

BEFORE THE
SCIENTIFIC AND MEDICAL RESEARCH FUNDING WORKING GROUP
OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE

REGULAR MEETING

DATE: TUESDAY, MARCH 14, 2006
12 P.M.

LOCATION: UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
LAUREL HEIGHTS CONFERENCE CENTER
PRESIDENT'S ROOM
3333 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA

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1 SAN FRANCISCO, CALIFORNIA; TUESDAY, MARCH 14, 2006

2

3 CHAIRMAN ORKIN: OKAY. CAN I CALL TO ORDER?

4 DR. CHIU: YES, PLEASE.

5 CHAIRMAN ORKIN: OKAY. CALL TO ORDER. AND I
6 GUESS WE'LL DO THE ROLL CALL FIRST.

7 DR. CHIU: THIS IS GIL SAMBRANO, AND HE'LL DO
8 THE ROLL CALL RIGHT NOW.

9 MR. SAMBRANO: WHEN I CALL YOUR NAME, PLEASE
10 RESPOND. STU ORKIN.

11 CHAIRMAN ORKIN: HERE.

12 MR. SAMBRANO: JOAN SAMUELSON. BOB KLEIN.

13 MR. KLEIN: HERE.

14 MR. SAMBRANO: SUSAN BONNER-WEIR.

15 DR. BONNER-WEIR: HERE.

16 MR. SAMBRANO: ALI BRIVANLOU.

17 MR. COOPER: THIS IS HIS ASSISTANT, BLANE
18 COOPER. HE IS A RUNNING A FEW MINUTES BEHIND, BUT WILL
19 BE HERE SHORTLY.

20 MR. SAMBRANO: PATRICIA DONAHOE. ANDREW
21 FEINBERG. MARCY FEIT. ALEXANDRA JOYNER. JUDITH
22 KIMBLE.

23 DR. KIMBLE: HERE.

24 MR. SAMBRANO: SHERRY LANSING.

25 MS. LANSING: HERE.

1 MR. SAMBRANO: JEFFREY MACKLI S.
2 DR. MACKLI S: HERE.
3 MR. SAMBRANO: JEFFREY ROTHSTEIN. PABLO
4 RUBINSTEIN. DAVID SERRANO-SEWELL.
5 MR. BEDFORD: DAN BEDFORD HAS JOINED.
6 MR. SAMBRANO: JEFF SHEEHY.
7 MR. SHEEHY: HERE.
8 MR. SAMBRANO: JON SHESTACK. DENNIS
9 STEINDLER.
10 DR. STEINDLER: HERE.
11 MR. SAMBRANO: RAINER STORB. CLIVE SVENDSEN.
12 JANET WRIGHT. GEORGE YANCOPOULOS. WISE YOUNG.
13 DR. CHIU: OKAY, MR. CHAIRMAN.
14 CHAIRMAN ORKIN: WHAT SORT OF QUORUM DO WE
15 NEED?
16 DR. CHIU: FIFTEEN.
17 CHAIRMAN ORKIN: ARE WE THERE YET? I DON' T
18 THINK SO.
19 DR. CHIU: WE HAVE NINE IN INCLUDING DR.
20 BRIVANLOU, SO WE DON' T HAVE A QUORUM.
21 DR. HALL: SHOULD WE -- WE HAVE AN AMAZING
22 AMOUNT OF WORK TO GO THROUGH TODAY. ONE POSSIBILITY
23 WOULD BE TO GO THROUGH -- I THINK PEOPLE WILL BE
24 STEADILY JOINING US. MAYBE WE SHOULD GO AHEAD AND GO
25 THROUGH THE CIRM STAFF PROGRESS REPORT.

1 DR. CHIU: I WAS WONDERING IF WE COULD HOLD
2 UP THE PROGRESS REPORT TILL THE END OF THE MEETING; BUT
3 IF YOU'D LIKE THAT NOW, WE'D LIKE TO GIVE YOU AN
4 UPDATE. THE TRAINING GRANT THAT YOU APPROVED HAS
5 BEEN -- THAT YOU RECOMMENDED FOR APPROVAL HAS BEEN
6 APPROVED WITH ALL YOUR RECOMMENDATIONS BY THE ICOC.
7 AND SO NOW WE'RE IN A POSITION TO AWARD TRAINING GRANTS
8 WHEN BAN FUNDS BEGIN.

9 ZACH MAY WISH TO UPDATE YOU ON THE
10 LITIGATION.

11 MR. KLEIN: BEFORE WE DO THE TRAINING GRANTS,
12 ARLENE, IT IS VERY IMPORTANT TO NOTE FOR THE PUBLIC IN
13 PARTICULAR AND FOR THE RECORD THAT AT THE ICOC BOARD
14 MEETING, THE TRAINING GRANT THAT WENT TO THE BOARD,
15 THERE WERE SEVERAL CHANGES TO THREE DIFFERENT GRANTS.
16 SO WHAT WAS APPROVED -- WHAT WAS APPROVED WAS VERY
17 SIMILAR TO WHAT WAS ADVANCED, BUT THERE WERE SOME
18 MATERIAL CHANGES AT THE BOARD LEVEL.

19 DR. CHIU: RIGHT. AND WE DESCRIBED THOSE AT
20 OUR LAST TELECONFERENCE ON NOVEMBER 28TH.

21 MR. KLEIN: RIGHT. I JUST WANTED FOR THE
22 PUBLIC THAT MAY NOT HAVE BEEN ON THAT PRIOR CALL TO
23 REALIZE THAT THAT RECORD IS IN PLACE.

24 DR. CHIU: RIGHT.

25 DR. HALL: ACTUALLY, BOB, DO YOU WANT TO SAY

1 A FEW BRIEF WORDS ABOUT THE STATUS OF THE LITIGATION?

2 MR. KLEIN: WELL, THE TRIAL WAS OVER LAST
3 WEEK. INSTEAD OF BEING A THREE-WEEK TRIAL, IT WAS A
4 THREE-DAY TRIAL. AND WE HAVE A VERY STRONG POSITION AS
5 REFLECTED BY THE COMMENTS OF THE DEPUTY ATTORNEY
6 GENERAL, TAMARA PACHTER. I BELIEVE HER STATEMENT WAS
7 THAT THE ONLY ISSUE OF VISIBILITY AND OVERSIGHT WERE IN
8 THE MINDS OF THE PLAINTIFFS, AS THE RECORD DOES NOT
9 REFLECT ANY SHORTCOMINGS. BUT THE ATTORNEY GENERAL'S
10 OFFICE IS VERY POSITIVE. WE -- I'M GOING TO HAVE TO
11 LEAVE THIS CALL IN A LITTLE BIT BECAUSE WE HAVE OUR
12 POST TRIAL BRIEFS ON THE DECISION ITSELF, WHICH MUST BE
13 SUBMITTED TOMORROW, WHICH I HAVE TO REVIEW WITH THE
14 ATTORNEYS. BUT WE EXPECT THAT ONCE -- WE WILL BE
15 SUCCESSFUL IN OUR DEFENSE OF THE CONSTITUTIONALITY,
16 THAT THE OPPOSITION WILL APPEAL. AND THE INTENT IS
17 THEN TO HAVE A FINANCE COMMITTEE MEETING OF THE STATE
18 HERE SHORTLY.

19 AND AFTER THAT FINANCE COMMITTEE MEETING, GO
20 THROUGH THE STEPS OF THE TREASURER AND CONTROLLER'S
21 OFFICE, WHICH MAY TAKE UPWARDS OF 30 DAYS, TO THEN FUND
22 THE FIRST ROUND OF GRANTS AS SOON AS POSSIBLE.

23 MS. LANSING: SAY THAT AGAIN, BOB. I'M
24 CONFUSED. I'M SORRY. I LOST MY TRAIN OF THOUGHT.
25 WHEN DO YOU THINK WE'RE GOING TO GET THE ANSWER?

1 MR. KLEIN: WE EXPECT THE ANSWER SOMETIME
2 BY -- BEFORE APRIL 15TH. THAT'S AN ESTIMATE. THE
3 JUDGE HAS THE RIGHT TO TAKE WHATEVER TIME SHE FEELS IS
4 REASONABLE.

5 MS. LANSING: THEN WE CAN FUND THE GRANTS IF
6 THE JUDGMENT IS FAVORABLE?

7 MR. KLEIN: WE CAN ACTUALLY FUND THE GRANTS
8 BASED UPON -- WE CAN FUND THE GRANTS BASED UPON THE
9 DECISION OF THE FINANCE COMMITTEE, WHICH WE WOULD
10 EXPECT IN THE NEXT COUPLE OF WEEKS TO GO FORWARD, BUT
11 IT WOULD NORMALLY TAKE ABOUT 30 DAYS AFTER THE FINANCE
12 COMMITTEE MEETS TO ACTUALLY GET THE FUNDING OUT.

13 THE GRANTS -- THE 50 MILLION CARRIES WITH IT
14 A LITIGATION DISCLOSURE ON THE BONDS SO THAT THE PARTY
15 PURCHASING THE BONDS KNOW THAT IF WE WERE NOT TO BE
16 ULTIMATELY SUCCESSFUL, THAT THEY WOULD HAVE MADE A
17 GRANT TO THE STATE.

18 MS. LANSING: IS THERE ANY CHANCE THEY WON'T
19 APPEAL?

20 MR. KLEIN: ANYTHING IS POSSIBLE IN LIFE AND
21 POLITICS.

22 MS. LANSING: BUT IT'S HIGHLY UNLIKELY. I
23 GOT IT. OKAY. SORRY FOR THE INTERRUPTION.

24 MR. KLEIN: NO. I APPRECIATE THE QUESTION.
25 SO IS JOAN THERE YET?

1 DR. CHIU: NOT YET.

2 MR. KLEIN: SHE CALLED AND SAID THAT SHE HAD
3 ARRIVED UP AT THE LOCATION, BUT IS PROBABLY MAKING HER
4 WAY INTO THE BUILDING.

5 DR. CHIU: I THINK TWO OTHER PEOPLE HAVE
6 LOGGED ON. COULD YOU PLEASE IDENTIFY YOURSELF?

7 MS. FEIT: IT'S MARCY FEIT.

8 DR. CHIU: AND THE SECOND PERSON. WE DID
9 HEAR A RING TONE. THAT'S CIRM. SO WE STILL DO NOT
10 QUITE HAVE A QUORUM, BUT SHALL I JUST PROCEED WITH HOW
11 WE THINK WE WILL GO THROUGH TODAY'S SESSION, MR.
12 CHAIRMAN?

13 CHAIRMAN ORKIN: SURE. I GUESS THAT ALSO THE
14 LITIGATION IS SORT OF AT THE END OF THE ROAD ON THE
15 HORIZON. I GUESS IT MAKES THE CONSIDERATION OF THE
16 INTERIM GRANT PROCEDURE EVEN MORE IMPORTANT.

17 DR. HALL: HELLO.

18 CHAIRMAN ORKIN: LOT OF NOISE HERE.

19 DR. CHIU: MAY I MAKE A REQUEST, THAT
20 EVERYBODY PLACE THEIR SPEAKER PHONES ON MUTE UNTIL THEY
21 WANT TO SPEAK. AND THEN WHEN YOU DO SPEAK, PLEASE
22 IDENTIFY YOURSELF SO THAT THE TRANSCRIPT WILL BE
23 ACCURATE. THIS WOULD BE VERY HELPFUL IN CASE THERE IS
24 NOISES THAT WOULD INTERRUPT THE DISCUSSION.

25 DR. BRIVANLOU: I WILL MENTION THAT I'M

1 ONLINE NOW. THIS IS ALI BRIVANLOU. SORRY ABOUT THE
2 DELAY.

3 DR. HALL: ANYBODY ELSE JUST COME ON?

4 DR. DONAHOE: THIS IS PAT DONAHOE COMING
5 ONLINE.

6 DR. HALL: PAT DONAHOE IS HERE, SO WHAT DOES
7 THAT GIVE US? ELEVEN.

8 DR. CHIU: WE NEED FOUR MORE FOR A QUORUM.
9 THE OTHER THING I WOULD LIKE TO ASK EVERYBODY IS NOT TO
10 PUT US ON HOLD BECAUSE SOME OF YOUR MACHINES HAVE
11 MUSIC, AND THEN EVERYBODY GETS THE MUSIC WHETHER WE
12 WANT TO HEAR IT OR NOT. THAT WOULD BE GREATLY
13 APPRECIATED.

14 DR. HALL: WHY DON'T WE GO AHEAD AND JUST
15 TALK ABOUT HOW WE'RE GOING TO PROCEED. IS THAT OKAY,
16 STU, WITH YOU?

17 CHAIRMAN ORKIN: THAT'S FINE. WHY DON'T WE
18 GO AHEAD.

19 DR. CHIU: I'LL GIVE SOME BACKGROUND ON THIS.
20 HERE COMES JOAN.

21 MS. SAMUELSON: HELLO.

22 DR. CHIU: SO WE HAVE OUR CHAIR AND VICE
23 CHAIR, SO I THINK WE CAN BEGIN.

24 SO, FIRST, I WANT TO THANK ALL THE MEMBERS OF
25 THE GROUP, AND THIS IS A RATHER LARGE GROUP, FOR

1 ATTENDING TODAY'S MEETING. THIS IS NOT EASY GETTING
2 ALL OF YOU ON BOARD, AND WE REALLY APPRECIATE YOUR
3 TIME.

4 AT OUR LAST MEETING ON NOVEMBER 28TH, YOU
5 REVIEWED AND VOTED TO RECOMMEND THE INTERIM GRANTS
6 ADMINISTRATION POLICY FOR TRAINING GRANTS THAT WE
7 IN-HOUSE AFFECTIONATELY CALL THE BABY GAP, GRANTS
8 ADMINISTRATION POLICY. THIS WAS THEN PRESENTED TO THE
9 ICOC, OUR GOVERNING BOARD. AND YOU WILL BE PLEASED TO
10 LEARN THAT THE DOCUMENT, ALONG WITH YOUR RECOMMENDED
11 CHANGES, WAS UNANIMOUSLY APPROVED BY THE ICOC ON
12 DECEMBER 6TH, 2005.

13 WITH THIS POLICY IN PLACE, THE CIRM IS POISED
14 TO AWARD TRAINING GRANTS THAT YOU REVIEWED LAST YEAR
15 WHEN THE BAN'S, OR THE BOND ANTICIPATION NOTE, FUNDS
16 BECOME AVAILABLE, AS YOU HEARD FROM BOB.

17 AS YOU KNOW, THE PURPOSE OF A GRANTS
18 ADMINISTRATION POLICY IS TO SET OUT TERMS AND
19 CONDITIONS OF GRANT AWARDS FROM THE CIRM AND TO LET THE
20 RECIPIENTS KNOW WHAT ARE THEIR RESPONSIBILITIES AS CIRM
21 GRANTEES. THIS INFORMATION IS DIRECTED AT RECIPIENT
22 INSTITUTIONS AS WELL AS AT THE PI'S OR PRINCIPAL
23 INVESTIGATORS. AND, FINALLY, THE RECIPIENT
24 INSTITUTIONS AND THE PI'S MUST AGREE TO COMPLY WITH
25 THESE GUIDELINES AND PROCEDURES BEFORE THEY CAN RECEIVE

1 FUNDS FROM CIRM.

2 SO TODAY WE BRING TO YOUR ATTENTION A DRAFT
3 OF THE -- A PROPOSED DRAFT OF THE CIRM GRANTS
4 ADMINISTRATION POLICY THAT WILL APPLY TO ALL AWARDS.
5 WE CALL THIS THE BIG GAP TO DISTINGUISH IT FROM THE
6 BABY GAP FOR TRAINING GRANTS, SO WE'LL REFER TO THESE
7 TERMS FOR BREVITY.

8 THIS MORE COMPREHENSIVE DOCUMENT, WHEN
9 APPROVED, WILL FORM THE BASIS FOR DEVELOPING THE GRANTS
10 ADMINISTRATION REGULATIONS PURSUANT TO THE APA, THE
11 ADMINISTRATIVE PROCEDURES ACT, IN CALIFORNIA.

12 NOW, THE STAFF AT CIRM HAVE BEEN WORKING FOR
13 MONTHS ON THIS DOCUMENT THAT YOU HAVE IN FRONT OF YOU,
14 WHICH WILL COVER, AS I SAID, POLICIES FOR ALL GRANTS.
15 AND THE TEAM THAT WORKED ON THIS IS MADE UP OF OUR
16 WHOLE SCIENCE TEAM AT CIRM, WHICH INCLUDES OUR
17 PRESIDENT, ZACH HALL, ME, MARY MAXON, AND GIL SAMBRANO,
18 WHO IS HERE TODAY. IN ADDITION, WE HAVE THE SHARP EYES
19 OF OUR LEGAL TEAM, WHICH CONSISTS OF DAN BEDFORD, WHO
20 HAS CALLED IN, AND SCOTT TOCHER, WHO'S RIGHT HERE TODAY
21 AS WELL.

22 SO I HAVE TO SAY THAT A GREAT DEAL OF CREDIT
23 MUST GO TO GIL SAMBRANO, OUR SCIENTIFIC REVIEW OFFICER,
24 WHO TOOK ON THE ROLE OF PROJECT MANAGER AND HAS KEPT US
25 FOCUSED THROUGH MULTIPLE VERSIONS AND A CONSTANT STREAM

1 OF CHANGES, WHICH HASN'T STOPPED, AS YOU WILL SEE.

2 WHO IS THAT?

3 DR. WRIGHT: JANET WRIGHT.

4 DR. CHIU: EXCELLENT. THANK YOU. WE'RE
5 GETTING CLOSER TO A QUORUM.

6 SO FOR BACKGROUND INFORMATION, WE TURN TO
7 POLICIES USED BY A LONG LIST OF PUBLIC AND PRIVATE
8 GRANT-MAKING AGENCIES, INCLUDING THE JDRF, THE AMERICAN
9 CANCER SOCIETY, THE AMERICAN HEART SOCIETY, THE
10 CHRISTOPHER REEVE PARALYSIS FOUNDATION, THE HOWARD
11 HUGHES MEDICAL INSTITUTE, THE CALIFORNIA SPECIAL
12 RESEARCH PROGRAMS, THE NEW JERSEY DEPARTMENT OF HEALTH,
13 THE FLORIDA DEPARTMENT OF HEALTH, AND, OF COURSE, THE
14 NIH.

15 THE BIG GAP TODAY IS ORGANIZED, AS YOU CAN
16 SEE, IN SIX CHAPTERS, AND I REFER YOU TO THE COLORED
17 SHEET WITH THE BOXES, THE BLUE AND ORANGE BOXES. AND
18 THIS GAP IS STRUCTURED AS A GUIDE TO GRANTEEES THAT
19 FOLLOWS THE LIFE CYCLE OF A GRANT FROM APPLICATION
20 THROUGH REVIEW, THROUGH THE APPROVAL PROCESS, THROUGH
21 FUNDING, TO THE FINAL STAGE OF CLOSEOUT.

22 FOR YOUR INFORMATION AND FOR TODAY'S
23 DISCUSSION, THE BLUE CHAPTERS, THE BLUE BOXES, ARE
24 PRETTY STRAIGHTFORWARD, WHILE THE ORANGE CHAPTERS MAY
25 INCLUDE ITEMS THAT MAY REQUIRE SOME DISCUSSION. SINCE

1 SOME PEOPLE MAY HAVE TO LEAVE EARLY, WE PROPOSE THAT WE
2 MOVE BRISKLY THROUGH, AND WE SUGGEST A PROCESS THUS.
3 WE' LL GO THROUGH CHAPTER BY CHAPTER; AND AT THE END OF
4 EACH CHAPTER, WE WILL ASK FOR CHANGES IN LANGUAGE, ANY
5 SUGGESTIONS, DISCUSSION, AND COMMENTS FIRST FROM THE
6 WORKING GROUP. AND WHEN THOSE HAVE BEEN IDENTIFIED AND
7 NOTED DOWN, THEN COMMENTS FROM THE PUBLIC.

8 AND THEN IF THERE ARE CHANGES THAT THE GROUP
9 RECOMMENDS TO BE INCLUDED OR MADE IN THE DOCUMENT, WE
10 WILL ASK FOR THOSE TO BE VOTED ON AT THE END OF THE
11 CHAPTER BEFORE WE MOVE ON TO THE NEXT CHAPTER. SHOULD
12 A CHAPTER HAVE MULTIPLE THINGS THAT ARE QUITE DIFFICULT
13 TO HANDLE, WE WILL THEN MOVE CONCERN BY CONCERN; BUT IN
14 SOME OF THESE CHAPTERS THAT ARE RATHER BRIEF, WE COULD
15 MOVE THE PROCESS VERY QUICKLY BY WAITING TILL THE END
16 OF THE CHAPTER. IS THAT AGREEABLE TO ALL?

17 MR. KLEIN: ARLENE, IN THIS PROCESS THAT YOU
18 OUTLINED, ONE CAVEAT TO THAT PROCESS IS THAT JOAN
19 SAMUELSON GAVE ME YESTERDAY A VERY EFFECTIVE WHITE
20 PAPER IN VERY ROUGH DRAFT THAT I UNDERSTAND SHE'S GOING
21 TO DO SOME MORE WORK ON THAT RAISES SOME IMPORTANT
22 QUESTIONS FOR THIS GROUP.

23 AND JOAN AND I TALKED WITH ZACH ABOUT THIS,
24 AND WITH A THEORY THAT WE'RE UNDER CERTAIN TIME
25 PRESSURES TO GET THIS INTERIM GRANT ADMINISTRATION

1 POLICY ADOPTED AND ON THE BOOKS IMMEDIATELY, BUT IT IS
2 AN INTERIM POLICY WHICH WILL GO THROUGH THE
3 ADMINISTRATIVE PROCEDURES ACT, AND SO THERE WOULD BE
4 THE TIME TO CALL ANOTHER GRANTS MEETING ONCE JOAN HAS
5 HAD THE TIME TO REFINE THAT WHITE PAPER SO WE CAN HAVE
6 A VERY SUBSTANTIVE DISCUSSION ON THOSE IDEAS.

7 ZACH, AS I UNDERSTOOD IT, THAT APPROACH WAS
8 ACCEPTABLE TO YOU SO THAT WE COULD PRESERVE THE
9 OPPORTUNITY TO HAVE THIS GROUP MAKE THAT TYPE OF
10 STRATEGIC KIND OF INPUT TO THIS PROCESS AS IT
11 PROGRESSES.

12 DR. HALL: ABSOLUTELY. NO. 1, I HOPE THAT
13 AFTER THE MEETING JOAN WILL SEND A DOCUMENT TO ALL
14 MEMBERS OF THE WORKING GROUP ABOUT THIS.

15 MS. SAMUELSON: I'M GOING TO SAY A LITTLE BIT
16 ABOUT IT.

17 DR. HALL: WE CAN HAVE A CHANCE LATER ON TO
18 HAVE A MEETING THAT WOULD FOCUS SPECIFICALLY ON THE
19 ISSUES THAT SHE'S CONCERNED WITH. AND IF THERE'S TIME
20 AT THE END OF THE MEETING, SHE MIGHT WISH TO SPEAK
21 ABOUT IT TODAY AT SOME LENGTH. BUT IF YOU WANT TO SAY
22 SOME WORDS NOW, JOAN, PLEASE DO.

23 MS. SAMUELSON: I'D LIKE TO BECAUSE IT
24 PERTAINS TO THE ENTIRE AGENDA AND BECAUSE WE MAY LOSE
25 SOME PEOPLE ALONG THE WAY. ALL OF YOU PROBABLY KNOW

1 THAT, SO IT'S MAYBE STATING THE OBVIOUS, BUT I THINK
2 IT'S IMPORTANT TO SAY THAT THE PROCESS OF DEVELOPING
3 THE PROCESS, THE GOVERNANCE, AND THE CONTENT FOR THE
4 RESEARCH FUNDING WORKING GROUP AS AN ADVISORY BODY TO
5 THE ICOC HAS BEEN IN THE SHADOW OF LITIGATION BASICALLY
6 FROM OUR FIRST DAYS. AND THAT HAS PROFOUNDLY AFFECTED
7 OUR ABILITY TO ADDRESS ALL OF THOSE VARIOUS ISSUES.

8 MOST PROFOUNDLY, WE HAVEN'T HAD THE MONEY TO
9 CONVENE US IN THE SAME ROOM SINCE THE VERY FIRST
10 MEETING. AND THIS IS ALL SO VERY IMPORTANT AND
11 COMPLICATED AND PROFOUND, THIS WORK THAT WE'RE ABOUT TO
12 DO, THAT WE REALLY MUST BE IN THE SAME ROOM
13 OCCASIONALLY TO BE ABLE TO DEVELOP THIS WITH ALL THE
14 CREATIVITY AND INTELLIGENCE THAT WE HAVE ON OUR WORKING
15 GROUP.

16 HAVING SAID THAT, WE NEED TO ENGAGE THAT
17 PROCESS, BUT IT'S HARD TO DO IT UNTIL THE LITIGATION IS
18 OVER WITH AND WE HAVE SOME FUNDING TO DO IT. SO
19 RELUCTANTLY, BUT I THINK NECESSARILY, SO THAT WE CAN
20 MOVE AHEAD, WE'VE HAD TO APPROVE POLICIES FOR THE
21 TRAINING GRANTS. AND WE MAY HAVE TO APPROVE SOME
22 BEYOND THAT. I THINK WE SHOULD QUESTION HOW MUCH
23 SPECIFICALLY WE REALLY HAVE TO DO SO THAT WE DON'T NEED
24 TO USE A TRUNCATED PROCESS ANY MORE THAN WE HAVE TO.
25 SO I'LL BE ASKING SOME OF THOSE QUESTIONS.

1 TAKE TO REFINE THIS, POTENTIALLY GETTING INPUT FROM A
2 COUPLE OF MEMBERS EVEN OF THIS GROUP, SO THAT YOU'VE
3 GOT THE TIME TO REALLY PRESENT A FULLY DEVELOPED WHITE
4 PAPER. IS THAT ACCURATE?

5 MS. SAMUELSON: YEAH, IT IS. I WANT IT TO BE
6 AS COMPLETE AS POSSIBLE. AT THE SAME TIME I WANT TO
7 BENEFIT FROM THE INPUT THAT OUR WORKING GROUP CAN
8 PROVIDE. SO I'LL TRY TO GET IT TO THEM AS SOON AS
9 POSSIBLE.

10 MR. SAMBRANO: A FEW PEOPLE HAVE JOINED.
11 COULD YOU IDENTIFY YOURSELF?

12 MR. SERRANO-SEWELL: DAVID SERRANO-SEWELL.

13 DR. HALL: HAS ANYBODY ELSE COME ON SINCE WE
14 CALLED THE ROLL?

15 CHAIRMAN ORKIN: ONLY ONES WHO ARE NOT
16 CHECKED OFF ON MY LIST ARE ANDY FEINBERG, PABLO
17 RUBINSTEIN, AND JON SHESTACK.

18 DR. CHIU: ALEXANDRA JOYNER.

19 CHAIRMAN ORKIN: SHE WAS NOT GOING TO BE
20 PRESENT. GEORGE YANCOPOULOS.

21 DR. CHIU: WISE YOUNG MIGHT BE COMING LATE.
22 WE NEED TWO MORE FOR A QUORUM. I THINK IN THE INTEREST
23 OF TIME, WE SHOULD BEGIN TO MOVE FORWARD WITH THE GAP
24 DOCUMENT.

25 SO I WANT TO POINT OUT THAT THE BIG GAP

1 INCLUDES MATERIAL THAT HAS COME BEFORE YOU ON DIFFERENT
2 OCCASIONS. YOU HAVE REVIEWED THEM --

3 MR. SHEEHY: DO WE HAVE -- AT WHAT POINT DO
4 WE TAKE PUBLIC COMMENT? IS THERE ANY GENERALIZED
5 PUBLIC COMMENT ABOUT WHAT WE'RE DOING? BECAUSE I'M
6 JUST LOOKING AT THESE LETTERS, AND I DON'T KNOW, FOR
7 INSTANCE, THE ONE FROM INVITROGEN, I'M NOT SURE WHERE
8 THAT WOULD FIT WITHIN THIS GUIDE FOR DISCUSSION.

9 MS. SAMUELSON: I THINK THERE SHOULD BE
10 PUBLIC COMMENT AT THE BEGINNING. THERE USUALLY HAS
11 BEEN.

12 MR. SHEEHY: THIS REFERS DIRECTLY TO A
13 STATUTORY REQUIREMENT TO MAKE A GOOD FAITH EFFORT TO
14 GET 50 PERCENT OF PURCHASES FROM CALIFORNIA SUPPLIERS.
15 IT'S NOT CLEAR TO ME FROM LOOKING AT THIS LETTER UNDER
16 WHAT SECTION OF THIS DOCUMENT THIS PREFERENCE WOULD GO
17 AND WHERE HE WOULD BE APPROPRIATELY INDICATED TO
18 COMMENT TO HAVE THAT.

19 DR. CHIU: WE WILL COME TO THAT.

20 MS. SAMUELSON: THERE MAY BE MORE GENERAL
21 PUBLIC COMMENTS FROM THE ROOM. I DON'T KNOW. I'M JUST
22 OFFERING THE OPPORTUNITY.

23 DR. HALL: I THINK WE SHOULD SAY THAT WE HAVE
24 GOTTEN, IN THE COURSE OF DRAWING THIS UP AND CONSULTING
25 WITH VARIOUS PEOPLE, IN PARTICULAR GRANTEE, POSSIBLE

1 GRANTEE INSTITUTIONS, TO MAKE SURE THAT WHATEVER
2 POLICIES WE ADOPT ARE ONES THAT THEY CAN LIVE WITH OR
3 DO NOT MAKE DIFFICULTIES FOR THEM THAT WE DIDN'T
4 INTEND. AND WE HAVE GOTTEN A NUMBER OF THOSE COMMENTS.
5 AND RATHER THAN -- THERE ARE QUITE A NUMBER OF THEM.
6 RATHER THAN GO THROUGH ALL OF THEM TODAY, THEY ARE
7 GATHERED FOR YOUR INFORMATION IN ONE OF THE SHEETS THAT
8 YOU GOT. AND WHAT WE WILL DO IS WE WILL TAKE THE
9 RESULTS OF THIS MEETING, AND WE WILL TAKE THOSE
10 COMMENTS, AND THERE MAY BE SOME OVERLAP BETWEEN THEM,
11 AND ALSO BRING THEM TO THE ICOC MEETING IN EARLY APRIL.

12 WE ALSO HAVE ONE OR TWO PROBLEMS INVOLVING
13 TECHNICAL ISSUES AND WHETHER OR NOT WE ARE IN AGREEMENT
14 WITH PROPOSITION 71 ON WHICH WE ARE ALSO CONSULTING OUR
15 LEGAL TEAM. AND THOSE ISSUES WE WILL ALSO NEED TO
16 RESOLVE BEFORE APRIL 6TH. ONE OF THEM, FOR EXAMPLE,
17 INVOLVES THE CALCULATION OF INDIRECT AND DIRECT COSTS.
18 WE THINK THIS IS NOT A MATTER THAT THE WORKING GROUP IS
19 PARTICULARLY CONCERNED WITH, SO WE DON'T INTEND TO HAVE
20 A DISCUSSION OF IT HERE. WE'RE STILL IN DISCUSSION
21 WITH OUR GRANTEE INSTITUTIONS ABOUT IT, AND IT WILL BE
22 BROUGHT UP BEFORE THE ICOC. AND THERE WILL BE A CHANCE
23 TO FULLY AIR IT AT THAT TIME.

24 AND IF MEMBERS OF THE WORKING GROUP WANT TO
25 HAVE INPUT INTO THAT, THAT WILL BE POSTED. ALSO,

1 WHATEVER THE ICOC APPROVES WILL THEN BE SUBMITTED TO
2 OAL, AND THERE WILL ALSO BE A PERIOD OF FORMAL COMMENT
3 BY WHICH ANYBODY CAN MAKE SUGGESTIONS OR CHANGES TO THE
4 DOCUMENTS THAT, AS I SAY, BY STATE LAW REQUIRES US OR
5 STATE PROCEDURES REQUIRES US TO MAKE A FORMAL WRITTEN
6 REPLY AND TO ANSWER FORMALLY ONE WAY OR THE OTHER. SO
7 WE ARE SORT OF GATHERING -- THIS IS A LONG,
8 COMPLICATED, AND DIFFICULT DOCUMENT. WE ARE GATHERING
9 SUGGESTIONS FROM A VARIETY OF SOURCES, AND WE HAVE A
10 LITTLE BIT OF A PROBLEM OF TRYING TO BALANCE THEM ALL
11 AT ONCE.

