

October 17, 2025

RECEIVED

VIA HAND DELIVERY

Oct 28 2025

Anabel Renteria, Initiative Coordinator
Initiative Coordinator
Office of the Attorney General
1300 "I" Street, 17th Floor
Sacramento, CA 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: California Immunology And Immunotherapy Collaborative Medical Research Initiative
To End Disease In Our Lifetime

Dear Ms. Renteria:

In accordance with the requirements of Elections Code section 9001(a), I request that the Attorney General prepare a circulating title and summary of the initiative measure entitled "California Immunology And Immunotherapy Collaborative Medical Research Initiative To End Disease In Our Lifetime." The text of the measure, a check for \$2,000.00, and the certifications required by Elections Code sections 9001(b) and 9608 are enclosed.

Please direct all correspondence and inquiries regarding this measure to:

Lance H. Olson
Aaron D. Silva
Benjamin Gevercer
Olson Remcho, LLP
555 Capitol Mall, Suite 400, Sacramento, CA 95814,
Phone: (916) 442-2952.
Email: lolson@olsonremcho.com
asilva@olsonremcho.com
bgevercer@olsonremcho.com

Sincerely,



Gary K. Michelson

Enclosures

**CALIFORNIA IMMUNOLOGY AND IMMUNOTHERAPY COLLABORATIVE
MEDICAL RESEARCH INITIATIVE TO END DISEASE IN OUR LIFETIME**

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title.

This act shall be known, and may be cited, as the “California Immunology and Immunotherapy Collaborative Medical Research Initiative to End Disease in Our Lifetime.”

SEC. 2. Findings and Declarations.

The people of the State of California find and declare all of the following:

- (a) Medical research is on the brink of achieving transformative breakthroughs in preventing, treating, and curing some of the most deadly and debilitating diseases and other health disorders that afflict many people and their loved ones every day.
- (b) The emerging medical research fields of immunology and immunotherapy offer the promise of groundbreaking advancements in health science that, if adequately funded, will lead to an explosion of scientific progress in treating and preventing a wide array of the most common medical conditions that kill and disable Americans year after year.
- (c) Immunology and immunotherapy harness the body’s own immune system to recognize and stop diseases. In recent years, immunotherapy has proven to be an effective treatment in fighting cancers like melanoma, lung cancer, certain leukemias and lymphomas, and more.
- (d) Many doctors and research scientists believe immunotherapies have the potential to prevent and cure a whole range of diseases and other health conditions in our lifetime, including cancer, heart disease, neurological conditions such as Alzheimer’s and Parkinson’s, diabetes, obesity, high blood pressure, high cholesterol, ALS (Lou Gehrig’s Disease), HIV/AIDS, muscular dystrophy, and autoimmune diseases such as rheumatoid arthritis, lupus, and multiple sclerosis.
- (e) Recognizing that breakthroughs in immunology can prevent disease and save lives, the people declare it to be the official policy of the State of California to support immunology and immunotherapy medical research as a vital priority in the state’s overall approach to improving public health and saving and improving lives.

(f) In order to fully develop and take advantage of these emerging technologies, it is critical that a steady and reliable source of funding be created so that sustained research can be pursued uninterrupted by funding shortages that would otherwise threaten to disrupt progress and stall the momentum of scientific breakthroughs.

(g) Public funding of medical research has always been a central component of advancements in modern medicine. Of all the new drugs approved by the FDA between 2010 and 2019, the vast majority of them – 99.4 percent – were the result of publicly funded research.

(h) California has always been at the forefront of technological developments and breakthroughs. In particular, California has long been a leader in the health sciences, as it is home to many of the most innovative and prestigious medical research institutes in the world, as well as having the premier system of higher education in the country – the University of California – which houses several world-class medical schools and health science research centers.

(i) It is incumbent on California to lead the way in the development of immunotherapies that will yield enormous benefits in the treatment and prevention of many of the most persistent and debilitating illnesses that have so far proved resistant to the more conventional therapies of the past.

(j) Besides saving lives, funding the development of immunotherapies will also save the state and California families billions of dollars in health care costs by preventing and curing a range of debilitating diseases and illnesses.

(k) Immunology and immunotherapy will help expand California's biotechnology industry, create good-paying jobs, generate economic output, and stimulate new sources of revenue through grant funding, intellectual property licensing, and private sector investments. Biotechnology in California has the potential to become as economically significant in the future as information technology is today.

