health sciences & services authority of spokane county

HSSA BOARD OF DIRECTORS
Minutes of the June 1, 2011 Meeting
665 N. Riverpoint Boulevard, Spokane, WA

Members Present:
Nancy Isserlis, Board Chair; Dr. Jeff Collins, Kelsey Gray, Earl F. "Marty" Martin, Kevin Oldenburg, Jason Thackston, Mike Wilson and Dave Vachon.
Members Absent:
Patricia Butterfield
Staff Present:
Susan Ashe, Acting Executive Director.
Counsel Present:
James Emacio
Guests:
Dr. Ken Roberts, Washington State University.

1) Call to Order

Nancy Isserlis welcomed everyone and called the meeting to order at approximately 3 p.m. A quorum was established. She stated that Patricia Butterfield called in her regrets and was unable to attend. She turned the meeting over to Mike Wilson so that he could make his Grant Committee report and leave in time for another appointment. (See 6B below).

2) Approval of Minutes

Kelsey Gray moved to approve the minutes of the March 2, 2011 Board meeting, and Jason Thackston seconded the motion. The motion passed with one abstention by Nancy Isserlis, who stated she was unable to attend the March meeting.

3) Board Actions

A) Kevin Oldenburg moved to approve renewing the Acting Executive Director's contract for six months and Jason Thackston seconded the motion. The motion passed unanimously.

B) Mike Wilson moved to approve the recommendations of the Grant Committee to award $206,150 in one year to five recipients. Kevin Oldenburg seconded the motion and it was passed unanimously.

4) Chair's Report

A) Authorization to Pay Warrants

Chair Isserlis informed the Board that she had signed Warrant Nos. 1138 through 1142 amounting to $36,911.65. She and Vice Chair Marty Martin also signed the Warrant Certification to Spokane County, and they both signed Warrant No. 1142 to ISM that was an amount over the $10,000 signing limit and requires two signatures.

B) Board Member Development Discussion

Two things on the agenda today that she thought would be best to refer to a smaller group of people to discuss and then bring back to the full Board. The first is a discussion about the size of the Board and whether a bigger or smaller Board is more effective. Also, a strengths or gaps analysis to develop a grid and see whether there are gaps that need to be filled to replace us when we are no longer on the Board, or if there is a big enough gap that we should encourage someone to join the Board that would help us fill that void. I would like volunteers from the Board to meet over the next couple months with Susan.

The other option is a long-term discussion that we need to have by January 1st of next year is how we fill the Executive Director's position. So if we could have a similar report from a small group of people about the options, what works best, obviously we have to work with our counsel on does the person work with us as an employee or an independent contractor. So those are the two choices. Full-time, part-time, job description, what he or she needs to be doing, whether it's an employee of ours, what benefits we would have to provide, and such.

Kevin Oldenburg and Jason Thackston volunteered to work on Board member development and size and will report back to the full Board in September. Susan will work with this group.

Marty Martin volunteered for the second option to review the Executive Director position, and Dave Vachon will join him and report back to the full Board in January 2012. Jim Emacio will work with this group.

Kevin reminded the group that the Grants Committee work is not done as there will be a lot of foundational work to do as the Board prepares for an RFP for research. We will need to define what we mean by sustainability, job creation, who is eligible or not, write those criterion; also the scope, the budget, and how we are going to spend our money? We have talked about things like $200,000 a year for the first year for five companies, then two additional grants at $2 million, how are we going to work that? That was just one suggestion. All this can be laid out even before we decide how we are going to write the RFP. I think most of the work is yet to be done. If we plan to get a proposal out by the end of this year, we have a lot to do.

Dave Vachon concurred and added that this was significant, particularly if we need to know how we define translational (research). Kevin said it takes as much or more to write the RFP as it does to write the actual grant. Many of the RFPs that he writes for are 200 pages long. It will be a good 5 to 6 months of work. Jim Emacio suggested that perhaps there was grant writing expertise with which we could contract to facilitate the process. Susan Ashe agreed that there was a lot of work ahead of us, and that we need to see the plan. Kevin suggested that we develop a draft outline and split the work, and that Mike Wilson might consider setting up another Grant Committee meeting.