12 WE WOULD LIKE TO GO THROUGH IT WITH YOU
13 PRIMARILY, GET YOUR THOUGHTS AND SUGGESTIONS TODAY, AND
14 THEN INCORPORATE THOSE INTO WHAT GOES FINALLY TO THE
15 ICOC.

16 MR. SHEEHY: WE ARE GOING TO BE VOTING ON
17 THIS, RIGHT? SO IF WE'RE VOTING ON SOMETHING ON WHICH
18 THERE'S SUBSTANTIAL PUBLIC DISAGREEMENT, EITHER FROM
19 GRANTEES OR OTHER CONCERNED CALIFORNIANS, AND WE
20 HAVEN'T BEEN GIVEN ACCESS TO THAT INFORMATION BEFORE WE
21 VOTE ON IT AND IT'S ALREADY BEEN SUBMITTED, THEN HOW
22 CAN WE VOTE ON IT?

23 DR. HALL: WELL, LET'S WAIT UNTIL WE HAVE A
24 SITUATION THAT ARISES.

25 MR. SHEEHY: YOU JUST SAID THAT YOU'VE BEEN

1 RECEIVING INFORMATION AND THAT IT'S NOT ALL INCLUDED IN
2 HERE.

3 DR. HALL: IT IS RIGHT IN THE MATERIAL.

4 DR. CHIU: WE'VE SHARED ALL THE MATERIAL THAT
5 WE RECEIVED PRIOR --

6 DR. HALL: WE DON'T HAVE ANYTHING YOU DON'T
7 HAVE.

8 MR. SHEEHY: IT WASN'T VERY CLEAR.

9 DR. HALL: I APOLOGIZE.

10 MS. SAMUELSON: OKAY. I THINK WE SHOULD TAKE
11 PUBLIC COMMENT IF THERE IS SOME.

12 DR. CHIU: THERE SEEMS TO BE A PUBLIC
13 COMMENT. WOULD YOU COME UP AND IDENTIFY YOURSELF,
14 PLEASE?

15 MR. CLAEYS: MY NAME IS MICHAEL CLAEYS, AND
16 I'M HERE REPRESENTING THE ALLIANCE FOR STEM CELL
17 RESEARCH. AND FOLLOWING YOUR COMMENTS, ZACH, WHICH
18 WERE WELL TAKEN, I THINK, TO THE DETAILED COMMENTS THAT
19 YOU'VE RECEIVED, THIS IS A MORE GENERAL LETTER TO THE
20 SCIENTIFIC AND MEDICAL RESEARCH FUNDING WORKING GROUP
21 FROM THE ALLIANCE FOR STEM CELL RESEARCH. I WANT TO
22 PREFACE THIS LETTER BY SAYING HOW MUCH WE ALL
23 APPRECIATE THE HARD WORK, DEDICATION, AND GOOD FAITH
24 EFFORT OF BOTH THE WORKING GROUP AND THE CIRM STAFF IN
25 PREPARING THE DOCUMENTS THAT EVERYBODY HAS BEFORE THEM

1 TODAY.

2 NOW THE LETTER. DEAR WORKING GROUP MEMBERS,
3 TODAY THE GRANTS WORKING GROUP WILL CONSIDER THE
4 INTERIM GRANTS ADMINISTRATION POLICY. WE ARE ASKING
5 YOU TO DELAY RECOMMENDATION OF ADOPTION OF THIS POLICY
6 TO THE ICOC UNTIL YOU EXPLORE OTHER MODELS OF RESEARCH
7 FUNDING. WE VIEW THIS AS THE FIRST STEP OF THE
8 STRATEGIC PLANNING PROCESS.

9 (INTERRUPTION BY SIREN.)

10 I DIDN'T KNOW IT WAS THAT DRAMATIC.

11 THE PRIORITIES FOR THE SCIENCE CAN ONLY BE
12 ACCOMPLISHED IF YOU BUILD ACCOUNTABILITY, COOPERATION,
13 AND CREATIVITY INTO THE GRANT ADMINISTRATION POLICY.
14 BECAUSE YOU HAVE ALREADY APPROVED AN INTERIM POLICY
15 THAT WILL GOVERN THE TRAINING GRANTS, THERE IS TIME TO
16 EXPLORE OTHER MORE INNOVATIVE PROCESSES. THE WHOLE
17 WORLD REALLY IS WATCHING THIS ENDEAVOR. THIS WILL BE
18 THE MODEL FOR THE OTHER STATES THAT ARE BEGINNING
19 RESEARCH PROGRAMS OF THEIR OWN. THE RESEARCH PROGRAM
20 MUST NOT BE SET UP AS A MINI NIH.

21 PIONEERING APPROACHES THAT PUSH THE ENVELOPE
22 OF CREATIVITY ARE WHAT THE VOTERS OF CALIFORNIA
23 EXPECTED WHEN THEY OVERWHELMINGLY APPROVED PROPOSITION
24 71. WE BELIEVE THAT THEY ARE COUNTING ON THE CIRM TO
25 DO RESEARCH IN AN INNOVATIVE AND INSPIRED WAY, TO TAKE

1 CHANCES, AND TO REQUIRE ACCOUNTABILITY AND RESULTS FROM
2 THE SCIENTISTS. WE DO NOT BELIEVE THE CURRENT GRANTS
3 ADMINISTRATION POLICY REFLECTS THIS.

4 THE ALLIANCE IS WILLING TO BRING TOGETHER
5 REPRESENTATIVES OF NOVEL RESEARCH FUNDING PROGRAMS TO
6 RECOMMEND PROVEN STRATEGIES FOR THE CIRM THAT WILL
7 FULFILL THE IDEALS SET FORTH IN THE INITIATIVE. WE ARE
8 PREPARED TO DO THIS WITHIN A TIME FRAME THAT WILL NOT
9 DELAY THE RESEARCH PROGRAM OF THE CIRM. THE SCIENCE IS
10 WHAT THIS ENDEAVOR IS ULTIMATELY ABOUT. PLEASE INVEST
11 THE TIME TO ENSURE THE BEST POSSIBLE OUTCOME FOR ALL
12 THOSE SUFFERING FROM DEBILITATING ILLNESSES WHOSE HOPE
13 LIES IN YOUR WORK. YOURS TRULY, SUSAN DELAURENTIS,
14 PRESIDENT AND CEO OF THE ALLIANCE FOR STEM CELL
15 RESEARCH. THANK YOU.

16 DR. CHIU: THANK YOU.

17 DR. HALL: MAY I JUST ADD A COMMENT, MICHAEL?
18 I HOPE AS WE GO THROUGH THIS, THAT YOU WILL POINT OUT
19 SPECIFIC PLACES WHERE YOU THINK THERE SHOULD BE
20 CHANGES. WE'D BE PLEASED TO HEAR THAT.

21 MS. SAMUELSON: I HAVE A COUPLE QUESTIONS
22 THAT ARE OF A GENERAL NATURE. ONE IS WHAT PARTS OF
23 THIS DRAFT PERTAIN TO THE TRAINING GRANTS THAT THE
24 WORKING GROUP AND THE ICOC HAVE ALREADY APPROVED OR
25 THAT THE ICOC HAS APPROVED?

1 AND THEN, SECONDLY, TO WHAT -- I GUESS WHAT
2 IS THE TIME -- BEYOND THAT, WHAT IS THE TIME TABLE FOR
3 ADDITIONAL FUNDING BEING AVAILABLE THAT ANY OF THIS
4 WOULD APPLY TO SO THAT WE HAVE SOME SENSE OF THE TIME
5 FRAME WITHIN WHICH THIS IS NECESSARY?

6 DR. CHIU: FIRST, I'D LIKE TO ADDRESS WHAT
7 CHAPTERS HAVE BEEN INCORPORATED IN HERE. IN FACT, THAT
8 WAS THE NEXT STATEMENT I WAS GOING TO PRESENT. IT
9 INCLUDES MATERIAL THAT YOU'VE SEEN ON DIFFERENT
10 OCCASIONS AND THAT THE GROUP HERE HAS REVIEWED AT PAST
11 MEETINGS AND HAVE BEEN SUBSEQUENTLY APPROVED BY THE
12 I COC. AND THESE ARE, NO. 1, THE TRAINING GRANT GRANT
13 ADMINISTRATION POLICY IS NOW INCLUDED IN CHAPTER 6. IN
14 FACT, CHAPTER 6 COVERS THE TRAINING GRANTS AS SPECIAL
15 POLICIES. YOU'VE SEEN THIS BEFORE.

16 MS. SAMUELSON: SO IS THAT PART OF THE
17 DOCUMENT THE PART THAT THIS WORKING GROUP HAS ALREADY
18 REVIEWED AND APPROVED?

19 DR. CHIU: YES.

20 MS. SAMUELSON: OKAY. IS THERE ANYTHING ELSE
21 IN THE DOCUMENT THAT PERTAINS TO THE TRAINING GRANTS OR
22 NOT? I HAD THE IMPRESSION THAT THERE WAS SOMETHING
23 ELSE NEEDED FOR THE TRAINING GRANTS.

24 DR. CHIU: PART OF IT IS. THERE ARE SOME
25 POLICIES IN OUR CURRENT TRAINING GRANT THAT SOME OF THE

1 UNIVERSITIES FIND PROBLEMATIC IN THE APPROVED ONE IN
2 TERMS OF RETURN OF FUNDS, ETC.

3 MS. SAMUELSON: THE IP ARENA.

4 DR. CHIU: WE'VE TAKEN THAT INTO
5 CONSIDERATION AND PUT IT IN HERE. AND IF WE -- THEY
6 WILL BE ABLE TO SIGN OFF ON ACCEPTING GRANTS IF THEY
7 SEE THAT THIS DOCUMENT, WHICH WILL SUPERSEDE THE
8 TRAINING GRANT THAT WE'VE ALREADY APPROVED, COMES INTO
9 BEING.

10 MS. SAMUELSON: WHEN YOU SAY HERE, IS THAT
11 EXCLUSIVELY? IS IT ALL WITHIN SECTION 6?

12 DR. CHIU: CHAPTER 6? NO. IT'S NOW
13 DISTRIBUTED. PARTS OF IT LIKE IP, ETC., REPORTING
14 REQUIREMENTS, ARE DISTRIBUTED IN THE DIFFERENT
15 CHAPTERS.

16 MS. SAMUELSON: BUT YOU CAN IDENTIFY WHICH
17 PARTS PERTAIN TO THE TRAINING GRANTS.

18 DR. CHIU: YOU CAN PROBABLY DO TO DIFFERENT
19 PARTS, YES.

20 MR. SAMBRANO: THERE'S ACTUALLY A DETAILED
21 DOCUMENT THAT'S CALLED INCORPORATION OF THE INTERIM
22 GRANTS ADMINISTRATION POLICY FOR TRAINING GRANTS INTO A
23 COMPREHENSIVE POLICY. AND SO IT'S A FOUR, FIVE-PAGE
24 DOCUMENT THAT BASICALLY TAKES --

25 MS. SAMUELSON: DO YOU WANT TO IDENTIFY WHAT

1 YOU' RE LOOKING AT FOR THE OTHERS IF THEY HAVE THE SAME
2 DOCUMENT?

3 MR. SAMBRANO: IT WAS SENT TO THE WORKING
4 GROUP MEMBERS, AND IT' S ENTITLED "INCORPORATION OF THE
5 INTERIM GAP FOR TRAINING GRANTS INTO A COMPREHENSIVE
6 POLICY." AND SO IT DETAILS HOW THAT POLICY WAS
7 INCORPORATED INTO THIS DOCUMENT SECTION BY SECTION.

8 DR. CHIU: OKAY?

9 MS. SAMUELSON: IS EVERYBODY ON THE WORKING
10 GROUP CLEAR ABOUT THIS? ARE YOU TRACKING WITH THIS
11 DOCUMENT AND SO ON?

12 CHAIRMAN ORKIN: LOT OF FIRE. IT WILL BE
13 CLEAR, I THINK, AS WE GO ALONG HOPEFULLY.

14 MR. SHEEHY: DO WE WANT TO CONSIDER AT ALL
15 THE REQUESTS FROM THE PUBLIC?

16 DR. CHIU: AT EACH CHAPTER --

17 MR. SHEEHY: I THINK THAT THE REQUEST WAS FOR
18 A DELAY.

19 DR. CHIU: FOR A DELAY?

20 MR. CLAEYS: ABSOLUTELY. I MEAN WHILE IT MAY
21 BE WORTHWHILE TO GO THROUGH AND TALK POINT BY POINT, AS
22 YOU SUGGESTED, I THINK OUR REQUEST, THE ALLIANCE FOR
23 STEM CELL RESEARCH REQUEST, IS TO NOT RUSH THIS VERY,
24 VERY IMPORTANT PROCESS TO ALLOW OPPORTUNITY FOR
25 ADDITIONAL INPUT AND NOT TO -- NOT TO MOVE FORWARD WITH

1 APPROVING THE PROPOSED INTERIM POLICY, MAKING IT
2 OFFICIAL YET, BUT ALLOWING --

3 DR. HALL: ISN'T THAT A DECISION THAT SHOULD
4 BE MADE BY THE ICOC? I MEAN IT'S PERFECTLY POSSIBLE
5 FOR US TO GO THROUGH AND WORK ON THIS AND THEN TO SAY
6 TO THE ICOC MEETING SHOULD WE DELAY THIS OR NOT. I
7 THINK THAT WOULD BE THE TIME TO MAKE THIS. I THINK IF
8 WE DECIDE HERE, WE, IN FACT, PRECLUDE ANY DECISION OR
9 CONSIDERATION OF THIS BY THE ICOC. AND IT SEEMS TO ME
10 THIS IS A VERY MAJOR REQUEST THAT YOU MAKE. AND MY
11 SUGGESTION WOULD BE THAT WE HOLD THAT IN ABEYANCE, THAT
12 WE WORK ON THIS DOCUMENT, THAT YOU IDENTIFY THE
13 CONCERNS THAT YOU HAVE; AND THEN IF YOU'RE NOT HAPPY
14 WITH IT, WHICH YOU MAY VERY WELL NOT BE, THEN WHEN IT
15 COMES UP FOR THE ICOC, YOU AT THAT TIME PROPOSE THAT
16 THE WHOLE THING BE DELAYED. I THINK THEN THE ICOC CAN
17 CHOOSE TO DO THAT OR NOT.

18 MR. KLEIN: THERE'S THREE POINTS RELATED TO
19 THAT. ONE IS THAT TO THE EXTENT THAT WE CAN GET
20 COMMENTS EARLY CONCERNING -- THE ALLIANCE FOR STEM CELL
21 RESEARCH KNOWS WHERE TO REACH US. IT'S VERY HELPFUL TO
22 ALL THE MEMBERS AND THE STAFF AND THIS BOARD TO GET
23 INFORMATION EARLY SO THEY CAN THOUGHTFULLY CONSIDER
24 SOMETHING OF THIS KIND ON A WORKING GROUP.

25 NO. 2 IS THAT JOAN IS, I THINK, THINKING OF

1 MANY OF THESE ISSUES. THE PATIENT ADVOCATES IN GENERAL
2 AND THE OTHER MEMBERS OF THE BOARD, A NUMBER OF THEM
3 FROM THE RESEARCH INSTITUTIONS AND MEDICAL SCHOOLS,
4 WANT TO FIND INNOVATIVE WAYS TO DO THIS RESEARCH, WHICH
5 IS BOTH GOING TO BE ADDRESSED IN THE STRATEGIC PLAN AS
6 WELL AS WHAT JOAN IS TALKING ABOUT AS A SPECIAL MEETING
7 OF THE WORKING GROUP TO GO OVER A WHITE PAPER THAT WILL
8 PRESENT AN ORGANIZED WAY TO LOOK AT THIS.

9 THIS IS AN INTERIM POLICY ONLY SO THAT WE CAN
10 BE FUNCTIONING, BUT WHAT YOU'RE TALKING ABOUT IS MAJOR
11 INNOVATION, WHICH THERE'S BROAD SUPPORT FOR, AND IT
12 TAKES TIME TO DEVELOP THOSE. WHERE WE'RE AT TODAY IS
13 DEALING WITH FELLOWSHIP GRANTS AND IN THE NEAR FUTURE
14 HOPEFULLY INNOVATION GRANTS, BUT THE WHOLE STRATEGIC
15 APPROACH TO GRANTS AS WELL AS THE INPUT FROM THIS
16 COMMITTEE ARE NOT ITEMS THAT ARE CUT OFF BY HAVING AN
17 INTERIM ADMINISTRATION GRANT PROGRAM THAT JUST ALLOWS
18 YOU TO FUNCTION.

19 MS. SAMUELSON: THIS IS JOAN. I WAS IN THE
20 MIDDLE OF TRYING TO GET SOME CLARIFICATION. I NOW
21 UNDERSTAND WHERE THE TRAINING GRANT MATERIALS ARE,
22 WHICH IS IN SEVERAL DIFFERENT SECTIONS, WHICH IS ARE
23 THE FUNDS FOR THAT PRESUMABLY -- WELL, WE'VE COMMITTED
24 THEM. AND WHAT'S THE STATUS OF THE FUNDS FOR THE
25 TRAINING GRANTS, BOB?

1 MR. KLEIN: WELL, WITH THE PARTICIPATION OF
2 AND THE TIMING BEING SET BY THE TREASURER'S OFFICE, WE
3 HOPE IT IS VERY, VERY NEAR TERM. THE COMMITMENTS --
4 THE COMMITMENTS EXIST TO MOVE THE PROGRAM FORWARD.
5 WE'RE HOPEFUL THAT WE'RE GOING TO HAVE A NOTICE FROM
6 THE FINANCE COMMITTEE IN THE VERY NEAR FUTURE.

7 MS. SAMUELSON: NEAR ENOUGH THAT IT'S
8 IMPORTANT THAT THEY GET APPROVED THROUGH THE PROCESS.

9 MR. KLEIN: ABSOLUTELY CORRECT.

10 MS. SAMUELSON: WE DON'T WANT TO DELAY THE
11 TRAINING GRANTS, CERTAINLY, BUT ON THE OTHER HAND, WE
12 DON'T WANT TO RUSH AN OVERALL PLANNING PROCESS THAT
13 NEED NOT BE RUSHED BECAUSE WE DON'T HAVE THE FUNDS.

14 MR. KLEIN: UNDER THE INITIATIVE IT
15 SPECIFICALLY SET OUT TWO DIFFERENT PROCESSES. AN
16 INTERIM IN ORDER TO ALLOW THE AGENCY TO FUNCTION AND
17 THEN FINAL WITH A STRATEGIC PLAN. WE WILL CONTINUALLY
18 MODIFY THESE PROCEDURES BECAUSE THEY WILL ALL BE
19 SUBSERVIENT TO THE STRATEGIC PLAN SO THAT WE CAN
20 DEVOLVE THIS PROCESS AND CONTINUE TO CAPTURE THE MOST
21 INNOVATIVE APPROACHES.

22 MS. LANSING: CAN I JUST SECOND THAT? I'D
23 LIKE TO THINK BECAUSE I THINK THAT, YOU KNOW, WE WANT
24 TO GIVE OUT OUR TRAINING GRANTS, WE WANT OUR MOMENTUM
25 TO CONTINUE, AND I'D LIKE TO THINK THAT THIS COULD BE

1 LIKE THE STANDARDS GROUP, WHICH A LOT OF YOU ARE ON,
2 WHERE WE ADOPT INTERIM STANDARDS AND WE VIEW THEM AS A
3 WORK IN PROGRESS, WHICH ALLOWS US TO FUNCTION. AND WE
4 KEEP MODIFYING THEM TILL WE'RE SATISFIED, AND THEN,
5 QUITE HONESTLY, IF THE SCIENCE PROGRESSES, WE'LL MODIFY
6 THEM AGAIN EVEN AFTER WE'VE ADOPTED WHAT WE CALL OUR
7 FINAL STANDARDS.

8 MR. SERRANO-SEWELL: JOAN SAMUELSON AND DR.
9 ORKIN, THIS IS DAVID SERRANO-SEWELL. CAN YOU GUYS HEAR
10 ME? THANK YOU.

11 MY ISSUE WAS ALWAYS ON ANY QUESTION, ON ANY
12 MATTER PRESENTED TO US, WHETHER IT BE ON THIS WORKING
13 GROUP OR THE ICOC, IS WHETHER STAFF, NAMELY, DR. HALL
14 AND DR. CHIU IN THIS INSTANCE, HAVE DONE THEIR DUE
15 DILIGENCE. HAVE THEY REACHED OUT TO THE INTERESTED
16 PARTIES? HAVE THEY GOT ALL THE INFORMATION? HAVE THEY
17 COMPILED IT IN AN INTELLIGENT, READABLE MANNER? AND
18 ARE WE REACHING OUR OBJECTIVE?

19 AND IN THIS CASE I'VE LOOKED AT THE DOCUMENT.
20 I HAVE TO BE VERY HONEST. NOTHING GLARES OUT, AND I
21 DON'T GET ANY RED FLAG. I AGREE WITH SHERRY. WE OUGHT
22 TO LOOK TOWARDS THE STANDARDS WORKING GROUP, WHICH HAS
23 MET. THEY HAVE HAD MEETINGS. AND THEY HAVE GONE ABOUT
24 IT IN AN INTELLIGENT WAY BY MAKING DECISIONS,
25 PRESENTING IT AND REPORTING TO THE ICOC, AND MOVING THE

1 BALL FORWARD.

2 AS TO INNOVATION IN GENERAL, I'M NOT SURE
3 THIS WORKING GROUP OR THE ICOC AS A WHOLE CAN FORCE
4 INNOVATION. IT'S GOING TO HAPPEN WITHOUT US, THANK
5 GOD, BECAUSE WHAT THEY'RE DOING IN SAN DIEGO WITH THIS
6 CONSORTIUM -- SAN DIEGO INSTITUTION, I THINK THAT'S
7 INNOVATIVE. AND CERTAINLY WE CREATED THE VENUE FOR IT.
8 THE CALIFORNIA VOTERS CREATED THE VENUE FOR IT, BUT IT
9 WASN'T THROUGH ANY PRODDING OR POLICY INITIATIVES OR
10 RESOLUTIONS ON OUR PART. IT JUST HAPPENED.

11 I'VE GOT -- AT SOME POINT WE'VE JUST GOT TO
12 MOVE FORWARD. AND THIS INTERIM POLICY IS IMPORTANT.
13 LET'S DISCUSS IT AND LET'S MOVE FORWARD.

14 MS. LANSING: AGAIN, THIS SHERRY AGAIN TO
15 EVERYBODY. AND KNOW THAT THIS WILL BE A CONTINUAL WORK
16 IN PROGRESS. I THINK ALL OF US ON THE COMMITTEE WILL
17 BE DEDICATED TO THE VERY END -- I'M TALKING YEARS FROM
18 NOW -- TO CONSTANTLY BE REEVALUATING AND CONSTANTLY
19 LOOKING AT OUR POLICY AND MAKING IT FIT THE TIMES AND
20 FIT THE SCIENCE.

21 MR. KLEIN: AND IN THE NEAR TERM WITH A FOCUS
22 ON WHAT JOAN IS BRINGING TO US, WHICH IS A PLATFORM TO
23 DISCUSS JUST THAT.

24 MS. LANSING: ABSOLUTELY.

25 MS. SAMUELSON: AND THIS IS JOAN. THE POINT

1 IS NOT JUST TO BE REVISING WHAT HAS ALREADY BEEN
2 REVIEWED, BUT REALLY TO START FROM THE BEGINNING POINT
3 THAT AS A WORKING GROUP WE NEVER REALLY STARTED FROM.
4 THE OTHER WORKING GROUPS HAVE IN SELF-GOVERNING AND
5 DEVELOPING THEIR OWN PROCESS FOR APPLYING THE
6 CREATIVITY AND INTELLIGENCE OF THE MEMBERS IN A
7 PLANNING PROCESS WHERE THEY HAVE THE BENEFIT OF EACH
8 OTHER'S THINKING. WE HAVEN'T HAD THE BENEFIT OF THAT,
9 NECESSARILY PERHAPS BECAUSE OF THE CONSTRAINTS OF THE
10 LAWSUIT. AND THE MOST IMPORTANT THING IN MY MIND IS TO
11 GET THOSE LAWSUITS OVER WITH SO THAT WE'RE FREE TO
12 FUNCTION WITH THE COMPLETE AMBIT THAT WE WANT TO HAVE.

13 BUT I ALSO DON'T WANT TO TIE US UNDULY TO
14 SOMETHING THAT WE MIGHT VERY MUCH WANT TO REVISE WHEN
15 WE HAVE THE TIME AND RESOURCES TO DO IT. SO THAT'S WHY
16 I GET BACK TO MY INITIAL QUESTION, WHICH IS, SURE, WE
17 DON'T WANT TO HAMSTRING THE TRAINING GRANTS, BUT IS
18 THERE ANY REASON NOT TO SIMPLY PULL FROM THIS THE PARTS
19 THAT PERTAIN TO THE TRAINING GRANTS AND REVIEW THAT
20 CAREFULLY AND THEN APPROVE IT IF WE SEE FIT AND WE HAVE
21 A QUORUM.

22 DR. HALL: BOB, YOU MENTIONED INNOVATION
23 GRANTS, AND I DON'T KNOW IF YOU WANT TO SAY ANY MORE
24 ABOUT THAT, BUT WE CERTAINLY WOULD NOT BE ABLE TO PUT
25 TOGETHER AN RFA FOR AN INNOVATION GRANT WITHOUT AN

1 INTERIM GRANTS ADMINISTRATION POLICY. YOU KNOW, WITH
2 THE TRAINING GRANTS, WE ACTUALLY PUT IN CRITERIA IN
3 THAT POLICY AND DID THAT ALL AT ONCE, AND THEN WE HAD
4 TO GO BACK AND REDO IT. I DON'T THINK ANY OF US FELT
5 THAT WAS THE IDEAL WAY TO DO IT, AND I WOULD NOT WANT
6 TO DO THAT AGAIN.

7 I THINK, AND PARTICULARLY HERE WHERE I THINK
8 WE ARE NOW ENTERING INTO OUR REAL GRANTS PROGRAM, EVEN
9 IF IN A RATHER SMALL WAY, AND I THINK WE NEED POLICIES
10 IN PLACE IF WE'RE TO DO THAT. I DON'T THINK WE COULD
11 WRITE AN RFA WITHOUT AT LEAST AN INTERIM GRANTS
12 ADMINISTRATION POLICY THAT WOULD COVER RESEARCH GRANTS.

13 MR. KLEIN: THE BOARD IS --

14 MS. SAMUELSON: WE DON'T EVEN HAVE THE MONEY
15 THOUGH.

16 MR. KLEIN: -- GOING TO DECIDE WHERE
17 THEY'RE GOING TO GO, AND DR. HALL IS CORRECT, THAT IN
18 MARCH AND APRIL WE TALKED ABOUT POTENTIAL TO SPREAD
19 SMALL GRANTS WIDELY TO REALLY SEE THE BRILLIANT IDEAS
20 IN THE STATE, IDEAS OF POTENTIALLY GREAT INNOVATION
21 POTENTIAL THAT COULD BE A REAL-TIME FEEDBACK TO US WHEN
22 WE'RE REVIEWING OUR PROCEDURES FOR GRANTS, AND WHAT OUR
23 FOCUS MIGHT BE AND WHAT OUR STRATEGIC PLAN MIGHT BE,
24 BUT THAT'S A BOARD LEVEL DISCUSSION THAT IS YET TO
25 OCCUR TO VALIDATE OR CONFIRM WHAT WE'RE GOING TO DO

1 NEXT.

2 BUT THAT FOR PURPOSES OF COMFORTING THE STATE
3 TO UNDERSTAND THAT THERE IS AN OVERALL ADMINISTRATION
4 POLICY IN PLACE WHILE WE'RE GOING THROUGH THE
5 LITIGATION THAT JOAN REFERENCES, IT IS IMPORTANT THAT
6 IT BE TRANSPARENT AND THE STATE UNDERSTAND THAT ON A
7 BROAD SCALE WE HAVE AN INTERIM POLICY IN PLACE BECAUSE
8 TO THE EXTENT THAT TO THE STATE CAN UNDERSTAND OUR
9 INTERIM POLICIES, INCLUDING OUR INTELLECTUAL PROPERTY
10 POLICY, WHICH IS NOW A PART OF THE GRANT ADMINISTRATION
11 PROGRAM, WE GIVE COMFORT TO THOSE WHO ARE SUPPORTERS
12 AND WE PROVIDE MATERIAL AND SIGNIFICANT AND THOUGHTFUL
13 INPUT TO REBUT THOSE THAT SAY THAT WE WILL NOT HAVE
14 POLICIES IN PLACE AND THAT WE WILL ACT AD HOC.

15 SO I THINK IT'S VERY IMPORTANT TO GET THIS IN
16 PLACE. AS DAVID SERRANO-SEWELL SAYS, THE STAFF HAS
17 GONE THROUGH THIS. THIS IS A BASIC DOCUMENT. IT IS
18 NOT A WORK OF ART. IT FUNDAMENTALLY BENEFITS OFF OF
19 MAJOR FOUNDATIONS THAT GIVE FUNDS AS WELL AS THE NIH,
20 HOWARD HUGHES PROCEDURES. SO WE HAVE A LOT OF WORK TO
21 DO TO CREATE AN INNOVATIVE STRUCTURE, WHICH IS ALL OF
22 OUR GOALS, WHICH WILL BE THE NEXT STEP, BUT WE DO NEED
23 AN INTERIM PROGRAM IN PLACE SO WE CAN MOVE THE BALL
24 FORWARD. AND SO I WOULD SUGGEST THAT DR. HALL'S
25 COMMENT IS APPROPRIATE FOR MANY REASONS, INCLUDING THE

1 FACT THAT IN THE MIDST OF LITIGATION, WE NEED TO
2 PROVIDE COMFORT THAT THERE WILL BE A THOUGHTFUL SET OF
3 RULES IN PLACE AT ALL TIMES DURING OUR EXISTENCE.

4 MS. SAMUELSON: JUST TO COMPLETE THE
5 INFORMATION I'M SEEKING, WHEN WOULD WE HAVE ANY MONEY
6 OVER AND ABOVE THE MONEY WE NEED FOR THE TRAINING
7 GRANTS?

8 MR. KLEIN: \$50 MILLION, 12.1 MILLION IS
9 ABSORBED IN THE TRAINING GRANTS. THE BALANCE IS
10 IMMEDIATELY AVAILABLE FOR THE NEXT GRANT PROGRAM, WHICH
11 COULD BE INNOVATION GRANTS OR SUCH OTHER PROGRAM AS THE
12 BOARD MAY DESIGNATE.

13 MS. SAMUELSON: DON'T WE NEED SOME OF THAT TO
14 KEEP THE DOORS OF THE CIRM OPEN?

15 MR. KLEIN: WE'RE LIMITED TO USING 6 PERCENT
16 OF THE MONEY, APPROXIMATELY \$3 MILLION, FOR OVERHEAD.
17 SO THE DISCIPLINE IS QUITE STRICT, AND IT DOES LEAVE
18 US, IF YOU TAKE \$3 MILLION OFF THE TOP, THEN TAKE OFF
19 12.1 MILLION, YOU STILL HAVE APPROXIMATELY \$35 MILLION
20 LEFT.

21 MS. SAMUELSON: AND WE HAVE A BINDING
22 COMMITMENT THAT WE CAN RELY ON FOR THAT?

23 MR. KLEIN: I'M OF THE SCHOOL THAT SAYS THAT
24 UNTIL THE MONEY IS IN THE BANK, WE DON'T HAVE THE
25 MONEY, BUT WE'RE GETTING VERY CLOSE TO THAT REALITY.

1 WE HAVE -- AS WE DISCUSSED AT THE LAST BOARD MEETING,
2 WE'RE GOING TO CLOSE THIS INCREMENTALLY. AND WE HAVE
3 SOME WORK TO DO, BUT WE'RE TRYING TO GET THE LAST PIECE
4 OF THAT WORK DONE VERY QUICKLY.

