcement on February 16. 09-04 proposals to be evaluated by trustees at the December 8 meeting with award vote and announcement on December 15.

#### Board Policy Updates

- *Updated Lobbying Summary:* Tribble briefly summarized the updated restrictions and reporting requirements for lobbying activity, reminding trustees that LSDF cannot reimburse if lobbying on their own behalf.
- *Electronic Data Discovery and Evidence Preservation:* Governor’s and Attorney General’s office want all state agencies to have an electronic data discovery and evidence preservation plan. Tribble and Anderson have drafted Evidence Preservation Procedures for LSDF board approval. In summary, trustees have a duty to retain records subject to discovery. Counsel suggests that trustees set-up separate LSDF-only folders and segregate incoming mail and documents accordingly.

**LSDF 2009 Opportunity Grant Awardee Presentation – Debbie Nickerson, University of Washington – “Northwest Genomics Center”** (slides available on request).

**LSDF 2007 Program Grant Awardee Presentation – Gerald Nepom, Benaroya Research Institute at Virginia Mason – “Program for Autoimmune Disease Intervention” (slides available upon request).**

**Board Policy Updates (continued)**

- *Grant Supplement Policy* (Des Rosier) – Topic deferred to future board meeting.

**Programs Topics (Des Rosier)**

- *Opportunity Grant* – With the \$2M Nickerson award, LSDF trustees indicated receptiveness to funding compelling research opportunities having the urgency that is incompatible with regular competition calendars. Going forward, the trustee’s agreed on the following description and key features of the Opportunity Grant Mechanism:
  - *An urgency or nature that cannot be aligned with LSDF’s annual competition cycles;*
  - *The ability for LSDF to immediately and significantly leverage its investment against funding from other sources (targeting a near-term, 10X leverage and a long-term potential for economic return and self-sustaining operations)*
  - *A clear demonstration of statewide benefit;*
  - *Devote approximately 10% of LSDF award budget or minimum of \$200K per grant;*
  - *Grant seekers are required to discuss the nature of their proposal with and receive the approval of LSDF staff in advance of submitting a formal application;*
  - *Applications of three to five pages submitted by PI; strong organizational commitment is required;*
  - *Proposals will be accepted on a first-come, first-served basis beginning May 3, 2010;*
  - *All proposals will undergo external expert review;*
  - *Proposal turn-around should be consistent with the opportunity’s timeline;*
  - *All grants are subject to LSDF’s grant agreement, including specification of milestones and timelines and submission of progress reports.*
- *Corporate Participation in Commercialization Grants* – LSDF encourages corporate collaboration in its grants and corporate interest in commercialization grants is growing. However, companies have called into question LSDF’s current policy which does not allow subcontracting funds to a company for discovery-based work or work performed on a “best effort” basis. Instead, funds are only provided to a company for deliverable goods and services provided to do the research. Philip Fleckman (UW), an LSDF 2009 winter commercialization grant awardee, questioned the current policy, wondering if it would be more helpful to view the corporation as a research collaborator (thus allowing funding for intellectual involvement) as well as a vendor, vs. merely the latter.
- *Genesis of LSDF’s Current Corporate Involvement Policy* –Anderson explained LSDF’s historical and conservative interpretation of company’s role vis a vis State constitution and ongoing court precedent. Trustees discussed the potential positives and negatives of an expanded role for companies. Trustees acknowledged the need for more focused in-depth conversation and will organize a sub-committee to discuss and report back to board at next (December 8) meeting. Anderson, Davis, Powell, and Montgomery volunteered to serve.

*The public session was adjourned and an executive session commenced at 12:45pm during which the trustees discussed 2009 program grant competition proposals for the purpose of extending invitations to select research teams to proceed to the interview stage.*

Respectfully submitted,  
John Des Rosier (for Lee Huntsman, absent at November 11 meeting)  
Director of Programs  
Life Sciences Discovery Fund Authority