(l) Millions of families are hurt every year when devastating diseases like cancer, heart disease, Alzheimer's, Parkinson's, and diabetes ruin or take the lives of our loved ones. We owe it to ourselves to invest in promising immunotherapy research that can prevent and cure diseases that impact all families.

(m) This is a pivotal moment in the history of medical science, and California must seize the opportunity to once again serve as the nation's leader in innovation, as it so often has in the past.

SEC. 3. Purpose and Intent.

It is the intent of the people of the State of California in enacting this act to achieve all of the following:

- (a) Fund a world-class and innovative immunology and immunotherapy research institute affiliated with the University of California to harness the power of the human immune system, cutting-edge science and technologies, and advanced computing technologies to create scientific discoveries and next-generation therapies for the prevention and cure of chronic diseases, enabling Californians to live longer and healthier lives.
- (b) Award grants only to California-based public and nonprofit universities and nonprofit medical research institutions for immunology and immunotherapy research and expand access to lifesaving therapies and cures for all Californians, ensuring that no funds are awarded to for-profit organizations or pharmaceutical companies.
- (c) Fund research, education, and the development of treatments and therapies for various medical conditions using immunology-based approaches at public and nonprofit universities and other nonprofit medical research facilities with proven track records of conducting successful research and clinical trials, in order to help end diseases and other illnesses like cancer, heart disease, Alzheimer's, Parkinson's, diabetes, obesity, high blood pressure, and high cholesterol in our lifetime.
- (d) Bring together biomedical scientists, disease modelers, genomic technologists, data scientists, computational experts, inventors of therapeutics, and clinical trial innovators from around the globe to develop preventative vaccines to protect against these diseases and to formulate treatments and cures for some of the world's most chronic and serious medical conditions.
- (e) Select for funding a nonprofit research institute that is independent, collaborative, and innovative, while still affiliated with the University of California, in order to streamline state oversight, cut through bureaucracy and red tape, and ensure focused, outcome-driven research.
- (f) Fund a nonprofit medical research center that will ultimately be self-sustaining by reinvesting economic returns from successful therapeutic development into new avenues of investigation, thereby creating a financially independent research facility that will eventually require no public funding.
- (g) Require that 10 percent of all proceeds from the immunotherapies developed as a result of this act go to the state to offset the costs of this act, making this effectively a loan program and ensuring that the taxpayers will fully recoup their investment in this vital research.
- (h) Require that any recipient licensing a technology or drug developed with funds from this act make the technology or drug available to California patients at a price that is at least 20 percent below the national average, ensuring that Californians benefit directly from their public investment.
- (i) Ensure that all research funding disbursed under this act is subject to strict accountability and transparency requirements, including a requirement that 99 percent of all funds be spent for costs related to medical research and development of cures, a limit on state government administrative

spending to no more than 1 percent, rigorous conflict of interest rules, public disclosure of all spending, and independent financial audits.

(j) Protect and benefit the state budget by funding research that will significantly lower healthcare costs in the future and by providing opportunities for the state to benefit from revenue resulting from patents and licensing fees arising from immunology breakthroughs.

(k) Benefit the California economy by creating high-paying jobs, biomedical industrial projects, and potential therapies that will generate new tax revenues in our state.

(l) Raise the biotechnology and life sciences industries in California to the status of world leadership in the emerging field of immunotherapy research and treatment, strengthening the state's position as a global hub for health innovation and economic growth.

SEC. 4. Division 110.5 (commencing with Section 130350) is added to the Health and Safety Code, to read:

DIVISION 110.5. CALIFORNIA IMMUNOLOGY AND IMMUNOTHERAPY COLLABORATIVE MEDICAL RESEARCH INITIATIVE TO END DISEASE IN OUR LIFETIME

Chapter 1. California Immunology and Immunotherapy Research Act

130350. This chapter shall be known, and may be cited, as the "California Immunology and Immunotherapy Medical Research Act."

130351. For purposes of this chapter, the following terms have the following meanings:

(a) "Committee" means the Citizens' Financial Accountability Oversight Committee created pursuant to Section 130362.

(b) "Council" means the Advisory and Accountability Research Council created pursuant to Section 130355.

