



Commonwealth Health Research Board Meeting Minutes for December 12, 2013

Members in Attendance:

Robert S. Call, M.D., Chairman
George E. Broman, Jr., M.D., Vice Chairman
L. Matthew Frank, M.D.
Cynda A. Johnson, M.D., M.B.A.

Members Absent:

Cynthia E. Keppel, Ph.D.

Others in Attendance:

Anne C. Pace, M.P.A.	CHRB Administrator
James F. O'Donnell, Ph.D.	Scientific Consultant
Carlos E. Caban, Ph.D., M.P.H.	Scientific Consultant
Dan Whitlock, CFA, CAIA	Director of Global Equity, Virginia Retirement System

Call to Order:

Chairman Dr. Robert S. Call called the meeting to order at 10:11 a.m. The meeting was held at the Wilton Center, University of Richmond, Richmond, Virginia 23173. A quorum was present for the transaction of business throughout the meeting.

Approval of Minutes:

Dr. Call moved to approve the minutes of the May 16, 2013 meeting. Dr. Frank seconded the motion. The motion was voted upon and passed unanimously.

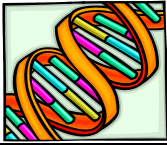
Virginia Retirement System (VRS) Financial Reports

Dan Whitlock, CFA, CAIA, Director of Global Equity for the Virginia Retirement System (VRS) distributed several documents to the members to include: [Source of documents: VRS Finance Division]

1. Analysis of Commonwealth Health Research Fund Activity for Fiscal Year 2014 through September 2013 which reflects the September 30, 2013 CHRF balance at \$31,766,403.88.
2. Performance Summary Rolling Periods ending September 30, 2013 which reflects Total VRS Fund Performance for various periods ranging from 1 year to 10 years.
3. Virginia Retirement System Asset Allocation as of September 30, 2013 for the Total VRS \$60.2 billion VRS Fund.

Mr. Whitlock stated that the 4.3% return for the Commonwealth Health Research Fund [CHRF] matches the overall VRS return and overall reflects a strong performance across the Board. The economy is positive, GDP is positive, unemployment is 7.0%, inflation is 2.2%, market S&P set new highs, earnings above 2007 peak, and people are feeling more comfortable. In response to a member question regarding assets, Mr. Whitlock responded that information is available in the VRS Annual Report. Administrator Pace will distribute a copy of the VRS Annual Report to members.

In reference to the VRS Asset Allocation handout which reflects the total VRS Fund market value at \$60.2 billion; Public Equity comprises 44% of the total investments while Private Equity represents 8.3% of the total. Hedge funds are reflected across the plan. There was some discussion regarding investments in alcohol and cigarettes as some endowments do not allow for investments in these areas.



Commonwealth Health Research Board Meeting Minutes for December 12, 2013

Mr. Whitlock responded that there has been no discussion at the VRS Board level regarding investments in these areas.

CHRB Financial Reports

Grant Funding Available for FY 2014/2015 CHRB Grant Awards

Administrator Pace provided updates on grant funding available for 2014 Grant Awards. Various funding scenarios ranging from 3.5% up to 6.0% will be provided at the April 2014 CHRB meeting. VRS Administrative Expenses, CHRB Administrative Expenses and outstanding CHRB Grant Obligations will be subtracted from the grant funding available to provide the amount of CHRB funds available for new FY 2014.2015 grants.

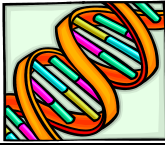
Funds available for 2014 Grant Awards

Calendar Year		Market Value as of 12/31/xx
January 31 - December 31, 2008	Year 1	\$22,749,283
January 31 - December 31, 2009	Year 2	\$25,803,429
January 31 - December 31, 2010	Year 3	\$28,320,007
January 31 - December 31, 2011	Year 4	\$27,511,097.32
January 31 - December 31, 2012	Year 5	\$29,885,251.45
	Total [rounded]	\$134,269,068
	Average Market Value [rounded]	\$26,853,814

Five-year average market value amount of \$26,853,814 is based upon figures provided by the Virginia Retirement System. This amount is the average market value of the prior five calendar years.

Available Grant Funding and Funding Scenarios	Average Market Value of 4%	Average Market Value of 4.50%	Average Market Value of 5%	Average Market Value of 5.50%	Average Market Value of 6%
Average Market Value = \$26,853,814	\$26,853,814	\$26,853,814	\$26,853,814	\$26,853,814	\$26,853,814
Available Grant Funding based upon average market value	\$1,074,153	\$1,208,422	\$1,342,691	\$1,476,960	\$1,611,229
Less estimated VRS administrative expenses	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
Less estimated CHRB administrative expenses	\$185,484	\$185,484	\$185,484	\$185,484	\$185,484
Grant funding available less VRS & CHRB administrative expenses	\$886,069	\$1,020,338	\$1,154,607	\$1,288,876	\$1,423,145
Grant funding available less outstanding grant expenses to be paid in FY 2014/2015	\$518,548	\$518,548	\$518,548	\$518,548	\$518,548
Grant funding available to award FY 2014/2015	\$367,521	\$501,790	\$636,059	\$770,328	\$904,597

Grant funding to be paid in FY 2014/2015 = FY 2012/2013 final grant payments of \$74,660 and FY 2013/2014 final and initial second year payments of \$443,888.



