

BEFORE THE
GOVERNANCE SUBCOMMITTEE OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: AS INDICATED ON THE AGENDA

DATE: TUESDAY, AUGUST 3, 2010
3 P.M.

REPORTER: BETH C. DRAIN, CSR
CSR. NO. 7152

BRS FILE NO. : 87889

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM	DESCRIPTION	PAGE NO.
1.	CALL TO ORDER	3
2.	ROLL CALL	4
3.	CONSIDERATION OF AMENDMENTS TO CONTRACTS POLICY.	5
4.	CONSIDERATION OF AMENDMENTS TO ICOC BYLAWS.	21
5.	UPDATE ON CONTRACTS AND INTERAGENCY AGREEMENTS.	52
6.	UPDATE ON GRANTS MANAGEMENT SYSTEM. GRANTS MANAGEMENT- ACTIVITES AND COSTS	54
	CLOSED SESSION (NOT REPORTED)	
7.	PERSONNEL: (GOVERNMENT CODE SECTION 11126, SUBDIVISION (A); HEALTH & SAFETY CODE SECTION 125290.30(D)(3)(D).)	
	OPEN SESSION	
8.	PUBLIC COMMENT.	NONE

BARRISTERS' REPORTING SERVICE

1 TUESDAY, AUGUST 3, 2010

2 3 P.M.

3
4 CHAIRPERSON LANSING: VERY GOOD. I'M
5 HERE. SO I WANT TO WELCOME EVERYONE TO THIS MEETING
6 OF THE GOVERNANCE COMMITTEE OF THE ICOC. WE WILL
7 HAVE AND PERHAPS ALREADY DO HAVE PARTICIPANTS IN
8 NINE LOCATIONS. SO WE'RE HERE IN L.A. AT MY OFFICE.
9 I JUST WANT TO CHECK AND DO A ROLL CALL. UC DAVIS
10 IN SACRAMENTO.

11 DR. POMEROY: HERE.

12 CHAIRPERSON LANSING: ONYX
13 PHARMACEUTICALS.

14 DR. LOVE: HERE.

15 CHAIRPERSON LANSING: WHO DO WE HAVE AT
16 CIRM IN SAN FRANCISCO?

17 MS. KING: WE HAVE SENATOR ART TORRES AND
18 JEFF SHEEHY FROM THE SUBCOMMITTEE AND A SPECIAL
19 GUEST TODAY IN DR. FRANCISCO PRIETO.

20 CHAIRPERSON LANSING: GREAT. THE CITY
21 ATTORNEY'S OFFICE OF SAN FRANCISCO?

22 MS. KING: IT'S POSSIBLE THAT MR.
23 SERRANO-SEWELL HAS NOT YET BEEN ABLE TO JOIN US.

24 CHAIRPERSON LANSING: THAT'S OKAY. WE'LL
25 GET HIM WHEN HE DOES.

BARRISTERS' REPORTING SERVICE

1 AND KLEIN. BOB, ARE YOU THERE?

2 CHAIRMAN KLEIN: I AM.

3 CHAIRPERSON LANSING: DR. FONTANA. NOT
4 YET. IRVINE?

5 DR. STEWARD: IRVINE IS HERE.

6 CHAIRPERSON LANSING: AND CONNECT IN SAN
7 DIEGO?

8 MR. ROTH: I'M HERE, SHERRY.

9 CHAIRPERSON LANSING: GREAT. SO, MELISSA,
10 WHY DON'T YOU DO AN OFFICIAL ROLL CALL.

11 MS. KING: BOB KLEIN.

12 CHAIRMAN KLEIN: PRESENT.

13 MS. KING: SHERRY LANSING.

14 CHAIRPERSON LANSING: HERE.

15 MS. KING: TED LOVE.

16 DR. LOVE: HERE.

17 MS. KING: PHIL PIZZO. CLAIRE POMEROY.

18 DR. POMEROY: HERE.

19 MS. KING: JEANNIE FONTANA FOR JOHN REED.
20 I KNOW SHE'LL BE JOINING US MOMENTARILY.

21 DUANE ROTH.

22 MR. ROTH: HERE.

23 MS. KING: DAVID SERRANO-SEWELL. JEFF
24 SHEEHY.

25 MR. SHEEHY: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: OSWALD STEWARD.

2 DR. STEWARD: HERE.

3 MS. KING: ART TORRES.

4 MR. TORRES: HERE.

5 MS. KING: I WILL CIRCLE BACK. JEANNIE
6 FONTANA.

7 DR. FONTANA: I'M HERE.

8 MS. KING: AND DAVID SERRANO-SEWELL SHOULD
9 PROBABLY ALSO BE JOINING US SHORTLY, BUT I BELIEVE
10 WE HAVE A QUORUM. SO CHAIR LANSING, WE ARE READY TO
11 PROCEED.

12 CHAIRPERSON LANSING: THEN I'D LIKE TO
13 MOVE TO AGENDA ITEM 3, WHICH IS CONSIDERATION OF
14 AMENDMENTS TO THE CONTRACTS POLICY. AND I'D LIKE TO
15 ASK OUR LEGAL COUNSEL, IAN SWEEDLER, TO PRESENT THIS
16 ITEM. IAN, PLEASE BEGIN.

17 MR. SWEEDLER: THANK YOU. SO WHAT WE HAVE
18 HERE ARE PROPOSED CHANGES TO OUR CONTRACTING POLICY.
19 THIS IS THE POLICY THAT WE USE TO FOLLOW THE
20 PROCEDURES BY WHICH WE OBTAIN OUTSIDE INDIVIDUALS
21 AND COMPANIES TO PROVIDE GOODS AND SERVICES TO THE
22 AGENCY AS PART OF OUR OPERATIONS AS OPPOSED TO THE
23 FUNDING THAT GOES THROUGH THE GRANTS PROCESS.

24 BY WAY OF BACKGROUND, UNDER PROPOSITION 71
25 THE ICOC IS SUPPOSED TO ADOPT CONTRACTING PROCEDURES

BARRISTERS' REPORTING SERVICE

1 BASED ON THOSE IN USE AT THE UNIVERSITY OF
2 CALIFORNIA. AND WE DID THAT IN 2006 BY ADOPTING A
3 CONTRACTING POLICY WHICH FOLLOWS CLOSELY ON THE
4 RELEVANT POLICY AT THE UNIVERSITY OF CALIFORNIA.
5 BUSINESS AND FINANCE BULLETIN 34 IS THE ONE THEY USE
6 THERE FOR THAT. BUT IT'S BEEN FOUR YEARS. IN THAT
7 TIME THE UNIVERSITY HAS UPDATED MANY ASPECTS OF ITS
8 OWN CONTRACTING POLICY, AND WE'VE IDENTIFIED VARIOUS
9 WAYS IN WHICH OURS NEEDED TO BE BROUGHT UP TO DATE.
10 SO THOSE ARE THE PROPOSALS THAT ARE BEFORE YOU
11 TODAY.

12 I PROVIDED A MEMO THAT WENT THROUGH EACH
13 OF THE CHANGES AND SUMMARIZED WHAT IT ACCOMPLISHES
14 AND THE PURPOSE OF IT. IF IT'S ALL RIGHT WITH YOU,
15 WHAT I THINK I'D LIKE TO DO IS GO THROUGH THOSE THAT
16 SEEM TO BE THE MOST SUBSTANTIVE, AND THEN I'LL BE
17 HAPPY TO ANSWER ANY QUESTIONS.

18 SO ON PAGE 2 OF THE MEMO, WE'RE CHANGING
19 FROM \$15,000 TO \$50,000 THE AMOUNT ABOVE WHICH WE
20 NEED TO HAVE SOLICITED COMPETITIVE PROPOSALS WHEN WE
21 ISSUE A CONTRACT. THE BACKGROUND THERE IS THAT THE
22 OLD UNIVERSITY OF CALIFORNIA POLICY HAD A SIMILAR
23 PROVISION AND PLACED THE LIMIT AT 15,000. SO TO
24 MAKE THINGS A LITTLE EASIER, THE POLICY WE ADOPTED
25 IN 2006 BELOW 15,000 ALLOWED FOR A VERY INFORMAL

BARRISTERS' REPORTING SERVICE

1 APPROACH. BETWEEN 15 AND 50 REQUIRED SEEKING AT
2 LEAST THREE COMPETITIVE PROPOSALS. AND ABOVE 50
3 REQUIRED WRITTEN PROPOSALS. THE UNIVERSITY OF
4 CALIFORNIA, PERHAPS THEY FOLLOWED OUR LEAD BECAUSE
5 THEY CHANGED THEIR POLICY TO RAISE THAT INITIAL
6 THRESHOLD TO 50. SO WE REVERTED BACK TO FOLLOWING
7 THE UNIVERSITY POLICY WORD FOR WORD. SO WE NOW HAVE
8 ONE CUTOFF AT 50,000 BELOW WHICH THE APPROVING
9 OFFICIAL'S JOB IS JUST TO MAKE SURE IT'S A
10 REASONABLE AMOUNT AND ABOVE 50,000 WE NEED
11 COMPETITIVE WRITTEN PROPOSALS.

12 THE NEXT CHANGE THAT WE MENTION HAS TO DO
13 WITH WHEN WE CONTRACT FOR LEGAL SERVICES. MANY
14 STATE AGENCIES USE THE ATTORNEY GENERAL AS THEIR
15 PRIMARY OUTSIDE COUNSEL, AND THERE ARE -- DIFFERENT
16 AGENCIES HAVE VARIOUS PROCEDURES THAT THEY FOLLOW IF
17 THEY'RE GOING TO USE A DIFFERENT OUTSIDE COUNSEL.
18 UNDER PROPOSITION 71 IT SAYS THAT WE'RE SUPPOSED TO
19 MAKE SURE THAT WE'RE GOING TO OUTSIDE COUNSEL FOR
20 SPECIALIZED SERVICES NOT PROVIDED BY THE ATTORNEY
21 GENERAL'S OFFICE. AND IN PRACTICE THAT'S WHAT WE
22 DO. WE CHECK WITH THE ATTORNEY GENERAL'S OFFICE TO
23 SEE IF THAT'S SOMETHING THAT THEY CAN PROVIDE, AND
24 WE USE THEM FOR A LOT OF OUR LEGAL WORK, BUT WE ALSO
25 GO TO SPECIALIZED OUTSIDE COUNSEL. THIS IS IN

BARRISTERS' REPORTING SERVICE

1 ADDITION TO POLICY THAT MAKES THAT PRACTICE
2 EXPLICIT.

3 THERE'S A CHANGE REGARDING SOME LANGUAGE
4 ABOUT CONTRACTING WITH FORMER OR RETIRED STATE
5 EMPLOYEES. THAT WAS AN INSTANCE WHERE WHAT WE DID
6 IN 2006 WAS TAKE THE UNIVERSITY OF CALIFORNIA'S
7 LANGUAGE AND JUST PUT STATE IN PLACE OF UNIVERSITY.
8 BUT BECAUSE STATE EMPLOYEES AND UNIVERSITY EMPLOYEES
9 ACTUALLY HAVE A DIFFERENT RETIREMENT SYSTEM AND SOME
10 DIFFERENT RULES FOLLOWING THOSE, IT DIDN'T REALLY
11 APPLY. SO WE'VE REPLACED THAT WITH LANGUAGE THAT
12 ENCOMPASSES WHAT APPLIES TO PEOPLE WHO WOULD BE
13 GOING TO WORK AS CONTRACTORS FOR A STATE EXECUTIVE
14 BRANCH AGENCY.

15 THERE IS NOW ON PAGE 3 OF THE MEMO A
16 PROVISION THAT -- WELL, RIGHT NOW IF A CONTRACT IS
17 BELOW \$250,000 IT IS WITHIN THE AUTHORITY OF THE
18 PRESIDENT TO APPROVE THAT. BETWEEN TWO FIFTY AND
19 500 IT REQUIRES GOVERNANCE SUBCOMMITTEE APPROVAL,
20 AND ABOVE 500 IT REQUIRES THE FULL BOARD TO APPROVE
21 IT. AND WHEN YOU'RE INITIATING A CONTRACT THAT'S AT
22 ONE OF THOSE LEVELS, IT'S PRETTY STRAIGHTFORWARD
23 WHAT YOU DO. IF WE HAVE A CONTRACT THAT'S BELOW ONE
24 OF THOSE THRESHOLDS, SAY, A \$200,000 CONTRACT, AND
25 THERE'S A REASON TO AMEND IT TO BRING IT TO 300,000,

BARRISTERS' REPORTING SERVICE

1 IT'S CLEAR THAT WE GO TO THE GOVERNANCE SUBCOMMITTEE
2 BECAUSE WE'RE NOW ENTERING INTO THAT ZONE.

3 WHAT HASN'T BEEN PARTICULARLY
4 STRAIGHTFORWARD TO DEAL WITH IS THE SITUATION WHERE,
5 LET'S SAY, THE GOVERNANCE SUBCOMMITTEE HAS APPROVED
6 A CONTRACT FOR 300,000. AND NOW, TO MEET OUR
7 BUSINESS NEEDS, WE'RE GOING TO HAVE TO MAKE AN
8 AMENDMENT OF, SAY, \$15,000. THAT NEW AMOUNT IS ALSO
9 WITHIN THE 250 TO \$500,000 RANGE. AND THE QUESTION
10 HAS BEEN DO WE COME BACK TO THE GOVERNANCE
11 SUBCOMMITTEE FOR EACH INCREMENTAL CHANGE WHEN
12 THEY'VE ALREADY REVIEWED A CONTRACT AND IT'S STILL
13 BELOW 500,000.

14 SO WHAT THIS PROPOSAL WOULD ALLOW BUT NOT
15 REQUIRE IS THAT IF STAFF COMES TO GOVERNANCE
16 SUBCOMMITTEE AND ASKS FOR APPROVAL OF A CONTRACT AT,
17 SAY, 300,000, WE SET THOSE CONTRACT AMOUNTS, THE
18 CONTRACT CEILINGS AT WHAT WE THINK IS WHAT IS
19 REASONABLY LIKELY FOR IT TO COST. IF IN THE COURSE
20 OF WORKING WITH THAT CONTRACT, WHAT WE CAN ASK THE
21 GOVERNANCE SUBCOMMITTEE TO APPROVE IS THE CONTRACT
22 AS IT IS NOW AT 300,000 AND ALLOW THE PRESIDENT TO
23 APPROVE AMENDMENTS UP TO SOME HIGHER AMOUNT WITHOUT
24 COMING BACK TO THE GOVERNANCE SUBCOMMITTEE. AND
25 THAT AMOUNT IN A PARTICULAR CASE MIGHT BE ANOTHER

BARRISTERS' REPORTING SERVICE

1 50,000 OR IT MIGHT BE ALL THE WAY UP TO THE 500,000.
2 THAT'S WITHIN THE DISCRETION OF THE GOVERNANCE
3 SUBCOMMITTEE.

4 MR. ROTH: IAN, CAN I STOP YOU? IT'S
5 DUANE. SO SAY THAT AGAIN JUST SO I REALLY FULLY
6 UNDERSTAND.

7 MR. SWEEDLER: SURE. UNDER OUR CURRENT
8 POLICY, BECAUSE WE MIGHT HAVE VERY SMALL AMENDMENTS
9 TO A CONTRACT THAT'S ALREADY BEEN APPROVED BY
10 GOVERNANCE AND THE NEW AMOUNT IS WITHIN THE
11 GOVERNANCE PURVIEW, WE'VE HAD TO KEEP BRINGING THOSE
12 BACK EVEN THOUGH THE AMENDMENT ITSELF MIGHT BE A
13 RELATIVELY SMALL TRANSACTION.

14 MR. ROTH: I UNDERSTAND THAT. ARE YOU
15 SAYING THESE WOULD BE ON A CONTRACT-BY-CONTRACT
16 BASIS?

17 MR. SWEEDLER: CONTRACT-BY-CONTRACT BASIS.
18 WE WOULD SAY FOR THIS PARTICULAR CONTRACT WE'RE
19 ASKING FOR APPROVAL AT OUR CURRENT ESTIMATE OF WHAT
20 THIS WOULD COST; SO, FOR EXAMPLE, 300,000. BUT
21 WE'RE ASKING FOR SOME WIGGLE ROOM ON THAT, SOME
22 FREEDOM TO OPERATE IF IT GOES A LITTLE HIGHER.