5 MS. SAMUELSON: CAN YOU GIVE AN ESTIMATE
6 ROUGHLY?

7 MR. KLEIN: I COULD AND EVERYONE ELSE WOULD
8 HANG ME.

9 MS. SAMUELSON: OKAY. WELL, HERE'S THE
10 DIFFICULTY THEN. IDEALLY WE WOULDN'T RUSH WITH
11 ANYTHING INTERIM. WE WOULD JUST DO THE JOB WE NEED TO
12 DO TO HAVE SOMETHING THAT WE'RE ALL COMFORTABLE WITH.
13 AND IF THE MONEY ISN'T GOING TO BE AVAILABLE UNTIL
14 THEN, THAT PROCESS MAKES MORE SENSE THAN THIS SORT OF
15 TRUNCATED ONE, TO ME. BUT IF THE MONEY IS GOING TO BE
16 THERE, THEN SOMETHING THAT IS TRULY INTERIM, THAT
17 DOESN'T BIND OUR RECOMMENDATIONS AND OUR FREE CREATIVE
18 PROCESS THEREAFTER, IT COULD BE USED JUST FOR THAT
19 FUNDING IF NEED BE.

20 MR. KLEIN: I THINK THAT WE'RE ALL
21 STRONGLY -- WELL, I CAN ONLY SPEAK AS ONE INDIVIDUAL AS
22 BEING STRONGLY SUPPORTIVE. I HEARD SHERRY SAYING SHE
23 WAS STRONGLY SUPPORTIVE OF A POSITION WHERE THIS IS
24 REALLY INTERIM. IT IS NOT INTENDED TO BIND OUR FUTURE
25 CREATIVE PROCESS AND RESPONDING TO IDEAS FROM THE

1 PUBLIC ON HOW WE CAN ENHANCE THAT CREATIVITY. THIS
2 CREATES A BASE CONDITION.

3 DR. HALL: BOB, MAY I SHARE SOMETHING THAT
4 WE'VE LEARNED IN GOING THROUGH THIS AND TALKING ABOUT
5 THE TRAINING GRANT FACILITIES; AND THAT IS, A
6 WILLINGNESS OF OUR INSTITUTIONS TO SIGN OFF ON A
7 DOCUMENT THAT MAY BEAR NO RESEMBLANCE TO SOMETHING
8 THAT'S COMING DOWN THE ROAD AT A LATER TIME IS LIMITED.
9 AND WE HAVE OVER WHAT I WOULD REGARD IN SOME CASES AS
10 RELATIVELY SMALL ISSUES, WE HAVE RUN UP ON RESISTANCE.
11 ONE OF THE ISSUES THAT WE FACE NOW IS THAT UNIVERSITY
12 OF CALIFORNIA IN PARTICULAR WANTS TO LOOK AHEAD FROM
13 THE TRAINING GRANT POLICIES AND MAKE SOME ESTIMATE ON
14 THOSE AREAS IN WHICH WE DON'T GIVE THEM THE
15 SATISFACTION THEY WOULD LIKE. THEY SAY, OKAY, LET'S
16 LOOK AT THE BIG GAP. IF THAT'S PASSED, THEN WE KNOW
17 WHERE WE STAND, AND WE'RE OKAY TO GO AHEAD WITH THIS.

18 BUT I THINK JUST A WORD OF WARNING. IF WE
19 PUT THIS OUT THERE AS AN INTERIM POLICY THAT MAY BEAR
20 NO RESEMBLANCE TO WHAT WE DO LATER, THEN I THINK WE'RE
21 GOING TO HAVE A HARD TIME WITH MANY OF THE
22 INSTITUTIONS. AND IF SOME OF YOU FEEL DIFFERENTLY
23 ABOUT THIS, PLEASE SPEAK UP. THAT'S BEEN OUR
24 EXPERIENCE.

25 MR. KLEIN: WE ALREADY KNOW, FOR EXAMPLE,

1 THAT THE IP POLICY AND THE MEDICAL AND ETHICAL
2 STANDARDS WHICH ARE INCORPORATED, YOU KNOW, HAVE GONE
3 THROUGH SOME VERY THOUGHTFUL PROCESSES AND ARE FAIRLY
4 REFINED. BUT IN TERMS OF THE KINDS OF GRANTS THAT WE
5 OFFER IN THE FUTURE OR THE STRUCTURE OF THOSE GRANTS OR
6 THE CRITERIA FOR THEM, I MEAN IT'S WIDELY KNOWN THAT
7 THOSE ARE GOING TO BE SET AS WE GO AND BE SET IN THE
8 STRATEGIC PLAN, WHICH INTERFACES WITH THIS WHOLE
9 PROCESS. BUT THERE ARE ADMINISTRATIVE PORTIONS OF THIS
10 THAT YOU'RE TALKING ABOUT THAT THEY NEED TO KNOW ABOUT
11 NOW THAT COULD REMAIN VERY STABLE.

12 MS. SAMUELSON: IF THAT'S ALL WE'RE TALKING
13 ABOUT, THEN THAT'S ONE THING, BUT WE NEED TO BE VERY
14 CLEAR ABOUT THIS, I THINK, BECAUSE THE PROCESS WE'RE
15 USING RIGHT NOW AND THAT WE'VE USED UP TO THIS POINT
16 DOESN'T BEGIN TO FULLY RESPOND TO PROP 71'S AIMS. I
17 THINK WE HAVE TO RECOGNIZE THAT. AND WE NEED TO AT
18 SOME POINT GO BACK TO THE FULL SCOPE OF THE
19 RESPONSIBILITIES OF THIS WORKING GROUP AND CONSTRUCT
20 SOMETHING THAT MAKES THE VERY BEST USE OF THE CREATIVE
21 TALENT OF THE PEOPLE WE HAVE ON THIS LINE.

22 MR. KLEIN: I THINK, JOAN, WE SHOULD
23 DIFFERENTIATE BECAUSE ON A LEGAL BASIS, I THINK WE'VE
24 DONE EXTRAORDINARILY WELL UNDER PROP 71. ON A CREATIVE
25 BASIS, WE'RE JUST SETTING THE PLATFORM WHERE WE CAN

1 THEN DEAL WITH THE CREATIVE POSSIBILITIES OF GRANT
2 PROGRAMS THAT MIGHT EXIST AND INNOVATIVE APPROACHES TO
3 GRANT PROGRAMS.

4 MS. SAMUELSON: BUT THOSE ARE VERY IMPORTANT
5 NONETHELESS.

6 MR. KLEIN: ABSOLUTELY. THEY'RE GOING TO BE
7 IMPORTANT HERE AND IN OUR STRATEGIC PLAN AS WELL.

8 MS. SAMUELSON: I'M HEARING THAT WE MAY BIND
9 OURSELVES TODAY TO SOMETHING THAT DR. HALL THINKS WILL
10 HAVE HUGE PUSH-BACK IN CHANGING. AND I DON'T WANT US
11 TO BE IN A POSITION OF AGREEING TO THAT IF THAT'S THE
12 CASE.

13 MR. KLEIN: DR. HALL, MY INTERPRETATION OF
14 WHAT YOU WERE RELATING TO WAS CREATING STABILITY IN
15 ADMINISTRATIVE AREAS AND PROCEDURAL AREAS DEALING WITH
16 THE ADMINISTRATION OF GRANTS AND IP POLICY AND MEDICAL
17 AND ETHICAL STANDARDS, BUT YOU WEREN'T SUGGESTING THAT
18 THE INSTITUTIONS WOULD BIND OUR ABILITY TO CREATE
19 INNOVATIVE NEW GRANT PROGRAMS?

20 DR. HALL: NO, NOT AT ALL. IN FACT, ONE OF
21 THE THINGS I WANTED TO SAY WAS ONE OF THE REASONS I
22 WANTED TO ACTUALLY HAVE US GO THROUGH IT IS THAT MOST
23 OF THE ITEMS THAT ARE DEALT WITH IN THIS ARE, I THINK,
24 RATHER MUNDANE. THAT IS, THEY HAVE TO DO WITH A LOT OF
25 TECHNICAL ISSUES ABOUT THE CONTRACT BETWEEN OURSELVES

1 AND THE GRANTEE INSTITUTIONS. I THINK MANY OF THE
2 ISSUES THAT PEOPLE HAVE BEEN CONCERNED ABOUT HERE
3 REALLY HAVE TO DO MORE WITH OUR STRATEGIC PLAN AND HOW
4 WE PLAN TO ENERGIZE AND SHAPE OUR GRANTS PROGRAM THAN
5 IT DOES OUR GRANTS ADMINISTRATION POLICY. SO I WOULD
6 LIKE TO SEE US GO THROUGH THIS SECTION BY SECTION, TALK
7 ABOUT THE DIFFERENT ITEMS, AND THEN I THINK WE WILL BE
8 IN A MUCH BETTER POSITION TO UNDERTAKE THIS DISCUSSION,
9 WHETHER NOW OR AT THE ICOC MEETING, ABOUT WHETHER OR
10 NOT WE SHOULD DELAY IT AND WHETHER OR NOT IT SHOULD BE
11 AN INTERIM POLICY WITH THE IDEA THAT WE MAY COMPLETELY
12 CHANGE IT.

13 MY OWN SENSE IS THAT I THINK, AS I SAY, MOST
14 OF THESE ARE TECHNICAL AND ADMINISTRATIVE, AND THAT THE
15 REAL CHANCE FOR INNOVATION WILL COME THROUGH OUR
16 SCIENTIFIC STRATEGIC PLAN. I THINK THAT'S WHERE THE
17 FOCUS AND THE ENERGY OUGHT TO BE. I WOULD LIKE TO SEE
18 US GO AHEAD AND AT LEAST GET OUR ADMINISTRATIVE HOUSE
19 IN ORDER THAT WILL THEN FREE US UP TO GO AHEAD AND
20 BUILD ON THAT. AND SO IF WE COULD JUST GO THROUGH
21 THIS; AND THEN IF YOU WANT RETURN TO THIS QUESTION, I
22 THINK WE COULD DO SO. I WOULD LIKE JUST TO SEE US GO
23 THROUGH IT IF WE COULD, TALK ABOUT THE ISSUES --

24 MR. KLEIN: JOAN, GIVEN THE EFFECTIVE TIME,
25 WE HAVE LIMITED TIME TO BE ABLE TO GET THROUGH IT, WE

1 GOT TO GET THROUGH IT IN A THOUGHTFUL WAY IF WE'RE
2 GOING TO GET IT IN PLACE. SO I WOULD ASK IF, GIVEN
3 THAT WE'VE GOTTEN THIS HELPFUL DISCUSSION, WHICH IS
4 CLARIFYING, HOPEFULLY, AND LITERALLY NOT BINDING US IN
5 TERMS OF OUR GRANT PROGRAMS, CAN WE AT THIS POINT
6 EMBARK ON GOING THROUGH THIS?

7 MS. SAMUELSON: WELL, IT LOOKS LIKE THERE MAY
8 BE SOME MORE PUBLIC COMMENT. I THINK WE HAVE TO TAKE
9 CARE OF THAT FIRST, AND THEN SEE IF WE HAVE A QUORUM.
10 AND THEN WHAT WE MIGHT WANT TO DO IS START WITH THE
11 TRAINING GRANT PORTION SO WE'RE SURE THAT WE HAVE THOSE
12 UNDERWAY.

13 MS. AURITI: IT'S ELLEN AURITI FROM THE
14 UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT. I
15 JUST WANTED TO WEIGH IN AND SAY DR. HALL HAD IT EXACTLY
16 RIGHT WITH RESPECT TO MANY OF THE ISSUES THAT WE'VE
17 RAISED AND DISCUSSED WITH CIRM STAFF. I THINK MANY OF
18 THOSE ARE INCORPORATED IN THE MATERIALS THAT WERE
19 DISTRIBUTED TO MEMBERS. MANY OF THEM ARE PROBABLY MORE
20 MUNDANE TECHNICAL ISSUES, BUT VERY IMPORTANT ISSUES TO
21 GRANTEE INSTITUTIONS. AND WE DO NEED SOME CERTAINTY
22 AND SOME STABILITY IN KNOWING HOW WE'RE GOING TO BE
23 MOVING FORWARD ONCE GRANTS -- ONCE MONEY BECOMES
24 AVAILABLE. AND FROM OUR PERSPECTIVE, WE'D MUCH RATHER
25 HAVE SOME OF OUR CONCERNS ADDRESSED, TAKEN CARE OF, AND

1 CONSIDERED BY THE WORKING GROUP AND BY THE ICOC NOW SO
2 THAT WE CAN GET OUR PROGRAMS IN PLACE, KNOWING WHAT THE
3 TERMS ARE RATHER THAN HAVING AN INTERIM POLICY THAT
4 PERHAPS IS MORE IMPERFECT.

5 WE'D LIKE THE OPPORTUNITY TO GET THE ISSUES
6 ADDRESSED NOW. I THINK THAT WOULD BE VERY HELPFUL FOR
7 US MOVING FORWARD. AND WE HAVE SOME FOLKS FROM OUR
8 GRANTS -- FROM OUR RESEARCH ADMINISTRATION OFFICE HERE
9 WHO COULD SPEAK TO ANY OF THE ISSUES THAT MAYBE MEMBERS
10 HAVE QUESTIONS ABOUT THAT WE RAISED WITH RESPECT TO THE
11 MUNDANE, TECHNICAL, BUT IMPORTANT ISSUES FOR US.

12 MR. CLAEYS: FIRST OF ALL, I WANT TO THANK
13 THE WORKING GROUP FOR THE OPPORTUNITY FOR THIS PUBLIC
14 COMMENT. MIKE CLAEYS FROM THE ALLIANCE FOR STEM CELL
15 RESEARCH. I WANT TO JUST CLARIFY THAT OUR POSITION IS
16 NOT TO IN ANY WAY DELAY THE POLICY FOR THE TRAINING
17 GRANTS TO GO FORWARD, BUT RATHER TO TAKE A STEP BACK
18 AND ASK FOR MORE INPUT INTO DEVELOPING THE BIG GAP
19 POLICIES, AS YOU DESCRIBE THEM, AND THINK THAT WE WANT
20 TO SEE THE CONCERNS OF THE FUNDEES BEING MET, OR THE
21 GRANT RECIPIENTS BEING MET, BUT WE'D HATE TO SEE THE
22 TAIL WAG THE DOG IN THIS SITUATION WHERE THE PROGRAM IS
23 HAMSTRUNG BY THE REQUIREMENTS OF THE GRANT RECIPIENTS.

24 I THINK THAT A CREATIVE DISCUSSION CAN BE
25 DONE IN A TIMELY FASHION THAT WOULD ALLOW FOR THE CIRM

1 TO TAKE ADVANTAGE OF MULTIPLE MECHANISMS FOR AWARDING
2 FUNDS, RUNNING DIFFERENT KINDS OF PROGRAMS
3 SIMULTANEOUSLY WHEN THE FUNDING IS UP AND RUNNING SO
4 THAT THEY CAN BE STIMULATING INNOVATIVE SCIENCE AND
5 MUNDANE SCIENCE AT THE SAME TIME. AND OUR HOPE WOULD
6 BE THAT THE ICOC WOULD PUT OFF ACCEPTING THE BIG GAP
7 UNTIL THERE'S BEEN A CHANCE FOR MORE DISCUSSION AND
8 MORE INPUT FROM PEOPLE WHO ADMINISTER INNOVATIVE
9 PROGRAMS. AND AGAIN, I THANK YOU FOR THE TIME FOR
10 COMMENT.

11 MS. SAMUELSON: I WOULD LIKE TO, I THINK,
12 MAKE A MOTION TO THAT EFFECT. I'M HEARING A VARIETY OF
13 CONCERNS ABOUT --

14 DR. HALL: WHAT IS THE MOTION?

15 MS. SAMUELSON: TO PROCEED TO REVIEW THE
16 PORTIONS OF THIS DOCUMENT THAT WOULD PERTAIN TO THE
17 TRAINING GRANTS AND CONSOLIDATE THEM INTO THEIR OWN
18 DOCUMENT SO THAT THEY CAN GOVERN THE TRAINING GRANT
19 FUNDING AS SOON AS IT'S AVAILABLE, BUT THEN PROCEED TO
20 REVISIT THE APPROACH THAT THE WORKING GROUP WOULD LIKE
21 TO TAKE ITSELF TO THE WHOLE ISSUE OF GRANTS FUNDING AND
22 THE RESPONSIBILITIES THAT ARE IDENTIFIED FOR THE
23 WORKING GROUP UNDER PROPOSITION 71.

24 MR. SERRANO-SEWELL: MADAM, VICE CHAIR, THIS
25 IS DAVID. IF YOU WOULD PLEASE POLL THE MEMBERS ON THAT

1 POINT, AND I'LL START WITH MYSELF. I'M IN AGREEANCE
2 WITH DR. HALL, THAT WE OUGHT TO LOOK AT THE ENTIRE
3 PACKAGE THIS AFTERNOON WHILE WE HAVE EVERYBODY ON THE
4 PHONE, THAT IT WOULD BE OKAY -- THIS IS WHERE I PERHAPS
5 DISAGREE WITH DR. HALL AND THE UC'S OFFICE -- I THINK
6 IT WOULD BE OKAY TO HAVE AN INTERIM ADMINISTRATION
7 POLICY IN PLACE. AND, YOU KNOW, IT GIVES A STRONG
8 INDICATION TO THOSE INSTITUTIONS WHERE WE'RE AT.
9 THERE'S LIKELY -- I DON'T KNOW IF THERE'LL BE BIG
10 CHANGE OR NOT, BUT I THINK MOST OF THESE ELEMENTS, AS
11 DR. HALL DESCRIBED, ARE MUNDANE AND ARE NOT SUBJECT TO
12 DRAMATIC CHANGE. AND A LOT OF THIS WILL GET PLAYED OUT
13 IN THE STRATEGIC PLANNING COMMITTEE PROCESS. SO I'M
14 PREPARED, JUST AS ONE MEMBER, TO DISCUSS THE ENTIRE
15 PACKAGE AND NOT JUST CARVE OUT THE TRAINING PIECE OF IT
16 ONLY, BUT I'LL GO WITH THE WILL OF THE WHOLE COMMITTEE.

17 MR. KLEIN: THIS IS BOB KLEIN. I WOULD
18 SUPPORT DAVID SERRANO-SEWELL'S POSITION, BUT I THINK WE
19 SHOULD GO THROUGH -- DAVID, ARE YOU MAKING A CALL --
20 MAKING A MOTION FOR A VOTE?

21 MR. SERRANO-SEWELL: I THINK JOAN PUT A
22 MOTION ON THE TABLE TO SORT OF DO A CARVE-OUT WITH THE
23 TRAINING GRANTS. I'M SAYING BEFORE WE ENTERTAIN THAT
24 MOTION -- JOAN, IF I UNDERSTOOD YOU TO MAKE THAT
25 MOTION. IF YOU WOULD PLEASE, BEFORE WE VOTE OR DO A

1 FORMAL MOTION, POLL THE MEMBERS BECAUSE I THINK THERE'S
2 TWO DIRECTIONS WE CAN GO INTO, WHAT YOU DESCRIBED AND
3 WHAT I'VE DESCRIBED. SO JUST POLL THE MEMBERS. THAT'S
4 ALL I'M ASKING. YOU'VE HEARD FROM ME AND YOU'VE HEARD
5 FROM BOB.

6 CHAIRMAN ORKIN: I WOULD AGREE.

7 DR. DONAHOE: I AGREE.

8 DR. KIMBLE: I DO AS WELL.

9 DR. BONNER-WEIR: I DO AS WELL.

10 MS. FEIT: I AGREE. MARCY FEIT.

11 DR. BRIVANLOU: I AGREE.

12 DR. STEINDLER: I AGREE.

13 DR. MACKLIS: I AGREE.

14 DR. CHIU: I'M GOING TO CALL OUT A FEW NAMES,
15 AND I WANT TO KNOW THE POSITION OF THESE MEMBERS. SO
16 ANDREW FEINBERG. ALEX JOYNER. SHERRY LANSING. JEFF
17 ROTHSTEIN. PABLO RUBINSTEIN. JEFF SHEEHY. DO NOT
18 AGREE?

19 MR. SHEEHY: I'M LISTENING.

20 DR. CHIU: I THOUGHT THEY WERE TAKING A VOTE.

21 MR. SHEEHY: DOING A STRAW VOTE.

22 DR. CHIU: JON SHESTACK IS NOT HERE. RAINER
23 STORB. CLIVE SVENDSEN. JANET WRIGHT.

24 DR. WRIGHT: I AGREE.

25 DR. CHIU: GEORGE YANCOPOULOS. AND WISE

1 YOUNG IS NOT HERE.

2 MS. SAMUELSON: DO WE HAVE A QUORUM?

3 DR. CHIU: NO.

4 MS. SAMUELSON: HOW MANY DO WE HAVE AND HOW
5 FAR ARE WE FROM A QUORUM?

6 DR. CHIU: WE LOST SHERRY. WE NEED TWO MORE.
7 WE' RE 13.

8 MS. SAMUELSON: WELL, THEN WE' RE REALLY
9 HAVING A DISCUSSION AND NOT A MEETING AT THIS POINT.
10 ALL RIGHT.

11 MR. KLEIN: WHATEVER IS FORWARDED HERE,
12 UNLESS WE HAVE A QUORUM, WILL BE FORWARDED AS A
13 DISCUSSION POSITION.

14 MS. SAMUELSON: RIGHT. RIGHT.

15 MR. SERRANO-SEWELL: DO WE HAVE AN OUTCOME ON
16 THE POLLING OF THE MEMBERS?

17 DR. CHIU: WE DON' T HAVE A QUORUM, BUT WE
18 HAVE A MAJORITY OF AGREEING, JOAN NOT, AND JEFF THERE
19 IS NO VOTE EITHER WAY.

20 MR. SHEEHY: ABSTENTION.

21 MR. SERRANO-SEWELL: IT SEEMS AS THOUGH -- I
22 DON' T WANT TO TAKE CONTROL OF THIS MEETING, BUT IT
23 SEEMS AS THOUGH, WITHOUT QUORUM, THE MAJORITY, THE WILL
24 OF THIS WORKING GROUP IS TO, I THINK, DO WHAT DR. HALL
25 HAS PROPOSED IN TERMS OF A DISCUSSION.

1 MS. SAMUELSON: I THINK --

2 MR. SERRANO-SEWELL: CAN WE START?

3 MS. SAMUELSON: I THINK WE SHOULD GO THROUGH
4 THE DOCUMENT.

5 CHAIRMAN ORKIN: LET'S HAVE A BRIEF
6 DISCUSSION OF THE WHOLE DOCUMENT. AND I THINK MANY
7 MEMBERS OF THE WORKING GROUP, IF I COULD SPEAK TO THEM,
8 WOULD PROBABLY, I THINK, BELIEVE THAT THERE IS REALLY
9 THE SEPARATION BETWEEN THE SORT OF ADMINISTRATIVE
10 MECHANICS VERSUS MORE STRATEGIC ASPECTS ABOUT
11 COLLABORATIVE RESEARCH AND HOW TO GET INNOVATIONS. AND
12 I THINK THOSE ARE TWO SEPARATE ISSUES WHICH OUGHT TO BE
13 DISTINGUISHED.

14 DR. CHIU: MR. CHAIR, WITH YOUR PERMISSION,
15 AND, MADAM CHAIR, GIL SAMBRANO AND I, ARLENE CHIU, WILL
16 TAKE TURNS PRESENTING THE CHAPTERS TO THE WORKING GROUP
17 FOR YOUR COMMENTS, DISCUSSION, AND RECOMMENDATIONS THAT
18 WE CAN TAKE TO THE ICOC.

19 MS. SAMUELSON: CAN YOU IDENTIFY WHAT AND
20 WHERE IN THE DOCUMENT YOU'RE TALKING FROM?

21 DR. CHIU: I WILL. FIRST OF ALL, WE ARE
22 GOING TO BE DEALING WITH THE LATEST VERSION THAT WAS
23 SENT TO YOU VERY RECENTLY. THIS IS VERSION 9D
24 IDENTIFIED AT THE BOTTOM, AND IT'S IN YOUR BOOK, JOAN,
25 THE ONE IN YOUR BOOK. THIS VERSION SHOWS RECENT

1 CHANGES. IT TRACKS RECENT CHANGES IN LANGUAGE THAT THE
2 CIRM TEAM HAVE MADE TO IMPROVE THE CLARITY OF THE
3 DOCUMENT.

4 SO STARTING WITH CHAPTER 1, WHICH IS PAGES 4
5 THROUGH 13 OF YOUR DOCUMENT, CHAPTER 1 CONTAINS GENERAL
6 INFORMATION STRUCTURED INTO SIX SECTIONS FROM A THROUGH
7 F. IT INCLUDES -- COVERS ABBREVIATIONS USED, A
8 GLOSSARY WITH DEFINITIONS, DESCRIPTIONS OF TYPES OF
9 SUPPORT. THE MOST IMPORTANT PART IN THIS CHAPTER
10 DEFINES THE ROLES AND RESPONSIBILITIES OF CIRM STAFF
11 AND OF THE STAFF AT GRANTEE ORGANIZATIONS. AND THE
12 LAST PART OF THE CHAPTER COVERS SOURCES OF INFORMATION.

13 SO, MR. CHAIRMAN, I REQUEST DISCUSSION OF
14 THIS CHAPTER AT THIS POINT. CHAPTER 1.

15 DR. KIMBLE: CAN I ASK A QUESTION OF
16 CLARIFICATION? IF WE DON'T HAVE A QUORUM, ARE WE GOING
17 TO BE DOING THIS MEETING AGAIN?

18 DR. HALL: NO.

19 MS. SAMUELSON: THIS WILL HAVE NO FORCE AND
20 EFFECT.

21 DR. HALL: NO. I THINK WE WILL TAKE IT TO
22 THE ICOC MEETING; ISN'T THAT CORRECT? WE'LL TAKE IT TO
23 THE ICOC MEETING WITH THE CONSENSUS APPROVAL OF THOSE
24 WHO ARE PRESENT.

25 MR. KLEIN: THE REQUEST THAT THE BOARD HAS

1 MADE OF THE WORKING GROUP IS TO BRING FORWARD THIS
2 DOCUMENT. IF YOU DON'T HAVE A QUORUM, YOU WILL NEED TO
3 BRING IT FORWARD WITH A CONSENSUS.

4 DR. KIMBLE: THANK YOU.

5 MR. SHEEHY: CAN I ASK JUST A QUESTION?
6 BECAUSE IT'S NOT CLEAR THAT THE DOCUMENT, THE COMMENTS
7 WE'VE RECEIVED ARE INCORPORATED IN THIS VERSION.

8 DR. CHIU: THAT IS CORRECT. IT HASN'T BEEN
9 BECAUSE WE RECEIVED THEM TOO LATE.

10 MR. SHEEHY: SHOULD WE GET A REVIEW OF THOSE
11 BECAUSE THEY SEEM FAIRLY PERFUNCTORY AND THE SORT OF
12 THING WE WOULD ADOPT. HOW DO YOU WANT TO INTEGRATE
13 THOSE IN?

14 DR. CHIU: WELL, WE WERE HOPING TO BRING
15 THOSE TO THE ICOC AS THEY HAVE COME IN, THE VERY
16 LETTER, BUT WE SHOWED IT TO THE WORKING GROUP SO THEY
17 KNOW THE SUBSTANCE OF WHAT WAS PROPOSED, AND THAT'S WHY
18 THE LENGTHY DOCUMENT.

19 MR. SHEEHY: I THINK THIS IS GREAT THE WAY
20 THAT THIS IS PRESENTED, BUT JUST IN TERMS OF PROCESS
21 HOW WE CAN MAKE SURE THAT IT'S INCLUDED IN IN A WAY
22 THAT INDICATES TO PEOPLE LIKE UCOP AND THE OTHER FOLKS
23 WHO'VE HAD COMMENTS THAT THEIR COMMENTS HAVE BEEN NOTED
24 AND HAVE BEEN INCORPORATED IN THE FINAL DOCUMENT.

25 DR. HALL: SO WHAT WE HAD PLANNED AND WE

1 CAN -- I'M HAPPY TO DISCUSS THIS IF YOU WISH.

2 MS. SAMUELSON: AND EXCUSE ME. WHERE IS WHAT
3 JEFF WAS JUST TALKING ABOUT?

4 DR. CHIU: THIS IS THAT LATEST DOCUMENT WE
5 SENT TO YOU.

6 MS. SAMUELSON: WHEN WAS THAT RECEIVED?

7 DR. CHIU: YESTERDAY OR TWO DAYS AGO.

8 MR. SHEEHY: WE'VE HAD THIS FOR A COUPLE
9 DAYS.

10 MS. SAMUELSON: I DON'T KNOW WHAT YOUR TRAVEL
11 AND WORK SCHEDULE HAS BEEN LIKE, BUT I HAVEN'T HAD TIME
12 TO REVIEW THEM THAT LATE. WE CAN'T ASSUME THAT PEOPLE
13 CAN REVIEW --

14 DR. CHIU: WE GOT THEM PRETTY LATE.

15 MS. SAMUELSON: I KNOW. IT'S NOT A
16 CRITICISM. IT'S JUST A QUESTION ABOUT HOW WE PROCEED.

17 MR. SHEEHY: IT'S ALL VERY REASONABLE AND
18 VERY TECHNICAL.

19 DR. HALL: WHAT WE THOUGHT WAS, BECAUSE WE
20 HAVE A LOT OF COMMENTS FROM THOSE PEOPLE, WE EXPECT
21 COMMENTS FROM THE WORKING GROUP, THAT WE WOULD GO
22 THROUGH MORE OR LESS INDEPENDENTLY; THAT IS, WE WOULD
23 NOT ASK YOU TO NECESSARILY COMMENT ON EACH OF THOSE.
24 IF THEY CAME UP IN CONCERNS THAT WORKING GROUP MEMBERS
25 HAD, THEN THAT WOULD BE RELEVANT. AND THEN WE WOULD

1 BRING ALL OF THIS, COMBINE THEM ACTUALLY, TO THE ICOC
2 AND SAY HERE ARE THE CHANGES THAT HAVE BEEN SUGGESTED.
3 AND WE MAY ALSO HAVE CHANGES FROM THE PUBLIC, OTHERS
4 THAT COME IN, AND SO WE WOULD BRING THOSE IN AND THEN
5 TRY TO INTEGRATE EVERYTHING AT THE ICOC MEETING WHERE
6 THE BASIC DOCUMENT PLUS THE CHANGES SUGGESTED BY THE
7 WORKING GROUP, THE CHANGES SUGGESTED BY GRANTEE
8 INSTITUTIONS, AND OTHERS ALL WOULD BE CONSIDERED
9 TOGETHER.

10 SO JUST IN THE INTEREST OF TIME, WE WOULD
11 LIKE TO GET, FIRST OF ALL, EVERYBODY'S COMMENTS ON THE
12 BASIC DOCUMENT. AND THEN IF THERE'S TIME, WE CAN GO
13 INTO THE OTHERS, BUT WE HAVE QUITE A BIT -- WE WANT TO
14 HEAR FROM YOU ON THE BASIC DOCUMENT, NOT ON THE
15 COMMENTS THAT HAVE BEEN MADE.

16 MR. SHEEHY: YEAH. I JUST WANTED TO MAKE
17 SURE THAT THEY WOULD BE INCLUDED IN THE FINAL.

18 DR. HALL: ABSOLUTELY.

19 DR. CHIU: SO ARE THERE ANY COMMENTS FROM THE
20 WORKING GROUP ON CHAPTER 1?

21 CHAIRMAN ORKIN: I THOUGHT IT WAS QUITE CLEAR
22 AND STRAIGHTFORWARD.

23 DR. HALL: DO YOU WANT TO ASK FOR COMMENTS
24 FROM THE WORKING GROUP, THEN COMMENTS FROM THE PUBLIC?

25 CHAIRMAN ORKIN: FROM THE GROUP, ANY COMMENT?

1 MS. SAMUELSON: WELL, I HAVE A COMMENT, WHICH
2 IS REALLY TO POINT OUT WHY I THINK IT'S MOST IMPORTANT
3 THAT WE REGARD THIS AS AN INTERIM DOCUMENT. IF THE
4 WORKING GROUP IS GOING TO ASSUME ANY RESPONSIBILITY FOR
5 SUCH THINGS AS RECOMMENDING INTERIM AND FINAL CRITERIA,
6 STANDARDS AND REQUIREMENTS FOR CONSIDERING FUNDING
7 APPLICATIONS AND AWARDING RESEARCH GRANTS, AND
8 RECOMMENDING STANDARDS FOR SCIENTIFIC AND MEDICAL
9 OVERSIGHT, BECAUSE THOSE ARE RESPONSIBILITIES THAT WE
10 HAVE, AND IF WE'RE GOING TO CEDE THEM PERMANENTLY TO
11 THE STAFF, THEN WE NEED TO UNDERSTAND THAT WE'RE DOING
12 THAT AND HAVE THERE BE A CONSIDERED DISCUSSION ABOUT
13 THAT AMONG OURSELVES AND THE ICOC. I DON'T THINK WE'RE
14 AT A POINT WHERE WE WANT TO DO THAT, BUT WE HAVE TO
15 REMEMBER, THEN, THAT THIS IS AN INTERIM DOCUMENT.

