

Life Sciences Discovery Fund Authority
Public Board Meeting Minutes
Tuesday, November 13, 2007 9:30a-2:45p
SIRTI, 600 Riverpoint Drive, 4th Floor Boardroom, Spokane WA

Trustees Present: Lura Powell, Jim Cook, Sen Chris Marr, Rep Jeff Morris, Bruce Montgomery, Rep Skip Priest, Cheryl Scott (via telecon for executive session), Tony Hey (via telecon for executive session), and Gov Gary Locke (via telecon for executive session).

Trustees Absent: Rita Colwell, Sen Jerome Delvin

Others Attending: Lee Huntsman, John Des Rosier, Mark Hertle, Kelly Moutsos, Alden Jones, Rich Murphy, Pamela Anderson, Kim Zentz (SIRTI), Lewis Rumpler (ISM), Brad Jurkovich (via telecon), Iris Mondri-Kish (Benaroya Research Institute via telecon), and Evan Castiglia (ISM).

MINUTES

PUBLIC SESSION

Welcome – Chair welcomed group and introduced Kim Zentz (Executive Director, SIRTI) who spoke about SIRTI's history, mission, facilities, programs, partners and accomplishments; including the creation of 2,400 jobs since 1994 and a 66% company survival rate.

Minutes – September 18, 2007 minutes amended to record Lura Powell's disclosure of a past relationship with Kadlec Clinic for which the Board decided a recusal was in order. This information was accidentally omitted from the statement read by Anderson during afternoon public session.

Updates

- **Fund Raising** (Huntsman) – On track to meet \$6M goal. Preparing final report for Paul G. Allen Family Foundation which will trigger final donations.
- **Coalition (Jurkovich)** – Preparing for next legislative session and working with LSDF staff on media and stakeholder communications.
- **Programs 07-01** (DesRosier) – Expert reviewer's comments sent to all 07-01 applicants. Grant agreements underway with competition grantees. Progress to date: Hagopian - \$69K reduction for original cohort continuation, milestones complete; Ivory – addressing a review comment (Troponin T), milestones satisfactory; Hummel – award amount \$398K not \$530K, milestones complete; Flum – award amount reduced by \$1,500, milestones complete, "challenge grants" being negotiated; Newell – milestones need slight refinement; and Chiu – grant negotiations to begin shortly.
- **Programs 07-02** (DesRosier) – 120 LOIs received which converted to 75 submitted proposals from collaborating organizations across the state. Proposals constitute a variety of health issues, approaches and new program building. AAAS review in progress with feedback expected in December.
- **Communications** (Murphy) – Pre and post 07-01 award media activity recap by Murphy. Board requested PowerPoint presentation for Rotary or chamber talks and assistance with articles or op ed pieces in district papers.
- **Grants Administration** (Moutsos) – grant agreements underway and next competition structures being planned.
- **Operations** – State requested audit for July 1, 2005 - June 30, 2007 period. Staff to report on findings at future meeting. Records retention project underway. Operations budget through October 31, 2007 presented. No notable issues.

Executive Session – 07-01 Discussion (1030a-12:00p)

Public Session

Lunch Presentation – Jim Petersen, Vice Provost for Research, Office of Research, Washington State University.

Programs Discussion (DesRosier - continued)

- **Donor Conflict of Interest** – Per September 18 meeting, Board recognized the need for a donor conflict of interest policy to codify approach taken at selection meeting. Due to lack of quorum, policy will be presented at next meeting.
- **Remaining 07-01 Donor Funds** – Anticipate \$1.5M-\$1.6M leftover (from \$6M pool) after 07-01 grant agreements finalized. Board discussed options for use of funds: rerun competition with same focus as 07-01 (technology directed to improve health care quality and cost-effectiveness); apply to 08-01 competition if oversubscribed; establish a gap fund for precommercialization activities; start an entrepreneurial development effort; launch a young investigators competition; pay for travel related research costs, fellowships, and small seed grants. Board emphasized need for “transformative” vs merely interesting projects. Staff to distill these ideas, meet with donors, and solicit their input.
- **07-01 Lessons Learned** – AAAS review was good but can be improved. Per Board, advance notebook sufficient. Scalability of process may not be problematic for 07-02 as only four to six awards may be given. Board discussed degree to which staff should provide recommendations regarding proposals. Distinction made between staff providing clarity on scientific or technical questions vs providing opinions, judgments, or priority scoring. Board asked staff to note any flaws, imbalances, or inconsistencies in AAAS conclusions in “notable issues” section of 07-02 synopsis. Huntsman acknowledged staff at conservative end of spectrum, but due to diverse feedback from trustees, Board may want to further discuss and refine role of staff involvement in selection process.
- **Intellectual Property** – The question of whether any special rights accrue to Washington State due to its investment in research leading to commercializable IP will be addressed by a subcommittee of the Board including Powell, Montgomery (volunteer chair), and Morris with assistance from Anderson and DesRosier.
- **Public Disclosure** – Associated Press (AP) submitted public records request in May 2007 for all 07-01 proposals. LSDF provided some proposal information but claimed exemption for other information. AP appealed LSDF’s exemptions to the Attorney General’s office. Awaiting Attorney General’s opinion.
- **07-02 Competition** – Programmatic in nature: “Innovative Programs to Advance Health Research.” Requirements for programs: be innovative and synergistic; build upon applicant organizations’ strengths; be of strategic importance to organizations; receive resource commitments from the applicant organization; show the potential to attract future money; and advance LSDF’s goals of improving health, contributing to economic development and fostering competitiveness. 07-02 proposal evaluation will include a two-day interview phase in March 2008 in Seattle run by AAAS. Board welcome to attend but not mandatory. AAAS interview panel will rate interviewees “Highly Recommended,” “Recommended,” or “Not Recommended” and Board will select final awardees in April 2008.
- **08-01 and 08-02 Competitions** – 08-01 funds directed to “project” proposals; 08-02 funds directed to “programs”. To ensure manageable number of quality proposals, staff will add a self assessment section to the RFP and online application, conduct numerous information sessions around the state, and encourage potential applicants to discuss ideas with staff in advance.

Board Issues

- **Term Renewals** – Montgomery’s and Colwell’s two-year terms expired 10-31-07 but both have agreed to serve another term. Anderson to confirm reappointments with Governor’s office.

- **Compensation** – Powell noted current \$50/day per diem for non-legislative board members. Due to LSDF trustee workload and responsibility, question rose whether long term, the amount would deter potential future trustee candidates. Anderson noted highest paid state board members receive \$200-\$300 per day but have adjudicative role. Board asked for clarity regarding state compensation structure and rules, and what can be accomplished without statutory change.
- **Retreat** – Board discussed possible two-day retreat at Sleeping Lady in spring 2008 for review and strategic planning. Staff to poll members on availability.

Respectfully submitted,
Lee Huntsman