23 MR. ROTH: SO ON A CONTRACT-BY-CONTRACT
24 BASIS. ANOTHER WAY TO DO IT WOULD BE A PERCENTAGE,
25 BUT THAT'S FINE.

BARRISTERS' REPORTING SERVICE

1 MR. SWEEDLER: IN PRACTICE THAT MAY BE
2 WHAT IT TURNS OUT TO BE. THIS IS NOT SOMETHING --
3 IT'S REALLY SOMETHING THAT'S ONLY COME UP ON A FEW
4 OCCASIONS, BUT IT'S LIKELY TO COME UP WHEN YOU'RE AT
5 THE END OF A CONTRACT AND YOU'RE FINISHING SOMETHING
6 UP, AND IT'S USUALLY NOT CONVENIENT FOR THE MEMBERS
7 OF THIS COMMITTEE TO BE CALLED INTO A RUSHED SESSION
8 SO THAT WE CAN JUST MAKE A RELATIVELY SMALL CHANGE.

9 CHAIRMAN KLEIN: IAN, THIS IS BOB KLEIN.
10 MY UNDERSTANDING TOO, BASED UPON WHAT THE BOARD
11 APPROVED IN THE LAST MEETING, IS THAT IF CONTRACTS
12 ARE APPROVED FOR A FISCAL YEAR, THAT THE DOLLAR
13 AMOUNTS WITHIN THE FISCAL YEAR ARE WHAT DETERMINES
14 THE CONTRACT SIZE. IF A CONTRACT IS APPROVED FOR
15 TWO YEARS, THEN IT'S THE TOTAL FOR THAT TWO-YEAR
16 PERIOD. BUT CONTRACTS THAT ARE NEW FOR EACH FISCAL
17 YEAR, IF YOU HAVE A \$300,000 CONTRACT IN A FISCAL
18 YEAR, NEXT FISCAL YEAR YOU HAVE A SEPARATE CONTRACT
19 FOR 300,000 CONSIDERED A CONTRACT THAT WOULD COME TO
20 THE GOVERNING BOARD, NOT THE BOARD ITSELF BECAUSE IN
21 EACH YEAR THE INDIVIDUAL SEVERABLE CONTRACT IS NOT
22 600,000. IT'S ONLY FOR THE AMOUNT FOR THAT FISCAL
23 YEAR; IS THAT CORRECT?

24 MR. SWEEDLER: THAT'S CLOSE, CHAIRMAN
25 KLEIN. SO LET ME JUST CORRECT A COUPLE OF LITTLE

BARRISTERS' REPORTING SERVICE

1 DETAILS. IT'S NOT BASED SPECIFICALLY ON WHETHER THE
2 CONTRACT IS TIED TO FISCAL YEARS. IT'S A ONE-YEAR
3 PERIOD. SO, FOR EXAMPLE, IF WE ENTERED INTO A
4 CONTRACT FOR A PERIOD THAT STARTS IN MARCH, IT WOULD
5 BE FOR THAT 12-MONTH PERIOD. AND IT'S NOT BASED
6 ON -- LET ME SAY THIS. WE ALWAYS LOOK AT WHAT THE
7 SPENDING IS ALLOWED TO BE, THE MAXIMUM AUTHORIZED
8 SPENDING IN A 12-MONTH PERIOD. AND IF THAT AMOUNT
9 IS OVER \$250,000, IT WOULD COME TO THE GOVERNANCE
10 SUBCOMMITTEE. WHAT WE DON'T DO IS LOOK AT THE LIFE
11 OF A MULTIYEAR CONTRACT BECAUSE WHAT WE'RE FINDING
12 IS THAT SOME CONTRACTS THAT AREN'T VERY LARGE ON AN
13 ONGOING BASIS CAN BE BECOME LARGE OVER THE LIFE OF
14 THE AGENCY.

15 SO RATHER THAN TREAT THOSE CONTRACTS AS IF
16 THEY WERE LARGE CONTRACTS, WHAT IT ALLOWS US TO DO
17 IS FOCUS ON SPENDING IN A 12-MONTH PERIOD.

18 CHAIRMAN KLEIN: OKAY. THANK YOU.

19 MR. SWEEDLER: PAGE 4. ONE CHANGE THAT
20 WE'RE MAKING AS A MATTER OF PRACTICE, AND YOU WILL
21 SEE THIS IN THE AGENDA ITEM LATER WHERE WE REPORT ON
22 CONTRACTS, WE MAKE PURCHASES THROUGH REALLY TWO
23 DIFFERENT KINDS OF DOCUMENTS. WE GET CONSULTING
24 SERVICES THROUGH AN INDEPENDENT CONSULTANT
25 AGREEMENT, AND WE BUY SUPPLIES AND GOODS AND MORE

BARRISTERS' REPORTING SERVICE

1 ROUTINE SERVICES THROUGH A PURCHASE ORDER. AND WHAT
2 WE'VE STARTED DOING -- I THINK THIS IS THE FIRST
3 REPORT WHERE WE'RE DOING THIS. WE'RE REPORTING ALL
4 OF THOSE WITHOUT REGARD TO WHICH TYPE OF PURCHASE
5 DOCUMENT WE USE SO THAT YOU'RE SEEING THE BIG
6 FINANCIAL RELATIONSHIPS, WHETHER IT'S BY PURCHASE
7 ORDER OR CONSULTING AGREEMENT.

8 ONE THING THAT DOES, THOUGH, IS IT HAS
9 POTENTIAL TO MAKE THAT LIST EXTREMELY LONG. SO WHAT
10 WE'RE REQUESTING HERE IS THAT IN THE FUTURE WE LIMIT
11 THAT LIST TO THOSE WHERE THE AMOUNT IS \$20,000 OR
12 ABOVE.

13 AND REALLY I THINK THOSE ARE THE ONLY
14 SUBSTANTIVE CHANGES THAT ARE REFLECTED HERE. I
15 DON'T KNOW IF DAVID SERRANO-SEWELL HAS JOINED THE
16 CALL YET.

17 MR. SERRANO-SEWELL: I HAVE.

18 MR. SWEEDLER: OKAY. I HEARD FROM HIM
19 BEFOREHAND, AND HE HAD SOME THOUGHTS. I'LL LET HIM
20 EXPLAIN THOSE.

21 MR. SERRANO-SEWELL: THANK YOU, IAN, FOR
22 THAT. I'VE BEEN ON THE CALL FOR THE PAST SEVEN
23 MINUTES OR SO. AND MY COMMENTS CONCERN THE
24 CHANGE -- THE DELEGATION OF AUTHORITY TO THE OFFICE
25 OF THE PRESIDENT WITHOUT FURTHER APPROVAL TO THE

BARRISTERS' REPORTING SERVICE

1 GOVERNANCE COMMITTEE IN A CONTRACT UP TO \$500,000.
2 AND IT'S SORT OF THAT CHANGE. DID YOU GO OVER THAT
3 ISSUE AT ALL, IAN, BY JUST DISCUSSING THE FACTS OF
4 IT?

5 MR. SWEEDLER: WE DID, AND I JUST
6 PRESENTED IT AS IS IT HERE. I WAS GOING TO LEAVE IT
7 TO YOU TO EXPLAIN THE DISCUSSION WE HAD.

8 MR. SERRANO-SEWELL: OKAY. SO MY COMMENT
9 TO THAT PROPOSAL CHANGE IS I DON'T THINK IT'S
10 NECESSARY. AT PRESENT, CURRENTLY ALAN CAN COME TO
11 THE GOVERNANCE COMMITTEE SEEKING EXECUTION, APPROVAL
12 FOR A CONTRACT IN AN AMOUNT BETWEEN 250,000 AND
13 500,000. AND AT THAT TIME HE OR A MEMBER OF HIS
14 STAFF CAN REQUEST, AS A PART OF THAT DELEGATION OF
15 AUTHORITY TO APPROVE THE CONTRACT, AN ADDITIONAL
16 AMOUNT OF MONEY. FOR EXAMPLE, HE COULD SAY WE NEED
17 A CONTRACT FOR \$300,000. WE THINK THAT'S THE AMOUNT
18 THAT THE CONTRACT WILL BE, BUT IT COULD CHANGE. AND
19 IF IT DOES, I'D LIKE THE AUTHORITY TO GO TO, AND I'M
20 JUST GIVING EXAMPLES HERE, \$350,000. AND AS A PART
21 OF THAT MOTION, WE COULD APPROVE THAT.

22 SO WE CAN DO THAT NOW I GUESS IS WHAT I'M
23 SAYING. AND I DON'T SEE HOW THIS AMENDMENT REALLY
24 CHANGES ANYTHING. THAT'S MY COMMENT.

25 DR. LOVE: DAVID, I HAVE A QUESTION THAT

BARRISTERS' REPORTING SERVICE

1 MAY RELATE TO YOUR COMMENT AND AN EARLIER COMMENT
2 THAT DUANE MADE. WHY COULDN'T WE SIMPLY SAY THAT IF
3 A CONTRACT DEVIATES BY MORE THAN 25 PERCENT OR GO
4 OVER MORE THAN 20 OR 25 PERCENT, THAT IT WOULDN'T
5 COME BACK TO US BECAUSE I WOULD IMAGINE THAT WOULD
6 BE RELATIVELY RARE. A 20- OR 25-PERCENT INCREASE
7 BEYOND WHAT WE HAD PLANNED IS IN MANY WAYS A
8 SIGNIFICANT DEVIATION.

9 MR. ROTH: DAVID, I WOULD -- I WAS
10 THINKING THE SAME THING, THAT MAYBE 15 PERCENT,
11 WHICH WOULD IN THIS CASE YOUR SCENARIO 300 WOULD BE
12 345,000. SO SOMETHING LIKE THAT THAT WOULD SAY WE
13 DON'T HAVE TO REVIEW THESE FOR 10 OR 15 OR WHATEVER.
14 I THINK 15 PERCENT WOULD BE A NICE NUMBER THAT WE
15 WOULD GIVE AUTHORITY FOR.

16 MR. SWEEDLER: SO I WANT TO MAKE SURE I
17 UNDERSTAND THE PROPOSAL. IF A CONTRACT HAS BEEN
18 APPROVED AT A CERTAIN AMOUNT BY THE GOVERNANCE
19 SUBCOMMITTEE AND WE'RE GOING TO AMEND IT TO INCREASE
20 IT BY AN AMOUNT UP TO 15 PERCENT ABOVE THAT APPROVED
21 AMOUNT, YOU WOULD NOT REQUIRE FURTHER APPROVAL OF
22 THE GOVERNANCE SUBCOMMITTEE. AND I WOULD ADD THERE
23 THAT STILL MEANS BY MORE THAN 15 PERCENT, BUT STILL
24 BELOW 500,000.

25 MR. ROTH: CORRECT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DUANE, THIS IS BOB KLEIN.
2 JUST SO THAT IT IS NOT IMPLIED THAT WE'RE LOSING THE
3 ABILITY TO MAKE SOME OTHER DECISION. THIS IS 15
4 PERCENT UNLESS OTHERWISE SPECIFIED BY THE COMMITTEE
5 IN THE APPROVAL; IS THAT CORRECT?

6 MR. ROTH: THAT WOULD BE CORRECT.

7 CHAIRMAN KLEIN: OKAY.

8 MR. SWEEDLER: THAT WOULD CERTAINLY MEET
9 OUR OPERATIONAL NEEDS JUST FINE.

10 MR. ROTH: I THINK THAT'S BETTER, GUYS,
11 THAN PUTTING A FUDGE FACTOR IN ON EVERY CONTRACT.
12 JUST HAVE AN OVERRIDER THAT SAYS IF IT GOES OVER BY
13 15, THE PRESIDENT CAN SIGN OFF. IF NOT, IT'S GOT TO
14 COME BACK UNLESS OTHERWISE SPECIFIED.

15 MR. SWEEDLER: TOUCHING ON THE MAXIMUM
16 AMOUNT IN THE CONTRACT, IT MAY BE HELPFUL TO
17 EXPLAIN. I DON'T KNOW IF THIS IS CLEAR TO EVERYBODY
18 WHEN YOU LOOK AT THE TABLES REPORTING ON CONTRACTS.
19 THE AMOUNT THAT IS STATED IN A CONTRACT, IT'S THE
20 MAXIMUM AMOUNT THAT CAN BE PAID UNDER THAT CONTRACT,
21 AND THAT'S A NUMBER THAT HAS SIGNIFICANCE TO THE
22 CONTROLLER'S OFFICE. IF WE REQUEST A PAYMENT ABOVE
23 THAT, THEY WOULDN'T ISSUE IT. BUT THAT'S OFTEN
24 DIFFERENT FROM THE AMOUNT THAT THE CONTRACTOR IS
25 ACTUALLY ALLOWED TO GO AHEAD AND PERFORM SERVICES

BARRISTERS' REPORTING SERVICE

1 FOR. THAT MAY BE A MUCH SMALLER AMOUNT INITIALLY.
2 THEY WOULD HAVE TO COME BACK TO US FOR AUTHORIZATION
3 TO DO ADDITIONAL WORK.

4 SO I WANT TO MAKE SURE THAT WHEN PEOPLE
5 LOOK AT THOSE TABLES, THEY UNDERSTAND THIS IS THE
6 AMOUNT THAT WE HAVE AUTHORIZED TO SPEND ON THIS
7 PARTICULAR CONTRACT. IT DOESN'T MEAN THAT WE
8 NECESSARILY HAVE COMMITTED TO DOING THAT OR INTEND
9 TO DO THAT. I DON'T KNOW IF THAT'S HELPFUL OR IF
10 I'VE MADE THINGS MORE CONFUSING.

11 ARE THERE OTHER QUESTIONS ABOUT THE
12 PROPOSED CHANGES TO THE POLICY?

13 DR. POMEROY: IT DOES REPRESENT AN UPPER
14 LIMIT THOUGH, CORRECT?

15 MR. SWEEDLER: YES.

16 MR. ROTH: WHICH WOULD NOW BE ELIGIBLE TO
17 BE EXCEEDED BY 15 PERCENT EXCEPT IF IT GOES OVER
18 500,000.

19 MR. SWEEDLER: UNLESS THE BOARD SAYS
20 OTHERWISE. BUT IT'S NOT THAT THAT AMOUNT CAN BE
21 EXCEEDED. IT'S THAT WE COULD CHANGE THAT AMOUNT BY
22 UP TO 15 PERCENT UNLESS THE SUBCOMMITTEE SAYS
23 OTHERWISE.

24 MR. ROTH: UNDERSTAND. WITH THAT, WOULD
25 YOU LIKE A MOTION, SHERRY?

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: YES, I THINK WE DO
2 NEED A MOTION NOW.

3 MR. ROTH: SO WITH THAT AMENDMENT, I WOULD
4 MOVE THAT WE APPROVE THIS POLICY.

5 CHAIRPERSON LANSING: CAN I HAVE A SECOND
6 ON THE MOTION?

7 DR. LOVE: SECOND.

8 CHAIRPERSON LANSING: DO I HAVE ANY
9 FURTHER COMMENTS?

10 CHAIRMAN KLEIN: SHERRY, FOR THE REPORTER,
11 YOU MIGHT WANT TO IDENTIFY WHO WAS THE MAKER OF THE
12 SECOND.

13 MS. KING: WE DID HAVE TWO VOICES. I KNOW
14 THAT ONE OF THEM WAS SENATOR TORRES. I DON'T KNOW
15 WHO THE OTHER PERSON WAS.

16 MR. TORRES: DR. LOVE. I YIELD TO DR.
17 LOVE.

18 CHAIRPERSON LANSING: NO PROBLEM. THANK
19 YOU, BOB.

20 DO I HAVE ANY FURTHER COMMENTS? DO I NEED
21 TO GET COMMENTS FROM THE PUBLIC BEFORE OR AFTER THE
22 ROLL CALL.

23 MR. HARRISON: BEFORE.

24 CHAIRPERSON LANSING: OKAY. MELISSA, DO
25 YOU WANT TO GO AROUND AND SAY ALL THE SITES AND

BARRISTERS' REPORTING SERVICE

1 WE' LL GET COMMENTS FROM THE PUBLIC?

2 MS. KING: ABSOLUTELY. DO WE HAVE ANY
3 MEMBERS OF THE PUBLIC HERE AT THE CIRM THAT WOULD
4 LIKE TO MAKE A COMMENT? NO. OKAY. HOW ABOUT AT
5 THE SHERRY LANSING FOUNDATION?