(c) "Department" means the California State Department of Public Health, or its successor agency.

(d) "Fund" means the California Immunology and Immunotherapy Medical Research Fund created pursuant to Section 130377.

(e) "Institute" means a nonprofit medical research institute selected by the department pursuant to Section 130353.

130352. (a) The proceeds of bonds issued and sold pursuant to Chapter 2, exclusive of refunding bonds issued pursuant to Section 130383, shall be deposited in the California Immunology and Immunotherapy Medical Research Fund created pursuant to Section 130377.

(b) Moneys in the fund, after payment of any other amounts authorized herein and under the State General Obligation Bond Law, shall be allocated to the department for disbursement as follows:

(1) Fifty percent of the moneys shall be disbursed to a single nonprofit medical research institute for the purpose of conducting or directing health science research in the fields of immunology and immunotherapy.

(2) Fifty percent of the moneys shall be disbursed to those public and nonprofit universities and other nonprofit research institutions represented on the council for the purpose of conducting health science research in the fields of immunology and immunotherapy. Moneys disbursed under this paragraph shall be awarded as individualized grants for specific research projects through an application process, with applications reviewed pursuant to Section 130356, and shall not be in the nature of uniform block grants.

130353. (a) The department shall disburse funds pursuant to paragraph (1) of subdivision (b) of Section 130352 in accordance with a funding agreement entered into between the department and a single nonprofit medical research institute selected by the department that satisfies all of the following criteria:

(1) The institute is a medical research institute exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that was in existence as of January 1, 2025, and that was founded for the primary purpose of, and specializes specifically in, conducting research in the fields of immunology and immunotherapy.

(2) The institute has an affiliation agreement, entered into not later than January 1, 2025, that creates an affiliation relationship with a campus of the University of California that satisfies all of the following:

(A) The campus has a graduate training program in immunology and immunotherapy.

(B) The campus has a public healthcare system that consists of one or more hospitals and that conducts its own clinical trials of new experimental drugs and therapies.

(C) The campus healthcare system has a hospital and clinic volume of greater than 35,000 inpatient admissions and 3,500,000 outpatient visits each year.

(3) The institute is governed by a board of directors that is required by the institute's bylaws, adopted not later than January 1, 2025, and by the affiliation agreement described in paragraph (2) to include multiple members who are senior-level representatives of the University of California campus that is a party to the affiliation agreement or the campus's public healthcare system.

(4) As of January 1, 2026, the institute owns or leases a site that is not less than 200,000 square feet in size and that has an intended purpose of serving as a research facility housing the institute's research activities.

(5) The institute agrees to conduct collaborative medical research in immunology and immunotherapy with other qualified nonprofit California medical research centers, including conducting multi-institutional clinical trials.

(6) The institute has identified, in the affiliation agreement described in paragraph (2), sources of funding of not less than two hundred fifty million dollars (\$250,000,000) in the form of philanthropic donations or fundraising commitments.

(7) The institute has secured financial commitments of not less than fifty million dollars (\$50,000,000) to support a rapid vaccine development program and not less than fifty million dollars (\$50,000,000) to support a microbiome research program.

(b) (1) Except as provided in paragraph (2), the department shall select and enter into a funding agreement with the institute pursuant to subdivision (a) within 90 days of the effective date of this chapter.

(2) (A) In the event the department is unable to identify a nonprofit medical research institute that both satisfies the criteria specified in subdivision (a) and is willing to enter into a funding agreement pursuant to this section, the department shall modify the criteria specified in subdivision (a) in order to permit the identification of a nonprofit medical research institute that is eligible for funding under this chapter and willing to enter into a funding agreement pursuant to this section.

(B) Any modification of criteria by the department pursuant to subparagraph (A) shall be the minimum amount of modification necessary to identify an eligible nonprofit medical research institute and shall further the purposes of this chapter.

(C) In the event the department modifies the criteria specified in subdivision (a) pursuant to this paragraph, the department shall select and enter into a funding agreement with the institute within 90 days of the date the modified criteria are adopted by the department.

(c) (1) The department shall review the agreement entered into pursuant to subdivision (b) every five years in order to ensure the institute's compliance with the terms of the agreement and the provisions of this chapter.