C) Board Presentation: "*The Future of Medical Sciences Research at WSU Spokane*," a presentation by Ken Roberts, Associate Professor, WSU Spokane and Director, WWAMI. (Report PowerPoint slides are attached).

The expansion of medical education will really be what will be driving expansion of medical science research as it centers on medicine, because we are also going to be increasing pharmacy research as that program moves to Spokane, and there's already a lot of nursing research. So this focuses just around medical science and how it all fits together on this campus.

- The difference between WSU research funding and that of UW is spectacular and most of the difference is due to the UW Medical School. The medical school on the Seattle campus drives much of this funding, so having it there leverages other funding.
- TrippUmbach study says with the full-fledged build-out of the medical expansion here that projects about $2.1 billion in economy activity. This stacks up fairly well with the UW and the build-out of their medical school.
- Physician supply is dwindling, the WWAMI region is behind the nation, so we are already behind, and so that's the importance of growing the WWAMI program.
- Just the supply of our medical education program, if you ignore the fact that our supply (of physicians) still needs to go up, is still very low in the WWAMI region.
- On national average, you get between 5-6 medical school seats per 100,000 population in a state, so in Washington we get about 2, so approaching a third the normal number of medical school seats. So, we are already too low for just our state. The WWAMI program is undersized.
- It takes a long time to become a physician. Four years of college, four years in medical school, at least three years of residency, and sometimes three years of fellowship before they get out practicing. It takes seven years before you make any dent in it at all. So as we talk about medical education in Spokane, we have to grow the entire pipeline.
- It is the out years of medical training that actually help determine where physicians stay. So even if we expand medical school size, we need to increase residency slots in order to keep those physicians here.

- There is also a very active discussion around growing Graduate Medical Expansion, as well.
- This is how we are now thinking about expanding medical education in Spokane.
    - We have had third and fourth year medical students in Spokane for 20 years.
    - We added the first year program 3 years' ago, so we just launched our third class back in Seattle.
    - We offer 3 of 4 years in Spokane.
    - All medical students go to Seattle for second year, which creates a choke point for Seattle to grow the program, which is reasonably at capacity with 220 second-year students. Seattle's largest lecture hall holds 220 students, so to expand it would have to build something new.
    - To grow capacity of the medical school, you have to put it some place besides Seattle, which radically changes the program.
    - Add year 2 in 2014 (a year from this fall we will accept students).
    - Grow the third and fourth year.
    - Once second year proves successful, then grow it. Grow initial class to 80, so to add 60 students we have to add space to do and this is why funding for half of the space was so important.
    - Growth in faculty around this expansion is the second domino that creates the growth of research around this program.
    - Small groups of students tutored by two faculty through their entire second year. Basic scientist faculty would be divided into 2 FTEs. You also have 8 clinical faculty.
    - So we're looking at hiring two dozen basic scientists. These will be research intensive basic scientists who are expected to have and develop independent research programs to get external funding. Same model as medical schools and how they do their funding.
    - The curriculum model is new and very different than the UW and is fairly forward thinking.
    - In addition to faculty for the additional initial 20 students, we will also have to hire faculty for the first year students, so if you calculate that out, we're looking at hiring around 60 faculty who will be located in Spokane. The clinicians will be expected to have practices in town, or come from practices in town, so this doesn't necessarily mean these will all be new bodies. Generalists, not super specialists so they can take students from a primary care view of medicine. Many of this faculty will be recruited from the outside.
    - Strategies for faculty: we are a co-located campus with Pullman, not a branch campus; that is a distinction to be appreciated. We are an extension of the Pullman campus, we get our budget from them.
    - Pullman is very vigorous in large research faculty; tiny clinical capability. Spokane has huge clinical resource, particularly for the size of the town, but small research infrastructure in comparison.