6 CHAIRPERSON LANSING: NO MEMBERS OF THE
7 PUBLIC.

8 MS. KING: HOW ABOUT AT KLEIN FINANCIAL
9 CORPORATION?

10 CHAIRMAN KLEIN: THERE ARE NO MEMBERS OF
11 THE PUBLIC.

12 MS. KING: UC DAVIS SCHOOL OF MEDICINE.

13 DR. POMEROY: NO PUBLIC MEMBERS.

14 MS. KING: ONYX PHARMACEUTICALS.

15 DR. LOVE: NO PUBLIC HERE.

16 MS. KING: LANCELOT LANE IN LOS ANGELES.

17 DR. FONTANA: NO PUBLIC HERE.

18 MS. KING: SAN FRANCISCO CITY ATTORNEY' S
19 OFFICE.

20 MR. SERRANO-SEWELL: NO COMMENTS.

21 MS. KING: REEVE IRVINE RESEARCH CENTER AT
22 UC IRVINE.

23 DR. STEWARD: NO PUBLIC.

24 MS. KING: HOW ABOUT AT CONNECT WITH YOU,
25 DUANE?

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: NO PUBLIC HERE.

2 MS. KING: OKAY. THANK YOU.

3 CHAIRPERSON LANSING: SO THEN, MELISSA,
4 I'M GOING TO ASK YOU TO DO THAT EACH TIME. AND YOU
5 NOW KNOW WHERE THE PUBLIC IS. UNLESS SOMEBODY
6 EXPRESSES DIFFERENTLY, WE WILL JUST ASK FOR PUBLIC
7 COMMENTS WHERE THERE IS PUBLIC. AND IF SOMEONE HAS
8 A NEW PUBLIC MEMBER, PLEASE LET US KNOW.

9 MELISSA, CAN I ASK YOU NOW TO TAKE A ROLL
10 CALL VOTE?

11 MS. KING: BOB KLEIN.

12 CHAIRMAN KLEIN: AYE.

13 MS. KING: SHERRY LANSING.

14 CHAIRPERSON LANSING: YES.

15 MS. KING: TED LOVE.

16 DR. LOVE: YES.

17 MS. KING: CLAIRE POMEROY.

18 DR. POMEROY: YES.

19 MS. KING: JEANNIE FONTANA.

20 DR. FONTANA: YES.

21 MS. KING: DUANE ROTH.

22 MR. ROTH: YES.

23 MS. KING: DAVID SERRANO-SEWELL.

24 MR. SERRANO-SEWELL: YES.

25 MS. KING: JEFF SHEEHY.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: YES.

2 MS. KING: OSWALD STEWARD.

3 DR. STEWARD: YES.

4 MS. KING: ART TORRES.

5 MR. TORRES: AYE.

6 MS. KING: FOR THE RECORD THAT MOTION
7 CARRIES.

8 CHAIRPERSON LANSING: TERRIFIC. NOW I'D
9 LIKE TO MOVE ON TO AGENDA ITEM 4, WHICH IS THE
10 CONSIDERATION OF THE AMENDMENTS TO THE BYLAWS.
11 JAMES, CAN YOU PRESENT THIS ITEM?

12 MR. HARRISON: YES, I'D BE HAPPY TO,
13 SHERRY. GOOD AFTERNOON, EVERYONE. WE HAVE PREPARED
14 SEVERAL PROPOSED AMENDMENTS FOR YOU TO THE GOVERNING
15 BOARD'S BYLAWS. AND TODAY WE'D LIKE TO PRESENT THEM
16 TO YOU AND ASK YOU TO RECOMMEND TO THE FULL BOARD
17 FOR ITS CONSIDERATION AND APPROVAL.

18 LET ME BRIEFLY DESCRIBE WHAT THE AMENDMENT
19 ARE, AND I'M GOING TO SEGREGATE THE FIRST THREE FROM
20 THE LAST WHICH RELATES TO PATIENT ADVOCATE
21 COMPENSATION SO WE CAN DEAL WITH THEM SEPARATELY TO
22 ADDRESS CONFLICTS.

23 THE FIRST THREE RELATE TO A NUMBER OF
24 DIFFERENT SUBJECTS. ON PAGE 11 OF THE PROPOSED
25 BYLAWS, YOU WILL SEE AN AMENDMENT WHICH ADDRESSES

BARRISTERS' REPORTING SERVICE

1 THE PROPOSED PROCEDURE FOR THE ELECTION OF THE CHAIR
2 AND THE STATUTORY VICE CHAIR UPON THE END OF THE
3 CURRENT INCUMBENT'S TERMS. AS YOU KNOW, PURSUANT TO
4 SB 1064 AND PURSUANT TO OUR ONGOING PRACTICE, WE
5 HAVE BEEN PLANNING FOR THE EVENTUAL TRANSITION IN
6 BOARD LEADERSHIP. AND THIS PROPOSED AMENDMENT, WE
7 BELIEVE, WOULD HELP FACILITATE THE ACTUAL CONDUCT OF
8 THE ELECTION.

9 SPECIFICALLY WHAT IT DOES IS TO PROVIDE
10 THAT IF THERE ARE TWO OR MORE NOMINEES, THE NOMINEE
11 WHO RECEIVES THE VOTES OF A MAJORITY OF A QUORUM,
12 THE HIGHEST OF NUMBER OF VOTES WILL BE DEEMED TO BE
13 ELECTED. IF WE HAVE A SITUATION WHERE THERE ARE
14 MULTIPLE NOMINEES AND NO NOMINEE RECEIVES THE VOTES
15 OF A MAJORITY OF THE QUORUM OF THE MEMBERS, THEN WE
16 WILL TAKE A REVOTE AMONG THE TWO NOMINEES WHO
17 RECEIVED THE HIGHEST NUMBER OF VOTES. IF THERE IS A
18 TIE AMONG TWO NOMINEES, WE WOULD TAKE A REVOTE. AND
19 IF THE REVOTE DOES NOT RESOLVE THE IMPASSE AT THAT
20 MEETING, THEN WE WOULD TABLE THE MATTER UNTIL THE
21 NEXT MEETING OF THE BOARD.

22 IF ANYONE HAS ANY QUESTIONS ABOUT THAT
23 PROCEDURE, I'D BE HAPPY TO ADDRESS THEM NOW BEFORE
24 MOVING ON TO THE NEXT TOPIC.

25 DR. POMEROY: JAMES, THIS IS CLAIRE. WHAT

BARRISTERS' REPORTING SERVICE

1 IS THE TIMING OF THIS ANTICIPATED TO BE?

2 MR. HARRISON: CLAIRE, THE CURRENT
3 INCUMBENTS' TERMS END ON DECEMBER 17TH. SO WE WOULD
4 HOPE AND PLAN TO WORK WITH THE CONSTITUTIONAL
5 OFFICERS TO ASK THEM TO MAKE NOMINATIONS SOMETIME
6 THIS FALL SO THAT THE BOARD WOULD BE IN A POSITION
7 TO TAKE ACTION TO ELECT SUCCESSORS IN DECEMBER.

8 DR. POMEROY: AND DO YOU ANTICIPATE THAT
9 THE NOMINEES WOULD PRESENT ANY MATERIALS OR ORAL
10 PRESENTATIONS TO THE BOARD, OR WHAT WOULD -- I
11 UNDERSTAND THE VOTING, BUT I DON'T UNDERSTAND THE
12 INFORMATION THAT WILL BE AVAILABLE TO US.

13 MR. HARRISON: WE WILL ASK THE NOMINEES TO
14 SUBMIT BIOGRAPHICAL INFORMATION. AND WHETHER THE
15 BOARD WOULD LIKE ADDITIONAL INFORMATION AND HOW IT
16 WOULD LIKE TO OBTAIN THAT INFORMATION IS REALLY UP
17 TO THE BOARD. BUT THAT'S A PART OF THE PROCEDURE
18 THAT WE HAVE NOT YET ADDRESSED IN DETAIL.

19 DR. POMEROY: THANK YOU.

20 MR. SHEEHY: I JUST WONDER IF PERHAPS, AT
21 LEAST FOR THIS NEXT UPCOMING VOTE, PERHAPS WE MIGHT
22 DELEGATE THE CHAIRS OF THE GOVERNANCE SUBCOMMITTEE
23 TO CONDUCT THE PROCESS. BECAUSE IF YOU THINK ABOUT
24 IT, WE ACTUALLY DON'T HAVE SOMEONE TO CHAIR THE
25 COMMITTEE AT THAT POINT.

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: RIGHT.

2 MR. SHEEHY: GIVEN THAT BOTH THE CHAIR
3 AND BOTH THE CHAIRS OF THE SUBCOMMITTEE AT LEAST AT
4 THIS PRESENT TIME ARE EIGHT-YEAR APPOINTEES, THEY
5 WOULD BE IN A POSITION TO CONDUCT THE ELECTION. AND
6 I THINK THAT THAT -- YOU KNOW, AND ANYTHING THAT,
7 FRANKLY, MEMBER LANSING OR DR. POMEROY THOUGHT MIGHT
8 BE USEFUL, THEY COULD INTRODUCE INTO THE PROCESS.
9 WE HAVEN'T REALLY DONE THIS. WE'VE ONLY DONE
10 THIS -- BUT I DO THINK WE NEED TO THINK ABOUT WHO'S
11 GOING TO ACTUALLY CONDUCT THE PROCESS. WE HAVE A
12 29-MEMBER BOARD THAT WILL HAVE LOST A SIGNIFICANT
13 NUMBER OF MEMBERS.

14 MR. HARRISON: I JUST WANT TO MAKE ONE
15 CLARIFICATION. THEN YOU CAN CONTINUE THE
16 DISCUSSION. UNDER PROP 71, AS WITH MAY STATE LAWS,
17 THE CURRENT INCUMBENTS CONTINUE TO SERVE UNTIL THEIR
18 SUCCESSORS ARE ELECTED AND QUALIFIED. SO THERE WILL
19 BE CONTINUITY. AND ONE OF THE REASONS WE'VE
20 CONSIDERED APPROACHING THE CONSTITUTIONAL OFFICERS
21 EARLY AND ASKING THEM TO PRESENT NOMINEES IS SO THAT
22 WE CAN HAVE A TRANSITION PERIOD BETWEEN THE CURRENT
23 NOMINEES AND THEIR SUCCESSORS.

24 CHAIRMAN KLEIN: JEFF, THIS IS BOB KLEIN.
25 TWO THINGS. ONE IS THAT AS WE GET FURTHER ALONG IN

BARRISTERS' REPORTING SERVICE

1 THIS PROCESS, I'D LIKE TO GET THE ENTIRE BOARD'S
2 VIEWPOINT. BUT ALL OF THE OFFICERS OF THE BOARD
3 WILL BE THERE DURING THE ELECTION UNTIL THE ELECTION
4 IS COMPLETED. SO AS JAMES JUST EXPLAINED, THE WAY
5 THE INITIATIVE WORKS IS THAT UNTIL THE ELECTION IS
6 OVER, THE CHAIRS AND VICE CHAIRS CONTINUE TO SERVE.
7 AND THEN WHEN THE BOARD ELECTS IT, THE CHAIRS AND
8 VICE CHAIRS GIVE UP THEIR SEATS AND THE NEW PARTIES
9 TAKE OVER THEIR SEATS AND THE OPERATION. SO THERE'S
10 NOT A GAP IN THE TRANSITION.

11 MR. HARRISON: ACTUALLY JUST ONE
12 QUALIFICATION TO WHAT CHAIRMAN KLEIN JUST SAID.
13 HOPEFULLY WE WILL HAVE AN ELECTION WHICH WILL OCCUR
14 BEFORE THE CURRENT INCUMBENTS' TERMS EXPIRE. SO
15 THOSE NOMINEES WHO ARE ELECTED WILL ACTUALLY NOT
16 TAKE OFFICE UNTIL AFTER DECEMBER 17TH. FOR EXAMPLE,
17 IF THE ELECTION WERE HELD IN EARLY DECEMBER, WE'D
18 HAVE A PERIOD OF A COUPLE OF WEEKS IN WHICH THOSE
19 PEOPLE WOULD BE THE ELECTED NOMINEES, BUT WOULD NOT
20 BE SWORN IN UNTIL AFTER THE CURRENT MEMBERS' TERMS
21 EXPIRE ON THE 17TH.

22 CHAIRMAN KLEIN: JAMES, LET ME AUGMENT
23 WHAT YOU JUST SAID. IN CASE THERE IS A TIE VOTE,
24 THE NEW PROCEDURE MR. HARRISON HAS SUGGESTED IN
25 THESE AMENDMENTS PROVIDES FOR WHAT HAPPENS IN A TIE

BARRISTERS' REPORTING SERVICE

1 VOTE. SO IT GIVES US THE ABILITY TO HOLD AN
2 ADDITIONAL MEETING, IF NECESSARY, TO RESOLVE THE
3 TIE.

4 MR. SHEEHY: SO WHOEVER IS SITTING ON THE
5 BOARD AT THE TIME THAT THE VOTE IS THOSE WHO ARE
6 ELIGIBLE TO VOTE.

7 MR. HARRISON: THAT'S CORRECT.

8 MR. SHEEHY: SO IF NEW MEMBERS HAVEN'T
9 BEEN REAPPOINTED?

10 MR. HARRISON: AS WITH THE CHAIR AND THE
11 VICE CHAIR, THOSE MEMBERS -- THE OTHER MEMBERS OF
12 THE BOARD WHOSE TERMS EXPIRE WILL CONTINUE TO SERVE
13 UNTIL THEIR SUCCESSORS QUALIFY. IF SO THE VOTE IS
14 HELD BEFORE DECEMBER 17TH, CURRENT MEMBERS WILL BE
15 THOSE WHO ARE ELIGIBLE TO VOTE.

16 DR. POMEROY: SO THE OFFICERS WOULD BE
17 VOTING ON THEIR OWN (INAUDIBLE)?

18 MR. HARRISON: THAT'S CORRECT. UNLESS
19 THERE IS A CONFLICT.

20 CHAIRMAN KLEIN: ONE OF THE THINGS TO
21 CONSIDER HERE, CLAIRE, AND WE CERTAINLY CAN HAVE A
22 BOARD SESSION, AND I WOULD LIKE TO HAVE A BOARD
23 SESSION, WHERE WE REALLY CONSIDER THIS POLICY SO
24 EVERYONE CAN PARTICIPATE IN THE DISCUSSION IS THAT
25 THE PEOPLE THAT ARE CURRENTLY ON THE BOARD CERTAINLY

BARRISTERS' REPORTING SERVICE

1 UNDERSTAND ITS REQUIREMENTS -- THE REQUIREMENTS OF
2 SERVICE. AND THEY HAVE SIX YEARS THAT THEY'VE PUT
3 INTO SERVICE, AND THEY HAVE THE KNOWLEDGE,
4 HOPEFULLY, TO JUDGE BASED UPON THE BIOGRAPHICAL
5 INFORMATION AND EXPERIENCE OF THE PEOPLE BEING
6 NOMINATED WHO HAS THE RIGHT BACKGROUND AND
7 QUALIFICATIONS AND EXPERIENCE TO REALLY MEET THE
8 NEEDS OF THE BOARD GOING FORWARD AND CONTINUING THE
9 VERY HIGH PRODUCTIVITY OF THE BOARD AND ITS
10 SUBCOMMITTEES.

11 BUT TODAY THE AMENDMENT DON'T ADDRESS THE
12 DATE OF THE ELECTION. THEY ONLY ELECT -- THEY ONLY
13 ADDRESS THE NARROW TOPICS THAT MR. HARRISON HAS
14 ADDRESSED. AND THE DATE OF THE ELECTION AND THE
15 OTHER ISSUES SHOULD COME BEFORE THE BOARD. AND IF
16 THERE IS ADMINISTRATIVE REFINEMENTS TO THOSE OR
17 POLICY ISSUES, WE COULD CERTAINLY DELEGATE IT BACK
18 TO GOVERNANCE TO HAVE GOVERNANCE WORK THEM OUT. I
19 THINK IT WOULD BE GOOD TO HAVE A PUBLIC DISCUSSION
20 AT THE FULL BOARD.