(2) Failure of the institute to substantially comply with the terms of the agreement or the provisions of this chapter may constitute grounds for termination of the agreement if the department determines, during a five-year review conducted pursuant to paragraph (1), that such failure substantially and materially frustrates the purposes of this chapter, provided that the institute shall be given notice of any determination made by the department under this subparagraph and a reasonable opportunity to remedy the lack of compliance identified.

(d) The funding agreement entered into pursuant to this section shall require that all research and development funded under the agreement shall be conducted under established standards of open scientific exchange, peer review, and public oversight.

(e) (1) Following the effective date of this division, there is hereby appropriated from the General Fund as a temporary start-up loan to the institute one hundred million dollars (\$100,000,000) for the costs of initial implementation and the support of the institute's research program. The department shall determine the amount of any loan to the institute not to exceed the above appropriation.

(2) The loans made to the institute pursuant to paragraph (1) shall be repaid to the General Fund within 12 months of each loan draw from the proceeds of bonds sold pursuant to Chapter 2.

130354. (a) Moneys disbursed pursuant to Section 130352 shall be expended as follows:

(1) The institute shall expend the funds disbursed to it pursuant to paragraph (1) of subdivision (b) of Section 130352 to conduct immunology and immunotherapy research that is either conducted within the institute by researchers and employees employed or retained directly by the institute or is otherwise overseen by the institute.

(2) The funds disbursed pursuant to paragraph (2) of subdivision (b) of Section 130352 shall be expended to conduct immunology and immunotherapy research by those public and nonprofit universities and other nonprofit research institutions represented on the council. Research projects funded under this paragraph shall be selected as provided in Section 130356.

(3) An amount equal to actual costs, not to exceed 1 percent of all moneys disbursed pursuant to Section 130352, may be expended for the administrative costs of the department, the council, the committee, and the Controller in carrying out their respective responsibilities under this chapter.

(b) Research activities that may be funded under this chapter shall include, but not be limited to, all of the following:

(1) Conducting foundational research investigating disease development mechanisms and possible pathways to intervene in disease progression, including, but not limited to, research to prevent cancer, Alzheimer's disease, Parkinson's disease, cardiovascular disease, and diabetes.

(2) Developing and improving diagnostic tools, including blood biomarkers and imaging, to enable earlier disease detection.

(3) Collecting, studying, and creating banks of tissue specimens and tumor models from representative patient populations to better understand disease formation and test interventions at various stages of disease progression.

(4) Investigating genetics, environmental exposure, and lifestyle factors to better understand their combined contributions to disease development.

(5) Subtyping cancers and other diseases and creating a repository of disease subtypes in order to develop the most effective therapeutics for individual patients.

(6) Testing drugs and therapies against cells, tumors, and organoids and evaluating multiple therapies against cell lines to identify the best therapy candidates for each condition being studied.

(7) Utilizing a good manufacturing practices (GMP) facility to facilitate the creation and evaluation of new cellular and gene therapies.

(8) Coordinating, conducting, and overseeing clinical trials to assess the safety and effectiveness of new therapeutics among a diverse patient population.

(9) Developing treatments that are available and affordable for California patients.

130355. (a) The department shall coordinate and support the establishment of an Advisory and Accountability Research Council.

(b) (1) The council shall include a seven-member executive committee, the members of which shall also serve as general members of the council. The chancellors of the University of California campuses at Berkeley, Davis, Irvine, Los Angeles, Riverside, San Diego, and San Francisco shall each appoint a representative from their respective campuses to serve on the executive committee.

(2) The executive committee, by majority vote, shall appoint to the council not fewer than 10 and not more than 15 additional members who are drawn from the categories described in subparagraphs (A) and (B).

(A) Representatives of California nonprofit universities, excluding the University of California, which have demonstrated success and leadership in immunology and immunotherapy research.

(B) Representatives of California nonprofit academic and research institutions that are not part of the University of California and that have demonstrated success and leadership in immunology and immunotherapy research.

(3) Each member of the council shall be a physician, scientist, or researcher with demonstrated experience in the fields of immunology and immunotherapy and shall satisfy additional criteria as may be established by the executive committee.

(c) (1) The members of the council shall serve four-year terms.

(2) (A) If a vacancy occurs during the term of a member of the executive committee, the appointing authority of that member shall appoint a replacement member within 45 days to serve the remainder of the term.