16 DR. HALL: IS THERE A PARTICULAR DESCRIPTION
17 OR PHRASE OR SOMETHING IN HERE THAT YOU ARE CONCERNED
18 WITH, JOAN?

19 MS. SAMUELSON: I DON'T WANT TO GET DOWN TO
20 PARSING EVERY WORD IN THE DOCUMENT BECAUSE I DON'T
21 THINK WE HAVE TIME AND THIS ISN'T THE TIME FOR THAT.

22 MR. KLEIN: IT VERY CLEARLY IS AN INTERIM
23 DOCUMENT, JOAN.

24 MS. SAMUELSON: OKAY. AS LONG AS WE'RE CLEAR
25 BECAUSE I HEARD SEVERAL CONCERNS VOICED FROM THE

1 UNIVERSITY OF CALIFORNIA, AS WELL AS DR. HALL, AND THE
2 ALLIANCE FOR STEM CELL RESEARCH THAT TO HAVE TWO
3 PARALLEL PROCESSES ONE AFTER THE OTHER WOULD BE
4 DISRUPTIVE AND CONFUSING.

5 DR. HALL: I WANT TO STATE FOR THE RECORD
6 THAT I WOULD BE HAPPY TO HAVE THE DESCRIPTION OF MY
7 OFFICE CHANGED HOWEVER THE ICOC OR WORKING GROUP WISHES
8 TO DO IT IN THIS DOCUMENT IN FUTURE VERSIONS.

9 CHAIRMAN ORKIN: IF YOU LOOK AT CHAPTER 1,
10 THOUGH, I THINK THERE'S NOTHING THAT THE WORKING GROUP
11 HAS CEDED IN TERMS OF EVALUATION OF POTENTIAL GRANTS IN
12 THE FUTURE. I DON'T SEE THAT. I SEE IT MOSTLY AS JUST
13 THE DEFINITION OF THE VARIOUS FUNCTIONS OF THE
14 PERSONNEL AND TERMINOLOGY.

15 ANY COMMENTS FROM THE WORKING GROUP? ANY
16 ADDITIONAL COMMENTS?

17 DR. MACKLIS: I GUESS I SUPPORT WHAT DR.
18 ORKIN JUST SAID. AND TO COMMENT ABOUT JOAN SAMUELSON'S
19 USING THE WORD "CEDING," PERHAPS WE SHOULD USE A
20 DIFFERENT VERB, THAT THERE ARE INCREDIBLY WORLD-CLASS,
21 HIGHLY TRAINED SCIENTIFIC ADMINISTRATION STAFF MEMBERS
22 AT CIRM WHO ARE HELPING TO GUIDE US AS A WORKING GROUP
23 IN ESTABLISHING EXCELLENT POLICY. I DON'T SEE ANYTHING
24 THAT GOES AGAINST THAT. I DON'T FEEL THAT WE'RE CEDING
25 ANYTHING, BUT RATHER WE'RE TAKING ADVANTAGE OF

1 EXCELLENT LEADERSHIP. THANK YOU.

2 CHAIRMAN ORKIN: THANK YOU. I AGREE. ANY
3 OTHER COMMENTS FROM THE WORKING GROUP? CAN WE TAKE
4 COMMENTS FROM THE PUBLIC ON CHAPTER 1? PUBLIC
5 REPRESENTATIVES.

6 MR. CLAEYS: THIS IS MIKE CLAEYS WITH THE
7 ALLIANCE FOR STEM CELL RESEARCH AGAIN. MY ONLY COMMENT
8 WOULD BE TO FOLLOW UP ON WHAT DR. MACKLIS HAD SAID, AND
9 I DON'T THINK THAT THERE'S ANY DISAGREEMENT ABOUT THE
10 QUALITY OF THE CIRM STAFF. I THINK IT'S MORE OF A
11 QUESTION THE QUALITY -- THE INTELLIGENCE AND THE HARD
12 WORK OF THE STAFF. IT'S MORE OF A QUESTION OF THE
13 PROCESS AS LAID OUT IN PROPOSITION 71, AND IS THE -- IS
14 THE WORKING GROUP REACTING TO RECOMMENDATIONS MADE BY
15 THE STAFF, OR ARE THE WORKING GROUP MEMBERS WHO HAVE
16 BEEN APPOINTED BY ELECTED OFFICIALS DRIVING THE
17 PROCESS? SO I GUESS THE QUESTION WOULD BE WHO'S
18 DRIVING AND WHO'S SUPPORTING?

19 DR. HALL: COULD WE KEEP OUR COMMENTS TO
20 CHAPTER 1? AND IF YOU HAVE SPECIFIC ISSUES WITH THE
21 WORDING HERE. I DON'T THINK -- THAT PARTICULAR ISSUE
22 IS A VERY LARGE ISSUE AND I DON'T THINK GERMANE
23 SPECIFICALLY TO THE LANGUAGE IN CHAPTER 1 UNLESS I
24 MISSED SOMETHING. IF IT IS, IF YOU COULD SAY SO, THAT
25 WOULD BE GREAT.

1 MR. CLAEYS: FAIR ENOUGH. I WAS FOLLOWING UP
2 ON THE COMMENTS OF PREVIOUS SPEAKERS.

3 MS. SAMUELSON: AS FAR AS I'M CONCERNED, IT
4 IS THE ISSUE THAT I'M CONCERNED WITH, WITH THIS
5 CHAPTER, SOME OF THE LANGUAGE IN IT AND PERHAPS IN
6 SUCCEEDING CHAPTERS. SO WE MAY HAVE TO SIMPLY DECIDE
7 THAT WE'RE INTERESTED IN BOTH GOING AHEAD AND TRYING TO
8 KEEP FLEXIBILITY, AND WE WILL SEE HOW THAT WORKS IN THE
9 FUTURE.

10 CHAIRMAN ORKIN: ANY OTHER COMMENTS
11 SPECIFICALLY ADDRESSING CHAPTER 1?

12 DR. HALL: ANY COMMENT FROM THE PUBLIC HERE?

13 MR. MEARS: DAVID MEARS. I'M THE DIRECTOR OF
14 RESEARCH ADMINISTRATION, UNIVERSITY OF CALIFORNIA.
15 WE'VE WORKED VERY CLOSELY WITH STAFF TO ANALYZE THE
16 DOCUMENT AND PROVIDE SPECIFIC COMMENTS. WE'RE PLEASED
17 FOR THAT OPPORTUNITY TO DO SO. BUT I MUST ADMIT THAT
18 IT'S A BIT FRUSTRATING TO NOT KNOW WHAT THE STAFF'S
19 RESPONSE IS TO THE COMMENTS. AND WITHOUT SEEING A
20 RESPONSE LIKE THE APA WHERE AN ISSUE AND THEN A
21 RESPONSE, WE DON'T KNOW WHAT THE OUTCOME IS. AND SO
22 THIS FORUM HERE IS NOT AN OPPORTUNITY TO GO THROUGH THE
23 COMMENTS AND GET A RESPONSE.

24 SO THIS IS ALL GOING TO BE GATHERED UP AND
25 SENT TO THE ICOC, BUT, YOU KNOW, AT VERY HIGH LEVELS I

1 DON'T KNOW HOW THEY'RE GOING TO BE DEALING WITH A LOT
2 OF THIS MACHINERY KIND OF MATERIAL THAT YOU SUGGESTED
3 IS PRETTY MUCH THE MECHANICS OF THE GRANT PROCESS.

4 DR. HALL: ONCE AGAIN, WE'RE TRYING TO FOCUS
5 ON CHAPTER 1 HERE. IF YOU HAVE ISSUES ON CHAPTER 1
6 THAT YOU'D LIKE TO BRING UP, YOU MAY.

7 MR. MEARS: WE'VE DONE THAT IN OUR WRITTEN
8 COMMENTS.

9 DR. HALL: OUR ISSUE, WHICH WE'RE TRYING TO
10 DO, IS TO GET COMMENTS FROM THE WORKING GROUP. WE HAVE
11 SPENT A LOT OF TIME WITH YOU, AND WE WILL SPEND MORE
12 TIME WITH YOU. IF THERE'S TIME, WE WILL HAVE THE
13 WORKING GROUP COMMENT ON YOUR ISSUES, BUT WE ARE -- WE
14 HAVE -- I CAN'T TELL -- WE NEED TO HEAR FROM OUR
15 WORKING GROUP ABOUT HOW THEY FEEL ABOUT THESE ISSUES.

16 MR. MEARS: I ACCEPT THAT. I JUST WANTED TO
17 VOICE MY FRUSTRATION IN NOT KNOWING WHAT THE RESPONSES
18 TO OUR COMMENTS WERE.

19 MS. SAMUELSON: AND I WOULD LIKE TO SAY IN
20 RESPONSE TO YOU, SIR, THIS IS HELPFUL TO ME BECAUSE IT
21 SUGGESTS SOMETHING THAT THE WORKING GROUP MIGHT WANT TO
22 RECOMMEND WHEN IT GETS TO ITS BUSINESS IN THE NEXT
23 MEETING, WHICH IS TO DIFFERENTIATE BETWEEN THINGS THAT
24 ARE TRULY POLICY, SOME OF WHICH PROBABLY ARE IN HERE IN
25 THIS DOCUMENT AND OTHER THINGS WHICH ARE REALLY A

1 MATTER OF THE EFFICIENT MANAGEMENT OF THE GRANTS
2 PROGRAM THAT THE WORKING GROUP MIGHT BEST STAY OUT OF
3 AND OVERSEE, BUT DELEGATE TO THE STAFF, OR RECOMMEND
4 THAT TO THE ICOC SO THAT YOU DON'T HAVE THAT CONFUSION.
5 SO THAT NONE OF US DO AND WE'RE NOT WASTING THE TIME OF
6 OUR SCIENTISTS AROUND THE COUNTRY.

7 MR. SHEEHY: MAYBE THE THING TO DO, AND
8 PEOPLE HAVE THE DOCUMENT IN FRONT OF THEM, IS TO AS WE
9 GO THROUGH EACH SECTION, TO DO A QUICK READ AND JUST
10 GIVE A SENSE OF THE COMMITTEE THAT WE AGREE WITH THE
11 CONCERNS AND THE FIXES THAT HAVE BEEN PROPOSED BY
12 STAFF. I THINK THIS IS LAID OUT FAIRLY CLEARLY BY
13 STAFF, AND I THINK THAT THE DIALOGUE HAS BEEN GOOD, AND
14 I CAN UNDERSTAND WHY SOME OF THE POTENTIAL RECIPIENTS
15 MAY WANT TO HAVE SOME SENSE OF APPROVAL EVEN IF WE
16 DON'T HAVE A QUORUM FOR THESE CHAPTER BY CHAPTER.

17 AND IF YOU LOOK ON PAGE 4, PEOPLE HAVE THE
18 DOCUMENT ON THE COMMENTS, THERE'S ONE ON CHAPTER 1.
19 AND A QUICK READ THROUGH THAT, I THINK NONE OF THIS IS
20 CONTROVERSIAL. I WOULD BE VERY HAPPY, IF WE CAN'T DO A
21 FORMAL MOTION, TO AT LEAST SUGGEST THAT THIS IS
22 SOMETHING THAT I'M EXTREMELY COMFORTABLE WITH AND I
23 THINK MAKES PERFECT.

24 DR. CHIU: I'D BE HAPPY TO DO THAT VERY
25 QUICKLY IF IT'S OKAY WITH THE GROUP. THAT ON PAGE 4 OF

1 YOUR COMMENTS FROM THE PUBLIC DOCUMENT, WE'RE GOING
2 THROUGH -- SOME OF THE DOCUMENTS ARE FROM CAL TECH OR
3 FROM UCOP. THE FIRST ABOUT DIRECT COSTS, I WAS GOING
4 TO DEFER THAT UNTIL WE COME TO THE SECTION IN CHAPTER 3
5 OR 5 WHERE WE ARE NOW WORKING AND WE WILL BE WORKING
6 WITH THE UNIVERSITIES TO GET THE LANGUAGE IN THIS
7 DOCUMENT MUCH MORE IN LINE WITH THE INTENT OF PROP 71.
8 SO I'D LIKE TO DEFER THE ACTUAL DISCUSSION OF DIRECT
9 COSTS.

10 IN TERMS OF EQUIPMENT, THE UCOP SUGGESTED
11 ADDING IN LANGUAGE THAT I'VE IDENTIFIED IN BOLD ABOUT
12 ACQUISITION COSTS WHICH EQUALS OR EXCEEDS THE LESSER OF
13 THE CAPITALIZATION LEVEL ESTABLISHED BY THE GRANTEE
14 INSTITUTION FOR FINANCIAL MANAGEMENT PURPOSES OR
15 \$5,000. AND WE WOULD RECOMMEND ACCEPTING THIS
16 LANGUAGE.

17 MOVING ON TO PAGE 9, UNDER THE TERM
18 "GRANTEE," WE WOULD LIKE TO SUBSTITUTE THE WORDS
19 "CAMPUSES" FOR "INSTITUTIONS" SO THAT IT BETTER REFLECT
20 THE CAMPUSES AT UC.

21 ON PAGE 9 TO 10, IN TERMS OF INDIRECT COST,
22 AGAIN, THIS IS AN AREA WHERE WE'RE GOING TO GO TO
23 REFLECT AND BE CONSISTENT WITH PROP 71, AND WE WILL BE
24 REVISING THAT SECTION.

25 IN CHAPTER 1, GENERAL INFORMATION, SECTION E,

1 RULES AND RESPONSIBILITIES, ON PAGE 14, PRINCIPAL
2 INVESTIGATOR. THIS IS SOMETHING FOR THE GROUP TO
3 CONSIDER, THAT THE PI IS AN INDIVIDUAL DESIGNATED BY
4 THE GRANTEE ORGANIZATION. AND WE HAD WANTED THE PI
5 ALSO TO BEAR RESPONSIBILITY FOR COMPLIANCE WITH THE
6 FINANCIAL AND ADMINISTRATIVE ASPECTS OF THE AWARD;
7 WHEREAS, UC FEELS THAT THE PI'S RESPONSIBLE WITH
8 COMPLYING WITH THE TERMS, BUT IS NOT RESPONSIBLE FOR
9 ENSURING COMPLIANCE WITH THE FINANCIAL AND
10 ADMINISTRATIVE ASPECTS OF THE AWARD. AND WE WOULD LIKE
11 TO KNOW HOW THE WORKING GROUP FEELS ABOUT
12 RESPONSIBILITY.

13 WE FEEL -- CIRM SUGGESTED THAT IT'S DUAL
14 RESPONSIBILITY, AND UC SUGGESTS THAT IT'S REALLY THE
15 RESPONSIBILITY OF THE INSTITUTION AND NOT THE PI.

16 MS. SAMUELSON: I'D LIKE TO HEAR FROM THE
17 SCIENTIFIC MEMBERS OF THE WORKING GROUP WHAT THEIR
18 EXPERIENCE WITH THAT HAS BEEN AND WHAT THEY RECOMMEND.

19 DR. DONAHOE: I CERTAINLY THINK THE PI SHOULD
20 BE RESPONSIBLE FOR THE FINANCIAL AND ADMINISTRATIVE
21 ASPECTS. USUALLY IT'S IN COOPERATION WITH THEIR
22 ADMINISTRATORS. THE PI SHOULD HAVE THE ULTIMATE
23 RESPONSIBILITY.

24 DR. CHIU: ARE THERE ANY OTHER COMMENTS FROM
25 THE WORKING GROUP?

1 CHAIRMAN ORKIN: I AGREE WITH PAT IN THE
2 SENSE THAT IT IS IN COOPERATION WITH THE INSTITUTION'S
3 MANAGEMENT FOLKS. GENERALLY, I THINK MOST
4 INVESTIGATORS BELIEVE THE ONUS IS ON THE INSTITUTION,
5 NOT ON THEMSELVES, ALTHOUGH THAT MAY NOT BE LEGALLY
6 CORRECT.

7 DR. BONNER-WEIR: AT OUR INSTITUTION IT IS
8 BOTH THE INSTITUTION AND THE PI WHO HAVE TO SIGN OFF ON
9 GRANT AWARDS.

10 DR. BRIVANLOU: THE SAME IS TRUE AT THE
11 ROCKEFELLER UNIVERSITY WHERE IT IS A SHARED
12 RESPONSIBILITY.

13 DR. STEINDLER: DENNIS STEINDLER AT THE
14 UNIVERSITY OF FLORIDA. IT'S A BIT MORE MYSTERIOUS
15 HERE. THE UNIVERSITY WANTS US TO FEEL THAT THE PI IS
16 RESPONSIBLE, BUT YET THEY SEEM TO TAKE A FAIR AMOUNT OF
17 CONTROL. SO THAT SAID, I SUPPORT WHAT DR. ORKIN SAID.
18 I THINK IT NEEDS TO BE FOLLOWED.

19 MS. SAMUELSON: THANK YOU.

20 CHAIRMAN ORKIN: I THINK YOU HAVE A SENSE OF
21 THE COMMITTEE ON THAT ONE.

22 DR. CHIU: YES, WE DO. THANK YOU.

23 I'D LIKE TO ASK FOR ACCEPTANCE OF THE
24 PROPOSED CHANGES IN CHAPTER 1, THE ACCEPTANCE OF
25 CHAPTER 1.

1 MR. SHEEHY: DO WE HAVE A QUORUM?

2 MS. SAMUELSON: WE DON'T HAVE A QUORUM, AND I
3 THINK WE NEED TO RECHECK WHO IS ACTUALLY ON THE LINE.

4 MR. SHESTACK: THIS IS JON SHESTACK. I'M ON
5 THE LINE ALSO.

6 DR. HALL: IF WE TAKE A VOTE, WE'LL FIGURE
7 OUT.

8 MR. SHESTACK: I'VE BEEN HERE FOR A WHILE.

9 MS. SAMUELSON: WE CAN'T TAKE A VOTE PER SE
10 BECAUSE WE DON'T HAVE A QUORUM.

11 MR. SHEEHY: A STRAW VOTE.

12 DR. HALL: IF WE'RE GOING TO SAY THAT WE'D
13 BRING THEM FORWARD WITH CONSENSUS. WE DON'T HAVE A
14 QUORUM, WE CAN'T FORMALLY RECOMMEND IT, BUT WE CAN DO,
15 AS WE'VE DONE WITH THE GOVERNANCE SUBCOMMITTEE AND I
16 THINK WITH STANDARDS, I'M NOT SURE, BUT WE BRING THINGS
17 FORWARD AND SAY THERE WAS NO QUORUM, BUT IT WAS A
18 CONSENSUS OF THOSE PRESENT THAT THIS BE DONE.

19 MR. SHEEHY: WE DID IT IN IP. MAYBE WHAT I
20 CAN DO IS MOVE THIS FORWARD, AND MAYBE IF I CAN GET A
21 SECOND, IF BY SOME CHANCE WE HAVE 15 PEOPLE ON THE
22 LINE, BECAUSE WE DON'T KNOW, THEN WE'LL ACTUALLY HAVE A
23 WORKING MOTION, AND WE CAN COME BACK AT THE END OF IT.
24 PERHAPS AT SOME POINT AT THE END OF IT, WE MAY HAVE 15.
25 AND IF PEOPLE DO COME IN LATER, THEY'LL FEEL

1 COMFORTABLE THAT THIS HAS BEEN REVIEWED AND WE CAN
2 RECAPITULATE FAIRLY QUICKLY.

3 DR. KIMBLE: I WOULD ALSO SAY IF WE DON'T GET
4 ON WITH IT, WE'RE GOING TO LOSE PEOPLE.

5 MR. SAMBRANO: LET ME GO AHEAD AND GO THROUGH
6 THE NAMES, AND JUST PLEASE INDICATE YES IF YOU AGREE
7 WITH THE CHAPTERS.

8 STU ORKIN.

9 CHAIRMAN ORKIN: YES.

10 MR. SAMBRANO: JOAN SAMUELSON.

11 MS. SAMUELSON: YES.

12 MR. SAMBRANO: ROBERT KLEIN. SUSAN
13 BONNER-WEIR.

14 DR. BONNER-WEIR: YES.

15 MR. SAMBRANO: ALI BRIVANLOU.

16 DR. BRIVANLOU: YES.

17 MR. SAMBRANO: PATRICIA DONAHOE.

18 DR. DONAHOE: YES.

19 MR. SAMBRANO: ANDREW FEINBERG. MARCY FEIT.

20 MS. FEIT: YES.

21 MR. SAMBRANO: ALEXANDRA JOYNER. JUDITH
22 KIMBLE.

23 DR. KIMBLE: YES.

24 MR. SAMBRANO: SHERRY LANSING. JEFFREY

25 MACKLIS.

1 DR. MACKLIS: YES.

2 MR. SAMBRANO: JEFFREY ROTHSTEIN. PABLO
3 RUBINSTEIN. DAVID SERRANO-SEWELL.

4 MR. SERRANO-SEWELL: YES.

5 MR. SAMBRANO: JEFF SHEEHY.

6 MR. SHEEHY: YES.

7 MR. SAMBRANO: JON SHESTACK.

8 MR. SHESTACK: YES.

9 MR. SAMBRANO: DENNIS STEINDLER.

10 DR. STEINDLER: YES.

11 MR. SAMBRANO: RAINER STORB. CLIVE SVENDSEN.
12 JANET WRIGHT. GEORGE YANCOPOULOS.

13 DR. YANCOPOULOS: I JUST WANTED TO SAY HI
14 BECAUSE I JUST WANTED TO MAKE SURE YOU GUYS COULD HEAR
15 ME BECAUSE I HADN'T SIGNED ON BEFORE.

16 DR. CHIU: WHO IS THIS?

17 DR. YANCOPOULOS: THIS IS GEORGE YANCOPOULOS.
18 I'LL SAY YES, BUT I JUST WANTED TO MAKE SURE THAT YOU
19 GUYS ARE AWARE I'VE BEEN HERE FOR A WHILE AND I DIDN'T
20 WANT TO INTERRUPT BEFORE.

21 MR. SAMBRANO: THANK YOU. AND WISE YOUNG.

22 MR. TOCHER: I COUNTED 13 YESES.

23 DR. CHIU: THIRTEEN YESES, SO WE DO HAVE
24 CONSENSUS.

25 MR. TOCHER: ASK IF THERE ARE ANY

1 ABSTENTIONS.

2 MR. SAMBRANO: ARE THERE ANY ABSTENTIONS?

3 DR. CHIU: NO.

4 MS. SAMUELSON: I THINK WE CAN ASSUME THAT IF
5 SOMEONE WASN'T NECESSARILY GOING TO SAY YES, BUT THEY
6 WERE PRESENT, THEY WOULD HAVE TO LET US KNOW.

7 DR. CHIU: SO I'D LIKE TO MOVE ALONG TO
8 CHAPTER 2, WHICH IS AN ORANGE CHAPTER. THERE ARE
9 THINGS FOR DISCUSSION. PAGE 14 THROUGH 18, AND THIS
10 CONTAINS THE GRANT APPLICATION AND REVIEW PROCESS
11 STRUCTURED INTO NINE SECTIONS A THROUGH I.

12 SECTION 1, SECTION A DESCRIBES ELIGIBILITY
13 REQUIREMENTS. SECTION B ON PAGE 14 WE HAVE REMOVED.
14 I'D LIKE TO POINT OUT THAT WE HAVE REMOVED THE
15 REFERENCE TO RFP'S BECAUSE THESE INITIATIVES DEAL WITH
16 CONTRACTS WHICH ARE INHERENTLY DIFFERENT FROM GRANTS.
17 AND WE BELIEVE THAT CONTRACTS DESERVE A SEPARATE
18 ADMINISTRATIVE POLICY, SO WE HAVE REMOVED RFP'S.

19 SECTION C IS -- DID SOMEONE JUST JOIN?

20 SECTION C IS LEGAL EFFECT OF SIGNING THE
21 APPLICATION.

22 SECTION D DESCRIBES THE PEER REVIEW, AND
23 THERE MIGHT BE SOME DISCUSSION OF -- I'M SORRY.
24 SECTION E IS WHAT I WAS DEALING WITH, THE REVIEW OF
25 APPLICATIONS.

1 AND THEN SECTION E WE'VE MADE SOME CHANGES
2 DEALING WITH THE REVIEW CRITERIA. I'M REFERRING TO
3 PAGE 15 THROUGH 16 OF YOUR DOCUMENT 9(D). SO I'D LIKE
4 TO GO OVER THESE WITH YOU.

5 WE ADDED LANGUAGE THAT CLOSELY TRACKS
6 PROPOSITION 71. THAT'S THE BASIC REASON FOR ADDING THE
7 LANGUAGE YOU SEE ON PAGE 15.

8 FIRST, ON PAGE 15 WE'VE ADDED THE LANGUAGE
9 REFERRING DIRECTLY TO PROP 71. NOW THE HEALTH AND
10 SAFETY CODE WITH THE SECTION NUMBER.

11 SECOND, ON PAGE 16, THE ICOC IN THEIR LAST
12 MEETING HAVE ADDED THREE POINTS THAT WE HAVE NOW
13 INCLUDED. THE FIRST POINT IN REFERENCE TO CRITERION
14 NO. 2, QUALITY OF THE RESEARCH PLAN, AT THE TOP OF PAGE
15 16 IS A REFERENCE TO MILESTONES IN ORDER TO FOLLOW THE
16 PROGRESS TOWARD AIMS AND GOALS OF THE PROPOSAL.

17 THE NEXT CHANGE IS A NEW CRITERION NO. 6
18 WHICH DEALS WITH COLLABORATION.

19 CHAIRMAN ORKIN: CAN I INTERRUPT? WHERE DOES
20 IT SAY MILESTONES?

21 DR. CHIU: RIGHT ON TOP. IT'S UNDERLINED ON
22 PAGE 16, THE FIRST TWO SENTENCES ON PAGE 16.

23 CHAIRMAN ORKIN: SORRY. I SEE IT. THANK
24 YOU.

25 DR. CHIU: THAT'S THE MILESTONE COMMENT. THE

1 SECOND ADDITION DEALS WITH COLLABORATION, WHICH IS
2 CRITERION NO. 6.

3 AND THE THIRD IS CRITERION NO. 7,
4 RESPONSIVENESS TO THE RFA. THOSE WERE ADDED IN AS
5 APPROVED BY THE ICOC.

6 MOVING ON TO SECTION F DEALS WITH APPEALS
7 PROCESS IF THE REVIEW IS DEEMED FLAWED. I'D JUST LIKE
8 TO CUT TO THE CHASE OF IT AND SAY THAT THE HEART OF THE
9 SECTION IS IN THE SECOND PARAGRAPH ON PAGE 17 WHERE IT
10 SAYS, AND I QUOTE, AN APPLICANT MAY LODGE A FORMAL
11 APPEAL OF THE REVIEW ONLY IF THE APPLICANT CAN SHOW
12 THAT A DEMONSTRATED FINANCIAL OR SCIENTIFIC CONFLICT OF
13 INTEREST HAD A NEGATIVE IMPACT ON THE REVIEW PROCESS
14 AND RESULTED IN A FLAWED REVIEW. AND THE REST OF THE
15 PARAGRAPH DESCRIBES THE PROCESS IF THE REVIEW IS
16 DEEMED -- REVIEWED AGAIN, DEEMED FLAWED, WHAT HAPPENS
17 TO THE APPLICATION.

18 THE OTHER SECTIONS OF THIS CHAPTER DEAL WITH
19 APPROVAL FOR FUNDING BY THE ICOC, DEALS WITH POLICIES
20 ON PERSONAL INFORMATION, ON PUBLIC ACCESS TO PUBLIC
21 RECORDS, AND HOW THE CALIFORNIA PUBLIC RECORDS ACT
22 APPLIES TO GRANT ACTIVITIES.

23 SO THAT COMES TO THE END OF CHAPTER 2. MR.
24 CHAIRMAN, DO YOU HAVE ANY DISCUSSION ON THIS CHAPTER?
25 ARE THERE ANY CHANGES THAT THE WORKING GROUP WANTS TO

1 BRING UP AT THIS POINT?

2 CHAIRMAN ORKIN: ASK FOR ANY COMMENTS FROM
3 THE WORKING GROUP.

4 MR. SHEEHY: CAN I RAISE THE UC COMMENT,
5 WHICH I THINK IS INTERESTING? AND THIS IS ON PAGE 17,
6 APPEALS OF SCIENTIFIC REVIEW, AND I THINK IT MIGHT BE
7 INTERESTING TO HEAR FROM SOME OF THE COMMITTEE MEMBERS
8 ON THIS.

9 THEY ACTUALLY SAY THAT THE NIH PROCESS ALLOWS
10 FOR A BROADER APPEAL PROCESS, THAT IT INCLUDES, IF
11 THERE'S A BELIEF THAT THE REVIEW PROCESS WAS
12 PROCEDURALLY FLAWED, AND I MEAN I'D JUST LIKE TO HEAR
13 HOW PEOPLE THINK. THIS IS LIMITED SOLELY TO AN APPEAL
14 BASED ON A PERCEIVED CONFLICT OF INTEREST, BUT SOMEBODY
15 MAY WANT TO FIGHT HARD FOR THEIR SCIENCE. IS THERE ANY
16 SENSE THAT WE MIGHT WANT TO BROADEN THE APPEAL HERE?

17 DR. HALL: WHAT ARE PEOPLE'S EXPERIENCES WITH
18 THAT? MY OWN SENSE FROM NIH, THE MOST FREQUENT THING
19 WAS I'M IN THE WRONG STUDY SECTION, WHICH IS NOT A
20 PROBLEM HERE, BUT THERE MAY BE OTHER.

21 DR. CHIU: AS I RECALL, THE NIH CRITERION IS
22 THAT DIFFERENCES OF SCIENTIFIC OPINION ARE NOT GROUNDS
23 FOR APPEAL, SO IT HAS TO BE FACT.

24 DR. DONAHOE: RIGHT.

25 DR. CHIU: WE'VE JUST BEEN JOINED BY DR. WISE

1 YOUNG.

2 ARE THERE OTHER EXPERIENCES OR COMMENTS FROM
3 THE WORKING GROUP REGARDING THE APPEALS PROCESS?

4 CHAIRMAN ORKIN: I THINK THIS IS A REASONABLE
5 ONE. THE OTHER THING BESIDES WE'RE IN THE WRONG STUDY
6 SECTION, VERY OFTEN THE GRANT APPLICANT THINKS HIS
7 GRANT WAS REVIEWED BY A COMPETITOR WHEN, IN FACT, VERY
8 OFTEN IT'S NOT. BUT I THINK THAT IS ONE OF THE MOST
9 FREQUENT CAUSES.

10 MR. SHESTACK: THAT WON'T BE POSSIBLE HERE
11 BECAUSE THE REVIEWERS ARE ALL FROM OUT OF CALIFORNIA.

12 CHAIRMAN ORKIN: THERE CAN STILL BE A
13 CONFLICT IN TERMS OF THE SCIENTIFIC AREA.

14 MR. SHESTACK: THAT'S TRUE.

15 DR. HALL: SO THAT IS A CONFLICT OF INTEREST.
16 WE WORK VERY HARD TO KEEP THOSE OUT ACTUALLY. AND IF
17 WE -- THAT WOULD BE GROUNDS FOR APPEAL.

18 DR. CHIU: IF ONE SLIPPED THROUGH, THAT IS
19 THE GROUNDS THAT WE HAVE MADE AVAILABLE FOR APPEAL.

20 MR. SHESTACK: DOESN'T THAT ACTUALLY REDUCE
21 YOUR LEVEL OF EXPERTISE TO SOME EXTENT IF YOU TRY AND
22 GET PEOPLE WHO DON'T HAVE A POSSIBLE RESEARCH CONFLICT
23 AND THEY ALSO DON'T HAVE EXPERTISE IN A SPECIFIC GRANT?