21 DR. POMEROY: IT JUST STRIKES ME THAT -- I
22 UNDERSTAND THE IMPORT OF THE ONES WE'RE DISCUSSING,
23 BUT IT STRIKES ME THAT IT MIGHT BE USEFUL TO HAVE
24 ALL THIS ALL IN A SINGLE PACKAGE RATHER THAN SORT OF
25 DOING THINGS PIECEMEAL OVER TIME.

BARRISTERS' REPORTING SERVICE

1 MR. SERRANO-SEWELL: WHAT DO YOU MEAN BY
2 THAT CLAIRE.

3 DR. POMEROY: THERE'S STILL A LOT OF
4 UNANSWERED QUESTIONS. SO IF WE THINK, IF WE THINK,
5 AND IT'S STILL NOT CLEAR TO ME, THAT WE NEED
6 ADDITIONAL BYLAW CHANGES, IT WOULD BE NICE TO DO IT
7 AS A PACKAGE, THE WHOLE THING.

8 MR. SERRANO-SEWELL: WE'RE ONLY DEALING
9 WITH SOME DISCRETE BYLAW CHANGES RIGHT NOW AS IT
10 PERTAINS TO THE TRANSITION.

11 DR. POMEROY: ARE THERE -- THAT'S MY
12 QUESTION. ARE THERE GOING TO BE MORE PROPOSED BYLAW
13 CHANGES FOR THE TRANSITION?

14 MR. SERRANO-SEWELL: I DON'T WANT TO
15 ANSWER. WHAT I HEARD BOB SAY IS WHEN WE TAKE THIS
16 TO THE FULL BOARD, HE WANTS TO GET FULL BUY-IN
17 BECAUSE OF THE NATURE OF THIS PROCESS. THERE MAY BE
18 OTHER SUGGESTIONS FROM OUR COLLEAGUES, AND WE WOULD
19 INCORPORATE THOSE CHANGES AS WELL.

20 DR. POMEROY: BUT WE CAN ALWAYS MAKE
21 AMENDMENTS. I'M JUST TRYING TO CLARIFY. ARE WE, AS
22 A GOVERNANCE SUBCOMMITTEE, DONE WITH THIS ISSUE IF
23 WE ADOPT THESE?

24 MR. HARRISON: DR. POMEROY, COULD I TRY TO
25 ANSWER THAT?

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: YEAH.

2 MR. HARRISON: I THINK THAT FOR THE
3 PURPOSES OF THE BYLAWS, THIS IS A VERY NARROW AND
4 SPECIFIC ISSUE RELATING TO HOW THE ELECTION SHOULD
5 BE CONDUCTED. THE BROADER POLICY QUESTIONS ABOUT
6 WHAT KIND OF INFORMATION YOU'D LIKE TO OBTAIN FROM
7 THE CANDIDATES, HOW YOU WILL DO THAT, WHEN THE VOTE
8 OCCURS ARE NOT THE TYPES OF THINGS THAT WOULD
9 ORDINARILY BE IN THE BYLAWS. IN OTHER WORDS,
10 THEY'RE PROCESSES THAT CAN BE ADDRESSED SEPARATELY.

11 DR. POMEROY: OKAY. SO WE CAN HAVE A
12 CLARIFICATION OF PROCEDURE WITHOUT HAVING TO MAKE
13 FURTHER BYLAW CHANGES?

14 MR. HARRISON: UNLESS THE PROCEDURE IS
15 CONTRARY TO AN EXISTING BYLAW, WHICH AT THIS POINT I
16 CAN'T IMAGINE, CORRECT.

17 DR. POMEROY: GOT IT. THANK YOU.

18 MR. SERRANO-SEWELL: MY LAST COMMENT ON
19 CLAIRE'S POINT IS WE'LL KNOW -- THE TIMING OF THE
20 VOTE, IF YOU WILL, WILL BE IN PART DICTATED WHEN THE
21 APPOINTING OFFICERS HAVE SUBMITTED ALL THEIR
22 NOMINEES FOR CHAIR AND VICE CHAIR. YOU KNOW WHAT.
23 I DON'T HAVE ANY CONTROL OVER THAT. NONE OF US DO.

24 DR. POMEROY: I NOTICED. GOT IT.

25 MR. SERRANO-SEWELL: WE MAY GET THEM BY

BARRISTERS' REPORTING SERVICE

1 THE DEADLINE, CLAIRE. WE MAY NOT. ONCE WE HAVE
2 THEM ALL, AND I THINK WE OUGHT TO WAIT TILL WE HAVE
3 THEM ALL, NOT TWO OUT OF THE FOUR OR THREE OUT OF
4 THE FOUR. YOU KNOW, BOB WILL SCHEDULE A MEETING AND
5 THAT WILL BE THAT.

6 DR. POMEROY: OKAY.

7 MR. SHEEHY: I'D STILL LIKE TO KICK IT
8 BACK TO GOVERNANCE BECAUSE RIGHT THERE YOU JUST MADE
9 A DECISION UNILATERALLY ON AN ISSUE. DO WE WAIT
10 UNTIL WE HAVE ALL THE NOMINATIONS IN.

11 CHAIRMAN KLEIN: JEFF, WHAT I WAS SAYING
12 IS I'D LIKE THE FULL BOARD TO DISCUSS THAT SO
13 EVERYONE GETS TO PARTICIPATE.

14 MR. SHEEHY: AT LEAST IT MIGHT BE HELPFUL
15 TO HAVE SOME SORT OF IDENTIFICATION OF THE ISSUES.
16 IF WE OPEN THIS UP FOR A FREE-FOR-ALL, I JUST DON'T
17 KNOW. MAYBE THERE'S NOT A DESIRED GOVERNANCE TO TRY
18 TO ADDRESS THIS. MAYBE COUNSEL CAN ADDRESS THIS.

19 MR. HARRISON: I WAS JUST GOING TO MAKE
20 ONE SUGGESTION. AND CHAIRMAN KLEIN, IF THIS DOESN'T
21 SEEM RIGHT TO YOU, OF COURSE, CHIME IN. BUT ONE OF
22 THE THINGS THAT WE COULD DO IN ORDER TO HAVE A MORE
23 FOCUSED CONVERSATION IS TO PRESENT WHAT WE BELIEVE
24 WOULD BE A SENSIBLE PROCEDURE FOR WHAT LEADS UP TO
25 THIS VOTE. AS DAVID SERRANO-SEWELL MENTIONED,

BARRISTERS' REPORTING SERVICE

1 OBVIOUSLY WE CAN'T DICTATE WHEN THE CONSTITUTIONAL
2 OFFICERS ACTUALLY MAKE THEIR NOMINATION, BUT WE CAN
3 CERTAINLY LAY OUT A TIMETABLE THAT WE THINK WOULD
4 SERVE THE INTEREST OF THE AGENCY AND THE BOARD AND
5 THE CONSTITUTIONAL OFFICERS AS WELL. AND THEN THE
6 BOARD AT THE AUGUST MEETING COULD REACT TO THAT. AT
7 LEAST THAT WOULD TEND TO FOCUS THE CONVERSATION A
8 BIT.

9 CHAIRMAN KLEIN: AND THEN, JEFF, IF THE
10 BOARD WOULD LIKE SOME GREATER DEFINITION TO SEND IT
11 BACK TO GOVERNANCE, OBVIOUSLY THAT'S SOMETHING WE
12 CLEARLY COULD DO. IT WOULD BE GOOD SINCE THIS IS
13 DEALING WITH THE CONTINUITY OF THE BOARD AND ITS
14 LEADERSHIP IF THE WHOLE BOARD COULD AT LEAST
15 PARTICIPATE IN THE OVERALL DISCUSSION. AND THEN
16 BASED UPON THE ISSUES, NOT QUITE SURE IF IT COMES
17 DOWN TO JUST A DISCUSSION OF THE DATE, WHICH IS
18 BASED UPON A LOT OF THE INDEPENDENT FACTORS THAT
19 DAVID SERRANO-SEWELL HAS IDENTIFIED, THAT'S THE KIND
20 OF THING THAT WOULD COME BACK TO GOVERNANCE. WHY
21 DON'T WE GET SOME PUBLIC DISCUSSION AT THE FULL
22 BOARD AND EVALUATE BECAUSE IF WE HAVE A LOT OF LOOSE
23 ENDS, IT CERTAINLY SHOULD COME BACK TO GOVERNANCE.

24 MR. ROTH: I THINK JAMES SAID IT JUST A
25 FEW MINUTES AGO THAT THE BYLAWS ARE YOUR SORT OF

BARRISTERS' REPORTING SERVICE

1 GUIDING DOCUMENTS, NOT THE DETAILS OF NECESSARILY
2 WHEN THINGS OCCUR. SO I DON'T THINK THAT -- I THINK
3 THE WAY THEY HAVE BEEN ADJUSTED HERE IS PROBABLY
4 APPROPRIATE. IT'S THE WAY THE VOTE IS TAKEN, NOT
5 SPECIFICALLY WHEN THE VOTE IS TAKEN, BUT HOW IT
6 WOULD BE DONE.

7 DR. POMEROY: I WOULD LIKE TO ENDORSE
8 JAMES' SUGGESTION, WHICH THAT THESE ARE PROBABLY THE
9 BYLAWS -- ADEQUATE BYLAW CHANGES AND APPROPRIATELY
10 CONSIDERED BY GOVERNANCE, AND WE CAN MAKE A
11 RECOMMENDATION TO THE BOARD, BUT I WOULD LIKE TO
12 ALSO ENDORSE HIS OFFER, I BELIEVE, TO WRITE OUT SOME
13 PRACTICES FOR THE BOARD TO DISCUSS AT THE AUGUST
14 MEETING AS WELL.

15 MS. KING: ARE EITHER OF THOSE STATEMENTS
16 A MOTION?

17 DR. POMEROY: THAT WAS A MOTION FROM ME.

18 MR. TORRES: I WOULD LIKE TO SECOND DR.
19 POMEROY.

20 CHAIRPERSON LANSING: CAN I HAVE A SECOND
21 ON CLAIRE'S MOTION, PLEASE? THIS IS SHERRY.

22 MS. KING: SENATOR ART TORRES HAS SECONDED
23 DR. POMEROY'S MOTION.

24 CHAIRPERSON LANSING: ALL RIGHT. DO I
25 HAVE ANY FURTHER COMMENT?

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: SHERRY, WHAT ARE WE VOTING ON,
2 JUST THE VOTING PROCESS IN THE BYLAWS BECAUSE THERE
3 ARE A NUMBER OF OTHER ISSUES HERE?

4 CHAIRPERSON LANSING: WE'RE VOTING JUST ON
5 THE VOTING PROCESS ON THE BYLAWS NOW.

6 CHAIRMAN KLEIN: SHERRY, YOU ARE GOING TO
7 TAKE SOME PUBLIC COMMENT ON THIS PART BEFORE WE
8 VOTE?

9 CHAIRPERSON LANSING: ABSOLUTELY. FIRST,
10 I WAS ASKING -- I DIDN'T FORGET. I SWEAR. I WAS
11 ASKING IF THERE WAS ANY MORE COMMENT FROM THE
12 MEMBERS OF THE SUBCOMMITTEE. THEN WITH THAT, I
13 WOULD LIKE MELISSA TO GO AROUND AND GET PUBLIC
14 COMMENT WHERE THERE IS PUBLIC COMMENT.

15 MS. KING: I DON'T HAVE ANY PUBLIC HERE IN
16 SAN FRANCISCO. IT ACTUALLY DIDN'T SOUND TO ME LIKE
17 THERE WAS PUBLIC ANYWHERE. SO WHAT I'D LIKE TO DO
18 IS JUST FIND OUT IF THAT'S CHANGED. IS THERE A
19 MEMBER OF THE PUBLIC AT ANY OF OUR LOCATIONS THAT
20 WOULD LIKE TO MAKE A COMMENT? HEARING NONE, I WILL
21 TURN IT BACK OVER TO CHAIR LANSING.

22 CHAIRPERSON LANSING: THEN I'M GOING TO
23 ASK YOU TO TAKE A ROLL CALL VOTE.

24 MS. KING: I'M THINKING IT MIGHT BE
25 HELPFUL, JAMES, IF YOU COULD REPEAT THE MOTION IN

BARRISTERS' REPORTING SERVICE

1 THIS PARTICULAR CASE.

2 MR. HARRISON: THE MOTION IS TO APPROVE
3 THE AMENDMENT TO ARTICLE 8 OF SECTION 2 OF THE
4 BYLAWS WHICH DEAL WITH THE PROCEDURE FOR CONDUCTING
5 ELECTIONS AND TO REQUEST THAT A SUMMARY OF THE
6 PROPOSED PRACTICES AND PROCEDURES FOR THE BOARD'S
7 CONSIDERATION OF NOMINEES FOR THE OFFICE OF CHAIR
8 AND VICE CHAIR BE PRESENTED TO THE BOARD AT ITS
9 AUGUST MEETING.

10 MS. KING: BOB KLEIN.

11 CHAIRMAN KLEIN: AYE.

12 MS. KING: SHERRY LANSING.

13 CHAIRPERSON LANSING: YES.

14 MS. KING: TED LOVE.

15 DR. LOVE: YES.

16 MS. KING: CLAIRE POMEROY.

17 DR. POMEROY: YES.

18 MS. KING: JEANNIE FONTANA.

19 DR. FONTANA: YES.

20 MS. KING: DUANE ROTH.

21 MR. ROTH: YES.

22 MS. KING: DAVID SERRANO-SEWELL.

23 MR. SERRANO-SEWELL: YES.

24 MS. KING: JEFF SHEEHY.

25 MR. SHEEHY: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: OSWALD STEWARD.

2 DR. STEWARD: YES.

3 MS. KING: ART TORRES.

4 MR. TORRES: AYE.

5 MS. KING: THAT MOTION CARRIES FOR THE
6 RECORD.

7 CHAIRMAN KLEIN: JAMES, DO YOU WANT TO GO
8 WITH THE REST OF THE BYLAWS?

9 MR. HARRISON: THANK YOU, SHERRY. THERE
10 ARE TWO OTHER MINOR AMENDMENTS THAT I WOULD LIKE TO
11 BRING TO YOUR ATTENTION. THE FIRST IS TO ARTICLE 5,
12 SECTION 7 AT PAGE 6. AS YOU MAY RECALL, THE BOARD
13 ADOPTED AN OPEN ROLL VOTING POLICY SEVERAL MONTHS
14 AGO. AND THAT WAS ADOPTED AS A SEPARATE STAND-ALONE
15 POLICY. WHAT WE WOULD PROPOSE TO DO WITH THIS
16 PARTICULAR BYLAW CHANGE IS TO MOVE THAT POLICY INTO
17 THE BYLAWS AND TO CLARIFY WHAT WAS OUR EXISTING
18 INTENT IN SUBDIVISION C, THAT IN ADDITION TO
19 PERMITTING A MEMBER TO VOTE AFTER DEBATE HAS BEGUN,
20 BUT BEFORE IT'S CONCLUDED, THAT THE CHAIR ALSO HAS
21 THE DISCRETION TO LEAVE THE ROLL OPEN AFTER THE
22 DEBATE HAS ENDED IN ORDER TO PERMIT A MEMBER TO
23 PARTICIPATE IN THE VOTE.

24 I'D BE HAPPY TO ANSWER ANY QUESTIONS ON
25 THAT POLICY BEFORE PROCEEDING TO THE NEXT ONE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: MEMBER LANSING, CHAIR
2 LANSING, COULD I PROVIDE AN EXAMPLE OF THIS?

3 CHAIRPERSON LANSING: ABSOLUTELY, BOB.
4 AND THEN ANYONE ELSE THAT WANTS TO COMMENT PLEASE
5 FEEL FREE.

6 CHAIRMAN KLEIN: IN THE LAST BOARD
7 MEETING, WE HAD A VOTE THAT WAS VERY POSITIVE, BUT
8 WE HAD, BECAUSE OF CONFLICTS, A PROBLEM WITH A
9 QUORUM. WE HAD TO -- THE BOARD DISCUSSED IT AND
10 DECIDED THAT AS A POLICY MATTER, WE WOULD LEAVE THE
11 ROLL CALL OPEN WAITING FOR A MEMBER TO COME TO MAKE
12 THE ADDITIONAL VOTE TO MEET THE QUORUM REQUIREMENTS
13 GIVEN THAT SOME OF THE MEMBERS THAT WERE PRESENT
14 COULDN'T VOTE BECAUSE OF CONFLICTS. SO WHEN THERE'S
15 BEEN A FULL DEBATE AND WE'RE MISSING A VOTE, AN
16 INDIVIDUAL OR TWO INDIVIDUALS BECAUSE OF QUORUM
17 ISSUES, THIS CAN BE VERY HELPFUL TO THE INCOMING
18 CHAIR AND TO THE BOARD.