(B) If a vacancy occurs during the term of a member not on the executive committee, the executive committee, by majority vote, shall appoint a replacement member representing the same organization or institution represented by the vacating member within 45 days to serve the remainder of the term.

(3) (A) When the term of a member of the executive committee expires, the appointing authority of that member shall reappoint the member or appoint a new member for a new term within 30 days.

(B) When the term of a member not on the executive committee expires, the executive committee, by majority vote, shall reappoint the member or appoint a new member for a new term within 30 days. A member whose term has expired shall serve until a replacement is appointed.

(d) (1) The chairperson and vice chairperson of the council shall each be a member of the executive committee, shall each have a two-year term, and, except as provided in paragraph (2), shall be chosen by a majority vote of the full council.

(2) The appointed representative from the University of California, Los Angeles shall serve as the first chairperson of the council.

(e) A quorum of the council shall consist of a majority of the members then serving.

(f) Council members shall serve without compensation but may receive reimbursement for travel and necessary expenses actually incurred in the performance of their duties.

130356. (a) The council shall determine, in the manner prescribed in subdivision (e), which research projects proposed by those public and nonprofit universities and other nonprofit research institutions represented on the council shall be funded pursuant to paragraph (2) of subdivision (b) of Section 130352, based on the selection criteria and research priorities established under this chapter and the technical merits of the proposals as evaluated pursuant to this section.

(b) (1) The council shall establish selection criteria and research priorities for the awarding of grants under this section based on all of the following:

(A) The scientific merits of a proposal.

(B) The experience of the applicant in conducting methodologically sound medical research.

(C) The potential benefits to the health and well-being of the population.

(D) Other criteria as determined by the council.

(2) In establishing research priorities pursuant to paragraph (1), the council shall give the highest priority to those research projects that have the greatest potential for yielding the most immediate, accessible, and affordable therapies and that seek to enhance patient access to immunotherapy treatments.

(c) (1) The council may establish one or more scientific peer review panels consisting of immunology and immunotherapy experts to review and prioritize proposals on the basis of the selection criteria and research priorities developed by the council pursuant to subdivision (b).

(2) An expert on a scientific peer review panel shall be disqualified from participating in the review of a proposal for funding if the expert has a collaborative or commercial relationship with the applicant.

(d) All grants awarded under this section shall be awarded to researchers or projects primarily located within this state, except that funding for research collaborations between California-based researchers and out-of-state researchers shall be permitted.

(e) (1) The council, by majority vote, shall accept or reject applications for funding received from those public and nonprofit universities and other nonprofit research institutions represented on the council.

(2) The council shall confer with the institute selected by the department pursuant to Section 130353 in making final decisions regarding the funding of grant proposals pursuant to this subdivision.

(f) The council shall develop conflict of interest standards for the consideration of funding proposals based on best practices established by the National Academy of Sciences to prevent conflicts of interest in the award of research funding and shall update those standards not less than every four years to be generally aligned with the standards adopted by the National Academy of Sciences.

130357. (a) The department shall enter into grant agreements with recipients selected by the council pursuant to Section 130356 for the funding of scientific research, development, and clinical trials specifically in the areas of immunology and immunotherapy.

(b) Each grant agreement shall require that all research and development funded under the agreement shall be conducted under established standards of open scientific exchange, peer review, and public oversight.

(c) Each grant agreement shall require that the grant recipient purchase goods and services from California suppliers to the extent reasonably possible, in a good faith effort to achieve a goal of more than 50 percent of such purchases from California suppliers.

(d) Each grant agreement shall require that the grant recipient offer the institute selected by the department pursuant to Section 130353 the opportunity to substantially participate in and collaborate on the funded research.

(e) Each grant agreement shall require that the grant recipient offer the University of California, Los Angeles the opportunity to substantially participate in and collaborate on any clinical trials conducted as part of the funded research.

(f) Each grant agreement shall require that the grant recipient submit to and cooperate with annual audits conducted pursuant to subdivision (b) of Section 130361.

(g) All grant agreements entered into under this section shall limit indirect costs to 20 percent of a research grant, except that the indirect cost limitation may be increased by that amount by which the grantee provides matching funds in excess of 20 percent of the grant amount.