- So the goal is to make our research infrastructure compatible with our clinical capabilities and actually generate the equivalent of an academic medical center without necessarily that center owning a medical center s owning a hospital of its own but working in collaboration with hospitals that are already here.
- In terms of growing faculty and how you would do that, my intuitive approach is to look at what the university already does well, where it has some critical strength in, and see if you can leverage that to the clinical translational side. Understand that you need a baseline of basic science as well.
- As an example, we have a Sleep Center here, anchored by two very productive PIs – Greg Belinky and Hans von Dongen. That Sleep Center is there, in part, because we had three very strong PIs in the sleep sciences in Pullman. So the seeding of that Sleep Center was already an outgrowth of a Pullman strength, which is appropriate. When that came it was tasked with hiring 4 or 5 more faculty for the first-year program, and it was very easy to hire in the neurosciences people in sleep because we already had a focus of strength there. We have 5 sleep researchers in Spokane, and no sleep researchers in Pullman. About a year ago, one of the single pillar faculty in Pullman petitioned to go to Spokane. So we now have Jim Krueger up here with his substantial research funding, and so we basically created the single strongest sleep research facility in the country now in Spokane. Combine that with the study of additions and more in behavioral sciences and you have a fairly strong neuroscience cluster. That I think is one way you grow research that is feasible, because people want to come where there's already some strength and at the same time you are growing it in ways that are more encompassing and more powerful.
- The second strength we have at WSU is in the area of microbiology and infectious diseases; the animal health school is in Pullman. We have very little in terms of basic science research in Spokane around this topic; we have Dr. Pat Tennican, of course, who teaches in our infectious disease course and doing some research related to this area. Not a big basic science strength, but when I look at it I see an area that very much should be looked at as an area to build because of all the critical strength we already have as far as Pullman is concerned.
- We also have a fairly strong group in reproduction and endocrinology that a Life Sciences Discovery Fund grant was recently written to strengthen that group.
- We have a very strong strength in molecular and structural genetics in Pullman, again another opportunity for building. We have one person in Spokane, a very good research working pretty much in isolation.

- We have several people who do cancer; I don't know if that is an area to build on or not.
- And we have some very unique informatics infrastructure that grows out of INHS.
- So that is a thumbnail sketch of some of the things that could be done, and I don't think any of these would be out of the realm of making sense.
- You will get basic research automatically, because when you start recruiting for faculty to teach in the first two years of medical school, that attracts the basic scientists. So you almost have to pay attention if you want to get something besides that in these sorts of recruits.
- The NIH is taking a critical look at expanding their funding efforts in the area in the rest of the translational pipeline, so not this the bench-bedside piece, but actually the implementation piece so bringing those best practices into community settings. This is the kind of research that requires a couple of interesting things. Because it is implementation research, by definition that means you are going to bring those research findings out of the academic medical setting and bring them to the community setting. Not just any community setting, it must be up to task for that kind of research, so you need a fairly large, robust, sophisticated, deep clinical community that is still community-based, and that is a description of Spokane. So that it where I believe we have a real opportunity in Spokane to be an area where implementation of T2 to T4 translational research can actually be seeded and grow.
- We are not just looking for the bench scientists, we are also looking for the translational piece as well as the clinical piece, so we are basically looking to fill the research pipeline.
- I would point out that TrippUmbach report that we recently released, and now we are looking at a business plan by TrippUmbach (not released), was not a study of a medical school or medical program, it was a study of an academic health center on this campus, and it considered pharmacy and nursing and allied health sciences, and all the other players, Gonzaga included, that contribute into this mix. And they are very clear in their recommendations that if you just grow one aspect, if you just take on medical school, you're not going to get the $2.1 billion economic impact. It is the growth of the whole thing. We are focusing on the fact that we have really all these abilities here, some small and fledgling and some full and robust like School of Nursing and School of Pharmacy. They represent at least three different institutions, four if you count Gonzaga's School of Nursing, so we need to figure out how to play together under this banner of an academic health center, not as an institution but under the banner of an academic health center.
- We want to do everything in an inter-professional way, and we want to do everything with the idea that we're looking at the system, so we are not just interested in looking at basic science, we are interesting in the science pipeline that brings discovery all the way to implementation.

> And as we look at training our students, we're not just looking at training them in isolation but training them in a system practice working in teams.