24 DR. HALL: WE TRY TO IDENTIFY. IF WE FIND
25 TWO PEOPLE THAT ARE IN CLOSE COMPETITION OR THAT ARE ON

1 OPPOSITE SIDES OF THE SAME ISSUE OR SOMETHING LIKE
2 THAT, I THINK --

3 MR. SHESTACK: TRY AND STEER CLEAR.

4 DR. HALL: THAT WOULD BE THE JUDGMENT.
5 USUALLY WHAT HAPPENS IS STU IS QUITE RIGHT. ALL OF US
6 AS SCIENTISTS HAVE A KIND OF PARANOIA, AND YOU OFTEN
7 FEEL, OH, I KNOW WHO WROTE THAT NASTY COMMENT I GOT.
8 IT MUST HAVE BEEN SO-AND-SO, AND VERY OFTEN THAT'S
9 WRONG. AS I FORESEE THIS, SOMEBODY MIGHT WRITE TO US
10 AND SAY MY GRANT DID NOT GET WELL REVIEWED. I THINK
11 SO-AND-SO AND SO-AND-SO ON THE WORKING GROUP MIGHT HAVE
12 BEEN THE PRIMARY REVIEWER ON THIS AND MIGHT HAVE BEEN
13 BIASED. AND WE MIGHT LOOK AT OUR RECORDS AND REALIZE
14 THAT THAT PERSON HADN'T EVEN VOTED BECAUSE WE HAD
15 IDENTIFIED A CONFLICT OF INTEREST. OR IT MAY BE THAT
16 THERE IS A COMPETITIVE ASPECT TO IT THAT WE HAD NOT
17 REALIZED OR THAT THERE WAS SOME SENSE IT WAS TOO CLOSE.
18 SO THAT WOULD BE THE WAY IN OPERATION THAT I WOULD
19 IMAGINE THAT HAPPENING.

20 CHAIRMAN ORKIN: THE OTHER THING IS THE
21 WORKING GROUP IN A SENSE HAS AN INTERNAL CORRECTION
22 MECHANISM FOR POLICING ITSELF. SO I THINK WE COULD ALL
23 BE SENSITIVE TO WHEN REVIEWS ARE OUT OF BOUNDS.

24 MR. SHEEHY: I'M INTRIGUED BY THE STUDY
25 SECTION QUESTION BECAUSE WE ARE BY STATUTE LIMITED TO A

1 RELATIVELY SMALL GROUP. I JUST WONDER IF WE WOULD WANT
2 TO HAVE A BROADER APPEAL. SOMEONE COULD COME IN WITH
3 AN APPLICATION THAT WOULD NOT BE ANYTHING IN THE REALM
4 OF ANYBODY'S EXPERIENCE AND MIGHT FEEL THAT WE DIDN'T
5 ACTUALLY LOOK AT IT APPROPRIATELY AND ASK THAT WE GIVE
6 IT ANOTHER LOOK WITH MORE A SPECIALIZED SET OF EYES. I
7 DON'T THINK THAT WOULD BE UNREASONABLE.

8 MR. SHESTACK: JEFF, AREN'T WE MAKING CLEAR
9 THAT WE WILL ACTUALLY BRING IN AD HOC REVIEWERS AS
10 NEEDED FOR EXPERTISE? I ACTUALLY DON'T -- PERSONALLY
11 I'D LIKE TO KEEP THE APPEAL PROCESS PRETTY LIMITED AND
12 HAVE GRANTS AND NOT GET BOGGED DOWN IN APPEALS OF
13 GRANTS.

14 DR. HALL: I THINK, AGAIN, THE NIH, THE IDEA
15 OF IF IT'S SOMETHING THAT'S PROCEDURAL, AND THE ONLY
16 THING THAT WE COULD IDENTIFY HERE THAT WE THOUGHT WAS
17 CONVINCING WAS CONFLICT OF INTEREST. BUT ON ISSUES OF
18 SCIENTIFIC DISAGREEMENT, I THINK IN THE END WE HAVE TO
19 LET THE WORKING GROUP, WHICH IS COMPOSED OF 15
20 SCIENTISTS AND 7 PATIENT ADVOCATES, THEN BELIEVE THAT
21 WHAT COMES OUT OF THAT, WE SHOULD ABIDE BY UNLESS THERE
22 ARE REASONS TO THINK THERE'S BEEN SOME EGREGIOUS
23 PROBLEM.

24 MR. SHESTACK: BUT YOU WILL GET AD HOC
25 REVIEWERS AS NECESSARY?

1 DR. HALL: YES, WE WILL. YES.

2 CHAIRMAN ORKIN: ANY OTHER COMMENTS ON THIS
3 CHAPTER FROM THE WORKING GROUP?

4 DR. CHIU: IF NOT, CAN WE HAVE --

5 CHAIRMAN ORKIN: ANY FROM THE PUBLIC?

6 MR. KLEIN: JUST AS A TRAILING COMMENT, I
7 THINK ALL THE AD HOC REVIEWERS IN THAT PARTICIPATION IS
8 ALL SUBJECT TO CONFIRMATION FROM COUNSEL. IS THAT
9 APPROPRIATE, ZACH?

10 DR. HALL: IF THEY VOTE, YES. REMEMBER, WE
11 HAVE TWO KINDS OF REVIEWERS. WE HAVE AD HOCS, WHO ARE
12 PREAPPROVED BY THE ICOC. WE ALSO BRING IN SPECIALISTS
13 WHO MAY GIVE OPINIONS, BUT DON'T VOTE.

14 MR. KLEIN: RIGHT. RIGHT. I FOLLOW YOU.
15 THANK YOU VERY MUCH FOR THE CLARIFICATION.

16 CHAIRMAN ORKIN: COMMENTS FROM THE PUBLIC?

17 DR. CHIU: WE DON'T SEE ANY PUBLIC COMMENTS
18 OVER HERE.

19 CHAIRMAN ORKIN: MAYBE WE SHOULD MOVE
20 FORWARD.

21 DR. HALL: IS THERE A MOTION FOR APPROVAL?

22 MR. SHEEHY: SO MOVED.

23 DR. CHIU: WE'VE BEEN JOINED BY DR. WISE
24 YOUNG.

25 MS. SAMUELSON: I DON'T THINK THAT'S 15.

1 MR. SHEEHY: WITH BOB, THAT'S 15.
2 DR. CHIU: CHAPTER 2, SHALL WE READ A ROLL
3 CALL FOR APPROVAL OF CHAPTER 2?
4 CHAIRMAN ORKIN: OKAY.
5 DR. CHIU: DR. ORKIN.
6 CHAIRMAN ORKIN: YES.
7 DR. CHIU: JOAN SAMUELSON.
8 MS. SAMUELSON: YES.
9 DR. CHIU: BOB KLEIN.
10 MR. KLEIN: YEAH. I'M ACTUALLY EX OFFICIO,
11 SO I'M NOT VOTING, AND I DO NOT NEED TO BE CONSIDERED
12 IN THE QUORUM.
13 DR. CHIU: DR. BONNER-WEIR.
14 DR. BONNER-WEIR: YES.
15 DR. CHIU: DR. BRIVANLOU.
16 DR. BRIVANLOU: YES.
17 DR. CHIU: DR. DONAHOE.
18 DR. DONAHOE: YES.
19 DR. CHIU: DR. FEINBERG. MS. FEIT.
20 MS. FEIT: YES.
21 DR. CHIU: DR. JOYNER. DR. KIMBLE. WE'VE
22 LOST DR. KIMBLE. SHERRY LANSING. JEFF MACKLIS.
23 DR. MACKLIS: YES.
24 DR. CHIU: JEFF ROTHSTEIN. PABLO RUBINSTEIN.
25 DAVID SERRANO-SEWELL.

1 MR. SERRANO-SEWELL: YES.

2 DR. CHI U: JEFF SHEEHY.

3 MR. SHEEHY: YES.

4 DR. CHI U: JON SHESTACK.

5 MR. SHESTACK: YES.

6 DR. CHI U: DENNIS STEINDLER.

7 DR. STEINDLER: YES.

8 DR. CHI U: RAINER STORB. CLIVE SVENDSEN.

9 JANET WRIGHT. GEORGE YANCOPOULOS.

10 DR. YANCOPOULOS: YES.

11 DR. CHI U: WISE YOUNG.

12 DR. YOUNG: HERE.

13 DR. CHI U: THANK YOU. THIRTEEN. SO WE HAVE

14 A CONSENSUS VOTE.

15 MR. KLEIN: ARLENE, I SUGGEST THAT YOU COULD

16 LEAVE THE ROLL OPEN ON THESE SO THAT IF SOMEONE HAS

17 LEFT FOR A TIME PERIOD, THEY CAN COME BACK AND REGISTER

18 THEIR VOTE.

19 DR. CHI U: EXCELLENT IDEA. THANK YOU. SINCE

20 WE'VE ALREADY DEALT WITH THE CONCERN FOR CHAPTER 2, I

21 NOW TURN CHAPTER 3 OVER TO GIL SAMBRANO.

22 MR. SAMBRANO: CHAPTER 3 CALLED PREAWARD AND

23 AWARD BEGINS ON PAGE 19. SO THIS CHAPTER DESCRIBES

24 ESSENTIALLY WHAT HAPPENS WITH AN APPLICATION AFTER IT

25 HAS BEEN APPROVED BY THE ICOC, BUT BEFORE ACCEPTANCE OF

1 THE AWARD BY THE GRANTEE. IT FOCUSES ON THE
2 ADMINISTRATIVE REVIEW PROCESS, WHICH IS IN A, AND ALSO
3 EMPHASIZES THE PUBLIC POLICIES THAT POTENTIAL GRANTEES
4 ARE EXPECTED TO COMPLY WITH, SUCH AS RESEARCH CONDUCT,
5 USE OF EMBRYONIC STEM CELLS, AND HUMAN SUBJECTS, WHICH
6 ARE ALL DESCRIBED.

7 IN TERMS OF CHANGES THAT ARE SUGGESTED BY
8 CIRM STAFF ON PAGE 19, THEY HAVE TO DO WITH B,
9 LIABILITY, AND YOU CAN SEE THOSE CHANGES THERE. THE
10 PRIMARY CHANGE IS IN THE SECOND PARAGRAPH WHERE WE
11 AGAIN ARE TRACKING MORE CLOSELY WITH PROP 71.

12 OTHER CHANGES ARE ON PAGE 21, HAVING TO DO
13 WITH THE RESEARCH CONDUCT. THERE IS SIMPLY THE
14 ADDITION OF THE WORD "ADOPT" IN THE SENTENCE.

15 AND THE LAST CHANGE IS ON PAGE 25 WITH A
16 REPHRASING OF THE INTRODUCTORY PARAGRAPH FOR THE
17 JUST-IN-TIME POLICY. NOTHING SUBSTANTIAL WAS CHANGED
18 OTHER THAN TO IMPROVE THE CLARITY OF THAT PARAGRAPH.

19 SO IF THERE ARE ANY QUESTIONS OR OTHER
20 COMMENTS.

21 MS. SAMUELSON: JUST IN TIME ISN'T DEFINED
22 ANYWHERE AND I DON'T KNOW WHAT IT MEANS.

23 CHAIRMAN ORKIN: WE HAVE SOME NOISE ON THE
24 LINE. I HAVE A QUESTION WITH REGARD TO HUMAN STEM CELL
25 LINES AND TISSUES AND IRB APPROVAL. I THINK IT REFERS

1 TO THE CIRM ACCOUNTABILITY STANDARDS WORKING GROUP.

2 DR. DONAHOE: WHICH PAGE ARE YOU ON, STU?

3 CHAIRMAN ORKIN: PAGE 22, ITEMS 4 AND 5 AND
4 HUMAN SUBJECTS, WHERE THE RECOMMENDATIONS FALL WITH
5 RESPECT TO, FOR EXAMPLE, THE NIH GUIDELINES AND THOSE
6 FROM NAS PARTICULARLY, NAS MORE THAN NIH.

7 MR. SAMBRANO: MOST OF THE CONTENT, SO, FOR
8 EXAMPLE, THE DEFINITION FOR RESEARCH INVOLVING HUMAN
9 SUBJECTS, COMES FROM NIH POLICY OR PHS POLICY. THE
10 DOCUMENTATION THAT IS REQUIRED ALSO MIRRORS NIH. THE
11 FORMATION OF IRB'S AND THEIR APPROVAL IS, AGAIN, NIH
12 POLICY. AND IT'S ACTUALLY SPECIFICALLY DESCRIBED IN
13 THE CODE OF FEDERAL REGULATIONS, 45 CFR PART 46.

14 IN ADDITION, THERE IS A SECTION WHICH
15 REQUIRES WOMEN AND MEMBERS OF MINORITY GROUPS TO BE
16 INCLUDED IN CIRM-FUNDED CLINICAL RESEARCH. THAT
17 LANGUAGE IS FROM NIH POLICY AS WELL. I THINK THAT
18 COVERS MOST OF IT.

19 CHAIRMAN ORKIN: FIRST, THE STEM CELLS, DOES
20 IT MORE OR LESS ALIGN WITH NAS?

21 DR. CHIU: YES.

22 MR. SAMBRANO: THE USE OF HUMAN STEM CELL
23 LINES MAKES REFERENCE TO THE CIRM MEDICAL AND ETHICAL
24 STANDARDS. AND SO THOSE ARE GOING TO BE INCLUDED IN
25 APPENDIX A.

1 MS. SAMUELSON: BUT THE WORKING GROUP HASN'T
2 SEEN THEM YET.

3 DR. CHIU: THEY WERE DIRECTED TO A WEBSITE IN
4 SOME OF THE E-MAILS WHERE THE LATEST POLICY HAS BEEN
5 POSTED, AND THE POLICIES WERE JUST VOTED UPON AND
6 ACCEPTED. SO, YES, THEY GO BEYOND THE NAS GUIDELINES.

7 DR. BRIVANLOU: CAN I ASK A TECHNICAL
8 QUESTION HERE? THERE ARE TWO ASPECTS OF THE NIH
9 REGULATION ABOUT EMBRYONIC STEM CELLS. ONE IS WHAT IS
10 ON THE WEB PAGE OF THE NIH, AND THE SECOND ONE IS ON
11 THE MTA'S THAT YOU SIGN SOMETIME COMING FROM WYCELL OR
12 OTHER PLACES FOR THE OFFICIAL LINES. AND THERE ARE
13 DIFFERENCES BETWEEN THE TWO. FOR EXAMPLE, IN THE MTA
14 THERE IS A SPECIFIC RECOMMENDATION THAT THE CELLS
15 CANNOT BE USED FOR ANY EMBRYONIC EXPERIMENTS.

16 WHEN WE TALK ABOUT NIH OR NAS, CAN WE CLARIFY
17 WHAT RULES WE'RE TALKING ABOUT?

18 DR. CHIU: SO IT'S NAS GUIDELINES THAT GUIDE
19 THE USE OF HUMAN EMBRYONIC STEM CELL LINES, AND THAT
20 CAN BE FOUND -- THE VOTED UPON AND APPROVED POLICY CAN
21 BE FOUND ON OUR WEBSITE.

22 DR. BRIVANLOU: OKAY.

23 MR. KLEIN: ARLENE, YOU'RE SAYING NATIONAL
24 ACADEMY OF SCIENCES.

25 DR. CHIU: NATIONAL ACADEMY OF SCIENCES.

1 MR. KLEIN: SOME PEOPLE MAY THINK YOU'RE
2 SAYING NIH.

3 DR. CHIU: I'M SORRY. IT'S THE NATIONAL
4 ACADEMY OF SCIENCES GUIDELINES. WE'VE ACTUALLY GONE
5 BEYOND THAT IN TERMS OF TAKING CARE OF EGG DONORS'
6 MEDICAL EXPENSES FOR ANY COMPLICATIONS, NEAR-TERM
7 COMPLICATIONS, AND A NUMBER OF OTHER POINTS THAT
8 DOESN'T COME TO MIND RIGHT NOW TO ME, BUT IT'S ON THE
9 WEBSITE, AND THOSE ARE THE GUIDELINES THAT OUR MEDICAL
10 AND ETHICAL STANDARDS WORKING GROUP HAVE ADOPTED.

11 DR. BRIVANLOU: VERY GOOD. THANK YOU.

12 CHAIRMAN ORKIN: ANY OTHER COMMENTS FROM THE
13 WORKING GROUP?

14 MR. SERRANO-SEWELL: I HAVE A COMMENT, AND I
15 APOLOGIZE, DR. ORKIN AND JOAN SAMUELSON, BUT I'M
16 LOOKING AT MY PAGE 19. WE'RE AT CHAPTER 3, RIGHT?

17 DR. CHIU: YES.

18 MR. SERRANO-SEWELL: CHAPTER 3, SUBHEADING 2,
19 LIABILITY. I WAS OFF FOR A COUPLE OF MINUTES. DID WE
20 DISCUSS THAT SECTION AT ALL? I HAVE A COMMENT, AND
21 THAT HAS TO DO WITH STRIKING WHERE IT STARTS THE
22 GRANTEE ORGANIZATION REPRESENTS.

23 DR. HALL: DAVID, CAN I SAY A WORD ABOUT
24 THAT? SO WE HAD A DIFFERENCE OF OPINION WITH THE
25 UNIVERSITY OF CALIFORNIA ABOUT WHAT PROPOSITION 71

1 MEANT IN WRITING OUR INDEMNIFICATION LANGUAGE. AND WE
2 FINALLY DECIDED THAT THE EASIEST THING TO DO WAS SIMPLY
3 TO PUT THE LANGUAGE OF PROPOSITION 71 INTO THE GRANTS
4 ADMINISTRATION POLICY. AND IF THERE WAS EVER AN
5 OCCASION TO DECIDE IN WHICH THAT DIFFERENCE BECAME
6 IMPORTANT, WE WOULD SIMPLY DECIDE IT LEGALLY AT THAT
7 POINT.

8 MR. SERRANO-SEWELL: I WOULD --

9 DR. HALL: LET ME JUST SAY THEY ARE BOUND BY
10 CERTAIN RULES WHICH PREVENT THEM FROM SIGNING CERTAIN
11 KINDS OF CONTRACTS. THE KIND OF CONTRACT THAT THEY
12 WOULD HAVE PREFERRED WE DIDN'T FEEL MET PROPOSITION 71,
13 ALTHOUGH THEY DID FEEL IT. AND THEY DIDN'T FEEL THAT
14 WHAT WE HAD WRITTEN WAS SOMETHING THEY COULD SIGN, SO
15 WE ENDED UP PUTTING IN PROPOSITION 71 LANGUAGE AND, IN
16 ESSENCE, DEFERRING THAT DISAGREEMENT TO SOME ACTUAL
17 CASE. IT'S, TO REPEAT THE PHRASE, IT'S COMPLEX AND
18 ARCANE AND DEPENDS ON A NUMBER OF WHAT-IF SCENARIOS.
19 AND RATHER THAN GET THE WHOLE THING GROUND TO A HALT
20 OVER SOME DISTANT POSSIBILITY THAT MAY OR MAY NOT EVER
21 OCCUR, BOTH SIDES AGREED THAT THIS WAS THE RIGHT WAY TO
22 PROCEED. SO THAT'S THE EXPLANATION FOR THE CHANGE.

23 MR. SERRANO-SEWELL: LET ME JUST COMMENT FROM
24 MY EXPERIENCE. AND THAT IS, WE ALWAYS ADVISE OUR
25 CLIENT, WHOMEVER THEY MAY BE, WHATEVER DEPARTMENT IN

1 THE CITY AND COUNTY OF SAN FRANCISCO, WE INSIST THAT
2 THIS KIND OF INDEMNIFICATION LANGUAGE IS INCLUDED IN
3 ALL OF OUR CONTRACTS AND ALL OF OUR REAL ESTATE
4 DOCUMENTS. WE ALWAYS GET PUSH-BACK FROM THE OTHER
5 PARTY. THEY DON'T WANT IT IN THERE, AND THEY COME UP
6 WITH A VARIETY OF REASONS WHY THEY CAN'T SIGN IT.

7 AFTER NEGOTIATIONS, BECAUSE THIS IS ALL
8 NEGOTIATIONS, THEY END UP DO AGREEING TO THIS KIND OF
9 INDEMNITY CLAUSE. OTHERWISE WE JUST WON'T EXECUTE A
10 CONTRACT WITH THEM, AND THAT'S JUST THE NEGOTIATION
11 PROCESS.

12 DR. HALL, IF WHAT YOU ARE SAYING IS THAT IT'S
13 A TANGLY, COMPLICATED ISSUE, OKAY. I WOULD LIKE TO
14 HEAR FROM -- I DON'T KNOW IF IT'S POSSIBLE IN THIS
15 INSTANCE -- I WOULD LIKE TO HEAR FROM OUR COUNSEL AS TO
16 HOW THEY FEEL ABOUT EXECUTING CONTRACTS WITHOUT THIS --
17 FROM CIRM'S PERSPECTIVE WITHOUT THIS KIND OF
18 INDEMNIFICATION LANGUAGE. THE UC, THEY HAVE A TEAM OF
19 LAWYERS, THAT'S FINE, AND THEY'RE GOING TO COME UP WITH
20 WHATEVER POSITION THEY COME UP WITH BASED ON THE RULES
21 THAT THEY PROMULGATED AND THE LAW AND WHAT UC GETS TO
22 DO VIS-A-VIS THE STATE CONSTITUTION. WE ALSO HAVE
23 THOSE SAME CONSIDERATIONS.

24 DR. HALL: I UNDERSTAND. THIS WAS A
25 NEGOTIATED COMPROMISE, I WOULD SAY.

1 MR. KLEIN: DAVID, SINCE THE WORKING GROUP
2 DOESN'T HAVE THE LEGAL EXPERTISE, CAN THIS REPORT BE
3 GIVEN TO YOU AND THE OTHER MEMBERS AT THE BOARD LEVEL
4 SO THAT WE CAN EVALUATE IT AT THE BOARD LEVEL? AT THIS
5 POINT, IN ORDER TO MOVE THE BALL FORWARD, IT APPEARS
6 THAT, AS DR. HALL SAYS, THAT THERE ARE VARIOUS OUTCOMES
7 THAT ARE PROBABLY ACCEPTABLE MUTUALLY TO BOTH PARTIES
8 BASED ON DIFFERENT FACT PATTERNS, BUT IT APPEARS THAT
9 THE LAWYERS ARE GOING TO HAVE TO PROCEED IN FIGURING
10 OUT THOSE FACT PATTERNS AND WORKING THAT OUT OVER TIME;
11 BUT IF WE COULD DECIDE AT THE BOARD LEVEL HOW WE'RE
12 GOING TO SPECIFICALLY WORK IT OUT WHEN WE HAVE A
13 SPECIFIC REPORT BY THE ATTORNEYS THAT YOU'VE REQUESTED,
14 THAT MAY ALLOW US TO MOVE FORWARD TODAY.

15 MR. SERRANO-SEWELL: I'M COMFORTABLE WITH
16 MOVING FORWARD TODAY. IT SEEMS AS THOUGH THERE'S NOT A
17 LOT OF DISCUSSION ON THIS ISSUE. YOU DON'T WANT TO
18 REHASH IT NOW AND BORE EVERYONE TO TEARS, BUT I WOULD
19 ASK, AS AN ICOC MEMBER, WHENEVER THE TIME IS
20 APPROPRIATE, AND IT DOESN'T SEEM AS THOUGH IT'S A
21 PRIORITY RIGHT NOW, BUT FOR ME TO GET A SENSE OF WHY WE
22 AGREE TO EXCLUDE THIS LANGUAGE.

23 DR. HALL: WE'LL DO THAT BEFORE THE ICOC
24 MEETING, DAVID, AND WE'LL GET YOU THAT INFORMATION.
25 WE'LL BE HAPPY TO PROVIDE THE ARGUMENTS ON BOTH SIDES.

1 MR. SERRANO-SEWELL: THANK YOU.

2 DR. DONAHOE: POINT OF INFORMATION. HOW ARE
3 WE DEFINING COVERED STEM CELL LINES?

4 DR. CHIU: IT SHOULD BE UP FRONT IN THE
5 GLOSSARY, COVERED STEM CELL LINE, ON PAGE 7. IS THAT
6 ACCEPTABLE?

7 DR. DONAHOE: YES. THANK YOU.

8 DR. HALL: ARE THERE OTHER COMMENTS? STU,
9 ARE THERE OTHER COMMENTS FROM THE WORKING GROUP?

10 CHAIRMAN ORKIN: ANY OTHERS FROM THE WORKING
11 GROUP? THE PUBLIC, IF NOT FROM THE WORKING GROUP.

12 MS. AURITI: ELLEN AURITI FROM THE UNIVERSITY
13 OF CALIFORNIA. WE JUST WOULD LIKE TO HAVE SOME
14 CLARIFICATION ON PAGE 22 ABOUT THE INTENT OF THE POLICY
15 HERE TO REQUIRE REVIEW AND APPROVAL BY AN ESCRO
16 COMMITTEE AT AN INSTITUTION OF ALL USE OF COVERED STEM
17 CELL LINES. OUR UNDERSTANDING WAS THAT THE MEDICAL AND
18 ETHICAL STANDARDS THAT WERE ALREADY PASSED REQUIRE
19 NOTIFICATION ONLY IN CERTAIN CASES WHEN IT'S JUST
20 PURELY IN VITRO RESEARCH, AND WE'D JUST LIKE SOME
21 CLARIFICATION ON THAT.

22 MR. SAMBRANO: THAT'S CORRECT. SO WE
23 RECOMMEND ACTUALLY MODIFYING THAT LANGUAGE IN ORDER TO
24 REFLECT THE FACT THAT THE MEDICAL AND ETHICAL STANDARDS
25 ADDRESS TWO DIFFERENT TYPES OF POSSIBILITIES. ONE IS

1 REVIEW AND APPROVAL, AND THE OTHER ONE IS NOTIFICATION.
2 WHAT WE WANTED TO STRESS THERE WAS THAT AS CIRM WE WANT
3 TO KNOW WHEN NOTIFICATION OCCURS. SO THAT IS ADDRESSED
4 A LITTLE BIT LATER IN THIS SAME CHAPTER UNDER THE
5 JUST-IN-TIME POLICIES ON PAGE 26 --

6 MS. SAMUELSON: I STILL NEED A DEFINITION OF
7 THAT.

8 MR. SAMBRANO: -- UNDER CERTIFICATION, ITEM C
9 SAYS CERTIFICATION THAT CERTIFIES THAT THE SCRO
10 COMMITTEE NOTIFICATION OR REVIEW AND APPROVAL OF THE
11 PROJECT'S USE OF COVERED STEM LINE AS SPECIFIED IN
12 APPENDIX A. SO THAT ALLOWS CIRM TO BE AWARE OF SUCH
13 NOTIFICATION OR REVIEW AND APPROVAL.

14 MS. AURITI: IS THE INTENT TO CHANGE THE
15 LANGUAGE IN PARAGRAPH 4 ON PAGE 22?

16 MR. SAMBRANO: YES. ANY OTHER COMMENTS?

17 DR. HALL: SEEM TO BE NO OTHER PUBLIC
18 COMMENTS HERE, MR. CHAIR.

19 CHAIRMAN ORKIN: ANY OTHER PUBLIC COMMENTS?
20 OKAY. SHOULD WE CONSIDER THIS ONE READY FOR A
21 CONSENSUS?

22 MR. SHEEHY: YES.

23 CHAIRMAN ORKIN: POLL THE MEMBERS PRESENT.

24 MR. SHEEHY: SO MOVED.

25 DR. CHIU: SHALL I GO DOWN THE ROLL CALL?

1 CHAIRMAN ORKIN: YES, PLEASE DO.
2 DR. CHIU: STU ORKIN.
3 CHAIRMAN ORKIN: YES.
4 DR. CHIU: JOAN SAMUELSON.
5 MS. SAMUELSON: YES.
6 DR. CHIU: ROBERT KLEIN. SUSAN BONNER-WEIR.
7 DR. BONNER-WEIR: YES.
8 DR. CHIU: ALI BRIVANLOU.
9 DR. BRIVANLOU: YES.
10 DR. CHIU: PATRICIA DONAHOE.
11 DR. DONAHOE: YES.
12 DR. CHIU: ANDREW FEINBERG. MARCY FEIT.
13 MS. FEIT: YES.
14 DR. CHIU: ALEXANDRA JOYNER. JUDITH KIMBLE.
15 SHERRY LANSING. JEFFREY MACKLIS.
16 DR. MACKLIS: YES.
17 DR. CHIU: JEFF ROTHSTEIN. PABLO RUBINSTEIN.
18 DAVID SERRANO-SEWELL.
19 MR. SERRANO-SEWELL: YES.
20 DR. CHIU: JEFF SHEEHY.
21 MR. SHEEHY: YES.
22 DR. CHIU: JON SHESTACK. DENNIS STEINDLER.
23 DR. STEINDLER: YES.
24 DR. CHIU: RAINER STORB. CLIVE SVENDSEN.
25 JANET WRIGHT. GEORGE YANCOPOULOS.

1 DR. YANCOPOULOS: YES.

2 DR. CHIU: WISE YOUNG.

3 DR. YOUNG: HERE. YES.

4 TWELVE. AGAIN, WE HAVE UNANIMOUS CONSENSUS
5 VOTE ON CHAPTER 3.

6 CHAIRMAN ORKIN: CHAPTER 4 LOOKS LIKE A SHORT
7 ONE.

8 MR. SAMBRANO: IT IS. CHAPTER 4 BEGINS PAGE
9 27 AND ENDS PAGE 27. THIS CHAPTER IS FOCUSED ON THE
10 ACCEPTANCE OF THE AWARD. AND THIS LANGUAGE IS WHAT IS
11 OR WILL BE FOUND WITHIN THE NOTICE OF GRANT AWARD THAT
12 IS SENT TO POTENTIAL GRANTEEES AND WHICH THEY MUST SIGN
13 AND RETURN IN ORDER TO ACCEPT THE AWARD. THE LANGUAGE
14 HERE REFLECTS NO CHANGES FROM PREVIOUS VERSION.

15 CHAIRMAN ORKIN: ANY COMMENTS FROM THE
16 MEMBERS?

17 MR. SHEEHY: THERE IS A COMMENT WITHIN THE UC
18 DOCUMENT ABOUT REQUIRING PI SIGNATURE. THEIR COMMENT
19 IS THAT, AT LEAST FOR THE UC, THEY HAVE NO AUTHORITY TO
20 SIGN AGREEMENTS ON BEHALF OF THE UNIVERSITY AND THEIR
21 SIGNATURE IS NOT REQUIRED BY FEDERAL AWARING AGENCIES.
22 THEY ALSO SPECULATE THAT IT COULD MAKE IT DIFFICULT TO
23 PROCESS THE NOTICE OF GRANT WITHIN 30 DAYS BECAUSE PI'S
24 ARE OFTEN TRAVELING.

25 IS THERE ANY SENSE OF WHETHER OR NOT WE

1 SHOULD HAVE A PI SIGN ON?

2 CHAIRMAN ORKIN: I THINK MOST PI'S SIGN OFF
3 ON GRANTS. IF THEY WANT THE GRANT, THEY SHOULD SIGN.

4 MR. SHEEHY: I'M COMFORTABLE WITH THAT TOO.
5 I JUST WANTED TO GET THE SENSE OF IT FROM --

6 CHAIRMAN ORKIN: IF THEY'RE TRAVELING, THERE
7 ARE FAX MACHINES.

8 DR. BRIVANLOU: I AGREE WITH THAT.

9 DR. DONAHOE: I DO TOO.

10 DR. MACKLIS: THIS IS JEFF MACKLIS. I AGREE.
11 ALMOST EVERY PRIVATE FOUNDATION REQUIRES A SIGNATURE.

12 CHAIRMAN ORKIN: SEEMS LIKE A TOTALLY
13 SPECIOUS ARGUMENT.

14 DR. DONAHOE: I AGREE.

15 MR. SHEEHY: I CERTAINLY APPRECIATE -- THIS
16 IS ONE OF THE THINGS WE MIGHT HAVE GOTTEN AT AN ICOC
17 MEETING AND JUST KIND OF FLOWN THROUGH, BUT WE MAY HEAR
18 BACK FROM UC HERE. SOMEBODY STOOD UP.

19 MS. EVANS: THIS IS SAMUELA EVANS. I'M WITH
20 THE UNIVERSITY OF CALIFORNIA OFFICE OF RESEARCH. NO,
21 AS A PRINCIPAL INVESTIGATOR, YOU NEVER SIGN AN NIH OR
22 AN NSF OR ANY OF THOSE OTHER GRANT DOCUMENTS. IN FACT,
23 MOST OF THEM ARE COMING TO YOU NOW ELECTRONICALLY, AND
24 NOBODY IS SIGNING ANYTHING. IT'S JUST AN EXTRA STEP TO
25 ASK PEOPLE TO GO FIND SOMEBODY ELSE TO SIGN A DOCUMENT.