130358. (a) (1) Any recipient of funds under this chapter shall pay to the State of California an amount equal to 10 percent of any revenue derived from the sale, licensing, or any other commercialization or monetization of any invention, technology, development or discovery that arises from research funded under this chapter.

(2) Payments made pursuant to paragraph (1) shall be deposited into the General Fund until the cumulative amount of such payments equals the total cost to the state of the bonds issued pursuant to Chapter 2, including interest paid thereon, as determined by the California Immunology and Immunotherapy Finance Committee formed pursuant to paragraph (1) of subdivision (a) of Section 130375.

(3) After the cumulative total described in paragraph (2) has been paid to the General Fund, any additional revenues received pursuant to paragraph (1) shall be deposited into the California Immunology and Immunotherapy Medical Research Fund and shall be expended consistent with the purposes of this chapter.

(b) As a condition of receiving funds under this chapter, any recipient that licenses or sells a technology or drug developed through research funded pursuant to this chapter shall agree that any such licensing or sale for the purpose of making that technology or drug available to California patients shall ensure that the technology or drug is made available to California patients at a price that is at least 20 percent below the national average price for the same technology or drug.

(c) Any recipient of funds under this chapter shall ensure that ownership of any invention, technology, development, or discovery resulting from any funded research is vested in the institute, public or nonprofit university, or nonprofit research institution that received the funding pursuant to subdivision (b) of Section 130352. Steps to ensure such ownership of any invention, technology, development, or discovery shall be accomplished via obligations to assign, and actual assignments of, patent and other intellectual property rights by all employees, scientists, researchers, independent contractors, or other individuals receiving funding via

grant, contract, or otherwise from funds originating under this chapter to the institute, public or nonprofit university, or nonprofit research institution.

(d) For any new discovery, invention, technology, or product conceived or reduced to practice, patentable or not, based on or resulting from funds disbursed pursuant to subdivision (b) of Section 130353, to the extent that the funding recipient has underlying technology rights, including patents and other intellectual property, owned or licensed, that could interfere with the practicing of the new discovery, invention, technology, or product or otherwise prevent the commercial exploitation thereof, that funding recipient shall grant a worldwide royalty free license to such underlying technology specifically limited to the practice of the new discovery, invention, technology, or product in association with any sale, licensing, or any other commercialization or monetization thereof that arises from research funded under this chapter.

(e) The institute, in consultation with the department, shall develop a licensing program that achieves all of the following:

(1) Maximizes the revenue derived from the sale, licensing, or any other commercialization or monetization of any discovery, invention, technology, or product that arises from research funded with funds disbursed pursuant to subdivision (b) of Section 130352.

(2) Develops standardized licensing terms and negotiation allowances to increase uniformity across all related monetization efforts.

(3) Serves as a clearing house and approval center to ensure licensing uniformity of critical terms, including to track upfront revenue payments, royalty rates, projected revenue streams, and the right to audit licensees of rights to any new discovery, invention, technology, or product.

(4) Facilitates repayment of funds to the State of California in accordance with paragraph (1) of subdivision (a) and makes projections for future payments to the State of California based on the totality of licenses resulting therefrom.

130359. (a) The institute shall issue an annual report to the public that sets forth the institute's activities, research accomplishments, and the future direction of the institute's overall program.

(b) Each annual report shall include, but not be limited to, all of the following:

(1) A summary of research findings, including promising new research areas.

(2) A description of progress toward project goals and key scientific findings or milestones.

(3) The number and type of peer-reviewed publications, patents filed, or clinical trials initiated.

(4) A summary of the institute's administrative expenses.

(5) A report of the institute's strategic research and financial plans.

(c) The annual report shall be published on the institute's internet website.

130360. (a) The council shall issue an annual report to the public that sets forth the grants awarded, grants in progress, research accomplishments, and the future direction of the council's overall grant funding program.

(b) Each annual report shall include, but not be limited to, all of the following:

(1) A summary of research findings by prior grantees, including promising new research areas.

(2) The number and dollar amount of research grants allocated that year.

(3) The grantees for the prior year, and a report of their research progress and accomplishments to date.

(4) An assessment of the relationship between the council's grants and the overall strategy of its research program.

(5) A report of the council's strategic research and financial plans.

(6) A summary of the council's administrative expenses.

(c) The annual report shall be published on the department's internet website.