Marty Martin said that Ken said the fall of 2013 the 20 students in the second year program, and then you had the possible projection of 80 total students; that was 80 per class I took it? And then a 120?

Mr. Roberts said nothing firm. Dean Paul Ramsey has talked about the 20-student phase lasting three years, and then growing after that. In reality what that really means you have to make a decision on how that went that first year, because it takes that long, to scale up anything. We are already right at the planning edge for getting our 20. So I am predicting this will be deemed a success or failure, very, very quickly and plans for scale-up will immediately follow. The plans are to privately fund the pilot given the state's current budget woes, but hopefully showing some twinkle of sustainability of a program like this that the state will be able to be in a position in two more biennia to support another major-sized medical education program at the University of Washington by 2016. In reality, there's been no firm planning on an out timeline; everything's been focused on that very first group of 20, and even that plan is very – we're on the front edge of that planning.

Chair Isserlis asked about new doctors coming into the State of Washington, curious as to what percentage of them are coming from out of state and what percentage are training in state?

Mr. Roberts said that about 80% coming from out of state. We are a huge sink for physicians. You have to be careful with the numbers, of course, our current supply and how it will atrophy over time, start now and look at physicians who will retire over time there is a trend line down, and if you look at need and supply, there's a trend line up.

Dave Vachon commented that one of the distinct advantages that UW has on the clinical side is the physicians there are already practiced in research and collaborations. The clinical component in Spokane is not, so it won't skill accordingly with the clinicians that are here; you're thinking about bringing well-published, proven track record physicians into the area here to basically marry up with researchers in the area. Mr. Roberts said that Mr. Vachon is right, but it is important to not get overly opportunistic about what you will create here in 10 or 15 years. There was a time when Seattle did not have a medical school at all; you always start where you start. Mr. Vachon said it's just that the NIH, less so on the SBIR side, but on RO1's it's consistently what's your track record, what have you published, how much have you published and what kind of an impact have you had on the field whether or not you're going to get funded. That's a serious challenge. Mr. Roberts said that that is why one of the recruiting criteria is to spend the money to get people in here with proven track records with funding from other places.

Dennis Dyck added that in leveraging what's in this community and Pullman, this is a partnership with the UW, a collaboration. I think as we establish an active cadre of active investigators, presumably a lot of them will be fairly junior at the beginning, maybe a few senior leaders, that there will be an opportunity for them, because they will have joint

appointments to get into collaborative research with their UW colleagues. The UW has a large clinical translation award, and I look at that award already, it's a $60 million infrastructure grant – we already have several seed grants that have involved collaboration, and Ken already has one of those with an urologist at UW. So, I mean, I think as we gain mass and credibly we will be sought out more that way.

Mr. Roberts said that to follow up on Mr. Dyck's comments, he really does think it is important that we get a mix of established researchers that can come in and really anchor growth in a certain area, and then junior faculty. You are much more likely to thrive. The second thing is, WWAMI 2.0, it's definitely a paradigm shift for that program. Those programs really do function … with the second year, we have an opportunity (not that we want to give up our control for faculty hires), we need to determine what sorts of partnership with regional faculty will be valuable for your already existing center grant and have that factor in to our search criteria so that we are not just completely hiring in a vacuum relative to UW's strengths. We've never really done that before, but I think it would be very prudent for both institutions. The ITHS has a component in it says that the ITHS will leverage the rural communities in the region and they didn't do a good job of that. If you do those things on the front end and coordinate, the possibility for having some really meaningful collaborations with the UW – and it is their medical program -- it's a natural thing to build on.

5) **Executive Director's Report**

Washington State Legislature

- The 30-day legislative Special Session concluded on time with bipartisan agreement on both the operating ($32.2 billion) and capital ($2.8 billion) budgets for the upcoming biennium. The transportation budget of nearly $9 billion had already passed.
- Every department's budget was cut, wages for state workers and school teachers were trimmed, tuition increases for college students were adopted and health care and disabled social programs were revamped.
- There was $35 million in the budget for the Riverpoint Biomedical Health Services Building, which is estimated to cover about half of the project, as well as about $1.2 million for UW and $600,000 for WSU to develop curriculum to expand WWAMI here in Spokane.
- Innovate Washington authorizing legislation, the successor to a combined Sirti and WTC, was passed with a $7 million budget.
- Most importantly, HSSA was unharmed in this legislative session.