19 CHAIRPERSON LANSING: GREAT. CAN I HAVE
20 MORE COMMENT? DOES ANYONE WANT TO COMMENT ON THIS?

21 DR. STEWARD: COULD I MAKE A BRIEF
22 COMMENT.

23 CHAIRPERSON LANSING: YES, PLEASE.

24 DR. STEWARD: I REALLY LIKE THIS, BOB AND
25 EVERYONE. I THINK THAT THIS HELPS US ENORMOUSLY IN

BARRISTERS' REPORTING SERVICE

1 COMPLETING IN OUR RESPONSIBILITY IN A TIMELY WAY. I
2 WONDER IF WE COULD ADD ONE SMALL PART PERHAPS AS A
3 FRIENDLY AMENDMENT. IN MANY CASES WE HAVE
4 SITUATIONS WHERE THERE HAS BEEN A VERY THOROUGH
5 DISCUSSION, BUT THERE MIGHT BE A COUPLE OF MORE
6 POINTS THAT NEED TO BE MADE WHILE A MEMBER, THIS
7 ALWAYS HAPPENS TOWARD THE END OF A MEETING, WHILE A
8 MEMBER HAS TO LEAVE TO CATCH A PLANE OR WHATEVER.
9 IS IT POSSIBLE THAT UNDER THOSE CIRCUMSTANCES A
10 MEMBER COULD LODGE THEIR VOTE BY PHONE ON THE WAY TO
11 THE AIRPORT IN THE CAB OR SOMETHING LIKE THAT?

12 MR. HARRISON: DR. STEWARD, UNFORTUNATELY
13 BECAUSE OF THE RESTRICTIONS OF BAGLEY-KEENE, ONE
14 CAN'T NOTICE A MOVING VEHICLE AS A LOCATION. SO
15 UNFORTUNATELY THAT'S NOT POSSIBLE. BUT WHAT THIS
16 DOES PERMIT YOU TO DO WOULD BE TO LODGE YOUR VOTE
17 BEFORE YOU LEAVE. AND UNFORTUNATELY WHILE YOU COULD
18 PERHAPS LISTEN IN TO MEETING, YOU WOULD NO LONGER BE
19 ABLE TO PARTICIPATE.

20 DR. STEWARD: BUT YOU COULD LODGE YOUR
21 VOTE BEFORE YOU LEFT?

22 MR. HARRISON: CORRECT.

23 DR. STEWARD: I'M FINE WITH THAT AS LONG
24 AS IT ISN'T IN VIOLATION OF SORT OF LISTENING TO
25 PUBLIC COMMENT.

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: NO. THE POLICY, FIRST OF
2 ALL, MAKES CLEAR THAT THIS PROCEDURE IS ONLY TO BE
3 USED UNDER VERY LIMITED CIRCUMSTANCES AND ONLY WHERE
4 THERE HAS ALREADY BEEN AN OPPORTUNITY FOR BOARD
5 DEBATE AND PUBLIC COMMENT.

6 DR. STEWARD: OKAY. THANK YOU.

7 MR. HARRISON: DR. LANSING --

8 CHAIRPERSON LANSING: OH, I WISH I WAS
9 DR. LANSING. WHAT A COMPLIMENT. JAMES, I'M SORRY.
10 WHO'S SPEAKING AND ARE THERE OTHER COMMENTS?

11 MR. HARRISON: I WAS JUST GOING TO OFFER
12 TO PROCEED TO THE NEXT ITEM UNLESS THERE ARE FURTHER
13 COMMENTS.

14 CHAIRPERSON LANSING: PLEASE PROCEED.

15 MR. HARRISON: HEARING NONE, THE ONLY
16 OTHER CHANGE THAT WE'D PROPOSE FOR OUR IMMEDIATE
17 PURPOSES RELATES TO THE REQUIRED NUMBER OF
18 GOVERNANCE AND LEGISLATIVE SUBCOMMITTEES PER YEAR.
19 CURRENTLY THE BYLAWS REQUIRE THE GOVERNANCE
20 SUBCOMMITTEE TO HAVE FOUR MEETINGS, THE LEGISLATIVE
21 SUBCOMMITTEE TO HAVE THREE MEETINGS. WHAT WE HAVE
22 LEARNED OVER THE COURSE OF THE LAST FIVE AND A HALF
23 YEARS IS THAT THERE ARE TIMES WHEN WE NEED NUMEROUS
24 GOVERNANCE SUBCOMMITTEE AND LEGISLATIVE SUBCOMMITTEE
25 MEETINGS FAR IN EXCESS OF THIS MINIMUM REQUIREMENT.

BARRISTERS' REPORTING SERVICE

1 BUT MORE RECENTLY, FOR EXAMPLE, WE HAVE NOT NEEDED
2 TO CALL UPON THE GOVERNANCE SUBCOMMITTEE AS OFTEN AS
3 WE HAVE IN THE PAST.

4 WHAT WE PROPOSE TO DO HERE IN ORDER TO
5 ENHANCE THE FLEXIBILITY OF THE CHAIRS OF THESE
6 COMMITTEES AND TO AVOID CALLING A MEETING SOLELY FOR
7 THE PURPOSES OF CALLING A MEETING IS TO SPECIFY THAT
8 THE MINIMUM SHALL BE ONE. THAT IS, THE
9 GOVERNANCE --

10 CHAIRPERSON LANSING: YES. I TOTALLY
11 UNDERSTAND THAT BECAUSE WHEN WE WERE GETTING
12 STARTED, WE HAD A LOT OF GOVERNANCE ISSUES. LIKE
13 ANY GOOD CORPORATION, WHEN THINGS ARE RUNNING WELL,
14 THERE IS LESS NEED FOR THEM, THOUGH WE MUST HAVE AT
15 LEAST ONE TO JUST TO FULFILL OUR RESPONSIBILITIES.
16 SO I TOTALLY UNDERSTAND THIS.

17 SO I'D LIKE COMMENTS FROM THE COMMITTEE.
18 THERE'S NO MEMBERS OF THE PUBLIC. SO CAN I HAVE A
19 MOTION?

20 DR. LOVE: SO MOVED.

21 CHAIRPERSON LANSING: SECOND, PLEASE.

22 MR. ROTH: SECOND.

23 CHAIRPERSON LANSING: OKAY. MELISSA, YOU
24 WANT TO DO A ROLL CALL VOTE.

25 MR. HARRISON: JUST TO REITERATE THE

BARRISTERS' REPORTING SERVICE

1 MOTION, IF I COULD, THIS MOTION IS TO APPROVE TWO
2 AMENDMENTS TO THE BYLAWS, AN AMENDMENT TO ARTICLE 5,
3 SECTION 7, THE OPEN ROLL VOTING PROCEDURE, AND AN
4 AMENDMENT TO ARTICLE 6 RELATING TO THE MINIMUM
5 NUMBER OF MEETINGS FOR THE GOVERNANCE AND
6 LEGISLATIVE SUBCOMMITTEES.

7 CHAIRPERSON LANSING: YES. IT IS FOR
8 BOTH.

9 MS. KING: AND THE MAKER OF THE MOTION WAS
10 TED LOVE AND THE SECOND WAS DUANE ROTH.

11 CHAIRPERSON LANSING: SO CAN I PLEASE HAVE
12 A ROLL CALL VOTE?

13 MS. KING: BOB KLEIN.

14 CHAIRMAN KLEIN: AYE.

15 MS. KING: SHERRY LANSING.

16 CHAIRPERSON LANSING: YES.

17 MS. KING: TED LOVE.

18 DR. LOVE: YES.

19 MS. KING: CLAIRE POMEROY.

20 DR. POMEROY: YES.

21 MS. KING: JEANNIE FONTANA.

22 DR. FONTANA: YES.

23 MS. KING: DUANE ROTH.

24 MR. ROTH: YES.

25 MS. KING: DAVID SERRANO-SEWELL.

BARRISTERS' REPORTING SERVICE

1 MR. SERRANO-SEWELL: YES.

2 MS. KING: JEFF SHEEHY.

3 MR. SHEEHY: YES.

4 MS. KING: OSWALD STEWARD.

5 DR. STEWARD: YES.

6 MS. KING: ART TORRES.

7 MR. TORRES: AYE.

8 MS. KING: THAT MOTION CARRIES.

9 CHAIRPERSON LANSING: THEN I'D LIKE TO
10 MOVE ON TO AGENDA ITEM 5, WHICH IS PURELY FOR
11 INFORMATION. THERE'S NO NEED FOR A VOTE ON THIS,
12 BUT IT'S AN UPDATE ON OUR CONTRACTS AND OUR
13 INTERAGENCY AGREEMENTS. AND CYNTHIA SCHAFFER AND
14 MARGARET FERGUSON, CYNTHIA BEING CIRM'S CONTRACTS
15 MANAGER AND MARGARET OUR FINANCIAL OFFICER, CAN YOU
16 PLEASE PRESENT THIS ITEM?

17 MS. KING: BEFORE WE DO THAT, SENATOR
18 TORRES, I BELIEVE, HAS A QUESTION OR A COMMENT.

19 MR. HARRISON: SHERRY, IT'S JAMES
20 HARRISON. THERE WAS ONE OTHER ITEM WITH RESPECT TO
21 THE BYLAWS THAT --

22 CHAIRPERSON LANSING: I'M SORRY. I
23 APOLOGIZE.

24 MR. HARRISON: THAT'S OKAY. THIS IS AN
25 ITEM THAT ACTUALLY INVOLVES THOSE PATIENT ADVOCATE

BARRISTERS' REPORTING SERVICE

1 MEMBERS OF THE BOARD EXCLUDING THE CHAIR AND THE
2 VICE CHAIR BECAUSE IT RELATES TO THEIR COMPENSATION.
3 THE REASON WE BROKE THIS ITEM OUT FROM THE OTHER
4 BYLAW AMENDMENTS WAS SO THE PATIENT ADVOCATE MEMBERS
5 COULD PARTICIPATE IN THE DISCUSSION OF THE OTHER
6 ITEMS.

7 CHAIRPERSON LANSING: I'M SORRY. I
8 REMEMBER THIS. I REALLY APOLOGIZE. IT'S A VERY
9 IMPORTANT ITEM.

10 MR. HARRISON: LET ME BRIEFLY DESCRIBE THE
11 GENESIS OF THIS PROPOSED AMENDMENT, AND THEN WHAT WE
12 WOULD PROPOSE TO ACCOMPLISH THROUGH IT. AS YOU ALL
13 REMEMBER, SB 1064, WHICH IS NOW PENDING IN THE
14 ASSEMBLY APPROPRIATIONS COMMITTEE, WOULD, IF
15 ENACTED, PERMIT THE BOARD TO ESTABLISH A DAILY
16 CONSULTING RATE FOR PATIENT ADVOCATE MEMBERS OF THE
17 WORKING GROUPS RATHER THAN A PER DIEM FOR THE
18 PATIENT ADVOCATES MEMBERS' SERVICE ON THE WORKING
19 GROUPS, EXCLUDING THE CHAIR AND THE VICE CHAIR.

20 PROP 71 REQUIRES THE PATIENT ADVOCATES TO
21 MAKE A SUBSTANTIAL COMMITMENT TO CIRM ON TOP OF THE
22 HEAVY COMMITMENT REQUIRED BY BOARD MEETINGS,
23 SUBCOMMITTEE MEETINGS, AND TASK FORCE MEETINGS. THE
24 PATIENT ADVOCATES UNDER PROP 71 ARE ALSO REQUIRED TO
25 SERVE ON THE WORKING GROUPS, WHICH, AS THE NAME

BARRISTERS' REPORTING SERVICE

1 IMPLIES, INVOLVES AN AWFUL LOT OF WORK, STANDARDS,
2 GRANTS, AND FACILITIES.

3 IN THE AGGREGATE THIS SERVICE SERIOUSLY
4 AFFECTS THE MEMBER'S ABILITY TO SERVE WHILE
5 SIMULTANEOUSLY CARRYING OUT THEIR OTHER
6 RESPONSIBILITIES, INCLUDING THEIR CURRENT
7 OCCUPATION. THIS BYLAW WOULD IMPLEMENT 1064 AND
8 WOULD BE EFFECTIVE ONLY IF 1064 WERE ENACTED, AND IT
9 SETS FORTH THE CIRCUMSTANCES UNDER WHICH THE BOARD
10 WOULD ESTABLISH THE COMPENSATION AND ADDRESSES
11 CONCERNS RAISED BY SOME THAT THERE IS NO LIMIT IN SB
12 1064 ON THE AMOUNT OF COMPENSATION THAT THE BOARD
13 COULD PAY THE PATIENT ADVOCATE MEMBERS OF THE BOARD.

14 SO LET ME BRIEFLY DESCRIBE WHAT THE BYLAW
15 AMENDMENT WOULD DO. FIRST, IT WOULD MAKE CLEAR THAT
16 PATIENT ADVOCATE MEMBERS WOULD ONLY BE COMPENSATED
17 THROUGH A DAILY CONSULTING RATE FOR THEIR SERVICE ON
18 THE WORKING GROUPS. IN OTHER WORDS, THEY WOULD
19 CONTINUE TO BE ENTITLED ONLY TO A PER DIEM FOR THEIR
20 SERVICE ON THE BOARD, SUBCOMMITTEES, AND TASK
21 FORCES. IT WOULD ALSO BE LIMITED TO PATIENT
22 ADVOCATE MEMBERS OF THE GRANTS WORKING GROUP AND THE
23 VICE CHAIRS OR CO-CHAIRS OF THE OTHER WORKING GROUPS
24 BECAUSE OF THE RELATIVE WORKLOAD OF THOSE WORKING
25 GROUPS.

BARRISTERS' REPORTING SERVICE

1 SECOND, THE RATE WOULD BE LIMITED TO 75
2 PERCENT OF THE RATE PAID TO THE SCIENTIFIC MEMBERS
3 OF THE GRANTS WORKING GROUP, AND WE WOULD IMPOSE A
4 TOTAL CAP OF \$15,000 PER YEAR.

5 AND THEN, FINALLY, THE BYLAW PROVIDES THAT
6 THE BOARD WOULD DETERMINE ON A CASE-BY-CASE BASIS
7 THAT SERVICE ON THE WORKING GROUPS REQUIRES AN
8 EXTRAORDINARY COMMITMENT OF TIME.

9 THAT SUMMARIZES THE PROPOSAL. I'D BE
10 HAPPY TO ANSWER ANY QUESTION.

11 CHAIRPERSON LANSING: JAMES, I HAVE SOME
12 QUESTIONS. SO I'M A LITTLE CONFUSED. I KNOW THAT
13 THE GRANTS WORKING GROUP REQUIRES AN INORDINATE
14 AMOUNT OF TIME. BUT IF YOU'RE A PATIENT ADVOCATE
15 AND YOU'RE ATTENDING, YOU KNOW, THE STANDARDS
16 WORKING GROUP AND YOU'RE GIVING UP A DAY TO ATTEND
17 IT, AREN'T YOU ENTITLED TO SOME SALARY MUCH LIKE THE
18 OTHER ADVISORS ARE? AND I JUST PICKED THAT
19 COMMITTEE OUT.

20 MS. KING: I APOLOGIZE. I WAS FORGETTING
21 THAT WE NEEDED TO SEPARATE THIS ITEM OUT FROM THE
22 OTHERS DUE TO CONFLICTS OF INTEREST. SO I WOULD
23 LIKE JAMES TO COMMENT RIGHT NOW ON CONFLICTS OF
24 INTEREST RELATED TO THIS ITEM AND THEN WHO CAN
25 PARTICIPATE IN THE DISCUSSION AND WHO I SHOULD CALL

BARRISTERS' REPORTING SERVICE

1 FOR THE VOTE, PLEASE. THANK YOU.

2 MR. HARRISON: THANKS FOR THAT LEAD-IN,
3 MELISSA. SHERRY, BECAUSE YOU'RE A PATIENT ADVOCATE,
4 EVEN THOUGH YOU DON'T TAKE THE PER DIEM, I'D
5 RECOMMEND THAT YOU ABSTAIN FROM PARTICIPATING IN
6 THIS DISCUSSION. I'M HAPPY TO ANSWER THE QUESTIONS
7 FOR THE OTHER BOARD MEMBERS THAT YOU POSED.