130361. (a) The institute shall annually commission from a certified public accounting firm an independent financial audit of its activities, which shall be provided to the Controller, who shall review the audit and annually issue a public report of that review. The Controller shall hold a public meeting with appropriate notice and a formal public comment period. The Controller shall evaluate public comments and shall include appropriate summaries in the annual report.

(b) The council shall annually commission from one or more certified public accounting firms independent financial audits of its activities and the activities of any grantees that have made expenditures with grant funding under this chapter during the audit period, which shall be provided to the Controller, who shall review the audits and annually issue a public report of that review. The Controller shall hold a public meeting with appropriate notice and a formal public comment period. The Controller shall evaluate public comments and shall include appropriate summaries in the annual report.

130362. (a) (1) There shall be a Citizens' Financial Accountability Oversight Committee consisting of 6 members.

(2) The State Auditor, the Treasurer, the President pro Tempore of the Senate, the Speaker of the Assembly, and the chairperson of the council shall each appoint a public member of the committee.

(3) The Controller, or the Controller's designee, shall serve as the chairperson of the committee.

(b) The committee shall do all of the following:

(1) Review the annual financial audits prepared pursuant to Section 130361, the Controller's reports on those audits, and the financial practices of the institute and the council.

(2) Issue an annual report that includes recommendations on the financial practices and performance of the institute and the council.

(3) Evaluate public comments and include appropriate summaries in its annual report.

(c) The committee shall hold public meetings, with appropriate notice, and with a formal public comment period.

(d) The Controller shall furnish the committee with staff support.

130363. (a) Notwithstanding any other provision of law, the institute shall not be deemed a public agency for any purpose under state law, including, but not limited to, Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code, Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, and Title 9 (commencing with Section 81000) of the Government Code.

(b) The Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code) shall apply to the council, except as provided in this section.

(1) No member of the council shall make, participate in making, or in any way attempt to use his or her official position to influence a decision to approve or award a grant or contract to his or her employer, but a member may participate in a decision to approve or award a grant or contract to an entity in the same field as his or her employer.

(2) A member of the council may participate in a decision to approve or award a grant or contract to an entity for the purpose of research involving a disease from which the member or a person in his or her family suffers or in which the member has an interest as a representative of a disease advocacy organization.

(3) The adoption of general standards regarding selection criteria and research priorities are not decisions subject to conflict of interest prohibitions.

(c) (1) Service as a member of the council by a member of the faculty or administration of any system of the University of California shall not, by itself, be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of the council member as a member of the faculty or administration of any system of the University of California and shall not result in the automatic vacation of either such office.

(2) Service as a member of the council by a representative or employee of a nonprofit academic or research institution shall not be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of the council member as a representative or employee of that organization or institution.

(d) Section 1090 of the Government Code shall not apply to any grant or contract made by the council except where both of the following conditions are met:

(1) The grant or contract directly relates to services to be provided by any member of the council or the entity the member represents, or financially benefits the member or the entity he or she represents.

(2) The member fails to recuse himself or herself from making, participating in making, or in any way attempting to use his or her official position to influence a decision on the grant or contract.

Chapter 2. California Immunology and Immunotherapy Bond Act of 2026

130370. This chapter shall be known, and may be cited, as the "California Immunology and Immunotherapy Bond Act of 2026."

130371. For purposes of this chapter, the following terms have the following meanings:

(a) "Board" means the California State Department of Public Health, designated pursuant to subdivision (b) of Section 130375.

(b) "Committee" means the California Immunology and Immunotherapy Finance Committee created pursuant to subdivision (a) of Section 130375.

(c) "Fund" means the California Immunology and Immunotherapy Medical Research Fund created pursuant to Section 130377.

(d) "State General Obligation Bond Law" means the State General Obligation Bond Law codified in Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, as amended from time to time.

130372. (a) Bonds in the total amount of eight billion four hundred million dollars (\$8,400,000,000), not including the amount of any refunding bonds issued in accordance with Section 130383, or as much thereof as is necessary, may be issued and sold to provide funding to carry out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

(b) The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the state is hereby pledged

for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(c) The Treasurer shall issue and sell the bonds authorized in subdivision (a) in the amount determined by the committee to be necessary or desirable pursuant to Section 130376. The bonds shall be issued and sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 130376.