Other Issues

- We did complete our annual financial report and submitted by the May 31st deadline to the State Auditor.
- We have a place-maker position on the June 15th agenda of the WBBA's Fourth Annual Life Sciences Leadership Meeting here in Spokane. The meeting is from noon to 5:30 PM followed by a reception and will be held at WSU in the Academic Center, Room 20. I had in mind that for our 5 minutes, HSSA & EHF might briefly co-present about our collaborative strategic plan for medical research. Volunteers?

- Please visit www.launchpadinw.com, click on the Communities tab, and join the Health Sciences Innovation community and be an active participant. We are also discussing creating a blog.

6) Board Committee Reports

A) **Finance Committee –** Jason Thackston, Finance Committee Chair, reported

- The Committee had reviewed the financials through April 30, 2011 and found the HSSA to be in good financial shape.

- HSSA has received $100,388 for the month of April from county-wide state sales and use tax revenues and $15,664 interest from the county investment pool.

- The County reports that HSSA's ending cash balance as of April 30, 2011 is $13,589,908. Of this, $1,229,544 is restricted for bond debt, and $367,705 is reserved for current grants payable.

- Administrative costs for April were $8,713 or about 7.5% of total state sales tax and interest earnings.

- The total 2011 bond payment debt service, to be paid June 1st and December 1st, totals $1,370,869.52. HSSA currently has $725, 974.46 in its 75% Debt Service Account, an ample amount to pay the June 1st debt service of $219,195.77. The Committee is projecting incoming revenues through November 30th to make the December 1st payment of $1,151,673.75 with a small surplus.

B) **Grant Committee**

Mike Wilson, Grant Committee Chair, made the following report.

1) RFP #4 – Increase Access to Health Care in Spokane County through Innovative and Collaborative Health Services Delivery

Grant Committee members Jeff Collins, Kelsey Gray, Kevin Oldenburg, Dave Vachon, Susan Ashe and I met last Friday to review the eight (8) proposals received. Each board member on the Committee had studied one or two proposals in depth and gave a brief report to the full Committee. Then we had a discussion within the Committee, and I can honestly say that we reached a full consensus amongst us. While originally we had asked for submittals of up to $200,000, the total amount that is being considered today for approval is $206,150. We asked specifically that each grant applicant would submit for two years of financial support and that the dollars available would be available during the first year. They broke their requests down into generally two parts, a first year and a second year. What we are recommending is to fund essentially the first year of requests for these five and to invite them to come back after we've had the opportunity to review how they are doing in the first year, whether they're meeting their goal and objectives, and whether they are meeting the intent of the original RFP, and strongly consider them for funding in the next cycle which is likely to be another $200,000. So in each of

these five instances, we have funded them at the level they requested in the first year. They are as follows:

- **Partners with Families & Children** are recommended to receive **$29,000 in one year**. The request was for $58,000. This organization provides pediatric care and consultation for physically and sexually abused children, and this proposal is for the Partner's Children's Advocacy Center (CAC) pediatric team. The physicians, nurse practitioners, counselors involved in this program have an excellent track record of success, and a chronic track record of underfunding.

- **Project Access** requested $200,000 over two years and is recommended to receive **$100,000 for one year**. This is a program that hits a broad base of the population, has a proven success, builds off a volunteer workforce of physicians and the dollars are spent primarily in the infrastructure and coordination of what others provide free of cost. The HSSA funded Project Access $225,000 for two years, which concluded at the end of 2010.