8 MR. ROTH: SO LET ME POSE THE QUESTION
9 THAT WAS JUST TAKEN AWAY.

10 CHAIRPERSON LANSING: I'M GOING TO
11 ABSTAIN, BUT THE QUESTION WAS WHY JUST ONE GROUP.

12 MR. ROTH: I'LL ASK THAT QUESTION. WHY
13 WAS IT LIMITED TO THE GRANTS WORKING GROUP?

14 MR. HARRISON: WE'VE LIMITED IT TO THE
15 MEMBERS OF THE GRANTS WORKING GROUP AND TO THE
16 CO-CHAIRS OR VICE CHAIRS OF THE FACILITIES AND
17 STANDARDS WORKING GROUP FOR TWO REASONS. ONE, BASED
18 ON HISTORICAL PRACTICES, AT LEAST WITH THE EXCEPTION
19 OF 2007 WHEN THE FACILITIES WORKING GROUP WAS VERY
20 ACTIVE, THE GRANTS WORKING GROUP IS THE MOST ACTIVE
21 OF OUR ONGOING WORKING GROUPS.

22 SECOND, THERE HAVE BEEN CONCERNS EXPRESSED
23 ABOUT THE NUMBER OF INDIVIDUALS WHO COULD BE
24 ELIGIBLE FOR THIS COMPENSATION BEYOND A PER DIEM TO
25 WHICH THEY'RE CURRENTLY ENTITLED. AND DUE TO THE

BARRISTERS' REPORTING SERVICE

1 WORKLOAD, WE THOUGHT THIS WOULD BE A SENSIBLE WAY TO
2 LIMIT IT.

3 MR. ROTH: I'LL KEEP TALKING HERE BECAUSE
4 I CAN. I'M NOT RESTRICTED. AND THERE WAS -- THIS
5 ONE SURPRISED ME A BIT BY THE CONCERN. IT HAS A LOT
6 TO DO WITH THE PERCEPTION AND PARTICULARLY IN THESE
7 TIMES OF VERY TIGHT BUDGET RESTRAINTS IN SACRAMENTO.
8 AND I BELIEVE THAT WE'RE, AND JAMES DESERVES A LOT
9 OF CREDIT FOR HELPING ON THIS, WHERE WE ENDED UP IS
10 REALLY ABOUT AS FAR AS WE CAN GO AT THIS POINT IN
11 TIME.

12 SO MY RECOMMENDATION IS THAT WE APPROVE
13 THIS BYLAW AND THAT WE VISIT IT DOWN THE ROAD, BUT
14 THIS IS CERTAINLY A START IN THE RIGHT DIRECTION.
15 IT'S SOMETHING THAT WAS REALLY AN OVERSIGHT, I
16 THINK, WHEN PROP 71 WAS PUT TOGETHER, AND OVERNIGHT
17 MEANING NOBODY QUITE CONTEMPLATED HOW MUCH OF A
18 WORKLOAD THIS WOULD BE ESPECIALLY FOR THE GRANTS
19 REVIEW.

20 CHAIRPERSON LANSING: SO I'M GOING TO JUST
21 FOR THE SAKE OF NO CONFLICT OF INTEREST, AND PLEASE,
22 FOR THE RECORD, I DO NOT TAKE ANY PER DIEM OR MONEY
23 FOR ANY SERVICE WHATSOEVER. BUT JUST TO BE A
24 HUNDRED PERCENT, A PATIENT ADVOCATE, CLAIRE, COULD
25 YOU CONDUCT THIS PART OF THE MEETING?

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: SURE. THANK YOU, SHERRY. I
2 ACTUALLY HAVE A QUESTION. JAMES, DOES THIS ALLOW
3 ADDITIONAL PAYMENTS TO PATIENT ADVOCATES WHO RECEIVE
4 A SALARY FROM CIRM?

5 MR. HARRISON: NO, IT DOES NOT. THIS ONLY
6 APPLIES, CLAIRE, TO PATIENT ADVOCATES OTHER THAN THE
7 CHAIR AND THE VICE CHAIR.

8 DR. POMEROY: I JUST WANTED TO GET THAT ON
9 THE RECORD. THANK YOU.

10 CHAIRMAN KLEIN: CLAIRE, THIS IS BOB
11 KLEIN. I'D LIKE TO COMMEND BOTH SENATOR TORRES AND
12 DUANE ROTH FOR WORKING THIS THROUGH. AND I THINK
13 THAT DUANE'S COMMENT IS QUITE ACCURATE, THAT GIVEN
14 THE CONTEXT WE'RE IN, WHILE FROM EQUITY AND JUSTICE,
15 PROVIDING COMPENSATION TO PATIENT ADVOCATES THAT
16 CARRY A HUGE BURDEN OF WORKLOAD UNDER OUR STRUCTURE,
17 TO MAKE CERTAIN THE PUBLIC UNDERSTANDS THAT PATIENTS
18 ARE PARTICIPATING IN PROVIDING OVERSIGHT, THIS IS AS
19 MUCH AS WE CAN EFFECTIVELY DO. AND I THINK THAT THE
20 MEMBERS THAT THEY'VE CHOSEN HERE TO RECOGNIZE IN
21 TERMS OF COMPENSATION REPRESENT THE MEMBERS THAT WE
22 CAN GET THE LEGISLATURE AND THE GOVERNOR'S OFFICE
23 COMFORTABLE WITH. AND THAT IS WITH A FINDING THAT
24 MUST ACCOMPANY IT THAT THERE'S AN EXTRAORDINARY
25 COMMITMENT OF TIME BY THE INDIVIDUALS THAT ACTUALLY

BARRISTERS' REPORTING SERVICE

1 ARE DESIGNATED TO RECEIVE SUCH COMPENSATION IF THE
2 BOARD APPROVES IT.

3 SO WITH THAT, NOT MEANING TO END THE
4 DISCUSSION, JUST TO PUT A MOTION ON THE FLOOR, I'D
5 MAKE A MOTION THAT WE APPROVE THIS AS WRITTEN.

6 DR. POMEROY: JAMES, BOB CAN DO THAT
7 BECAUSE HE'S NOT A PATIENT ADVOCATE THAT'S --

8 CHAIRMAN KLEIN: I DO NOT BENEFIT FROM
9 THIS MOTION BECAUSE I RECEIVE A SALARY, SO THERE'S
10 NO BENEFIT TO ME FROM THIS MOTION.

11 DR. POMEROY: THERE'S A MOTION ON THE
12 FLOOR TO ACCEPT THIS AS WRITTEN. IS THERE A SECOND?

13 MR. TORRES: I'LL SECOND THAT AS WELL.
14 CLAIRE, IF I MAY MAKE A COMMENT.

15 DR. POMEROY: YES.

16 MR. TORRES: THIS DISCUSSION WAS INITIATED
17 BY JAMES AND I IN MEETING WITH SENATOR STEINBERG,
18 SENATOR ALQUIST, AND SENATOR FLORES AND EDUCATED AS
19 TO THE NEED TO HELP SOME OF THE PATIENT ADVOCATES ON
20 OUR BOARD. AND I WANT TO THANK YOU FOR POINTING OUT
21 THE FACT, AS I DID TO THEN SENATOR STEINBERG AND
22 ALQUIST, THAT THE CHAIR AND THE VICE CHAIR AS
23 EMPLOYEES OF THIS INSTITUTE WOULD NOT BE ELIGIBLE
24 FOR THIS PROVISION. AND WE'VE CARRIED THROUGH ON
25 THAT.

BARRISTERS' REPORTING SERVICE

1 AS WE MOVED THROUGH THE PROCESS, HOWEVER,
2 IT BECAME VERY CLEAR FROM THE GOVERNOR'S OFFICE AND
3 OTHERS THERE WAS A CONCERN IN THESE VERY TOUGH
4 BUDGETARY TIMES TO MAKE SURE THAT WE PUT SOME
5 LIMITED RESTRICTIONS ON IT. SO I WANT TO THANK
6 DUANE AND JAMES FOR THEIR NEGOTIATING SKILLS IN THE
7 GOVERNOR'S OFFICE TO MAKE SURE THAT WE CAME UP WITH
8 A COMPROMISE FOR OUR BYLAWS THAT WILL REFLECT THE
9 INTENT, BUT THE LEGISLATURE WAS WILLING TO GO BEYOND
10 THAT INITIALLY. AND I THINK THAT WE'VE REACHED A
11 GOOD COMPROMISE HERE.

12 DR. POMEROY: THANK YOU. WE HAVE A MOTION
13 AND A SECOND. WE'VE ALREADY HAD SOME DISCUSSION.
14 ADDITIONAL DISCUSSION FROM THE COMMITTEE MEMBERS?
15 OKAY. ANY COMMENTS FROM THE PUBLIC?

16 MS. KING: WE HAVE A COMMENT HERE IN SAN
17 FRANCISCO BY A DISTINGUISHED MEMBER OF OUR STAFF,
18 DR. PATRICIA OLSON.

19 DR. POMEROY: DR. OLSON, PLEASE.

20 DR. OLSON: I JUST WANT TO CLARIFY FOR THE
21 PURPOSES OF IMPLEMENTATION, AND I CERTAINLY DO
22 APPRECIATE THAT THE PATIENT ADVOCATES MAKE A
23 SUBSTANTIAL CONTRIBUTION OF THEIR TIME TO THE GRANTS
24 WORKING GROUP, AMONG OTHERS. SO I JUST WANT TO
25 UNDERSTAND.

BARRISTERS' REPORTING SERVICE

1 CERTAINLY FOR THE SCIENTIFIC MEMBERS OF
2 THE GRANTS WORKING GROUP, DR. SAMBRANO IN
3 CONSULTATION WITH THE REST OF THE STAFF, SETS THE
4 TIME AND THE RATE. SO I WANT TO UNDERSTAND HOW
5 THAT'S GOING TO WORK FOR THE PATIENT ADVOCATES
6 BECAUSE HE'S OBVIOUSLY IN A GOOD POSITION TO KNOW
7 THE THING. SO I WANTED TO UNDERSTAND HOW THIS IS
8 GOING TO WORK BECAUSE IT IS MY ASSUMPTION THIS
9 CONTRIBUTES TO THE -- THIS GOES INTO THE SCIENCE
10 OFFICE BUDGET AND CONTRIBUTES TO THE GRANTS WORKING
11 GROUP. IT HASN'T BEEN WORKED OUT YET.

12 DR. POMEROY: MAYBE WE COULD ASK JAMES TO
13 COMMENT ON THE CURRENT STATUS OF THE LOGISTICS OF
14 THIS.

15 CHAIRMAN KLEIN: JAMES, THIS IS BOB KLEIN.
16 JUST TO CLARIFY, THE BUDGET TO COMPENSATE THE
17 PATIENT ADVOCATES WILL COME OUT OF THE CHAIR'S
18 BUDGET.

19 DR. POMEROY: SO IT WOULD COME OUT, IN
20 ESSENCE, THE ICOC BUDGET?

21 CHAIRMAN KLEIN: THAT'S RIGHT.

22 MS. KING: GENERAL POINT OF CLARIFICATION,
23 THIS MELISSA. AND CURRENTLY WHEN PATIENT ADVOCATES,
24 BOARD MEMBER PATIENT ADVOCATES PARTICIPATE IN
25 WORKING GROUP MEETINGS AND SUBMIT A PER DIEM CLAIM

BARRISTERS' REPORTING SERVICE

1 FOR THE \$116, THAT COMES OUT OF THE CHAIR'S OFFICE
2 BUDGET AS WELL.

3 DR. POMEROY: THANK YOU FOR THAT
4 CLARIFICATION. AND DR. OLSON HAD A QUESTION, JAMES,
5 ON THE LOGISTICS OF HOW THAT RATE WOULD BE SET.

6 MR. HARRISON: DR. POMEROY, THIS PROPOSED
7 AMENDMENT SIMPLY SETS FORTH THE POLICY. THE BOARD
8 WOULD ACTUALLY HAVE TO TAKE ACTION TO ESTABLISH THE
9 COMPENSATION. AND AT THAT POINT IN TIME, WE WOULD
10 PROPOSE GUIDELINES FOR HOW THE COMPENSATION WOULD BE
11 AWARDED.

12 DR. POMEROY: OKAY. I THINK THERE'S A TO
13 BE DETERMINED ON THIS ONE, DR. OLSON.

14 OTHER QUESTIONS OR COMMENTS? WE
15 APPRECIATE DR. OLSON DOING GOOD FINANCIAL
16 STEWARDSHIP. SO HEARING NO FURTHER COMMENTS,
17 MELISSA, CAN YOU DO A ROLL CALL VOTE.

18 MS. KING: YES, I WILL. I WILL ONLY BE
19 CALLING THOSE MEMBERS WHO ARE ABLE TO VOTE ON THIS
20 MOTION.

21 MS. KING: BOB KLEIN.

22 CHAIRMAN KLEIN: AYE.

23 MS. KING: TED LOVE.

24 DR. LOVE: YES.

25 MS. KING: CLAIRE POMEROY.

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: YES.

2 MS. KING: JEANNIE FONTANA.

3 DR. FONTANA: YES.

4 MS. KING: DUANE ROTH.

5 MR. ROTH: YES.

6 MS. KING: AND ART TORRES.

7 MR. TORRES: AYE.

8 DR. POMEROY: SO I BELIEVE THAT PASSES.

9 AND I'LL TURN THE MEETING BACK OVER TO SHERRY
10 LANSING.

11 CHAIRPERSON LANSING: THANK YOU, CLAIRE.
12 NOW AM I ALL RIGHT TO GO TO AGENDA ITEM 5, JAMES?

13 MS. KING: YOU ARE AND CYNTHIA SCHAFFER IS
14 HERE AND READY TO PRESENT, AND MARGARET FERGUSON IS
15 ALSO HERE WAITING IN THE WINGS IF WE NEED HER INPUT
16 AS WELL.

17 CHAIRPERSON LANSING: OKAY. SO I JUST
18 WANT TO BE MINDFUL OF THE TIME THAT WE SAID WE WERE
19 GOING TO FINISH AT 4:30. AGAIN, I'M NOT TRYING TO
20 IN ANY WAY SPEED THIS UP, BUT WE MAY EITHER GO OVER
21 OR HAVE TO RECONVENE AGAIN. CYNTHIA AND MARGARET.

22 MS. SCHAFFER: THIS ITEM IS A SUMMARY FOR
23 THE ENTIRE CIRM 2009-2010 FISCAL YEAR. IT INCLUDES
24 PURCHASE ORDERS AND CONTRACTS FOR MORE THAN \$5,000.
25 CIRM HAD A PROCEDURE OF AGGREGATING MULTIPLE YEARS

BARRISTERS' REPORTING SERVICE

1 OF A CONTRACT WITH ONE VENDOR INTO A ROLLED-UP
2 TOTAL. AT THE APRIL 28-29, 2010, MEETING OF THE
3 ICOC, WE AMENDED THE CIRM POLICY ON CONTRACTING TO
4 LOOK AT EACH CONTRACT YEAR SEPARATELY.
5 UNFORTUNATELY, SINCE THAT HAPPENED MIDYEAR, WE
6 WEREN' T ABLE TO CHANGE THE SUMMARY, AND THIS SUMMARY
7 STILL REFLECTS SOME ROLLED-UP MULTIPLE YEAR TOTALS.
8 WE PLAN TO MAKE THAT CHANGE FOR FUTURE REPORTS. WE
9 HAD A REQUEST TO TRY TO BREAK OUT THIS PARTICULAR
10 SUMMARY, AND WE PREPARED A SUPPLEMENT JUST TODAY.
11 UNFORTUNATELY THERE WASN' T ENOUGH TIME TO POST IT OR
12 DISTRIBUTE IT.