1 THERE ARE VERY FEW FEDERAL AWARDS THAT EVER REQUIRE A
2 PI SIGNATURE. IT HAS NO LEGAL AUTHORITY AND NO
3 AUTHORITY TO BIND THE INSTITUTION.

4 ONCE IN A WHILE YOU ARE CORRECT, YOU WILL
5 FIND FOUNDATIONS THAT ASK A PI TO ACKNOWLEDGE THAT
6 THEY'VE READ THE GRANT AGREEMENT, BUT THEY HAVE NO
7 AUTHORITY TO ACCEPT IT. WITH THE MOVE TO ELECTRONIC
8 ADMINISTRATION, NOBODY IS SIGNING MUCH THESE DAYS AT
9 THE FEDERAL LEVEL AND THE PI NEVER SIGNS.

10 MS. SAMUELSON: HOW DO WE RESOLVE THIS?

11 MR. KLEIN: IS THERE A WAY TO ASSIGN THE PI'S
12 AN ELECTRONIC CODE WHERE THEY CAN SIGN ELECTRONICALLY?

13 DR. CHIU: WE CAN WORK THIS OUT IF IT'S YOUR
14 DESIRE TO HAVE THE PI SIGN. I GUESS THE ISSUE ON THE
15 TABLE IS DO YOU, THE WORKING GROUP, WANT THE PI'S TO
16 SIGN WITH THE INSTITUTION OR JUST THE INSTITUTION TO
17 SIGN RESPONSIBILITY, TAKING RESPONSIBILITY FOR
18 ACCEPTING THE AWARD?

19 MR. MEARS: THE POINT IS LEGAL ACCEPTANCE OF
20 THE AWARD, NOT SIGNING THE PROPOSAL, NOT MAKING
21 JUDGMENTS ABOUT THE SCIENCE, AND NOT HAVING PRACTICAL
22 DAY-TO-DAY RESPONSIBILITY FOR ADMINISTERING THE WORK
23 AND THE FUNDING.

24 MR. KLEIN: CAN SOMEONE SPEAK CLOSER TO THE
25 MICROPHONE, PLEASE?

1 MS. SAMUELSON: I'M HEARING A DIFFERENCE OF
2 OPINION BETWEEN THE SCIENTISTS IN THE EAST AND THE UC.

3 DR. HALL: IT'S ALSO A DIFFERENCE BETWEEN
4 SCIENTISTS AND THE ADMINISTRATIVE PEOPLE.

5 MS. SAMUELSON: WHAT DIFFERENCE DOES IT MAKE
6 IN TERMS OF THE EFFECTIVENESS OF THE IMPLEMENTATION OF
7 THE GRANT AND UNNECESSARY BURDENS ON THE PROCESS? I
8 DON'T KNOW HOW TO DISTINGUISH IT.

9 MR. MEARS: I'M DAVID MEARS, UNIVERSITY OF
10 CALIFORNIA, DIRECTOR OF RESEARCH ADMINISTRATION. AS A
11 TECHNICAL LEGAL POINT, ALL GRANTS ARE AWARDED TO THE
12 REGENTS OF THE UNIVERSITY OF CALIFORNIA, NOT TO
13 INDIVIDUALS, NOT TO PI'S. THAT'S NOTWITHSTANDING THE
14 VIEW THAT PI'S OWN THE MONEY. BUT LEGALLY AND
15 TECHNICALLY ALL AWARDS ARE TO THE REGENTS.

16 SO THE REGENTS HAVE DELEGATED FORMAL
17 AUTHORITY TO ACCEPT AWARDS ON THEIR BEHALF, AND IT'S
18 THOSE DESIGNATED PEOPLE IN THE CONTRACTS AND GRANTS
19 OFFICES OR IN THE SPONSORED PROJECTS OFFICES THAT HAVE
20 THE AUTHORITY TO BIND THE REGENTS. THE RESEARCHERS DO
21 NOT HAVE THAT AUTHORITY TO LEGALLY AND TECHNICALLY
22 ACCEPT THE GRANT.

23 WHAT WE'RE TRYING TO ACCOMPLISH HERE IS TO
24 MINIMIZE THE ADMINISTRATIVE STEPS THAT IT WOULD TAKE TO
25 SIGN A GRANT FROM CIRM AND SEND IT BACK. SO WE'RE

1 TRYING TO ELIMINATE EXTRA STEPS FOR EFFICIENCY
2 PURPOSES.

3 DR. HALL: LET ME JUST SAY A WORD IF I MIGHT.
4 I THINK MANY OF US FEEL THAT HAVING INVESTIGATORS SIGN
5 HELPS TO BRING TO THEIR ATTENTION THE FACT THAT THEY DO
6 HAVE RESPONSIBILITY. AND I THINK WE'VE SEEN RECENT
7 EVENTS WHERE -- THAT UNDERLINE THE IMPORTANCE OF THAT.
8 EVEN THOUGH IT MAY NOT HAVE LEGAL STANDING, IT, I
9 THINK, REMINDS THE INVESTIGATOR OF THEIR ONGOING
10 RESPONSIBILITIES FOR WHAT HAPPENS UNDER THE GRANT. AND
11 IN THE END, ALTHOUGH IT IS THE INSTITUTION THAT HAS THE
12 LEGAL RESPONSIBILITY, THE PERSON WHO'S MOST RESPONSIBLE
13 FOR SEEING THAT THE WORK GETS DONE, THAT IT GETS DONE
14 ACCORDING TO OUR STANDARDS IS THE PI. AND I WOULD
15 ARGUE THAT IT HAS CONSIDERABLE SYMBOLIC AND EVEN
16 SUBSTANTIVE BENEFIT IN REMINDING PI'S OF THAT FACT.

17 MR. KLEIN: DR. HALL, THIS IS BOB KLEIN. IN
18 ORDER TO REACH YOUR POINT, WHICH IS VERY APPEALING TO
19 ME, I UNDERSTAND THE LOGIC CLEARLY, AND YET BE
20 RESPONSIVE TO MINIMIZING UNNECESSARY TIME SPENT IN
21 ACHIEVING THAT OBJECTIVE, ISN'T IT POSSIBLE THAT WE
22 WOULD GIVE A CODE TO THE -- A SPECIFIC NUMERICAL CODE
23 OR NUMERICAL AND LETTERED CODE TO THE PI, AND THEY
24 COULD SIGN USING THAT CODE ELECTRONICALLY?

25 DR. HALL: WE CAN CERTAINLY LOOK INTO THAT,

1 HOW DIFFICULT IT WOULD BE TO INSTITUTE SUCH A SYSTEM.
2 WE CAN CERTAINLY DO THAT.

3 DR. BRIVANLOU: I WOULD ASK. THIS IS ALI
4 BRIVANLOU FROM ROCKEFELLER. I WOULD LIKE TO SECOND DR.
5 HALL'S OPINION ABOUT THIS. I THINK IT'S BEYOND
6 SYMBOLISM. THE COLLEAGUE FROM UC MENTIONED THAT THE
7 REGENTS GET THE AWARD, BUT IT'S IMPORTANT TO REMEMBER
8 THAT IT IS NOT THE REGENTS THAT WRITE THE GRANTS. IN
9 THAT SENSE, THE SCIENTISTS WHO ARE ACTUALLY WRITING THE
10 GRANTS AND COMPETING FOR IT SHOULD BE AWARE OF EXACTLY
11 WHAT HAPPEN. AND THERE IS NOTHING MORE POWERFUL THAN
12 PUTTING YOUR FINAL SIGNATURE ON A DOCUMENT THAT YOU
13 HAVE TRIED SO HARD TO GET AT THE END OF THE DAY. SO I
14 WOULD LIKE, JUST FOR THE RESPONSIBILITY POINT OF VIEW,
15 VOTE FOR THE FACT THAT THE PI SIGNS EITHER
16 ELECTRONICALLY OR WITH A PEN.

17 DR. DONAHOE: I WOULD WEIGH IN HERE. I THINK
18 THAT'S A VERY IMPORTANT CONCEPT. ALSO, IN THIS DAY AND
19 AGE, WE'RE WRITING SO MANY GRANTS, YOU SOMETIMES GET
20 LOST IN TERMS OF WHAT'S BEEN FUNDED AND WHAT'S STILL
21 OUTLINED. SO I THINK PUTTING A SIGNATURE ON A PAPER OR
22 ELECTRONICALLY IS VERY IMPORTANT.

23 CHAIRMAN ORKIN: I WOULD AGREE IN THIS CASE,
24 ESPECIALLY WITH THE OVERSIGHT OF THIS FIELD.

25 DR. MACKLIS: THIS IS JEFFREY MACKLIS FROM

1 BOSTON. I AGREE ENTIRELY.

2 MS. SAMUELSON: I AGREE. WE'RE MAKING AN
3 INVESTMENT IN THE INTELLECTUAL CAPITAL OF THE
4 SCIENTISTS, AND WE WANT TO HAVE THAT RELATIONSHIP WITH
5 THEM. IT'S NOT WITH THE REGENTS.

6 DR. YOUNG: I WANTED TO POINT OUT THAT THIS
7 MAY INVOLVE OTHER INSTITUTIONS OTHER THAN UC AND THAT
8 THERE MAY BE ORGANIZATIONS THAT --

9 UNIDENTIFIED SPEAKER: DON'T EXPLAIN THAT TO
10 ME. I'M ON THE PHONE.

11 DR. YOUNG: AND SO PERHAPS HAVING A GENERAL
12 POLICY OF INVESTIGATORS SIGNING WOULD NOT BE SO -- I
13 DON'T THINK IT'S SUCH AN ONEROUS REQUEST.

14 MS. MARCKESE: THIS IS CHRISTINE MARCKESE
15 FROM THE SALK INSTITUTE. I'M GOING TO ALSO AGREE WITH
16 THE UC POINT ON THIS. BUT I THINK MAYBE SOMETHING ELSE
17 WE COULD LOOK AT IS MAYBE WHEN WE'RE ALL DONE IS LOOK
18 AT A NORMAL LIFE SPAN OF A GRANT AND HOW MANY TIMES WE
19 NEED TO GET THE PI'S SIGNATURE. AND SO AS NOT TO KIND
20 OF BOGGLE DOWN THE PROCESS, MAYBE THAT WOULD BE ANOTHER
21 WAY TO LOOK BACK AT EVERYTHING.

22 DR. YOUNG: I MIGHT POINT OUT THAT GRANTS
23 FROM THE STATE OF NEW JERSEY ALL REQUIRE INVESTIGATOR
24 SIGNATURE. SO THIS IS A POLICY THAT IS STANDARD IN NEW
25 JERSEY. AND MAYBE WE SHOULD LOOK AT OTHER CALIFORNIA

1 PRACTICES AS WELL.

2 DR. HALL: I THINK I HEAR A PRETTY GOOD
3 CONSENSUS ON THE COMMITTEE. DO YOU WANT A ROLL CALL
4 VOTE ON THIS? COULD WE INCORPORATE -- I GUESS IF WE
5 JUST SAY WE DO IT WITH NO CHANGE, THAT IS AN EFFECTIVE
6 VOTE ON THAT ISSUE.

7 MR. SHEEHY: SO MOVED.

8 MR. SAMBRANO: SO WE'RE GOING TO TAKE A VOTE
9 TO ACCEPT CHAPTER 4 WITH NO CHANGES, AND PLEASE RESPOND
10 YES IF YOU AGREE.

11 STU ORKIN.

12 CHAIRMAN ORKIN: YES.

13 MR. SAMBRANO: JOAN SAMUELSON.

14 MS. SAMUELSON: YES.

15 MR. SAMBRANO: SUSAN BONNER-WEIR.

16 DR. BONNER-WEIR: YES.

17 MR. SAMBRANO: ALI BRI VANLOU.

18 DR. BRI VANLOU: YES.

19 MR. SAMBRANO: PATRICIA DONAHOE.

20 DR. DONAHOE: YES.

21 MR. SAMBRANO: ANDREW FEINBERG. MARCY FEIT.

22 MS. FEIT: YES.

23 MR. SAMBRANO: ALEXANDRA JOYNER. JUDITH

24 KIMBLE. SHERRY LANSING. JEFFREY MACKLIS.

25 DR. MACKLIS: YES.

1 MR. SAMBRANO: JEFFREY ROTHSTEIN. PABLO
2 RUBINSTEIN. DAVID SERRANO-SEWELL.
3 MR. SERRANO-SEWELL: YES.
4 MR. SAMBRANO: JEFF SHEEHY.
5 MR. SHEEHY: YES.
6 MR. SAMBRANO: JON SHESTACK. DENNIS
7 STEINDLER.
8 DR. STEINDLER: YES.
9 MR. SAMBRANO: RAINER STORB. CLIVE SVENDSEN.
10 JANET WRIGHT. GEORGE YANCOPOULOS.
11 DR. YANCOPOULOS: YES.
12 MR. SAMBRANO: WISE YOUNG.
13 DR. YOUNG: YES.
14 DR. CHIU: THANK YOU. WE'LL NOW MOVE ON TO
15 CHAPTER 5, WHICH IS AN ORANGE CHAPTER. THIS CHAPTER,
16 STARTING WITH PAGE 28 AND GOING ONTO PAGE 36, EXPLAINS
17 THE CIRM POLICY ON PAYMENT AND USE OF FUNDS AND IS
18 STRUCTURED INTO 11 SECTIONS FROM A THROUGH K.
19 STARTING ON PAGE 28, SECTION A STATES THE
20 CIRM WILL ISSUE ALIQUOTS OF FUNDS AFTER RECEIVING THE
21 SIGNED NOTICE OF GRANT AWARD AND ANY APPLICABLE PUBLIC
22 POLICY ASSURANCE DOCUMENTS UNDER THE JUST-IN-TIME RULES
23 UNLESS OTHERWISE SPECIFIED IN THE RFA.
24 THE SECOND SECTION B TALKS ABOUT ALLOWABLE
25 AND UNALLOWABLE COSTS. AND I WOULD LIKE TO SUGGEST

1 THAT SECTION B, IT'S A WORK IN PROGRESS, AND I WOULD
2 LIKE TO MOVE ON FROM IT BECAUSE WE'RE NOW REVISING
3 SECTION B TO REFLECT WHAT'S IN PROPOSITION 71 MUCH MORE
4 CLOSELY. SO I'D LIKE ON MOVE ON FROM THAT.

5 SECTION C COVERS BUDGETARY OVERLAP, WHICH IS
6 QUITE A COMMON FEATURE IN MOST GRANTS.

7 SECTION D DESCRIBES CHANGES IN THE RESEARCH
8 THAT WILL REQUIRE PRIOR APPROVAL BY CIRM. AND WE FEEL
9 THAT AS A NEW STATE AGENCY FULLY ACCOUNTABLE TO THE
10 PUBLIC, WE NEED TO GET TO KNOW THE INVESTIGATORS AND TO
11 KNOW THE RESEARCH THAT IS FUNDED. AND SO IF THERE ARE
12 ANY SIGNIFICANT CHANGES IN ACTIVITIES THAT AFFECT THE
13 RESEARCH, SUCH AS CHANGES IN SCOPE OF RESEARCH, USE OF
14 FUNDS, EXTENSIONS, REBUDGETING, AND/OR TRANSFER OF
15 AWARDS, WE NEED TO KNOW ABOUT THEM AND TO APPROVE THESE
16 CHANGES.

17 SO WE'VE LISTED THESE ACTIVITIES THAT REQUIRE
18 PRIOR APPROVAL AND A SIMPLE METHOD FOR GETTING SUCH
19 APPROVAL. THAT IS SECTION D.

20 SECTION E COVERS HOW WE EXPECT THE GRANTEE
21 ORGANIZATION TO MANAGE CIRM-FUNDED EQUIPMENT.

22 SECTION F DESCRIBES OUR POLICY FOR A
23 PREFERENCE FOR CALIFORNIA SUPPLIERS. WE WANT TO BE
24 CONSISTENT WITH PROPOSITION 71, THAT AS A CALIFORNIA
25 STATE AGENCY, WE EXPECT THE GRANTEE TO MAKE ALL EFFORTS

1 TO PURCHASE GOODS AND SERVICES FROM CALIFORNIA
2 SUPPLIERS. AND I UNDERSTAND AT THE END OF THIS
3 DISCUSSION, THERE WILL BE A COMMENT FROM INVITROGEN.

4 MOVING ON, THE NEXT SECTION DESCRIBES,
5 SECTION G DESCRIBES ACCOUNTING RECORDS, DOCUMENTATION
6 RETENTION, AND ACCESS TO RECORDS AND AUDITS. THERE MAY
7 BE AUDITS MADE BY THE STATE CONTROLLER'S OFFICE OR BY
8 CIRM FROM TIME TO TIME, SO THAT'S STATED IN G.

9 SECTION H DEALS WITH MISUSE OF FUNDS FROM THE
10 CIRM, DEALS WITH WASTE -- FRAUD, WASTE, OR ABUSE. AND
11 THE CONSEQUENCES OF MISUSE OF FUNDS WILL BE DESCRIBED
12 FURTHER DOWN IN SECTION K.

13 SECTION I DESCRIBES CIRM'S REPORTING
14 REQUIREMENTS FOR GRANTEES. THESE CONSIST OF AN INTERIM
15 FINANCIAL REPORT AND A PROGRAMMATIC REPORT DUE AT THE
16 SAME TIME SO THAT WE CAN TRACK BOTH FINANCIAL AND
17 RESEARCH PROGRESS MADE. AND THEN WE ARE REQUESTING AN
18 ANNUAL FINANCIAL REPORT DUE THREE MONTHS AFTER THE END
19 OF THE PREVIOUS FUNDING YEAR THAT WILL ALLOW US TO SEE
20 THE EXACT EXPENDITURES. AND I BELIEVE THERE WILL BE
21 COMMENTS FROM THE PUBLIC ABOUT THESE REPORTS WHICH
22 WE'LL COME BACK TO.

23 WE CURRENTLY FEEL THAT THESE REPORTS WILL
24 PROVIDE THE INFORMATION FOR CIRM TO BE GOOD STEWARDS OF
25 THE PUBLIC'S MONEY. THERE ARE ALSO OTHER REPORTS IN

1 THIS SECTION ON PUBLICATIONS, INVENTIONS, AND PATENTS.
2 AND THESE ARE WRITTEN TO BE CONSISTENT WITH OUR IP
3 POLICIES.

4 SECTION J IS ON GRANT CLOSEOUT.

5 AND THEN THE LAST SECTION, SECTION K, SPELLS
6 OUT THE CONSEQUENCES OF FAILURE TO COMPLY WITH CIRM
7 POLICIES AND REGULATIONS.

8 SO I'VE REVIEWED VERY QUICKLY FOR YOU THE
9 SECTIONS ON THIS RATHER LARGE CHAPTER. MR. CHAIRMAN, I
10 TURN THE MEETING BACK TO YOU FOR DISCUSSION.

11 CHAIRMAN ORKIN: ARE THERE ANY SPECIFIC
12 ISSUES THAT THERE'S BEEN CONCERN ABOUT PREVIOUSLY THAT
13 WE SHOULD FOCUS ON?

14 DR. CHIU: FIRST, DO WORKING GROUP MEMBERS
15 HAVE ANY COMMENTS ABOUT ANY PART OF THIS CHAPTER AS
16 IDENTIFIED BY THE SECTION IDENTIFIER?

17 MR. SHEEHY: I THINK THERE'S TWO THINGS OUT
18 THERE. THERE'S THE PUBLIC COMMENT ON THE PREFERENCE
19 FOR CALIFORNIA SUPPLIERS, AND THEN THERE IS MAYBE
20 RELEVANT TO SOME OF OUR OTHER DISCUSSIONS SOME
21 DISCUSSION FROM THE UC FOLKS ABOUT UNDER SECTION 5
22 UNDER REPORTING REQUIREMENTS, WELL, ABOUT WHETHER PI'S
23 OR GRANTEES SHOULD BE THE REPORTING ENTITY.

24 DR. CHIU: SO, MR. CHAIRMAN, WITH YOUR
25 PERMISSION, SHALL I GO OVER SOME OF THE PUBLIC COMMENTS

1 THAT WE'VE RECEIVED?

2 CHAIRMAN ORKIN: OKAY. PLEASE DO.

3 DR. CHIU: SINCE I DO NOT HEAR MUCH COMMENT
4 FROM THE WORKING GROUP ON THIS CHAPTER. THE FIRST
5 REFERS TO -- MAKE SURE I HAVE -- I AM NOT GOING TO
6 DISCUSS THE COMMENTS ON ALLOWABLE COSTS, COSTS AND
7 ACTIVITIES FOR REASONS I'VE DELINEATED BEFORE.

8 SO MOVING ONTO PAGE 31 THROUGH 32, PRIOR
9 APPROVAL REQUIREMENTS. THIS IS A COMMENT FROM CAL TECH
10 THAT WE RECEIVED BY E-MAIL. THE PRIOR APPROVAL
11 REQUIREMENTS ARE SIMILAR TO THOSE USED BY BOTH THE NIH
12 AND NSF 20 YEARS AGO. THE FEDERAL AGENCIES HAVE
13 SIMPLIFIED AND REDUCED THE PRIOR APPROVAL REQUIREMENTS
14 ON RESEARCH GRANTS. AND THEY SAY WE CAN CERTAINLY LIVE
15 WITH THE CIRM REQUIREMENTS, BUT DO THEY REALLY NEED TO
16 BE SO RESTRICTIVE? THAT'S THEIR GENERAL COMMENT.

17 NOW, GOING THROUGH TO SUBSECTIONS, ON PAGE
18 32, SUBSECTION 4, REBUDGETING, THERE IS A COMMENT FROM
19 UCOP, THAT THIS IS NOT CONSISTENT WITH NIH POLICY, THAT
20 NIH DOES NOT PLACE LIMITATIONS ON REBUDGETING.

21 IS THERE ANY DISCUSSION ABOUT THIS
22 RESPONSE -- THIS COMMENT FROM THE INSTITUTIONS?

23 CHAIRMAN ORKIN: WHAT WAS THE RATIONALE FOR
24 PUTTING LIMITS ON --

25 DR. CHIU: ON TRACKING AND GETTING APPROVAL

1 FOR REBUDGETING, IF YOU LOOK AT THE REBUDGETING, WE PUT
2 VERY GENERAL RULES OF PERSONNEL, IF THEY CHANGE AND
3 REBUDGET MORE THAN A CERTAIN AMOUNT, SUCH AS 25 PERCENT
4 OF WHAT WAS ORIGINALLY PUT THERE, THEN WE WOULD LIKE TO
5 KNOW ABOUT IT FOR CONSULTANTS AND FOR EQUIPMENT. SO
6 THERE IS A BASELINE BENEATH WHICH THEY DO NOT HAVE TO
7 ASK FOR PRIOR APPROVAL; BUT IF THERE'S A BIG CHANGE
8 THAT IS MORE THAN 25 PERCENT OF THAT BUDGET ITEM, WE
9 WOULD LIKE TO KNOW WHAT IS THE RATIONALE FOR MAKING
10 SUCH SHIFTS WAS OUR INTENT.

11 CHAIRMAN ORKIN: ANY COMMENTS FROM THE GROUP,
12 WORKING GROUP?

13 MR. SHEEHY: IT SEEMS LIKE THE EXISTING
14 POLICY SEEMS FAIRLY REASONABLE, BUT UNLESS -- THE WAY
15 IT'S WRITTEN. YEAH, UNLESS -- I MEAN 25 PERCENT IS A
16 FAIRLY HIGH THRESHOLD, I THINK.

17 DR. CHIU: ARE THERE OTHER COMMENTS ABOUT
18 WHAT WE HAVE HERE AS A THRESHOLD FOR TRIGGERING
19 REQUIREMENT FOR APPROVAL?

20 DR. MACKLIS: THIS IS JEFFREY MACKLIS FROM
21 HARVARD IN BOSTON. THESE SEEM VERY REASONABLE. THESE
22 ARE SPECIAL FUNDS THAT HAVE COME FROM A SPECIAL BILL
23 AND PROPOSITION FOR SPECIAL USE. AND I THINK, UNLIKE
24 THE STREAMLINING AT NIH, THE CITIZENS OF CALIFORNIA
25 SHOULD KNOW THAT THE FUNDS ARE GOING TO BE SPENT PRETTY

1 CLOSELY TO THE WAY THEY WERE APPLIED. AND 25 PERCENT,
2 I AGREE, IS A PRETTY LARGE THRESHOLD FOR DIFFERENCE.
3 AND IF THE INVESTIGATOR WOULD LIKE TO REBUDGET, IT
4 SEEMS LIKE THERE ARE PROVISIONS TO GET ADMINISTRATIVE
5 APPROVAL TO DO SO.

6 CHAIRMAN ORKIN: ANY OTHER COMMENTS? FROM
7 THE PUBLIC?

8 MR. MEARS: DAVID MEARS, UNIVERSITY OF
9 CALIFORNIA. I WAS A MEMBER OF THE FEDERAL
10 DEMONSTRATION PARTNERSHIP WHEN IT WAS CREATED MORE THAN
11 20 YEARS AGO. AND ONE OF NSF'S AND NIH'S OBJECTIVES
12 WAS TO REMOVE AND MITIGATE THE EFFECTIVE PRIOR
13 APPROVALS ON INVESTIGATORS. AND THAT HAS RESULTED.
14 THE WHOLE PURPOSE OF AT LEAST A FEDERAL GRANT, AND I
15 CAN'T SPEAK FOR CIRM GRANTS, IS TO PROVIDE SUPPORT
16 AND ASSISTANCE TO RESEARCHERS TO DO THEIR RESEARCH.

17 THE CURRENT POLICY PROVIDES FOR THE CONTROL
18 AT THE TOTAL GRANT AWARD AMOUNT AND PERMITS REBUDGETING
19 WITHIN BUDGET CATEGORIES BECAUSE IT'S IMPOSSIBLE, I'M
20 TOLD BY RESEARCHERS, TO PREDICT CLEARLY AND PRECISELY
21 IN ADVANCE HOW THE FUNDS ARE GOING TO BE APPLIED AS THE
22 RESEARCH UNFOLDS. TO HAVE THESE KINDS OF CONTROLS
23 LITERALLY IS A STEP BACKWARDS 20 YEARS.

24 WE DEAL WITH THESE ISSUES WITH THE STATE OF
25 CALIFORNIA AGENCIES ALL THE TIME BECAUSE WE ASK WHAT IS

1 THE PURPOSE OF THE CONTROLS. SAY YOU KNOW ABOUT THE
2 CHANGES. WELL, HOW ARE YOU GOING TO MAKE DECISIONS ON
3 WHETHER TO APPROVE THEM OR NOT? YOU WANT TO HOLD THE
4 PRINCIPAL INVESTIGATOR ACCOUNTABLE FOR MANAGING THE
5 FUNDS, YOU SHOULD LET THE INVESTIGATOR DO THAT. TAKE A
6 LOOK AT THE COST AND HOURS AND EFFORT IN DOLLARS IT
7 TAKES TO MANAGE ALL OF THESE PRIOR APPROVALS. I'D MUCH
8 RATHER HAVE RESEARCHERS DOING RESEARCH THAN WORRYING
9 ABOUT WHETHER THEY'RE A NICKEL OVER OR UNDER A
10 PARTICULAR LINE ITEM. THE IMPACT ON INVOICING IS
11 ABSOLUTELY OUTRAGEOUS BECAUSE STATE AGENCIES WON'T
12 APPROVE AN INVOICE IF THE BUDGET LINE ITEM GOES OVER BY
13 ANY AMOUNT.

14 SO I WOULD CHALLENGE THE CONTROLS, THE PRIOR
15 APPROVALS FROM THE POINT OF VIEW OF A COST AND
16 DIVERSION OF RESEARCH EFFORT. I DON'T BELIEVE THEY
17 HAVE A PRODUCTIVE PURPOSE EVEN IF YOU WERE TO BE
18 INFORMED. ON THE OTHER HAND, THERE'S PLENTY OF
19 CONTROLS IN OUR INSTITUTIONAL SYSTEMS. FEDERAL
20 REQUIREMENTS TO COMPLY WITH ALL KINDS OF COST
21 ACCOUNTING STANDARDS, A 21, WE HAVE ANNUAL AUDITS UNDER
22 OMB CIRCULAR 133. THERE'S NO LACK OF CONTROLS TO
23 ASSURE THAT FUNDS ARE BEING SPENT APPROPRIATELY.

24 I JUST THINK THIS IS A GIANT STEP BACKWARDS
25 WITH RESPECT TO IMPOSING CONTROLS THAT COST A LOT OF

1 EFFORT AND DOLLARS, AND I DON'T KNOW FOR WHAT PURPOSE.
2 WE'RE FOR ACCOUNTABILITY, WE'RE FOR LETTING PEOPLE KNOW
3 WHAT THE MONEY IS BEING USED FOR, AND WE BELIEVE THAT
4 THE OTHER POLICIES APPLY MORE THAN ADEQUATE CONTROLS TO
5 THAT.

6 MS. SAMUELSON: DO WE HAVE A RESPONSE TO
7 THIS?

8 CHAIRMAN ORKIN: ANY OTHER COMMENTS OR
9 RESPONSES?

10 MS. SAMUELSON: I HATE FOR SMART SCIENTISTS
11 TO BE SPENDING UNNECESSARY TIME WITH PAPERWORK, BUT I
12 DEFER TO YOUR EXPERIENCE.

13 DR. HALL: I THINK THE ARGUMENT WOULD BE WHAT
14 JEFF SAID, THAT MANY OF OUR PROJECTS MAY VERY WELL BE
15 QUITE DIRECTED AND MAY NOT BE A SITUATION IN WHICH
16 WE'RE SAYING WHEREVER YOUR CURIOSITY LEADS YOU, YOU
17 SHOULD GO. MY SENSE IS IT'S PART OF OUR HAVING
18 MILESTONES AND OTHER THINGS, THAT WE HAVE A TARGET IN
19 MIND, WHICH IS A VERY CLEAR ONE.

20 DR. MACKLIS: MANY PRIVATE FOUNDATIONS EXERT,
21 I THINK, UNREASONABLY RESTRICTIVE LIMITATIONS ON
22 REBUDGETING. FOR EXAMPLE, STAY WITHIN \$1,000 OF THE
23 BUDGETED LINE. AND IN THAT REGARD, I'D AGREE ENTIRELY
24 WITH THE DIRECTOR FROM THE UNIVERSITY OF CALIFORNIA.
25 HOWEVER, THESE ARE DIFFERENT KINDS OF FUNDS. 25

1 PERCENT OF LARGE NUMBERS ARE LARGE DIFFERENCES.
2 THERE'S ADMINISTRATIVE ABILITY TO CHANGE THE USE OF
3 FUNDS. AND AT THE NIH LEVEL, IN ADDITION TO GIVING
4 LOCAL AUTHORITY, WE WENT TO LARGELY MODULAR GRANTS.
5 UNLESS CIRM IS GOING TO GIVE LARGE BLOCKS FOR
6 INVESTIGATOR-DIRECTED SCIENCE, WHICH I GATHER IS
7 SLIGHTLY DIFFERENT THAN THE MANDATE, STAYING WITHIN 25
8 PERCENT DOESN'T TO ME SEEM UNREASONABLE FROM THE
9 INVESTIGATOR'S POINT OF VIEW. IN FACT, IT SORT OF
10 ENSURES ACCOUNTABILITY.

11 MS. SAMUELSON: I'D SUGGEST THAT WE PROCEED
12 TO MOVE TO ADOPT THIS SECTION IF WE'RE AT THE END. AND
13 IF THERE ARE FURTHER CONCERNS ABOUT THAT OVER TIME, WE
14 CAN READDRESS IT.

15 MS. MARCKESE: IF YOU DO VOTE TO ADOPT IT,
16 WHEN I READ THE GLOSSARY, SPECIFICALLY PAGE 10 AND SAW
17 SIGNIFICANT REBUDGETING, THERE IT STATES THAT IT'S MORE
18 THAN 25 PERCENT OF THE TOTAL COST AWARDED. THEN I WAS
19 CONFUSED LATER ON IF WE'RE GOING TO HAVE BUDGET LINE
20 ITEM RESTRICTIONS BASED ON 25 PERCENT. IT'S KIND OF
21 CONFUSING THERE.

22 DR. CHIU: THANK YOU FOR POINTING THAT OUT.
23 WE WILL MAKE IT CONSISTENT.

24 MR. SHEEHY: IF WE ARE GOING TO DO THIS
25 SECTION, I THINK WE REALLY SHOULD HEAR --

1 DR. CHIU: WE WILL.

2 MR. SHEEHY: I'M GETTING CONFUSED.

3 DR. CHIU: I'M MOVING DOWN. SO DO I HEAR A
4 DECISION ABOUT WHAT LANGUAGE TO ADOPT FOR THE
5 REBUDGETING FROM THE GROUP?