- **Spokane Prescription Assistance** is a new request. This is actually a foundation appointed by the Governor. It began in Spokane with Dr. Sam Selinger. Dr. Selinger was also the founder of Project Access. He discovered in the process of Project Access that large pharmaceutical companies have foundations in which they are willing to give their drugs to people who are needy and otherwise would not be able to afford or take their medication. So he began to capitalize on that by taking this potpourri of forms and processes, bring them together, and essentially hire, again, the infrastructure support people to act on behalf of patients to get them the drugs free of cost from these companies. Therefore, the cost of the medication is zero; the cost to the organization is the infrastructure they need. Again, it's a broad-based program; it serves a pretty wide swath of the lower income population in the community, restricted at least at this point only by the number of people that they can enroll. We recommend support of their request for $30,000.

- **WSU-led Multidisciplinary Health Clinic** on the Riverpoint Campus. Patricia has chosen to not participate in any of this discussions; she is a direct participant in this activity and void herself of any conflict of interest. This particular clinic is designed to draw upon the collaborative efforts among multiple divisions in the school whether it is nursing, pharmacy, to reach out into other areas such as the physician assistant training program, very potentially the medical residency training programs and to develop a clinic that serves, again, a population in the community that otherwise might not have that service. We felt that the first year request was in essentially organizational dollars, somebody has to put all this together. We felt that is well worthwhile, well researched, and we would support the $28,400 to put together this activity.

- Finally, the **Spokane District Dental Society Foundation** proposed asking for support to develop a clinic for poor in the community. In general, the indigent community has inadequate resources; there are a couple of providers in the community that provide low income dental care, but it doesn't reach the broad population nor does it necessarily draw

upon the spirit of the community dentists. This proposal is one-half ($18,750) of what they requested, and we have qualified this by saying to the Spokane District Dental Society Foundation that we believe the Project Access model put forward, that is one that draws upon the existing clinics, the existing dental offices, is the way to design this; not to duplicate the infrastructure costs of equipment and space, but to use as Project Access does, the existing community resources. We have recommended this with a provision that they design it along the model of Project Access. If they choose not to do this, then we're suggesting in this proposal that they not be funded for it because that model seems to be one that is most cost effective in the community.

So these are the five proposals that we have requested to be funded. The total is $206,150. While we originally went out for a total of $200,000, this additional $6,150 allows for the full funding of these five proposals as they have proposed during the first year, and the committee recommends the approval of the Board on this recommendation.

On behalf of the HSSA Grant Committee, I would make the motion to accept the recommendations of the committee at $206,150. Kevin Oldenburg seconded the motion, which passed unanimously.

Mr. Emacio clarified for the Board that these were one-year grants, and at the end of the year you would review whether or not they met their goals and objectives and then determine if you would fund them for a second year. Mr. Wilson said that we would ask them to resubmit under another RFP a continuation. Ms. Ashe said that the language would be "prioritized assuming they have met their goals and objectives agreed upon." Other organizations would also be allowed to apply under the new RFP. Mr. Emacio said that he would recommend that HSSA makes it is clear that these organizations are not guaranteed a second year of funding.

Board Chair Isserlis said that she would like to again report that Patricia Butterfield abstained at the Grant Committee level of the review of all projects. Mr. Wilson asked to draw the attention of the Board to the request from the Spokane Prescription Drug Assistance in that he did not vote on that proposal because he is a member of that Board.

2) HSSA/EHF Collaborative Strategic Plan Work Group Update

We had a very good meeting yesterday with Empire Health Foundation and representatives from HSSA regarding our discussions about planning long-term. We had a robust conversation before the meeting with pretty clear consensus – three from HSSA and two from EHF – that what we have is an opportunity to create, or at least be a catalyst to developing a collaborative approach, to research funding that includes multiple organizations, not just ourselves, but somewhat non-traditionally to get some universities and others to come together to look at health sciences research and health sciences as a unified community-based program rather than a proprietary approach, which I think has been traditional in most communities. We discussed the Oregon Health Sciences University was established, but the fact is today is that it is a consortium of programs that emanated from distinctly different universities and sites. The walk-away from that pre-meeting was that we need to do what we can to be a catalyst for collaborative approach for this community-based research.