130373. Notwithstanding Section 13340 of the Government Code or any other provision of law, moneys in the fund are appropriated without regard to fiscal years for the following purposes:

(a) Conducting medical research in the fields of immunology and immunotherapy, as described in Chapter 1, including any costs necessarily incurred in supporting and administering such research.

(b) Paying the costs of issuing bonds, except that such limitation does not apply to premium and accrued interest as provided in Section 130382.

(c) Paying any other costs described in this division and in the State General Obligation Bond Law.

130374. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter, except that subdivisions (a) and (b) of Section 16727 of the Government Code shall not apply.

130375. (a) (1) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the California Immunology and Immunotherapy Finance Committee is hereby created. For purposes of this chapter, the California Immunology and Immunotherapy Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

(2) The committee shall consist of the Treasurer, the Controller, and the Director of Finance.

(3) The Treasurer shall serve as the chairperson of the committee.

(4) A majority of the committee may act for the committee.

(5) Notwithstanding any other law, a member of the committee may designate a representative to act as that member in the member's place, for all purposes, as though the member were personally present.

(b) The California State Department of Public Health is designated as the "board" for purposes of the State General Obligation Bond Law.

130376. (a) Upon written request by the research institute selected by the Department of Public Health pursuant to Section 130353, stating that funds are needed to carry out the purposes of Chapter 1, the board shall request the committee to issue bonds pursuant to this chapter. Upon receiving such a request from the board, the committee shall determine by resolution whether or not it is necessary or desirable to issue and sell the bonds authorized pursuant to this chapter in order to carry out the actions specified in this chapter and, if so, the amount of bonds to be issued and sold.

(b) Successive issues of bonds may be authorized and sold to carry out the purposes of Chapter 1 progressively, and it is not necessary that all of the bonds be issued or sold at any one time.

(c) The bonds may bear interest which is includable in gross income for federal income tax purposes if the committee determines that such treatment is necessary or desirable in order to provide funds for the purposes of Chapter 1.

130377. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the State Treasury to the credit of the California Immunology and Immunotherapy Medical Research Fund, which is hereby created in the State Treasury.

130378. There shall be collected each year, in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds becoming due each year. It is the duty of all officers charged by law with any duty in regard to the collection of revenue to do and perform each and every act that is necessary to collect that additional sum.

130379. Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the General Fund in the State Treasury, for the purposes of this chapter and without regard to fiscal years, an amount that equals the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 130381.

130380. For purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter, excluding any refunding bonds authorized pursuant to Section 130383, less any amount loaned pursuant to Section 130381 and not yet repaid, and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this chapter.

130381. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter, excluding any refunding bonds authorized pursuant to Section 130383, less any amount loaned pursuant to this section and not yet repaid and any amount withdrawn from the General Fund pursuant to Section 130380 and not yet returned to the General Fund. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

130382. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premium may be reserved and used to pay costs of bond issuance prior to any transfer to the General Fund.

130383. (a) The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law.

(b) Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

(c) Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

130384. Notwithstanding any provision of this chapter or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, under designated conditions, or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment of earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

130385. The proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 5. Severability.

It is the intent of the people that the provisions of this act are severable and that if any provision of this act, or part thereof, is held to be invalid, such invalidity shall not affect any other provision of this act that can be given effect without the invalid provision.

SEC. 6. Liberal Construction.

This act shall be liberally construed and applied in order to fully promote its underlying purposes.

SEC. 7. Amendment.

The provisions of this act may be amended by a statute that is passed by a two-thirds vote of the members of each house of the Legislature and signed by the Governor, provided that such amendments further the purposes of this act, except no such statute shall amend the provisions of this act regarding the allocation and disbursement of bond proceeds or the purposes for which bond proceeds may be expended.

SEC. 8. Conflicting Measures.

(a) In the event that this initiative and another measure addressing funding for medical research shall appear on the same statewide ballot, the provisions of the other measure or measures shall be deemed to conflict with this measure. In the event that this initiative receives a greater number of affirmative votes than a measure deemed to conflict with it, the provisions of this initiative shall prevail in their entirety, and the other measure or measures shall be null and void.

(b) If this initiative is approved by the voters but superseded by law by any other conflicting measure approved by voters by a greater number of votes at the same election, and the conflicting ballot measure is later held invalid, this initiative shall be self-executing and given full force and effect.