Commonwealth Health Research Board Meeting Minutes for December 12, 2013

FY 2012/2013 Final CHRB Expenses [through June 30, 2013]

On August 27, 2013, Administrator Pace distributed FY 2012/2013 Final CHRB Administrative and Grant expenses for FY 2012/2013 information to the CHRB members. A recap of this information is as follows:

The Board approved CHRB Administrative Budget for FY 2012/2013 amounted to \$169,865. Based upon the Commonwealth Accounting and Reporting System [CARS], CHRB expenses for FY 2012/2013 amounted to \$178,933.16. The majority of the difference of \$9,068.36 is attributed to expenses related to:

Object/ Subobject	Description	Approved FY 2012/2013 Admin Budget	FINAL FY 2012/2013 Expenses [as of 06/30/13]	FY 2012/2013 Difference between budget and expenses	Reason for Difference
1111 1112 1114 1115 1116 1117 1123 1138	CHRB Administrator Salary and Benefits	\$116,064.80	\$ 119,534.40	\$ 3,469.60	This overage is attributed to payment for services, provided in FY 2012/2013 but paid for in FY 2013/2014. There was also a change in the benefit rates in some categories after the FY 2012/2013 budget was approved by the Board.
1244	Management Services [Dr. James O'Donnell]	\$ 14,800.00	\$ 19,116.00	\$ 4,316.00	Of the total expense amount of \$19,116: [1] \$2,129 is for services provided in FY 2012/2013 but paid for in FY 2013/2014; and [2] July/August 2012 expenses were related to the Disease/Research Area Project [\$2,116].
1312 1313	Office Supplies, Stationary and Forms	\$ 2,000.00	\$ 4,097.92	\$ 2,097.92	Increase attributed to: [1] dissemination of more printed materials to Board; [2] printer drum for Brother Printer; [3] printing of envelopes with CHRB logo; [4] increase cost of binders and tab dividers for notebooks.

While the administrative expenses exceeded the administrative budget, there was a sufficient cash balance to absorb these expenses. The cash balance at 2012/2013 fiscal year end amounted to \$124,435.80. FY 2012/2013 grant disbursements totaled \$ 803,179.77 with the majority of the funds being disbursed in July 2012 for initial grant payments.

Approved FY 2013/2014 CHRB Administrative and Grants Expenses [through November 30, 2013]

Administrator Pace provided the Board with FY 2013/2014 year-to-date administrative and grant expenses through November 30, 2013: [Per the Commonwealth Accounting and Reporting System (CARS)]

FY 2013/2014	APPROVED FY 2013/2014 Administrative Budget	YTD 2013/2014 Expenses [as of November 30, 2013]	Special Notes:
Total Administrative	\$ 185,483.75	\$ 65,268.24	Greatest expenditures are for salaries and management services
Total Grant Disbursements	\$ 746,688.00	\$ 660,567.59	Majority of funds disbursed in July 2013 for initial grant payments



Commonwealth Health Research Board Meeting Minutes for December 12, 2013

FY 2014/2015 CHRB Grant Process Step One: Concept Paper Submissions

Dr. Call moved that the Board go into closed session pursuant to Virginia Code § 2.2-3711 (A) (31) for the purpose of discussion or consideration of grant application records exempted from the Virginia Freedom of Information Act pursuant to subsection 17 of § 2.2-3705.6. The motion was seconded by Dr. Frank. The motion was voted upon and passed unanimously.

Dr. Call moved that the Board reconvene in open session. Dr. Broman seconded the motion. The motion was voted upon and passed unanimously. The Board adopted the following resolution by roll call vote.

CERTIFICATION

WHEREAS, the Commonwealth Health Research Board has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712 of the *Code of Virginia* requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Health Research Board certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

A roll call vote of members present approved this resolution unanimously.

Dr. Broman made a motion that 24 Concept Papers be developed into Full Proposals. Dr. Johnson seconded the motion. The motion was voted upon and passed unanimously. Administrator Pace will contact these Principal Investigators regarding the CHRB's request for a Full Proposal submission. Administrator Pace will also provide reviewer comments to those Principal Investigators from whom Full Proposal submissions will not be requested.