Secondly, we then met with the consultants and had a thorough discussion. I'll read from Susan's notes which are very thorough. We reviewed and discussed at length the "draft" **Stakeholder Interview Summary**, of which there is a copy in your folders for you to peruse. The Work Group and consultants found many similar themes such as:

- The coordinated, long-term efforts to expand health sciences in Spokane are paying off;
- Investments should fund and strengthen existing as well as emerging research assets;
- Some existing assets have potential yet to be fully developed;
- Infrastructure investments are needed;
- Collaboration and coordination are critical for success;
- Funding priorities should skew toward translational or implementable research, and others.

We then reviewed two different draft strategies and will review a blended plan at our next meeting in two weeks. We are discussing investment strategies that could include supporting existing Centers of Excellence, the creation of one or two new Centers of Excellence, acceleration of the growth of WWAMI/Spokane program, creation of an Innovation/Commercialization Fund (that includes Infrastructure support), and the promotion/creation of an Interdisciplinary Health Sciences enterprise. We had a great discussion about this, the consultants were good in prompting us on this subject, and we are scheduled to meet again on June 14th to review another draft of the document and to continue to move forward. We have meetings scheduled for the first and second week of July; our goal is to bring a final recommendation in July to this group.

Ms. Ashe passed out a copy of the Stakeholder Interview draft document, of which 25-27 people were interviewed. If you were to just look at them as the unique perspective of the individual you'll end up with way too many things, but you begin to categorize it and you will see that there are many common themes in the material.

Antony Chiang, Empire Health Foundation President, was invited by Mike Wilson to comment. He agreed with Mike in that we finally have gotten some great momentum, both with the coalition of the stakeholder themes. Right now, he said, there is a bigger debate, if the objective is to invest this set of funds, which is significant but not unlimited, in order to create a sustainable flow of ongoing research. He shared that the TrippUmbach Business Plan done for the medical school steering committee was also completed, and in its analysis they set a bold but still doable goal, if this kind of alignment happens here in this community, and I'm not even talking about DOD or DOE or private investment, could grow just the NIH funding research from $12 million to $70 million on an annual basis. What's exciting about that to Antony is HSSA's $10-12 million investment representing 10 years of tax revenue that could potentially translate to annual return on annual return as from coming from outside the region.

He said that he was excited that we are at the point where we are debating whether this component will produce a better ROI, or this one? And even within a component, for example, the commercialization strategy, we're debating sub-strategies such as is there a role for the organizations to play to provide gap funding between phase one and two SBIR funding. As some

of you may know, an entrepreneur finishes the phase one, they submit their results for phase two application, they wait for their priority score and by the time they get their funding it could be 12 months later, so there's an unfortunate gap there. Another discussion is that most of the universities who are building a very strong private base around their universities have a new approach to IP management, and perhaps our institutions should follow some of those best practices, so there might be an infrastructure investment that could help revise that IP strategy, that that university is not prepared to invest the staff or attorney time to do, which would then create more fertile ground for licensing and commercialization of that IP strategy.

Chair Isserlis said that the Stakeholder Interview document is just a draft and a work-in-progress. Mr. Chiang agreed and said that within the two organizations they wanted to make sure that the entire work product was available as soon as we received it. It's up to this Board how you want to make this more available or wait for the final product.

Mr. Oldenburg said that he would caution the Board that like any survey, you get answers to the questions you ask. If it is not a well-designed survey, and he said that he knew from his opinion from the questions that he was asked, they were incredibly poorly designed to find out anything at all about what we need here; and the fact that if you look at the people interviewed, 16 are directly related to the medical field specifically in Spokane, you've got four university people that are non-medical, three from companies, one from Avista and one from Greater Spokane. You are going to get your answers skewed based on who you ask. So the questions you ask is going to skew your survey, who you ask is going to skew your survey, and it's not necessarily predictive of what should happen, so you always have to take a survey with a grain of salt.

7) Counsel's Report – James Emacio

There was no further report from the legal counsel.

8) Board Member Comments and Announcements

9) Executive Session

There was no Executive Session.

Board Finance Committee Chair Thackston adjourned the meeting at approximately 4:45 p.m. The next HSSA Board meeting will be **June 2, 2011**, 3 p.m. at Sirti, 665 N. Riverpoint Boulevard, Fourth Floor Board Meeting Room.