13 THE GOOD NEWS IS THAT THE EXPENDITURES
14 COLUMN ON THE SUMMARY THAT WAS POSTED IS FOR THE
15 ENTIRE FISCAL YEAR AND DOES REPRESENT WHAT WAS PAID
16 IN THIS FISCAL YEAR. JUST AS AN EXAMPLE, IF YOU
17 LOOK ON PAGE 3, WE'RE USING BARRISTERS' REPORTING
18 SERVICE FOR OUR SHORTHAND REPORTING. AND WHAT'S
19 LISTED ON THIS SUMMARY IS THREE YEARS STARTING FROM
20 2008 GOING THROUGH UNTIL NEXT FISCAL YEAR IN 2011
21 ENDS. THAT WAS FOR A ROLLED-UP TOTAL OF 135,000.
22 BUT IF YOU LOOK AT THE EXPENDITURES COLUMN, THAT
23 EXPENDITURE COLUMN SHOWS EXACTLY WHAT HAS BEEN PAID
24 DURING THIS LAST FISCAL YEAR, WHICH IS \$32,628.

25 SO HOPEFULLY THIS SUMMARY, EVEN AS

BARRISTERS' REPORTING SERVICE

1 CURRENTLY WRITTEN, WITH THE ROLLED-UP MULTI YEAR
2 TOTALS DOES PROVIDE IMPORTANT INFORMATION IN REGARDS
3 TO THE FISCAL YEAR JUST ENDED.

4 ARE THERE ANY QUESTIONS I CAN ANSWER?

5 CHAIRPERSON LANSING: ANY QUESTIONS AT
6 ALL? ANY QUESTIONS FROM ANY MEMBERS OF THE PUBLIC?
7 ANY FURTHER COMMENT IN TERMS OF THE PRESENTATION?
8 DOES THAT CONCLUDE THE ITEM?

9 MS. KING: IT DOES.

10 CHAIRPERSON LANSING: VERY GOOD. CYNTHIA,
11 YOU'RE FANTASTIC. WE'RE BACK ON SCHEDULE. OKAY.

12 NOW I'M GOING TO MOVE TO AGENDA ITEM 6,
13 UPDATE ON THE GRANTS MANAGEMENT SYSTEM, AND I'D LIKE
14 TO ASK JOHN ROBSON TO PRESENT THIS ITEM. IT'S A
15 REPORT THAT'S SIMILAR TO THE ONE THAT HE PREVIOUSLY
16 MADE TO THIS SUBCOMMITTEE LAST DECEMBER, BUT THERE
17 WERE SOME QUESTIONS AT THE LAST BOARD MEETING. SO
18 WE'RE NOW GOING TO GET AN UPDATE.

19 DR. ROBSON: ALL RIGHT. THANK YOU, CHAIR
20 LANSING. I DON'T KNOW IF I CAN BE AS QUICK AS
21 CYNTHIA, BUT I WILL TRY TO BE QUICK.

22 CHAIRPERSON LANSING: JUST TAKE YOUR TIME.

23 DR. ROBSON: SO AT THE LAST BOARD MEETING,
24 THERE WAS A DISCUSSION ABOUT SOME CONCERNS ABOUT OUR
25 EFFORTS TO IMPLEMENT A ROBUST, COMPREHENSIVE GRANTS

BARRISTERS' REPORTING SERVICE

1 MANAGEMENT SYSTEM. AND AS YOU KNOW, WE'VE BEEN
2 DEALING WITH THIS ISSUE FOR A NUMBER OF YEARS BEFORE
3 I ARRIVED AT CIRM. AND I WILL REMIND YOU THAT THERE
4 WERE TWO EFFORTS MADE TO PURCHASE AND INSTALL
5 COMMERCIAL SYSTEMS, AND BOTH OF THOSE FAILED. BUT
6 THERE WAS SOME CONCERNS AT THE LAST BOARD MEETING
7 ABOUT OUR DECISION THAT WAS MADE LAST SPRING TO
8 COMPLETE OUR SYSTEM, THAT IS, THE OUTSTANDING
9 COMPONENTS THAT HAD NOT BEEN COMPLETED, WHICH WERE
10 THE PROGRESS REPORTS AND THE APPLICATION MODULE
11 ITSELF, TO DO THOSE BY CUSTOM BUILDING IN-HOUSE.
12 AND THERE WERE SOME CONCERNS ABOUT THAT WHAT THE
13 COST MIGHT BE, WHAT THE TIMELINE WOULD BE, AND WHAT
14 OUR CHANCES OF SUCCESS WERE.

15 LAST YEAR WE REPORTED TO YOU ON THIS IN
16 DECEMBER, AND I SENT A COPY OF THAT REPORT BECAUSE
17 WHAT WE'RE PRESENTING TODAY AND THE DOCUMENTS WE
18 PROVIDED YOU FOR TODAY'S MEETING ARE REALLY A
19 CONTINUATION OF THAT ONGOING EFFORT.

20 IN DECEMBER WE DESCRIBED TO YOU HOW WE HAD
21 IMPLEMENTED A COMMERCIAL PRODUCT FOR THE POSTAWARD
22 TRACKING. THAT'S THE MICROEDGE GIFTS PROGRAM THAT
23 WE HAD BOUGHT. THAT WAS THE FIRST TIME WE WERE ABLE
24 TO HAVE DATA THAT WE COULD COMPARE ACROSS RFA'S, AND
25 THAT'S BEEN A WONDERFUL ADDITION TO OUR GRANTS

BARRISTERS' REPORTING SERVICE

1 MANAGEMENT SYSTEM AND OUR ABILITY TO REPORT ON OUR
2 EFFORTS. HOWEVER, WE VIEW THIS AS INTERIM STAGE.
3 IT DOESN'T DO EVERYTHING THAT WE'D HOPED IT TO DO,
4 BUT IT CERTAINLY HAS BEEN AN ENORMOUS IMPROVEMENT
5 OVER WHAT WE HAD BEFORE.

6 WE HAD ALSO AT THAT TIME WE REPORTED THAT
7 WE HAD MADE A DECISION TO EXPAND THE IN-HOUSE MODULE
8 THAT WE WERE USING FOR THE REVIEW PROCESS OF THE
9 GRANT APPLICATION SYSTEM. THAT IS, THE PART WHERE
10 IT GOES OUT TO THE MEMBERS OF THE GRANTS WORKING
11 GROUP, CONFLICTS ARE CHECKED, COMES BACK, THE
12 REVIEWS ARE THEN DISTRIBUTED FOR THE GRANTS WORKING
13 GROUP MEETING. THAT PART HAD ALWAYS BEEN CUSTOM
14 BUILT IN HOUSE AND WE'VE CONTINUED WITH THAT BECAUSE
15 IT'S MEETS OUR NEEDS QUITE WHILE.

16 FINALLY, WE TOLD YOU WE WERE IN A PROCESS
17 OF EVALUATING THE SORT OF MISSING COMPONENTS, THE
18 TWO MAJOR MISSING COMPONENTS IN OUR SYSTEM, WHICH
19 WAS THE APPLICATION MODULE ITSELF AND THE PROGRESS
20 REPORTS. SINCE THEN, WE WENT THROUGH A FAIRLY
21 RIGOROUS PROCESS IN WHICH WE HAD A CONSULTANT FROM
22 TURNER CONSULTING WHO WAS VERY EXPERIENCED AT
23 INSTALLING GRANTS MANAGEMENT SYSTEMS IN A NUMBER OF
24 PUBLIC AGENCIES. HE WORKED WITH US FIRST TO DEFINE
25 OUR NEEDS AND OUR REQUIREMENTS. ONCE WE WENT

BARRISTERS' REPORTING SERVICE

1 THROUGH THAT, WE SURVEYED THE MARKETPLACE TO SEE
2 WHAT WAS OUT THERE. NOW, MOST COMMERCIAL GRANTS
3 MANAGEMENT SYSTEMS ARE REALLY DESIGNED FOR PRIVATE
4 FOUNDATIONS THAT HAVE FEWER REQUIREMENTS, FEWER
5 PROCESSES THAN WE DO. BUT WE LOOKED TO SEE WHAT WAS
6 AVAILABLE. WE THEN HAD A GROUP THAT INTERVIEWED
7 SEVEN OF THE ONES THAT LOOKED LIKE THEY BEST HAD THE
8 MOST POTENTIAL FOR MEETING OUR NEEDS. AND FROM
9 THOSE INTERVIEWS, WE NARROWED IT DOWN TO ONE VENDOR
10 WHO PROVIDED US WITH SORT OF A BETA VERSION OF THEIR
11 SYSTEM THAT WE COULD TEST AGAINST OUR REQUIREMENTS.

12 WE ALSO HAD SOME OF OUR IN-HOUSE
13 PROGRAMMERS BUILD A SIMILAR VERSION, PROTOTYPE, OF
14 AN IN-HOUSE SYSTEM, AND WE COMPARED THE TWO. THIS
15 TOOK A LOT OF STAFF TIME OVER ABOUT A PERIOD OF
16 ABOUT TWO OR THREE MONTHS. ONCE WE FINISHED, IT WAS
17 A UNANIMOUS DECISION OF EVERYONE, INCLUDING OUR
18 OUTSIDE CONSULTANT, THAT WE REALLY SHOULD GO AHEAD
19 AND CUSTOM BUILD, THAT THE COMMERCIAL PRODUCTS WOULD
20 REQUIRE SO MUCH CUSTOMIZATION THAT IT WOULD BE --
21 THEY WOULD BE LESS LIKELY TO SUCCEED AND WOULD BE
22 FROM GOING IN-HOUSE WORKING WITH PROGRAMMERS WHO
23 WERE HERE WHO UNDERSTOOD OUR PROCESSES WHO WORKED
24 WITH OUR SCIENCE OFFICERS. SO THAT WAS THE DECISION
25 WE MADE.

BARRISTERS' REPORTING SERVICE

1 I SHOULD SAY THAT WE ALSO AT THE TIME, I
2 THINK I TOLD YOU, THAT WE WERE IN THE PROCESS OF
3 TRYING TO IDENTIFY AN I.T. ADVISOR WHO COULD OVERSEE
4 ALL OF OUR I.T. EFFORTS AND ALSO WORK ON THIS
5 PROJECT AS SORT OF THE PROGRAM MANAGER, WHO COULD
6 SORT NOT DO THE PROGRAMMING THEMSELVES, BUT ACTUALLY
7 OVERSEE THE PROJECT, SOMEONE WHO HAD EXPERIENCE
8 GETTING THOSE KINDS OF SYSTEMS UP AND RUNNING. WE
9 HAVE HIRED THAT PERSON. HE'S BEEN WORKING WITH US
10 SINCE APRIL AND HAS CONSIDERABLE EXPERIENCE, 18
11 YEARS OF EXPERIENCE, IN THIS AREA AND HAS
12 SUCCESSFULLY BEEN INVOLVED WITH MANY CUSTOM-MADE
13 SYSTEMS AND BRINGING THEM INTO OPERATION.

14 THE CONCERN WE HAD ABOUT COSTS -- WELL, WE
15 PROVIDED YOU SOME NUMBERS THERE. AND IF YOU LOOK AT
16 THE TABLE THAT WAS PROVIDED, THAT ONLY WENT OUT
17 YESTERDAY. I'M SORRY WE DIDN'T GET THAT TO YOU
18 SOONER. BUT IN THAT TABLE YOU WILL SEE, IF YOU DO
19 THE ARITHMETIC, THAT OUR COST FOR I.T. SERVICES
20 COMPARING LAST YEAR AND WHAT'S BUDGETED FOR THIS
21 YEAR FOR FISCAL YEAR '09-'10, THE DIFFERENCE IS
22 ABOUT \$425,000. SO THOSE ADDITIONAL COSTS ARE THE
23 COSTS FOR THE PROGRAMMERS THAT WE ARE GOING TO NEED
24 TO BUILD THIS SYSTEM OUT.

25 NOW, WHAT DO WE THINK AS THE TOTAL COST?

BARRISTERS' REPORTING SERVICE

1 OUR ESTIMATE IS THAT THEY WILL BE SIMILAR, ABOUT A
2 \$400,000 A YEAR ADDITIONAL COST FOR THE NEXT ONE OR
3 TWO YEARS. SO WE THINK THE OVERALL EXPENDITURE ON
4 THIS WILL BE SOMEWHERE BETWEEN 800,000 AND 1.2
5 MILLION. JUST TO PUT THAT IN CONTEXT, THE LAST
6 VENDOR THAT WE DEALT WITH, THE CONTRACT WE HAD FOR
7 THEM, WHICH WAS WE WERE LOOKING AT AN AMENDMENT
8 WHICH WOULD HAVE BEEN SOMETHING AROUND \$950,000, BUT
9 IT WOULDN'T HAVE MET ALL OF OUR NEEDS. THERE WERE
10 STILL PROCESSES THAT WERE NOT INCLUDED IN THAT
11 CONTRACT THAT WOULD HAVE HAD TO HAVE BEEN ADDED,
12 PLUS THERE WERE ANNUAL MAINTENANCE FEES THAT WOULD
13 RUN SOMETHING IN THE NEIGHBORHOOD OF A \$100,000
14 AFTER THE THIRD YEAR WITH THAT CONTRACT. SO THE
15 COSTS THAT WE'RE TALKING ABOUT HERE ARE REALLY IN
16 THE SAME BALLPARK.

17 THE OTHER THING I MIGHT ADD, OF THE TWO
18 COMPONENTS THAT WERE REMAINING IN DECEMBER THAT WERE
19 REMAINING TO BE BUILT OUT, ONE OF THEM, THE PROGRESS
20 REPORT, WE HAVE ROLLED THAT OUT, AND WE'VE BEEN
21 USING THAT. AND WE'VE HAD A HUNDRED OR SO PROGRESS
22 REPORTS COME IN THROUGH THAT SYSTEM. IT'S AN ONLINE
23 SYSTEM THAT CAN BE DONE BY PEOPLE FROM ANY SITE, AND
24 THE DATA COME IN IN A FORMAT THAT WE'RE ABLE TO
25 TRANSFER INTO OUR DATABASES AUTOMATICALLY.

BARRISTERS' REPORTING SERVICE

1 NOW, PREVIOUS SYSTEMS, WE WERE HAVING TO
2 DO A LOT OF HAND ENTRY, SO THE ACCURACY IS GREATLY
3 INCREASED, THE EASE OF OPERATION, AND TIME SAVING
4 FOR OUR GRANTS MANAGEMENT STAFF HAS BEEN
5 CONSIDERABLE.

6 SO I'M OPEN FOR QUESTIONS HERE. I HAVE
7 BROUGHT A COUPLE OF THE REAL ON-THE-GROUND USERS.
8 AMY LEWIS IS HERE, WHO IS THE DIRECTOR OF OUR GRANTS
9 MANAGEMENT OFFICE, ALONG WITH BILL GIMBALL, WHO IS
10 OUR NEW I.T. ADVISOR, SO THEY CAN ANSWER ANY
11 SPECIFIC DETAILED QUESTIONS THAT YOU HAVE.

12 CHAIRPERSON LANSING: GREAT. CAN I HAVE
13 QUESTIONS FROM THE SUBCOMMITTEE?

14 MR. ROTH: SHERRY, I DON'T HAVE A
15 QUESTION. I APPRECIATE THE UPDATE, JOHN, AND ALL
16 THE INFORMATION THAT YOU SHARED WITH US. BUT I
17 JUST -- I WANT TO REEMPHASIZE THE IMPORTANCE OF
18 GETTING OUR ARMS AROUND THIS. THIS SEEMS TO BE ONE
19 OF THOSE ISSUES THAT GOES ON AND ON. IT'S NOT
20 UNUSUAL. I KNOW MANY PEOPLE STRUGGLE WITH I.T., BUT
21 I THINK FOR US IN TERMS OF THE THINGS THAT WE
22 ADDRESSED IN THE ORGANIZATION, THIS IS ONE THAT IS
23 LINGERING.

24 SO I KNOW YOU'VE MADE THIS A PRIORITY, BUT
25 I WANT TO REEMPHASIZE THAT, THAT WE GET THIS FIXED,

BARRISTERS' REPORTING SERVICE

1 JOHN.

2 DR. ROBSON: WE'RE WORKING.

3 MR. ROTH: I KNOW. BUT IT'S JUST ONE OF
4 THOSE THAT WE'VE REALLY, REALLY GOT TO PUT AS THE
5 VERY HIGHEST PRIORITY.

6 CHAIRMAN KLEIN: SHERRY, THIS IS BOB. I
7 HAVE A QUESTION.

8 CHAIRPERSON LANSING: SURE.

9 CHAIRMAN KLEIN: DO I UNDERSTAND THAT
10 YOU'RE SAYING THAT THE TOTAL COST WOULD BE 1.2
11 MILLION?

12 DR. ROBSON: WELL, WE THINK SOMEWHERE
13 BETWEEN 800,000 AND 1.2 MILLION. IT DEPENDS ON HOW
14 FAST WE CAN GET THE COMPONENTS PUT TOGETHER. IF
15 WE'VE GOT -- WE'RE TRYING TO RAMP UP OUR PROGRAM.
16 IN FACT, WE HAVE A NEW PROGRAMMER WHO STARTED TODAY.
17 AND IF WE CAN COMPLETE THIS IN TWO YEARS, IT WILL BE
18 LESS; BUT WE THINK ON THE VERY OUTSIDE, IT WILL TAKE
19 US THREE YEARS.