Commonwealth Health Research Board Meeting Minutes for December 12, 2013

Progress of Ongoing 2013 CHRB Grant Awards

Administrator Pace provided an update regarding ongoing CHRB Grant Awards. Interim scientific report reviews will be distributed to members when received and reviewed:

Principal Investigator	Institution/Organization	Grant Title	Interim Reports Due
Stuart Berr, PhD #207-04-12	University of Virginia	Development of Biomarkers that Target Tumor Associated Macrophages	January 31, 2014 [second interim report]
Michael Boyd, MD #804-01-12	Carilion Medical Center	Genetic Reassessment after Induction in Advanced Non-small Cell Lung Cancer	January 31, 2014 [second interim report]
Raymond Colello, D.Phil. #236-04-12	Virginia Commonwealth University	Enhancing Axon Regeneration and Quality of Life Following Spinal Cord Injury	January 31, 2014 [second interim report]
Stephen Deutsch, M.D., Ph.D. #274-11-13	Eastern Virginia Medical School	Identifying NMDA Receptor Interventions for the Treatment of Impaired Sociability in Autism Spectrum Disorders using an Automated High-Throughput Screening Technology	March 31, 2014 [first interim report]
Rebecca Heise, Ph.D. #236-05-13	Virginia Commonwealth University	Development of Extracellular Matrix Hydrogels for Lung Regeneration	March 31, 2014 [first interim report]
Michael Leopold, Ph.D. #307-01-13	University of Richmond	Amperometric Biosensors Incorporating Nanoparticle Networks: Monitoring Sepsis using Lactate Measurement	March 31, 2014 [first interim report]
Michael Neale, Ph.D. #236-11-13	Virginia Commonwealth University	Whole Exome Sequencing to Improve Stem Cell Transplant Outcomes	March 31, 2014 [first interim report]
Laurie Wellman, Ph.D. #274-13-13	Eastern Virginia Medical School	Oxytocin and Exposure Therapy: A Novel Approach for Treating PTSD	March 31, 2014 [first interim report]

Other Business to come before the Board:

Financial Disclosure Forms due January 15, 2013: Administrator Pace referred members to the financial disclosure forms provided to them at the meeting along with a stamped, self-addressed envelope to return the forms to the Office of the Secretary of the Commonwealth by January 15, 2014.

Virginia Biosciences Health Research Corporation [VBHRC]: Administrator Pace referenced information in the meeting materials regarding the creation of the Virginia Biosciences Health Research Corporation, a tax-exempt corporation designed to foster collaborative scientific research innovation by providing a new program for public/private partnerships with Virginia universities and the Virginia Biosciences Health Research Corporation. Dr. Frank had initially brought this to Administrator Pace's attention by providing information about the VBHRC mission, goals, project funding guidelines, project scoring elements and outcome metrics.

On-line Review of CHRB Grant Applications: Administrator Pace is working with the Department of Accounts [DOA] Information Technology staff to develop a system to allow CHRB members to review grant applications [Concept Papers and Full Proposals] "on-line" versus receiving numerous emails with



Commonwealth Health Research Board Meeting Minutes for December 12, 2013

individual grant applications and summary reviews. Mrs. Pace will provide a report to the Board at its April 2014 meeting in the hopes of implementing this review and tracking system for the FY 2015/2016 CHRB Grants Process.

Certification and Ratification of Closed Meeting on April 11, 2013:

MOTION

In accordance with the provisions of Sections 2.2-3711 (A)(7) and 2.2-3711 (A)(1) of the Code of Virginia, Chairman Robert S. Call, M.D. moved that the Board go into closed meeting for the purpose of

Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Board, and consultation with legal counsel employed or retained by the Board regarding specific legal matters requiring the provision of legal advice by such counsel regarding a personnel matter pursuant to Virginia Code § 2.2-3711(A)(1).

Dr. Broman seconded the motion, and it passed unanimously.

CERTIFICATION (After closed meeting; roll call vote)

Chairman Robert S. Call, M.D. moved the adoption of the following resolution:

WHEREAS, the Commonwealth Health Research Board has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Health Research Board certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

A roll call vote of members present approve this resolution unanimously certifying and ratifying the April 11, 2013 Closed Session.

Next meeting:

Dr. Call moved that the meeting be adjourned. The motion was seconded by Dr. Frank, voted upon and passed unanimously by the Board. The meeting adjourned at 2:00 p.m.

The Board's next meeting will be Thursday, April 10, 2014 in Richmond, Virginia at the Wilton Center, University of Richmond. The meeting will begin promptly at 10:00 a.m. At this meeting, as part of the 2014/2015 grant review process, the Board will review the recommendations of the review panel and determine which Full Proposals should be presented to the Board.

For planning purposes, please note that presentations to the Board are scheduled for Thursday, May 15, 2014 at the Gottwald Science Center, University of Richmond.