6 CHAIRMAN ORKIN: I THINK WE OUGHT TO HAVE A
7 CONSENSUS, BUT I THINK IT WAS TO LEAVE AS WRITTEN.

8 DR. HALL: LET ME MAKE A SUGGESTION, THAT WE
9 IN THAT CASE HOLD IT AND NOT TAKE A SEPARATE VOTE
10 UNLESS PEOPLE, JUST IN THE INTEREST OF TIME, BUT JUST
11 FOLD IT IN. IF ANYBODY OBJECTS, WE CAN GO AHEAD AND
12 TAKE A ROLL CALL.

13 DR. CHIU: WE NOW MOVE TO, LET ME SEE,
14 SECTION G. I DON'T WANT SO MISS THE PREFERENCE. SO
15 THE NEXT ITEM WOULD BE SECTION F ON PAGE 32, PREFERENCE
16 FOR CALIFORNIA SUPPLIERS. I BELIEVE THERE IS COMMENT
17 FROM THE PUBLIC.

18 MR. DAUT: GOOD AFTERNOON. MY NAME IS DON
19 DAUT. I'M THE VICE PRESIDENT AND GENERAL MANAGER OF
20 INVITROGEN'S ANTIBODIES BUSINESS BASED IN CALIFORNIA.
21 PRIOR TO THAT I WAS THE DIRECTOR OF THE OLIGONUCLEOTIDE
22 BUSINESS, AND BOTH OLIGOS AND ANTIBODIES CERTAINLY HAVE
23 A KEY ROLE IN STEM CELL RESEARCH.

24 INVITROGEN, AS YOU PROBABLY KNOW, IS BASED IN
25 CALIFORNIA DOWN IN CARLSBAD. EMPLOYS ABOUT 1400

1 CALIFORNIA RESIDENTS, BUT WE'RE ONLY ONE OF MANY
2 COMPANIES WHO PROVIDE THESE LIFE SCIENCES TOOLS FOR
3 RESEARCH. AND WE WOULD LIKE TO PROPOSE THAT THE
4 WORDING INITIALLY INCLUDED IN PROPOSITION 71 BE
5 REINSTATED SO THAT THE GRANTEES HAVE A TARGET OF
6 ACHIEVING AT LEAST 50 PERCENT OF THEIR MATERIALS PLACED
7 WITH COMPANIES WHO ARE BASED IN CALIFORNIA.

8 SO THE COMPANY HAS SUBMITTED WRITTEN
9 DOCUMENTS. IT JUST WAS PUT IN LAST EVENING, SO NOT
10 MUCH TIME TO REVIEW IT. FOR THE SAKE OF TIME, I'D LIKE
11 TO PARAPHRASE IT AND THEN FOLLOW UP WITH WRITTEN
12 COMMENT IN MORE FORMAL FASHION.

13 SO THERE'S REALLY FIVE REASONS THAT WE THINK
14 WOULD BE IMPORTANT TO FOLLOW THE PROPOSITION 71 WHICH
15 READ, THE ICOC SHALL ESTABLISH STANDARDS TO ENSURE THAT
16 GRANTEES PURCHASE GOODS AND SERVICES FROM CALIFORNIA
17 SUPPLIERS TO THE EXTENT REASONABLY POSSIBLE IN A GOOD
18 FAITH EFFORT TO ACHIEVE A GOAL OF MORE THAN 50 PERCENT
19 OF SUCH PURCHASES FROM CALIFORNIA SUPPLIERS. AND WE
20 BASE THIS RECOMMENDATION ON FIVE POINTS.

21 CALIFORNIA COMPANIES CAN PROVIDE THE NEEDED
22 GOODS AND SERVICES. CALIFORNIA REPRESENTS A
23 SIGNIFICANT PORTION OF THE 17 BILLION LIFE SCIENCES
24 MARKET. CERTAINLY MANY OF THE TOOLS, SERVICES, AND
25 PRODUCTS THAT LIFE SCIENCE RESEARCHERS INVOLVED WITH

1 STEM CELLS WILL BE ABLE TO FIND THE TOOLS THAT THEY
2 NEED FROM CALIFORNIA COMPANIES.

3 THE WATERED DOWN PREFERENCE THAT IS BEING
4 PROPOSED IN THE GUIDELINE DOESN'T GIVE, WITHOUT VAGUE
5 REQUIREMENTS, IT DOESN'T PROVIDE A CLEAR DEFINITION OF
6 WHAT CONSTITUTES A GOOD FAITH EFFORT, AND WE THINK THAT
7 50 PERCENT IS AN IMPORTANT COMPONENT FOR THAT.

8 ANOTHER POINT IS EVEN IF ONLY 10 PERCENT OF
9 THE TOTAL CIRM FUNDING IS SPENT ON GOODS AND SERVICES,
10 AND THAT'S PROBABLY A LOW ESTIMATE, THAT THIS
11 PREFERENCE WILL AFFECT 300 HUNDRED MILLION IN
12 CALIFORNIA TAXPAYER MONEY WHICH IS A SIGNIFICANT
13 PORTION.

14 POINT THREE, THE FULL SUPPLIER PREFERENCE IS
15 CONSISTENT WITH ICOC POLICY AND PROPOSITION 71 INTENT.
16 THE CIRM HAS EXPLICITLY FAVORED CALIFORNIA RESEARCH
17 INSTITUTIONS, CALIFORNIA LOCATIONS, CALIFORNIA
18 RESIDENTS. AND WITH THIS DILIGENCE IN ENSURING MAXIMUM
19 ECONOMIC BENEFIT TO THE STATE OF CALIFORNIA, WE FEEL
20 IT'S VERY IMPORTANT TO CONTAIN AND PROVIDE THIS 50
21 PERCENT GOOD FAITH EFFORT FOR THE PURCHASE FROM
22 CALIFORNIA SUPPLIERS.

23 FOURTH POINT, CALIFORNIA VOTERS DID, IN FACT,
24 APPROVE THE FULL PREFERENCE. TO ELIMINATE THE MORE
25 THAN 50 PERCENT GOAL SIGNIFICANTLY DILUTES THE

1 REQUIREMENT AND MEANINGFULLY CHANGES THE PROVISIONS
2 THAT THE VOTERS HAVE APPROVED.

3 AND OUR FIFTH POINT IS THE FULL REQUIREMENT
4 CAN BE READILY IMPLEMENTED. WE APPRECIATE THAT
5 FLEXIBILITY IS REQUIRED AND NECESSARY ON THE BASIS OF
6 THE GRANTEES, BUT WE THINK TO MAKE A GOOD FAITH EFFORT
7 AS REASONABLY AS POSSIBLE, THAT FROM THE RICH ARRAY OF
8 CALIFORNIA SUPPLIERS THAT ARE IN THE STATE, THAT THIS
9 STILL PROVIDES A GREAT DEAL OF FLEXIBILITY FOR THE
10 GRANTEES TO PURSUE THAT.

11 SO IN SUMMARY, INVITROGEN IS VERY WILLING TO
12 WORK WITH THE GROUP TO PROVIDE SOME GUIDANCE AND SOME
13 DEFINITIONS ON WHAT CONSTITUTES A CALIFORNIA SUPPLIER.
14 WE BELIEVE THAT RESTORING THE FULL PREFERENCE LANGUAGE
15 IN MECHANISMS AND DEFINITIONS WILL BE BENEFICIAL AND
16 CONSISTENT WITH PROPOSITION 71 THAT THE VOTERS
17 APPROVED. THANK YOU.

18 MS. SAMUELSON: WHY WAS THAT LANGUAGE NOT
19 USED?

20 DR. CHIU: THE LANGUAGE -- THE WORD "ENSURE"
21 WILL BE UP TO THE UNIVERSITIES AND THE RECIPIENTS TO
22 TELL US HOW THEY WILL ENSURE PURCHASING AT LEAST 50
23 PERCENT OF PURCHASES FROM CALIFORNIA EVEN IF MAYBE
24 PURCHASERS -- SUPPLIERS ARE NOT AVAILABLE IN
25 CALIFORNIA. SO WE RELAXED IT TO MAKE IT TO EXTENT

1 POSSIBLE, REASONABLE EXTENT POSSIBLE, THEY WILL
2 PURCHASE CALIFORNIA SUPPLIERS -- FROM CALIFORNIA
3 SUPPLIERS, WHICH RESULTED IN THIS LANGUAGE THAT WE HAVE
4 HERE. BUT IT IS UP TO THE WORKING GROUP TO CHANGE THE
5 LANGUAGE AS THEY RECOMMEND.

6 CHAIRMAN ORKIN: ARLENE, HOW WOULD THAT BE
7 MONITORED?

8 DR. CHIU: THAT IS A GOOD QUESTION. WE ARE
9 NOT SURE. IT WILL BE UP TO THE UNIVERSITIES TO CERTIFY
10 TO US. IT'S UP TO THEIR ADMINISTRATION, I BELIEVE, IF
11 WE ARE GOING TO ENSURE THAT.

12 DR. HALL: CAN WE ALSO GET A LEGAL OPINION,
13 SCOTT, ABOUT WHETHER THE LANGUAGE WE HAVE IS CONSISTENT
14 WITH PROPOSITION 71?

15 MS. SAMUELSON: ON ITS FACE IT'S DIFFERENT.

16 MR. SHEEHY: I WONDER IF WE COULD JUST --
17 RATHER THAN -- I DON'T THINK WE HAVE THE ANSWER IN
18 FRONT OF US OR WHAT WE CAN SAY DEFINITELY IS THE
19 ANSWER. MAYBE IF THE WORKING GROUP FEELS COMFORTABLE,
20 WE CAN CHARGE COUNSEL AND STAFF, WORKING WITH THE
21 INSTITUTIONS AND WITH THE BUSINESS COMMUNITY, TO TRY TO
22 DRAFT -- IN THE INTERIM BEFORE THE ICOC MEETING TO TRY
23 TO COME UP WITH SOMETHING THAT CAN WORK FOR ALL
24 CONCERNED PARTIES AND STILL BE CONSISTENT WITH THE
25 LANGUAGE OF THE STATUTE.

1 MS. SAMUELSON: SO MOVED.

2 MR. SERRANO-SEWELL: ARE WE DISCUSSING THAT
3 MOTION? THERE WAS A QUESTION POSED TO SCOTT FROM DR.
4 HALL. AND I'M NOT SURE WHAT THE QUESTION WAS, BUT IT
5 MAY HAVE -- DOES IT HAVE SOMETHING TO DO WITH WHETHER
6 THE LANGUAGE BEFORE US, SUCH TO THE EXTENT REASONABLY
7 POSSIBLE LANGUAGE, WHETHER THAT COMPLIES WITH
8 PROPOSITION 71. MY PREFERENCE WOULD BE TO MIRROR 71 AS
9 MUCH AS POSSIBLE. WE'VE DONE THAT IN PLACES IN THIS
10 DOCUMENT, AND IT'S ALWAYS WISE TO DO SO. IF
11 PROPOSITION 71 IS CLEAR ON ITS FACE AS TO WHAT OUR
12 OBJECTIVES SHOULD BE, THEN I DON'T THINK THERE'S --
13 WHAT ARE WE TALKING ABOUT HERE? LET'S JUST PUT THE
14 PROP 71 LANGUAGE IN HERE.

15 MS. SAMUELSON: THE CONCERN WAS THE "ENSURE."

16 MR. SERRANO-SEWELL: I UNDERSTAND. DOES
17 PROPOSITION 71 SAY ENSURE?

18 MR. SHEEHY: THERE'S AN ISSUE ON DEFINITIONS.
19 WE HAVE TO MAKE SURE THAT WHATEVER WE PUT IN PLACE IS
20 FEASIBLE.

21 MR. TOCHER: FOR THE PURPOSE OF THE
22 DISCUSSION, LET ME JUST READ, IT'S VERY BRIEF, THE
23 PROVISION IN PROP 71. IT SAYS, "THE ICOC SHALL
24 ESTABLISH STANDARDS TO ENSURE THAT GRANTEES PURCHASE
25 GOODS AND SERVICES FROM CALIFORNIA SUPPLIERS TO THE

1 EXTENT REASONABLY POSSIBLE IN A GOOD FAITH EFFORT TO
2 ACHIEVE A GOAL OF MORE THAN 50 PERCENT OF SUCH
3 PURCHASES FROM CALIFORNIA SUPPLIERS. "

4 AND THEN YOU SEE IN THE DRAFT, THE EXISTING
5 DRAFT 9 D ON PAGE 32, IT STATES, "TO THE EXTENT
6 REASONABLY POSSIBLE, THE GRANTEES SHALL PURCHASE FROM
7 CALIFORNIA SUPPLIERS THE GOODS AND SERVICES USED IN ITS
8 CIRM-SUPPORTED RESEARCH. " I DON'T THINK ON ITS FACE
9 THERE'S ANYTHING INCONSISTENT BETWEEN THAT AND
10 SUBDIVISION I. IT DOES NOT IDENTIFY THE PARTICULAR
11 PERCENTAGE OR MORE THAN 50 PERCENT, AND IT DOES NOT
12 DEFINE ENSURE, BUT THOSE ARE TYPICALLY THE SORTS OF
13 THINGS THAT IN PRACTICE INSTITUTIONS AND PARTICIPANTS
14 SORT OF TRY TO FIGURE OUT TOGETHER AS IT'S IMPLEMENTED.

15 MR. BEDFORD: COULD I JUMP IN, ZACH, SINCE I
16 WROTE THIS? SCOTT'S CLOSE AND ALMOST TO THE GOAL LINE
17 ON THAT. THE POINT IS THAT THE GRANTEES DON'T ENSURE
18 THAT THEY BUY 50 PERCENT. AND, FRANKLY, WE COULD NOT
19 COME UP WITH A WAY OF DETERMINING WHAT WE WOULD ASK OF
20 GRANTEES OTHER THAN WHAT'S IN THERE. IT DOESN'T SAY
21 EACH GRANTEE SHOULD ENSURE 50 PERCENT. IT SAYS THE
22 OVERALL PROGRAM NEEDS TO ENSURE 50 PERCENT.

23 AND I THINK IT'S OUR BELIEF THAT IF WE REALLY
24 PUSH THE GRANTEES TO BUY CALIFORNIA, WHICH THIS IS
25 INTENDED TO DO, AND WE MONITOR THAT, THEN OVERALL WE

1 SHOULD HIT THE 50-PERCENT MARK, BUT IT'S VERY POSSIBLE
2 THAT SOME GRANTEE'S UNIQUE RESEARCH REQUIRES
3 OUT-OF-CALIFORNIA PURCHASES, AND OTHERS BUY ALMOST A
4 HUNDRED PERCENT FROM CALIFORNIA.

5 ARLENE, IS THAT CLOSE ENOUGH?

6 DR. CHIU: EXCELLENT. THANK YOU.

7 MR. SERRANO-SEWELL: DAN, THIS IS DAVID. IS
8 THERE ANYTHING WRONG WITH INCLUDING THE FULL PROP 71
9 LANGUAGE THAT SCOTT JUST READ FOR US? WOULD THAT DO
10 ANY HARM?

11 MR. BEDFORD: WELL, I KNOW YOU ARE THE
12 ATTORNEY. ONLY IN THIS REGARD, AND THAT IS THIS IS
13 BETWEEN US AND THE GRANTEES, AND THAT WE HAVE THAT
14 GOAL. IT'S NOT THEIR ISSUE; IT'S OUR ISSUE, BUT WE DO
15 WANT THEM TO -- APPARENTLY, YOU KNOW, PROP 71 SAYS OUR
16 REQUIREMENT IS TO DO SO REASONABLY. AND I THINK IT
17 DOES THAT BECAUSE IT ANTICIPATES THERE ARE GOING TO BE
18 TIMES WHERE PEOPLE HAVE TO GO ELSEWHERE TO GET THE
19 PROPER TOOLS OR SOURCES FOR TISSUE OR WHATEVER.

20 DR. HALL: DAN, LET ME JUST GET THIS
21 STRAIGHT. YOU'RE ARGUING THAT THE 50-PERCENT GOAL,
22 THEN, IS A FIRM GOAL.

23 MR. BEDFORD: YES.

24 DR. HALL: IF SALK BUYS A HUNDRED PERCENT OUT
25 OF CALIFORNIA AND THE UNIVERSITY OF CALIFORNIA BUYS A

1 100 PERCENT IN CALIFORNIA, THEN WE PROBABLY WILL HAVE
2 MET OUR GOAL, BUT THE SALK MAY NOT HAVE. SO THAT'S
3 NOT -- WE SHOULD NOT REQUIRE IT OF THE SALK.

4 MR. BEDFORD: THAT'S CORRECT. AND, OF
5 COURSE, THIS COMMITTEE HAS THE ABILITY TO SAY THEY
6 PREFER A HIGHER GOAL THAN THAT, AND THAT COULD BE 50
7 PERCENT FOR EACH GRANTEE. THIS IS THE SOURCE OF WHY WE
8 LEFT THE 50 PERCENT OFF.

9 DR. HALL: THAT MAKES SENSE. IT IS VERY
10 DIFFICULT TO ENFORCE THIS OR EVEN TO TRACK IT ACTUALLY
11 IN ANY MEANINGFUL WAY. SO IT SEEMS TO ME THAT WHAT IS
12 IN THERE AT LEAST SAYS WHAT WE EXPECT, AND THEN IT IS
13 OUR GOAL, THEN, TO COME IN AT GREATER THAN 50 PERCENT.
14 SO THAT'S -- SO THEN IT'S UP TO WHATEVER PEOPLE WANT TO
15 DO ABOUT IT.

16 MR. SHEEHY: UNLESS OTHER PEOPLE ON THE
17 COMMITTEE FEEL DIFFERENTLY, I WOULDN'T MIND SENDING
18 THIS BACK FOR ANOTHER LOOK JUST TO HAVE MORE
19 CONVERSATIONS. I DON'T THINK THIS IS SUCH A HUGE PART
20 OF THIS THAT WE NEED TO SPEND A LOT OF TIME ON IT. AND
21 WE DO WANT TO IN WHATEVER WAY POSSIBLE BE MOST
22 CONSISTENT WITH THE LAW.

23 MS. SAMUELSON: JUST A MINUTE. I HAVE A
24 COMMENT. BUT IT ISN'T UNIMPORTANT TO HAVE THE VOTERS
25 THINKING THAT WE ARE DOING WHAT WE CAN TO TRY TO CREATE

1 THE INCENTIVES AND REQUIREMENTS TO HAVE THAT RETURN
2 BACK INTO THE STATE BECAUSE ONE THING WE DON'T WANT IS
3 AN EDITORIAL SAYING THAT WE RELAXED THE RULE BEHIND
4 CLOSED DOORS THAT WAS PASSED BY THE VOTERS, SO WE WANT
5 TO PROTECT OURSELVES.

6 DR. HALL: WE'RE CERTAINLY NOT DOING IT
7 BEHIND CLOSED DOORS.

8 MS. SAMUELSON: NOT NOW.

9 DR. HALL: LET ME JUST SAY ONE THING, DON. I
10 THINK THE TENSION WE ALL FEEL IS THAT OBVIOUSLY THIS IS
11 CALIFORNIA MONEY. WE ARE INTENDED TO BENEFIT THE STATE
12 OF CALIFORNIA, AND THAT IS AN IMPORTANT, I WOULD SAY,
13 SIDE BENEFIT OR GOAL OF PROPOSITION 71. HOWEVER, FROM
14 THE POINT OF VIEW OF THE PERSON IN THE LABORATORY, WHO
15 WANTS TO GET THE BEST POSSIBLE REAGENT OR THE BEST
16 POSSIBLE PIECE OF EQUIPMENT TO GET THEIR WORK GOING, WE
17 DON'T WANT TO SAY TO THEM, OH, NO. YOU'VE GOT TO BUY
18 THIS. WE KNOW IT'S SECOND RATE, BUT IT COMES FROM
19 CALIFORNIA. NOT TO IMPLY, MR. DAUT, THAT ANYTHING THAT
20 COMES FROM CALIFORNIA WOULD BE SECOND RATE, BUT STILL,
21 AS YOU KNOW, PEOPLE OFTEN HAVE VERY SPECIALIZED
22 REQUIREMENTS. EVEN TO HAVE TO MAKE THE CASE THAT THE
23 MICROSCOPE YOU WANT THAT COMES FROM OUT OF CALIFORNIA
24 IS BETTER SUITED FOR YOUR EXPERIMENTS THAN ONE THAT
25 COMES FROM IN CALIFORNIA IS, I WOULD SAY, TALKING

1 BEFORE ABOUT BURDENSOME REQUIREMENTS, I WOULD SAY WOULD
2 BE BURDENSOME.

3 MS. SAMUELSON: BUT ALL THAT CAN BE HANDLED
4 IN LANGUAGE.

5 DR. DONAHOE: IF I COULD WEIGH IN HERE, I
6 THINK ONE OF THE THINGS IS LOOKING FOR STEM CELL
7 MARKERS THAT WE FIND -- PAT DONAHOE -- IT'S VERY
8 IMPORTANT TO BE ABLE TO GET A PARTICULAR REAGENT. THAT
9 ISN'T ALWAYS GOING TO BE IN CALIFORNIA. I THINK SOME
10 FLEXIBILITY IS REALLY IMPORTANT.

11 DR. HALL: WE HAVE A MEMBER OF THE PUBLIC WHO
12 WANTS TO SPEAK HERE.

13 MR. REED: THIS IS DON REED. THIS SEEMS TO
14 BE POTENTIALLY DANGEROUS BECAUSE IT'S UNDERSTANDABLE,
15 IT'S CLEAR. WE'VE OFTEN BEEN TOLD THAT THIS IS NOT
16 GOING TO BENEFIT CALIFORNIA IN A FINANCIAL WAY. THIS
17 IS A FINANCIAL BENEFIT. AND I THINK ANYTHING THAT
18 WATERS IT DOWN IS A DETRIMENT AND A DANGER TO US. I
19 THINK THAT EVERY RESEARCHER SHOULD BE AWARE THAT THERE
20 IS A 50-PERCENT TARGET; AND IF THEY GO BEYOND THAT,
21 THEY SHOULD LET US KNOW SO WE CAN KEEP TRACK. I THINK
22 THIS COULD BE VERY TROUBLESOME TO US IN TERMS OF
23 LAWSUITS AND THOSE WHO OPPOSE THE RESEARCH WHO ARE
24 LOOKING FOR A CHANCE TO SHOOT US DOWN.

25 DR. DONAHOE: I THINK THE 50-PERCENT MARK IS

1 ACHIEVABLE AND GIVES FLEXIBILITY, BUT HONORS THAT
2 COMMITMENT.

3 DR. HALL: LET ME MAKE A SUGGESTION THAT WE
4 TAKE JEFF'S SUGGESTION AND WORK ON THIS. I THINK
5 ACTUALLY IF WE STATE IT AS A GOAL FOR CIRM, THAT THAT
6 MIGHT BE SUFFICIENT.

7 MS. SAMUELSON: I MADE A MOTION TO THAT
8 EFFECT ABOUT 20 MINUTES AGO.

9 CHAIRMAN ORKIN: WE HAVE ANY OTHER COMMENTS
10 FROM THE --

11 MR. SERRANO-SEWELL: MY LAST SUGGESTION WOULD
12 BE PERHAPS DR. HALL WOULD CONSIDER INCLUDING A FOOTNOTE
13 OR AN APPENDIX OR REFERENCE TO THAT PROP 71 LANGUAGE.
14 IF IT'S JUST TOO BURDENSOME TO INCLUDE IT IN THE
15 POLICY, THE FRONT END OF THE POLICY, IT COULD BE
16 SOMEWHERE ELSE.

17 DR. CHIU: WE WILL WORK TO MIRROR IT IN
18 REWORKING THE SENTENCE. IS THAT ACCEPTABLE TO THE
19 WORKING GROUP, THAT STAFF WILL TAKE THIS AND WORK WITH
20 MEMBERS OF THE PUBLIC TO INCLUDE LANGUAGE THAT MIRRORS
21 THE INTENT OF PROP 71 IN THIS SECTION F?

22 CHAIRMAN ORKIN: SOUNDS FINE.

23 DR. DONAHOE: GOOD.

24 DR. CHIU: DO WE NEED A VOTE ON WHAT HAS
25 HAPPENED THUS FAR, OR CAN I CONTINUE TO MOVE ON IN THIS

1 CHAPTER?

2 CHAIRMAN ORKIN: CONTINUE.

3 DR. CHIU: SO THE NEXT SECTION IS SECTION G,
4 ACCOUNTING RECORDS, DOCUMENTATION, ACCESS TO RECORDS,
5 AND AUDITS. AND I AM GOING TO READ A COMMENT FROM
6 UCOP, IF I MAY, REGARDING DOCUMENTATION RETENTION.
7 THAT THEIR COMMENT, WE ARE ASKING EVERYONE TO RETAIN
8 SUPPORTING DOCUMENTATION FOR -- LET ME DOUBLE-CHECK --
9 FOR FIVE YEARS. WE ARE ASKING FOR RETENTION OF
10 SUPPORTING DOCUMENTATION FOR FIVE YEARS. AND UCOP
11 STATES THAT FEDERAL AND STATE REGULATIONS GENERALLY
12 REQUIRE THAT RECORDS BE RETAINED FOR THREE YEARS.
13 DIVERGENT REQUIREMENTS MAY ENTAIL UNNECESSARY
14 ADMINISTRATIVE AND TRACKING BURDEN.

15 SO THEY'RE SUGGESTING IT BE REDUCED TO THREE
16 YEARS. AND IF I MAY MAKE THE POINT THAT WE THOUGHT OF
17 THIS, AND WE SUGGESTED FIVE YEARS FOR THE SIMPLE REASON
18 THAT SOME GRANTS MAY BE FIVE-YEAR GRANTS. AND SO WE
19 WANTED TO KEEP ALL THIS DOCUMENTATION THROUGH THE LIFE
20 OF THE GRANT OR MAYBE EVEN A RENEWAL AND, HENCE, THE
21 FIVE YEARS.

22 THE OTHER POINT, I THINK, SCOTT, CORRECT ME
23 IF I'M WRONG, THAT CALIFORNIA, STATE OF CALIFORNIA, HAS
24 REQUIREMENTS FOR DOCUMENT RETENTION.

25 MR. TOCHER: THAT'S RIGHT. IT VARIES AS TO

1 THE PARTICULAR DEPARTMENT AND THE PARTICULAR RECORD AT
2 HAND, BUT IN SOME CASES THE STATE REQUIRES RECORDS
3 RANGING RETENTION ANYWHERE FROM THREE YEARS TO SEVEN
4 DEPENDING ON THE PARTICULAR RECORD, PERSONAL
5 INFORMATION, CERTAIN EXPENDITURE INFORMATION FROM A
6 GIVEN AGENCY DOCUMENTING EXPENDITURE OF FUNDS. IT
7 VARIES, BUT THAT'S GENERALLY THE RANGE.

8 DR. CHIU: SO FOR THAT REASON WE CAME UP WITH
9 THE INTERMEDIATE NUMBER OF FIVE YEARS AS REASONABLE.

10 CHAIRMAN ORKIN: THAT SOUNDS REASONABLE. I
11 THINK MOST MEMBERS OF THE WORKING GROUP AREN'T GOING TO
12 BE ABLE TO COMMENT IF THERE'S CALIFORNIA LAW TO THE
13 CONTRARY.

14 DR. CHIU: ARE THERE COMMENTS FROM UCOP? IF
15 NOT, SHALL WE MOVE ON?

16 MR. MEARS: WE MADE OUR COMMENTS. WE'RE
17 TRYING TO -- ALMOST EVERY COMMENT WE'RE MAKING TRYING
18 TO MINIMIZE THE ADMINISTRATIVE IMPACT AND COST TO
19 ADMINISTER AWARDS AND TRYING TO DO LIKEWISE ON THE
20 RESEARCHERS. THAT UNDERLIES EVERYTHING THAT WE'RE
21 SAYING.

22 DR. CHIU: SO I'D LIKE TO MOVE ON TO SECTION
23 I, REPORTING REQUIREMENTS, ON PAGE 36. AND IF YOU ARE
24 FOLLOWING IN YOUR NOTES, COMMENTS FROM THE PUBLIC ARE
25 NOW ON PAGE 9.

1 ON PAGE 36 OF THE DOCUMENT THAT WE'RE
2 REVIEWING, THE COMMENT FROM CAL TECH GOES THUS. "THE
3 REPORTING REQUIREMENTS SEEM SOMEWHAT EXCESSIVE
4 PARTICULARLY WITH REGARD TO FINANCIAL REPORTING. BOTH
5 INTERIM AND ANNUAL FINANCIAL REPORTS ARE REQUIRED.
6 AGAIN, WE CAN LIVE WITH THESE REQUIREMENTS, BUT WOULD
7 CERTAINLY PREFER SOME RELIEF."

8 AND NOW MOVING ON TO UCOP'S COMMENTS ABOUT
9 THE REQUIREMENTS. COMMENT, "WE RECOMMEND THE
10 REQUIREMENTS FOR THE SUBMISSION OF AN INTERIM FINANCIAL
11 REPORT BE DELETED FOR A NUMBER OF REASONS. FIRST, NIH
12 HAS NO SUCH REQUIREMENT. TWO, ACCOUNTING SYSTEMS
13 CURRENTLY IN PLACE AT UC CAMPUSES REQUIRE 30 DAYS IN
14 WHICH TO PROCESS A FINANCIAL REPORT. THUS, AN INTERIM
15 REPORT DUE 60 DAYS PRIOR TO THE ANNIVERSARY OF THE
16 AWARD START DATE WOULD, IN FACT, REFLECT FINANCIAL
17 ACTIVITY THAT HAS TAKEN PLACE MORE THAN THREE MONTHS
18 PRIOR TO THE ANNIVERSARY, AND THE INFORMATION WOULD BE
19 DATED OR INACCURATE. AND FINALLY, PROCESSING A
20 FINANCIAL REPORT REPRESENTS A SIGNIFICANT FINANCIAL
21 BURDEN."

22 SO THAT SUMMARIZES THEIR POSITION. THEY
23 SUGGEST REPLACING THE INTERIM FINANCIAL REPORT WITH
24 JUST THE REQUIREMENT FOR THE PROGRAMMATIC REPORT WITH
25 AN OVERVIEW OF ANY MAJOR UNEXPECTED EXPENDITURES OR

1 UNSPENT FUNDS, AND THAT THAT SHOULD SATISFY CIRM'S NEED
2 FOR INFORMATION.

3 I OPEN THIS FOR -- REQUEST DISCUSSION ON THIS
4 ITEM.

5 CHAIRMAN ORKIN: NO COMMENTS? I HAVE NONE.
6 ANY FOR THE GROUP?

7 DR. CHIU: IS THERE A PREFERENCE IN THE
8 WORKING GROUP FOR REMOVING THE INTERIM FINANCIAL REPORT
9 OR FOR KEEPING THE LANGUAGE IN HERE? WE RECOGNIZE THAT
10 UCOP HAS A POINT ABOUT THE 30 DAYS, AND WE WERE HAPPY
11 TO AMEND THE INTERIM FINANCIAL REPORT TO BE SUBMITTED
12 30 DAYS BEFORE THE END OF THE ANNIVERSARY DATE SO THAT
13 CIRM CAN REVIEW HOW EXPENDITURES HAVE BEEN GOING, BOTH
14 THE PROGRAMMATIC AND THE INTERIM FINANCIAL REPORT TO BE
15 DUE A MONTH BEFORE THE ANNIVERSARY DATE SO THAT IF
16 THERE'S ANYTHING THAT NEEDS TO BE RESOLVED, WE'LL HAVE
17 A MONTH TO RESOLVE IT BEFORE THE NEXT FUNDING PERIOD.