20 CHAIRMAN KLEIN: IS THAT A CHANGE FROM THE
21 LAST TIME THAT YOU REPORTED ON THIS TO THE BOARD?

22 DR. ROBSON: I BEG YOUR PARDON?

23 CHAIRMAN KLEIN: IS THAT DOLLAR AMOUNT A
24 CHANGE FROM THE LAST TIME YOU REPORTED ON THIS TO
25 THE BOARD?

BARRISTERS' REPORTING SERVICE

1 DR. ROBSON: I THINK THE LAST TIME WE
2 HADN' T MADE DECISIONS THE LAST TIME ON HOW WE WERE
3 GOING TO DO THE APPLICATION AND PROGRESS REPORTS.
4 SO WE DIDN' T REALLY HAVE DOLLARS THAT WE COULD
5 REPORT ON.

6 WHAT WE DID REPORT ON WAS THE CONTRACT
7 THAT WE HAD HAD AND WHAT THAT WOULD HAVE COST US HAD
8 WE CONTINUED; BUT AS WE SAID, OUR PROCESSES AND OUR
9 REQUIREMENTS HAD BEEN CHANGING, SO IT WASN' T CLEAR.
10 WE WERE ASKING THE COMPANY TO DO THINGS THAT THEY
11 HADN' T EVER REALLY CONTEMPLATED DOING BEFORE, AND SO
12 IT WASN' T CLEAR THAT THEY WERE GOING TO BE ABLE TO
13 PROVIDE THE PRODUCT THAT WE WERE HOPING TO HAVE.
14 AND SO WE MUTUALLY DECIDED TO SEPARATE.

15 CHAIRMAN KLEIN: SO SINCE THE LAST TIME
16 YOU REPORTED TO THE BOARD, THIS IS A NEW NUMBER?

17 DR. ROBSON: YES.

18 CHAIRPERSON LANSING: ANY OTHER QUESTIONS
19 FROM THE SUBCOMMITTEE? ARE THERE ANY MEMBERS OF THE
20 PUBLIC WITH ANY QUESTIONS?

21 MS. KING: I JUST WANT TO ALSO POINT OUT
22 WE HAVE ABOUT TEN MINUTES LEFT FOR THE MEETING
23 BEFORE WE' LL START TO LOSE PEOPLE. SO JUST KEEP
24 THAT IN MIND BECAUSE WE DO NEED TO STILL GO INTO A
25 CLOSED SESSION.

BARRISTERS' REPORTING SERVICE

1 DR. PRIETO: I'M NOT SURE IT'S A QUESTION
2 OR OBSERVATION. I'M JUST SURPRISED, GIVEN THE
3 NUMBER OF GRANT-MAKING ORGANIZATIONS OUT THERE WHO
4 CLEARLY MUST HAVE SOME EXPERIENCE WITH THIS, THAT I
5 GUESS I WANT TO BE ASSURED THAT YOU HAVE A HIGH
6 DEGREE OF CONFIDENCE THAT DEVELOPING OUR OWN SYSTEM
7 IS REALLY THE MOST EFFECTIVE WAY TO GO RATHER THAN
8 SOMETHING EXISTING OUT THERE, AND THE MOST
9 COST-EFFECTIVE WAY TO GO.

10 DR. ROBSON: LIKE I SAID, WE'VE DONE SOME
11 FAIRLY EXTENSIVE SURVEYS ON WHAT'S OUT THERE. WE
12 COULDN'T REALLY FIND ANYTHING THAT WE FELT WE HAD
13 CONFIDENCE COULD DO THE JOB FOR US. I THINK OUR
14 CONFIDENCE THAT OUR SYSTEM WILL SUCCEED COMES FROM
15 THE FACT THAT WE HAVE OVER THE YEARS BUILDING
16 IN-HOUSE COMPONENTS AND USING THEM AND THEY'RE
17 WORKING. SO WE'RE BUILDING ON A KNOWLEDGE BASE AND
18 DATABASES THAT WE ALREADY HAVE, AND SO IT'S NOT LIKE
19 WE'RE STARTING FROM SCRATCH HERE. WE'RE REALLY
20 BUILDING ON THE EXPERIENCES AND SYSTEMS THAT WE'VE
21 BEEN ONGOING FOR A COUPLE OF YEARS.

22 DR. PRIETO: I'M JUST CONCERNED. WE'RE
23 GOING TO BE HELD ACCOUNTABLE FOR THIS AS A PUBLIC
24 ENTITY, AND IT REALLY HAS TO PERFORM. I'D LOVE TO
25 HEAR FROM GIL.

BARRISTERS' REPORTING SERVICE

1 DR. SAMBRANO: SO I HAVE BEEN INVOLVED IN
2 THE WHOLE PROCESS OF TRYING TO DEVELOP A SYSTEM FROM
3 THE ONSET. BACK IN THE DAY WHEN WE WERE TRYING TO
4 PUT OUR FIRST APPLICATIONS OUT AND CONSIDERING WHAT
5 KIND OF NEEDS WE WOULD HAVE, OVER THE YEARS THOSE
6 HAVE EVOLVED. DURING THAT WHOLE TIME AND UP UNTIL
7 NOW, WE HAVE ACTUALLY LOOKED TO OTHER GRANTING
8 AGENCIES, AGENCIES THAT ARE SIMILAR TO OURSELVES,
9 BOTH PUBLIC AND PRIVATE, TO SEE WHAT THEY HAVE DONE
10 IN TERMS OF TRYING TO ADDRESS SOME OF THE QUESTIONS.

11 AND PART OF WHAT WE FOUND IS THAT MOST OF
12 THEM AT SOME PERIOD TEND TO HAVE TO GO THROUGH THE
13 PROCESS OF UPDATING THEIR SYSTEM, REVIEWING THEIR
14 SYSTEM. AND MANY OF THEM CHOOSE A CUSTOM SYSTEM TO
15 ADDRESS AT LEAST ONE OF THE ASPECTS OF WHAT THEY DO,
16 WHETHER IT'S BUDGET MONITORING, PROGRESS MONITORING,
17 APPLICATIONS. AND USUALLY IT'S A MODULAR SYSTEM
18 THAT WORKS.

19 BOTH THE NSF AND THE NIH HAVE SPENT
20 MILLIONS OF DOLLARS TO DEVELOP CUSTOM SYSTEMS. THE
21 NIH USES THE GRANTS.GOV SYSTEM, WHICH IS PERHAPS
22 MODERATELY SUCCESSFUL; HOWEVER, THE NSF HAS
23 DEVELOPED A SYSTEM THAT HAS BEEN BY MANY HAILED AS A
24 GREAT EXAMPLE OF A CUSTOM-BUILT SYSTEM. SO IT'S
25 SOMETHING THAT CONTINUES TO EVOLVE WITH AN AGENCY.

BARRISTERS' REPORTING SERVICE

1 AND AS THE AGENCY EVOLVES, IT HAS TO DEVELOP NEW
2 MODULES, NEW MECHANISMS TO KEEP THOSE UP.

3 CHAIRMAN KLEIN: SO, SHERRY, THIS IS BOB
4 KLEIN. COULD I ASK ANOTHER QUESTION?

5 CHAIRPERSON LANSING: OF COURSE.

6 CHAIRMAN KLEIN: SO, JOHN, IF THIS IS A
7 CUSTOM SYSTEM, WHO OWNS THE SOFTWARE?

8 DR. ROBSON: CIRM DOES.

9 CHAIRMAN KLEIN: SO IF, FOR EXAMPLE,
10 TEXAS, WHICH IS IMPLEMENTING A CANCER RESEARCH
11 FUNDING PROGRAM, IF SOMEONE FROM OUR AGENCY WERE TO
12 CALL TEXAS AND SAY WOULD YOU LIKE TO SHARE COST IN
13 OUR SYSTEM, DO WE HAVE THE RIGHT TO, IN FACT,
14 RECOVER SOME OF OUR COST BECAUSE WE OWN THE SYSTEM?

15 MR. SWEEDLER: THE PARTS OF IT THAT
16 WE -- FIRST, I SHOULD MAKE CLEAR. OUR PROGRAMMERS
17 DON'T START FROM SCRATCH. THEY WORK FROM EXISTING
18 LIBRARIES OF PROCESSES. SO THERE'S UNDERLYING WORK
19 WHICH WE HAVE THE RIGHT TO USE, BUT NOT NECESSARILY
20 TO SELL. THE PARTS OF IT THAT ARE ORIGINAL WORK
21 DONE AT CIRM'S EXPENSE, THE RIGHTS TO THAT BELONG TO
22 CIRM. AND IF SOMEBODY WANTED TO USE SOME OF THAT,
23 WE'D BE ABLE TO NEGOTIATE.

24 CHAIRMAN KLEIN: I WOULD JUST SUGGEST THAT
25 SINCE WE'RE PUTTING SO MUCH EFFORT INTO THIS, THAT

BARRISTERS' REPORTING SERVICE

1 WE MIGHT CONTACT TEXAS OR OTHER STATES WITH LARGE
2 PROGRAMS AND SEE IF, IN FACT, OUR PROFILE WOULD BE
3 HELPFUL TO THEM. MAYBE THEY WOULD LIKE TO EVEN COST
4 SHARE WITH US AS WE DEVELOP THIS. OR IF IT IS, IN
5 FACT, PROVEN EFFECTIVE, TO SEE IF WE MAKE THEM
6 KNOWLEDGEABLE ABOUT WHAT WE'RE DEVELOPING, SO THEY
7 DON'T GO OUT AND DUPLICATE THE COST. IT JUST
8 APPEARS TO ME A WAY TO COLLABORATE, HELP OTHER
9 STATES, AND RECOVER PART OF OUR COST.

10 DR. SAMBRANO: IF I CAN MAKE A COMMENT IN
11 THAT RESPECT. WE'VE ACTUALLY BEEN IN TOUCH WITH OUR
12 TEXAS COUSIN TO SOME EXTENT IN TERMS OF SHARING SOME
13 IDEAS AND THINKING ABOUT HOW OUR PROCESS MAY BE
14 SIMILAR OR DIFFERENT. BUT I THINK THAT'S AN EXAMPLE
15 OF ONE OF THE CHALLENGES WE FACE, THAT FUNDING
16 AGENCIES, ALTHOUGH IN GENERAL ARE SIMILAR, THERE ARE
17 SIGNIFICANT DIFFERENCES IN THE PROCESSES AND
18 PROCEDURES THAT REQUIRE THE CUSTOMIZATION THAT WE'RE
19 FACED WITH NOW.

20 SO ALTHOUGH MY BET IS THAT THEY COULD USE
21 SOME OF THE FEATURES THAT WE HAVE PRODUCED, THEY
22 WOULD STILL HAVE A SYSTEM THAT WOULD NEED TO BE
23 CUSTOMIZED AND WOULD NOT NECESSARILY TO BE ABLE TO
24 BE TAKEN AS IS.

25 DR. TROUNSON: I THINK THE ONE PLACE, BOB,

BARRISTERS' REPORTING SERVICE

1 WE COULD DO THAT IS WHERE THERE'S A BOND RAISING
2 WHICH CREATES AN ORGANIZATION MUCH LIKE OUR OWN.
3 AND AS YOU AND I KNOW, IF THERE WERE ORGANIZATIONS
4 THAT WERE DOING THAT, THEN THAT MIGHT BE A VERY
5 ATTRACTIVE ADD-ON TO THAT WHOLE PROCESS FOR THEM.

6 GENERALLY SPEAKING, THE AGENCIES ARE VERY
7 QUITE DIFFERENT IN THEIR MODUS OF OPERATION, THE
8 MODE OF OPERATION AND WHAT THEY REQUIRE. WE REQUIRE
9 A LOT MORE INFORMATION ON PROGRESS REPORTS AND
10 MONITORING, ETC. SO IT TURNS OUT, YOU KNOW, YOU
11 NEED A VERY LIKE ORGANIZATION. BUT IN THOSE ONES
12 THAT ARE BEING CREATED MAYBE ALONG THE SAME LINES AS
13 OURS AND IT'S POSSIBLE THAT THE TEXAS ORGANIZATION
14 MAY BE MORE LIKE US, BUT I CAN IMAGINE THAT THERE
15 WOULD BE SEVERAL OTHERS THAT YOU MIGHT SUGGEST TO
16 THEM IN THE FIRST PLACE THAT THERE WOULD BE A SYSTEM
17 THAT COULD BE AVAILABLE FOR PURCHASE FOR A CERTAIN
18 PRICE.

19 MR. ROTH: I'M GOING TO HAVE TO STEP OFF.
20 IF YOU NEED ME FOR A QUORUM, HAVE MELISSA CALL AND
21 I'LL COME BACK ON.

22 DR. FONTANA: I'M THE SAME WAY. IT'S
23 JEANNIE FONTANA.

24 MR. ROTH: I'VE GOT TO GO.

25 CHAIRPERSON LANSING: I DON'T THINK WE

BARRISTERS' REPORTING SERVICE

1 VOTE ON ANYTHING, DO WE, MELI SSA.

2 MS. KING: NO, WE DON' T.

3 CHAIRPERSON LANSING: WE' RE GOING TO GO
4 INTO A CLOSED SESSION. ACTUALLY I WAS SUPPOSED TO
5 LEAVE AT 4:30. I CAN STAY ABOUT ANOTHER 15 MINUTES
6 AND THAT' S ABOUT IT. CLAIRE, I MAY HAVE TO TURN IT
7 OVER TO YOU, BUT LET' S KEEP GOING.

8 MR. ROTH: CALL ME IF YOU NEED ME.

9 MS. KING: THANKS.

10 MR. SERRANO-SEWELL: IS THIS JUST A STATUS
11 UPDATE, MELI SSA?

12 MS. KING: YES. THIS ITEM WAS JUST AN
13 UPDATE, THAT' S CORRECT. UNLESS THERE ARE FURTHER
14 QUESTIONS FROM THE SUBCOMMITTEE, ANY QUESTIONS OR
15 COMMENTS FROM THE PUBLIC OR ANY FURTHER COMMENTS
16 FROM THE STAFF, I THINK WE' VE CONCLUDED THAT ITEM.

17 CHAIRPERSON LANSING: THANK YOU.

18 MR. SERRANO-SEWELL: I NEED THE NUMBER FOR
19 THE CLOSED SESSION, MELI SSA.

20 CHAIRPERSON LANSING: LET' S, DUE THE TIME,
21 ARE THERE ANY OTHER QUESTIONS FROM ANY MEMBERS OF
22 THE PUBLIC OR FROM THE COMMITTEE? THEN WE WILL
23 ADJOURN THIS PART OF THE MEETING, AND WE WILL REPORT
24 BACK INTO CLOSED SESSION IMMEDIATELY.

25 MR. HARRISON: SHERRY, LET ME JUST READ

BARRISTERS' REPORTING SERVICE

1 FOR READ FOR BETH THE CODE SECTION THAT PERMITS US
2 TO GO INTO CLOSED SESSION.

3 CHAIRPERSON LANSING: YES, PLEASE.

4 MR. HARRISON: WE ARE CONVENING IN CLOSED
5 SESSION PURSUANT TO GOVERNMENT CODE SECTION 11126(A)
6 AND HEALTH AND SAFETY CODE SECTION
7 125290.30(D)(3)(D). THANK YOU.

8 (THE SUBCOMMITTEE THEN WENT INTO
9 CLOSED SESSION AT 4:30 P.M., NOT REPORTED, NOR
10 HEREIN TRANSCRIBED AFTER WHICH THERE WAS NOTHING TO
11 REPORT AND THE MEETING WAS THEN ADJOURNED.)

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BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE GOVERNANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING ON TUESDAY, AUGUST 3, 2010, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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