18 DR. MACKLIS: I DON'T WANT TO WEIGH IN ON TOO
19 MANY OF THESE THINGS, BUT ON THIS POINT IT SEEMS LIKE
20 UNIVERSITY OF CALIFORNIA'S POINT IS ABSOLUTELY VALID.
21 IF WE'RE HOLDING PEOPLE TO STAYING CLOSE TO THE BUDGET,
22 STAYING WITHIN 25 PERCENT, AND THEY'RE GOING TO GIVE AN
23 ANNUAL REPORT, THEN WHY REQUEST SO MANY DIFFERENT
24 REPORTS WHEN WE ALL KNOW THAT FINANCIAL ACCOUNTING
25 OFTEN LAGS BY SIMPLY MAKE EXTRA WORK WITHOUT GIVING

1 VALUE.

2 MR. SHEEHY: SHALL WE ACCEPT THEIR AMENDMENT

3 THEN?

4 CHAIRMAN ORKIN: I THINK I'M PERSUADED BY

5 JEFF MACKLIS' ARGUMENT HERE.

6 DR. STEINDLER: BASED ON THE NUMBER OF FORMS

7 AND LETTERS WE ALL HAVE TO WRITE, I AGREE WITH THAT.

8 DR. BRIVANLOU: ALSO I AGREE WITH THAT.

9 DR. BONNER-WEIR: I WOULD AGREE WITH THAT

10 TOO.

11 DR. CHIU: IT SOUNDS LIKE WE HAVE AGREEMENT

12 TO ACCEPT UCOP'S RECOMMENDATION. IS THAT WHAT I HEAR?

13 CHAIRMAN ORKIN: I THINK SO.

14 MR. SHEEHY: YEAH.

15 DR. CHIU: THANK YOU. DO WE NEED TO TAKE A

16 ROLL CALL VOTE ON THIS?

17 CHAIRMAN ORKIN: ANYONE OPPOSED?

18 DR. CHIU: THANK YOU.

19 CHAIRMAN ORKIN: CONSIDER IT A CONSENSUS.

20 DR. CHIU: THEN WE'RE MOVING ON TO PAGE 37,

21 SUBSECTION 2 OF REPORTING REQUIREMENTS, THE ANNUAL

22 FINANCIAL REPORT. AND THE COMMENT FROM UC OFFICE OF

23 THE PRESIDENT IS PLEASE -- "PI'S DO NOT NORMALLY HAVE

24 THE AUTHORITY OR RESOURCES TO PROCESS AND SUBMIT A

25 FINANCIAL REPORT. THIS RESPONSIBILITY NORMALLY LIES

1 WITH ADMINISTRATORS AT THE GRANTEE INSTITUTION. WE,
2 THEREFORE, RECOMMEND THAT THE "PI" BE DELETED AND
3 REPLACED WITH GRANTEES AS THIS MORE ACCURATELY REFLECTS
4 ACTUAL PRACTICE." AND WE AT CIRM AGREE WITH THEM. HOW
5 DOES THE WORKING GROUP FEEL?

6 CHAIRMAN ORKIN: SOUNDS REASONABLE.

7 DR. BONNER-WEIR: ABSOLUTELY.

8 DR. CHIU: SO WE WILL ACCEPT THAT CHANGE.

9 MR. SHEEHY: SOUNDS REASONABLE.

10 DR. CHIU: NEXT, MOVING ON TO PAGE 37,
11 SUBSECTION 5 ON OVERDUE REPORTS. THE COMMENT FROM UCOP
12 IS THAT WE APPRECIATE REQUIREMENT TO PROVIDE TIMELY
13 REPORTS. AS A PRACTICAL MATTER, THE PRIMARY LEVER TO
14 ASSURE THIS END IS CIRM CONTROL OVER RENEWAL FUNDING.
15 SO IT'S ABOUT REDUCING OR SUSPENDING AN AWARD COULD
16 CREATE INSTITUTIONAL CONCERNS ABOUT DISRUPTION OF
17 STUDENT TRAINING AND FINANCIAL EXPOSURE. SO THEY
18 SUGGEST THAT CIRM USE NONRENEWAL RATHER THAN SUSPENSION
19 OR REDUCTION AS A TOOL FOR ENFORCING THE REQUIREMENT OF
20 TIMELY REPORTS.

21 ARE THERE ANY COMMENTS ON UCOP'S SUGGESTION
22 OF ONLY USING NONRENEWAL RATHER THAN A SERIES OF OTHER
23 MEANS TO GET COMPLIANCE OF REPORTING?

24 CHAIRMAN ORKIN: I THINK THAT'S PRETTY
25 REASONABLE.

1 DR. CHIU: THAT THEY ONLY USE NONRENEWAL AND
2 NO SUSPENSION OR REDUCTION AS A TOOL. IS THAT WHAT I
3 HEAR?

4 MR. SHEEHY: SEEMS LIKE THE OBJECTION IN THIS
5 PARTICULAR INSTANCE IS SPECIFIC TO THE TRAINING GRANTS,
6 AND I DON'T -- WOULD IT HOLD ACROSS THE BOARD? JUST
7 ASKING AS A QUESTION.

8 DR. CHIU: THERE MIGHT BE SOME GRANTS WHERE
9 YOU MIGHT WANT TO REDUCE IF THEY JUST DO NOT DO TIMELY
10 REPORTS, BUT IT'S UP TO THE WORKING GROUP. IF THERE
11 ARE VERY FEW OF THESE, THEN PERHAPS.

12 DR. HALL: ONE CAN COMMENT THAT REDUCING OR
13 SUSPENDING AN AWARD COULD CREATE INSTITUTIONAL CONCERNS
14 ABOUT DISRUPTION. WE WOULD HOPE THOSE CONCERNS WOULD
15 LEAD TO PROMPT FILING OF REPORTS.

16 DR. MACKLIS: I AGREE WITH YOU. I UNDERSTAND
17 CORRECTLY THE RENEWAL WOULD BE AT THE END OF A THREE-
18 OR FIVE-YEAR TERM; IS THAT CORRECT?

19 DR. CHIU: NO. THIS IS ANNUAL RENEWAL.

20 DR. MACKLIS: ANNUAL RENEWAL. NOT SIMPLY
21 SAYING IF YOU DON'T GIVE US REPORTS FOR THESE FEW
22 YEARS, YOU WON'T GET RENEWED, BUT ANNUAL RENEWALS?

23 DR. CHIU: YEAH. BECAUSE AN ANNUAL REPORT IS
24 DUE AND WE HAVE NO TEETH TO GET THAT.

25 MR. SHEEHY: PART OF IT IS THE PUBLIC IS

1 GOING TO BE ASKING TO SEE THAT, WHICH WE SHOULD KEEP IN
2 MIND.

3 MR. SHESTACK: WHY WOULD WE WANT TO HAVE ONE
4 LESS TOOL FOR EVALUATION OR DISCIPLINE? I DON'T
5 UNDERSTAND WHY WE'D WANT TO CHANGE THAT.

6 DR. HALL: I THINK IT CERTAINLY -- I THINK
7 IT'S SOMETHING WE WOULD NOT USE LIGHTLY.

8 MR. SHESTACK: I AGREE.

9 DR. HALL: I THINK WE UNDERSTAND THE
10 IMPLICATIONS FOR THE INSTITUTION. I GUESS IT'S JUST A
11 QUESTION OF WANTING TO HAVE THAT AVAILABLE IN CASE WE
12 DID HAVE DIFFICULTIES.

13 MR. SHEEHY: I THINK THE LANGUAGE AS STATED
14 SEEMS, WHILE A BIT HARSH, DOES GIVE SOME FLEXIBILITY TO
15 CIRM STAFF. AND I THINK CIRM STAFF WILL BE REASONABLE.
16 THE WORST THING WOULD BE IF WE DIDN'T GET THE REPORTS
17 AND THE PUBLIC WAS DEMANDING THEM, AND WE HAVE TO
18 REALLY REACH THROUGH BACK TO THE INSTITUTIONS TO GET
19 THEM AND WE CAN'T.

20 DR. CHIU: HOW DOES THE WORKING GROUP FEEL
21 ABOUT THIS SECTION, THE LANGUAGE IN SUBSECTION 5 ABOUT
22 OVERDUE REPORTS? DO YOU WANT TO KEEP THE LANGUAGE THAT
23 IS ON PAGE 35 OR REDUCE THE NUMBERS OF TOOLS THAT CIRM
24 HAS TO GET THE REPORTS?

25 MR. SHESTACK: I DON'T WANT TO REDUCE CIRM'S

1 ABILITY HERE. I DON'T SEE ANY REASON TO DO IT.

2 DR. CHIU: ANY COMMENTS TO THE CONTRARY?
3 OTHER COMMENTS ELSEWHERE? OKAY.

4 MS. SAMUELSON: THE PERFECT POLICY IS GOING
5 TO BE DESCRIBED IN A NEWSPAPER ARTICLE SAYING THAT WE
6 HAVE APPLIED STRICT STANDARDS THAT REQUIRE CAREFUL
7 REPORTING AND YET ARE EFFICIENT SO THAT THEY DON'T
8 BURDEN THE SCIENTIFIC PROCESS. SO IF THERE'S SOME WAY
9 THAT THOSE TWO COMPETING NEEDS CAN BE -- IF THAT'S WHAT
10 THE EFFECT IS, THEN THAT'S WHAT I WOULD HOPE WE WOULD
11 DO. BUT WE CERTAINLY DON'T WANT THE PRESS REPORTING
12 THAT WE'RE RELAXING ANY KIND OF STRICT CONTROLS.

13 MR. SHEEHY: MAYBE THE POINT, SINCE THE
14 OBJECTION IS VERY SPECIFIC TO THE TRAINING GRANTS, THEY
15 REFERENCE OVERDUE REPORTS WITHIN THE NEXT SECTION, AND
16 MAYBE THAT'S THE PLACE WHERE WE MAY MORE APPROPRIATELY
17 THINK ABOUT RELAXING IT IF WE NEED TO.

18 DR. CHIU: IN THE TRAINING GRANTS.

19 MR. SHEEHY: IN THE TRAINING GRANTS.

20 DR. CHIU: THE TRAINING GRANTS, WE DO REQUIRE
21 QUITE A BIT OF REPORTING BECAUSE WE WANT TO TRACK THE
22 TRAINEES. THAT IS WHY WE WANT TO MAKE --

23 MR. SHEEHY: I JUST NOTED THAT THEY MADE THE
24 OBJECTION AGAIN IN THAT SECTION. BUT TO MAKE THE BROAD
25 CHANGE DOESN'T REALLY SEEM LIKE SOMETHING WE SHOULD DO.

1 DR. CHIU: IS THAT THE SENTIMENT OF THE
2 WORKING GROUP, THAT WE WILL KEEP THE LANGUAGE ON
3 PARAGRAPH 5 ON PAGE 35?

4 CHAIRMAN ORKIN: YES.

5 DR. CHIU: THANK YOU. MOVING ALONG TO -- OH,
6 THIS IS CHAPTER 6. THAT'S GIL. I'M SORRY. THERE IS
7 ONE OTHER COMMENT, IF YOU WOULD BEAR WITH ME, THAT I
8 MISSED IN THE BEGINNING.

9 I WANT TO GO BACK TO PAYMENT FOR TRAINEES.
10 THERE IS ONE MINOR POINT THAT I WANT TO BRING TO YOUR
11 ATTENTION THAT I OVERLOOKED. I APOLOGIZE.

12 MR. SAMBRANO: IT'S ACTUALLY ON PAGE 29,
13 ALLOWABLE COSTS AND ACTIVITIES.

14 DR. CHIU: WE HAD SKIPPED THROUGH THAT WHOLE
15 SECTION BECAUSE OF THE INDIRECT COST, AND WE'RE NOT
16 GOING TO TALK ABOUT INDIRECT COST, BUT THERE IS A
17 COMMENT BROUGHT UP BY UCOP ABOUT PUTTING IN TUITION AND
18 FEE PAYMENTS FOR OTHER GRANTS JUST TO BE CONSISTENT
19 WITH THE TRAINING GRANTS. THIS WOULD BE PAGE 29,
20 SUBSECTION 1, ALLOWABLE COSTS.

21 AND THEY WOULD LIKE TO ADD AFTER FRINGE
22 BENEFITS, ITEMIZED SUPPLIES, AND STIPENDS TO ADD THE
23 WORDS AND TUITION AND FEE REMISSION. AND WE WOULD LIKE
24 TO ACCEPT THAT SUGGESTION, IF THE WORKING GROUP AGREES,
25 TO BE CONSISTENT.

1 MR. SHEEHY: SEEMS REASONABLE.

2 DR. CHIU: ARE THERE ANY OBJECTIONS TO
3 PUTTING IN THAT EXTRA LANGUAGE ABOUT TUITION AND FEES?

4 CHAIRMAN ORKIN: NO.

5 DR. CHIU: THANK YOU. ONE OTHER POINT, TO
6 KEEP GOING BACK TO PAGE 29. UCOP RECOMMENDS THAT WE
7 REMOVE THE CAP FOR INVESTIGATOR'S SALARY ANNUAL RATE OF
8 \$200,000 PER INVESTIGATOR. AND UCOP SUGGESTS LIFTING
9 THAT AS WELL AS OTHER RATES, AND WE SUGGEST KEEPING IT
10 IN AS A CAP OF \$200,000 A YEAR. HOW DOES THE WORKING
11 GROUP FEEL ABOUT THAT ON PAGE 29?

12 MS. SAMUELSON: DOES THAT MEAN THAT A GRANT
13 CAN'T BE AWARDED TO SOMEONE WHO HAS THAT NET TOTAL
14 COMPENSATION, OR THAT THAT'S A LIMIT ON --

15 DR. CHIU: THE LATTER. IF THEY MAKE 400,000,
16 WE'RE ONLY GOING TO RATE IT AS \$200,000. IF THEY SPENT
17 50 PER CENT OF THEIR TIME WORKING, THEY CAN ONLY GET
18 \$100,000, 50 PERCENT OF 200 AS OPPOSED TO \$200,000.

19 MS. SAMUELSON: WE DON'T WANT THE NEWSPAPER
20 ARTICLE THAT SAYS THAT WE LIFTED IT. I KNOW THAT.

21 MR. SHEEHY: SHOULD WE PERHAPS USE THE
22 LANGUAGE FROM THE INTELLECTUAL PROPERTY WORKING GROUP
23 THOUGH? THERE IS -- BECAUSE WE SHOULD HAVE A COST OF
24 LIVING INDEX, SHOULD HAVE AN INFLATION INDEX. AND
25 THERE'S A VERY COMPLICATED FORMULA IN THE INTELLECTUAL

1 PROPERTY REGULATIONS THAT DEFINES AN INFLATION MEASURE
2 THAT CAN ALLOW FOR AN ANNUAL ADJUSTMENT BASED ON SOME
3 CPI INDEX. MAYBE IF WE COULD DO THAT BECAUSE I DO
4 THINK IT COULD BE PROBLEMATIC TO PUT A NUMBER IN
5 CONCRETE FOREVER.

6 DR. CHIU: RIGHT. WE CAN LOOK INTO THAT AND
7 MAKE IT CONSISTENT WITH THE IP POLICY. HOW DOES THE
8 REST OF THE WORKING GROUP FEEL IF WE ADDED AT LEAST AN
9 INDEX FOR INFLATION CONSISTENT WITH THE OTHER POLICY?

10 MS. SAMUELSON: IS THIS POLICY CONSISTENT
11 WITH COMPENSATION POLICIES ELSEWHERE?

12 DR. CHIU: I BELIEVE THIS IS THE NIH POLICY
13 OF CAPPING.

14 MS. SAMUELSON: AND THE SAME AMOUNT?

15 DR. CHIU: YES. I THINK THEY MIGHT BE A
16 LITTLE LESS.

17 MS. MARCKESE: ONE EIGHTY-THREE FIVE.

18 DR. CHIU: SO WE JUST ROUNDED IT.

19 MR. SHEEHY: IS THERE A SENSE THAT THIS IS A
20 REASONABLE NUMBER?

21 DR. CHIU: WORKING GROUP MEMBERS?

22 CHAIRMAN ORKIN: IT'S SIMILAR TO THE NIH.
23 IT'S A LITTLE HIGHER THAN THE NIH CAP, BUT IT'S
24 SIMILAR.

25 MS. SAMUELSON: PERHAPS THAT'S ALL WE NEED TO

1 DO.

2 DR. HALL: YOU DON'T MEAN TO LEAVE IT TIED TO
3 NIH, DO YOU?

4 MS. SAMUELSON: NO. NOT BOTHER WITH THE COST
5 OF LIVING INDEX.

6 MR. SHEEHY: NO, WE SHOULD INDEX IT. I THINK
7 IT'S REASONABLE TO INDEX IT MYSELF.

8 DR. CHIU: DOES THE WORKING GROUP HAVE ANY
9 OBJECTIONS TO US, STAFF, PUTTING IN A COST OF LIVING
10 INDEX INTO SECTION 1, ALLOWABLE COST, ON PAGE 28?

11 MS. SAMUELSON: DOES THAT AUTOMATICALLY
12 INCREASE THE COMPENSATION TO A GRANTEE?

13 MR. SHEEHY: POTENTIAL COMPENSATION.

14 DR. CHIU: ALLOWABLE, NOT TOTAL GRANT.

15 CHAIRMAN ORKIN: I THINK THAT WOULD BE OKAY.

16 DR. YOUNG: ARE THERE ANY PUBLIC COMMENTS ON
17 THAT?

18 MR. MEARS: ON WHAT SPECIFICALLY?

19 DR. YOUNG: ON THE INDEXING. THIS IS AN
20 AUTOMATIC INDEXING.

21 MR. MEARS: THE NIH SALARY CAP IS ESTABLISHED
22 BY THE CONGRESS IN THE NIH APPROPRIATION ACT, AND IT'S
23 NOT A CAP AS SUCH. IT'S LINKED TO THE FEDERAL
24 EXECUTIVE PAY SCALE. AND WHEN THAT PAY SCALE IS
25 INCREASED OR INDEXED, IF YOU WILL, THEN THE NIH CAP IS

1 INCREASED. SO THE FEDERAL PROCESS INCLUDES A PROVISION
2 FOR SALARIES TO INCREASE OVER TIME, AND I THINK IT
3 WOULD BE APPROPRIATE TO DO SO HERE.

4 DR. HALL: AS I RECALL, THAT OFTEN HAS A LONG
5 LAG FOR WHATEVER REASON IN CHANGES. I ASSUME -- I
6 DON'T KNOW. I CAN'T REMEMBER THE THING FROM THE IP
7 POLICY, BUT I ASSUME THAT WOULD BE ADJUSTABLE ON A
8 REGULAR OR FREQUENT BASIS, ANNUAL BASIS EVEN.

9 MR. MEARS: YEAH, YOU'RE RIGHT BECAUSE THEY
10 DON'T CHANGE THE FEDERAL PAY SCALE ALL THAT OFTEN, BUT
11 THE PRINCIPLE OF RECOGNIZING INCREASED COST OVER TIME
12 AND SALARIES IS APPROPRIATE.

13 DR. HALL: I THINK THAT THE ONLY PROBLEM,
14 WE'D HAVE TO FIGURE THAT OUT, WITH AN ANNUAL ONE IS HOW
15 YOU CALCULATE THAT AHEAD OF TIME WHEN YOU APPLY FOR A
16 FIVE-YEAR GRANT. TO TRY TO ESTIMATE WHAT YOUR SALARIES
17 ARE GOING TO BE MAY BE DIFFICULT. CAN WE WORK ON THAT?
18 I THINK, JEFF, TO TAKE YOUR SUGGESTION THAT WE DO NEED
19 TO INDEX IT SOMEHOW TO ALLOW FOR CHANGE.

20 MR. SHEEHY: MAY NOT BE MOST APPROPRIATE.

21 DR. HALL: BUT NOT HAVE IT BE SO FREQUENT
22 THAT WE HAVE TO BE RECALCULATING ALL THE TIME. THAT'S
23 A PROBLEM FOR US.

24 MR. SHEEHY: WHATEVER IS REASONABLE.

25 MS. EVANS: IT'S ANNUAL BASED ON THAT

1 EXECUTIVE WHATEVER, ANNUALLY IT'S CHANGED. IT'S
2 CHANGED BY THE FEDS FOR THAT EXECUTIVE LEVEL. IT'S
3 CHANGED ANNUALLY AS A CAP. AS AN INSTITUTION GRANTEE,
4 YOU DETERMINE WHETHER OR NOT YOUR INVESTIGATORS ARE
5 GETTING RAISES, BUT THE CAP ALSO GOES UP WITH THE
6 FEDERAL RAISE EVERY YEAR.

7 DR. HALL: THE CAP, I THOUGHT, WAS -- I DON'T
8 KNOW WHY I REMEMBER THIS -- AT 183 FOR A LONG TIME. A
9 LONG TIME. MY UNDERSTANDING WAS THAT IT MOVED NOT
10 ANNUALLY, BUT IN IRREGULAR JUMPS.

11 MS. EVANS: IT'S GONE UP FOR THE LAST COUPLE
12 YEARS, SO MAYBE THE FEDS AT THAT LEVEL HAVE GOTTEN
13 RAISES EVERY YEAR.

14 DR. HALL: LET'S TAKE A SENSE OF THE WORKING
15 GROUP. WE NEED A MECHANISM FOR BASICALLY COST OF
16 LIVING ADJUSTMENTS, AND SO WE JUST NEED TO FIGURE OUT
17 HOW TO DO THAT AND WHETHER WE CAN FIND ALL THESE THINGS
18 OUT.

19 DR. CHIU: THIS IS THE LAST THING THAT I'M
20 BRINGING TO YOUR ATTENTION ON CHAPTER 5, AND I'D LIKE
21 TO TAKE A QUICK -- IS IT NECESSARY TO TAKE A QUICK VOTE
22 OF THE SENTIMENT OF THE GROUP FOR ALL THESE CHANGES
23 THAT I HEAR ACCEPTANCE OF, OR ARE WE PRETTY CLEAR ON
24 THAT?

25 CHAIRMAN ORKIN: I THINK WE CAN GO AHEAD.

1 DR. CHIU: SO CHAPTER 5, THE CHANGES ARE, NO.
2 1, ALLOWABLE COST, TO KEEP THE 200,000 PER
3 INVESTIGATOR, BUT TO WORK IN SOME INDICATION OF COST OF
4 LIVING INDEX; FOR PRIOR APPROVAL FOR REBUDGETING, TO
5 ACCEPT THE LANGUAGE AS IS; FOR F IN PAGE 32, PREFERENCE
6 FOR CALIFORNIA SUPPLIERS, FOR STAFF TO GO BACK AND
7 CHANGE THE WORDING TO MIRROR PROPOSITION 71.

8 MR. SHEEHY: IN CONJUNCTION WITH THE PUBLIC.

9 DR. CHIU: IN CONJUNCTION WITH THE PUBLIC.
10 THANK YOU. AND THEN ON PAGE 34, TO ELIMINATE ONE OF
11 THE FINANCIAL REPORTS; AM I CORRECT? AND THIS WOULD BE
12 THE INTERIM FINANCIAL REPORT; AM I CORRECT, SO THAT WE
13 JUST GET THE ANNUAL FINANCIAL REPORT.

14 (INTERRUPTION IN PROCEEDING.)

15 DR. CHIU: I'M GOING TO PLOW AHEAD IN THE
16 INTEREST OF TIME, AND I'LL YELL VERY LOUDLY.

17 SO WE'RE REMOVING THE INTERIM FINANCIAL
18 REPORT, JUST HAVING THE ANNUAL FINANCIAL REPORT, AND
19 THE PROGRAMMATIC REPORT WILL STILL BE DUE 60 DAYS PRIOR
20 TO THE ANNIVERSARY DATE. TO KEEP THE OVERDUE REPORTS
21 LANGUAGE SO THAT WE CAN HAVE FLEXIBILITY IN MONITORING.

22 AND I BELIEVE THAT COMES TO THE END OF THIS
23 CHAPTER, AND I WOULD LIKE TO HAVE AN IDEA OF HOW THE
24 WORKING GROUP FEELS. I'M GOING TO GO THROUGH A ROLL
25 CALL.

1 MR. SHEEHY: CAN I GO AHEAD AND MAKE A MOTION
2 TO ACCEPT THE CHANGES, MAKE THE FORMAL MOTION?
3 DR. CHIU: THANK YOU. THERE'S A FORMAL
4 MOTION.
5 CHAIRMAN ORKIN: YES. ARE WE GOING TO TAKE A
6 FORMAL MOTION?
7 DR. CHIU: WE JUST HAVE A FORMAL MOTION FROM
8 JEFF SHEEHY.
9 CHAIRMAN ORKIN: TO APPROVE OR AT LEAST GIVE
10 THE CONSENSUS FOR APPROVAL OF THE CHANGES?
11 DR. HALL: YES.
12 CHAIRMAN ORKIN: OKAY. I SECOND. I AGREE.
13 DR. CHIU: SO I'M GOING TO READ THE ROLL
14 CALL.
15 STU ORKIN.
16 CHAIRMAN ORKIN: YES.
17 DR. CHIU: JOAN SAMUELSON.
18 MS. SAMUELSON: YES.
19 DR. CHIU: SUSAN BONNER-WEIR.
20 DR. BONNER-WEIR: YES.
21 DR. CHIU: ALI BRIVANLOU.
22 DR. BRIVANLOU: YES.
23 DR. CHIU: PATRICIA DONAHOE.
24 DR. DONAHOE: YES.
25 DR. CHIU: ANDREW FEINBERG. MARCY FEIT.

1 MS. FEIT: YES.

2 DR. CHIU: ALEXANDRA JOYNER. JUDITH KIMBLE.

3 SHERRY LANSING. JEFFREY MACKLIS.

4 DR. MACKLIS: YES.

5 DR. CHIU: JEFF ROTHSTEIN. PABLO RUBINSTEIN.

6 DAVID SERRANO-SEWELL.

7 MR. SERRANO-SEWELL: YES.

8 DR. CHIU: JEFF SHEEHY.

9 MR. SHEEHY: YES.

10 DR. CHIU: JON SHESTACK. DENNIS STEINDLER.

11 DR. STEINDLER: YES.

12 DR. CHIU: RAINER STORB. CLIVE SVENDSEN.

13 JANET WRIGHT. GEORGE YANCOPOULOS.

14 DR. YANCOPOULOS: YES.

15 DR. CHIU: WISE YOUNG.

16 DR. YOUNG: YES.

17 DR. CHIU: THANK YOU VERY MUCH.

18 MR. SHESTACK: I COULDN'T GET ON.

19 DR. CHIU: DO I HAVE YOUR YES?

20 MR. SHESTACK: YEAH.

21 DR. CHIU: THANK YOU. THIRTEEN. AGAIN, WE

22 HAVE A CONSENSUS OPINION.

23 (A RECESS WAS TAKEN.)

24 DR. CHIU: WE'RE BACK, STU, AND THE REST OF

25 THE WORKING GROUP. AND I BELIEVE THE LAST CHAPTER IS

1 CHAPTER 6, AND GIL WILL TAKE US THROUGH CHAPTER 6 WITH
2 WHICH YOU'RE QUITE FAMILIAR.

3 MR. SAMBRANO: SO CHAPTER 6 IS THE SPECIAL
4 POLICIES FOR TRAINING GRANTS. AND SO THIS IS
5 ESSENTIALLY AN INCORPORATION OF THE INTERIM GAP FOR
6 TRAINING GRANTS OR THE BABY GAP, WHICH YOU HAVE ALREADY
7 REVIEWED AND WHICH WAS APPROVED BY THE ICOC IN
8 DECEMBER.

9 A DOCUMENT WHICH I REFERRED TO EARLIER
10 DESCRIBES ALL THE DETAILS OF HOW EACH SECTION WAS
11 INCORPORATED INTO THIS LARGER DOCUMENT. AND THAT WAS
12 PROVIDED TO ALL THE WORKING GROUP MEMBERS, SO I'M NOT
13 GOING TO GO INTO THAT NOW.

14 IN TERMS OF EDITS THAT ARE SHOWN IN THE
15 DOCUMENT BEFORE YOU, THERE WAS ONE REGARDING THE
16 STIPEND LEVELS ON PAGE 38, C(1). WE CORRECTED THE
17 STIPEND ON THE LOWER END TO MATCH THAT FOUND IN THE RFA
18 THAT WE PUT OUT, RFA 0501. AND SO IT NOW SHOWS 36,000
19 RATHER THAN 35,500.

20 WE ALSO BELOW THAT IN THE SECOND PARAGRAPH
21 REMOVED THE EXAMPLE RELATED TO POSTDOCTORAL LEVEL
22 STIPENDS. AND THE REASON WE DID THAT IS WE NO LONGER
23 MAKE REFERENCE TO NIH AS A GUIDE FOR THE STIPEND, SO IT
24 BECAME A RATHER UNCLEAR EXAMPLE, AND I THINK IT'S
25 OTHERWISE UNNECESSARY. SO THAT WAS THE REASON FOR THAT

1 CHANGE.

2 OTHER THAN THAT, ARE THERE ANY COMMENTS
3 REGARDING THIS CHAPTER?

4 MR. SHEEHY: THERE IS THE -- NOT TO KEEP
5 CARRYING UC'S WATER, BUT I THINK THAT THEY MADE A
6 FAIRLY VALID -- NOT NECESSARILY VALID, BUT THEY RAISE
7 AN INTERESTING POINT UNDER TUITION AND FEES, AND I
8 WONDER IF YOU MIGHT WANT TO TAKE US THROUGH THAT.
9 MAYBE WE COULD GET STAFF'S THINKING ON THIS AND MAYBE
10 HEAR FROM UC ON THIS BECAUSE I THINK THIS IS AN
11 IMPORTANT POINT.

12 MR. SAMBRANO: IN SECTION C UNDER ALLOWABLE
13 COSTS AND ACTIVITIES, ITEM 2, THE TUITION AND FEES,
14 I'LL READ THE COMMENT FROM UCOP. "WITH RESPECT TO
15 TUITION AND FEE LIMITATION, WE UNDERSTAND THAT CIRM'S
16 PROPOSED POLICY MIRRORS CURRENT NIH POLICY, BUT WE
17 BELIEVE IT IS IMPORTANT TO RECOGNIZE THAT TUITION FEE
18 LIMITATIONS MAY LIMIT RECRUITING POTENTIAL AND SUGGEST
19 THAT HIGHER LIMITS WOULD HELP ATTRACT THE VERY BEST
20 TALENT TO STEM CELL RESEARCH. COMPETITION FOR THE BEST
21 GRADUATE STUDENTS IS INTENSE AND NATIONWIDE.
22 CALIFORNIA STEM CELL RESEARCH DESERVES THE VERY BEST
23 TALENT. THE ABILITY TO GET THE BEST TALENT IS FURTHER
24 IMPACTED BY THE LIMITED FINANCIAL CAPABILITY OF MANY
25 PUBLIC AND PRIVATE INSTITUTIONS TO FUND THE ACTUAL COST

1 OF TUITION AND FEES WHICH EXCEED THE GRANT LIMITS.
2 THIS COMBINATION OF LIMITS IS LIKELY TO BE
3 COUNTERPRODUCTIVE TO OUR SHARED INTEREST OF BEING ABLE
4 TO RECRUIT TALENTED GRADUATE STUDENTS TO WORK ON
5 CIRM-FUNDED PROJECTS. "

6 SO THEIR GENERAL RECOMMENDATION IS TO
7 INCREASE TUITION AND FEES. ACTUALLY CIRM STAFF, IN
8 GENERAL, FEELS THAT, ALTHOUGH WE'VE BEEN MIRRORING NIH
9 POLICY, WE HAVE ACTUALLY SPLIT OUT HEALTH INSURANCE
10 FROM TUITION AND FEES, WHICH IS NORMALLY UNDER NIH
11 TOSSED IN. SO CIRM BASICALLY WILL FUND 100 PERCENT OF
12 THE HEALTH INSURANCE COST, SO THAT IS SOMETHING THAT
13 YOU CAN ESSENTIALLY SUBTRACT FROM TUITION AND FEES THAT
14 IS NOW AVAILABLE FOR TUITION AND FEES COST, WHICH
15 ACTUALLY MAKES THE NUMBER A LITTLE BIT HIGHER.

16 MR. SHEEHY: THE ONLY THING I MIGHT NOTE IS
17 THAT CALIFORNIA DOES TYPICALLY HAVE A HIGHER COST OF
18 LIVING THAN OTHER PLACES. AND I WOULD PERSONALLY, I
19 JUST SEE THIS AS BEING ONE OF THE KEY THINGS WE'RE
20 DOING. I HATE TO SAY WE WANT TO GET ALL THESE GREAT
21 PEOPLE FROM ALL OVER THE COUNTRY AND ALL OVER THE WORLD
22 TO COME HERE, BUT I KIND OF DO AND I'D LIKE TO BE AS
23 ATTRACTIVE AS POSSIBLE.

24 DR. HALL: BUT THERE'S A DISTINCTION HERE.
25 IT'S NOT STIPENDS. IT'S TUITION AND FEES WHICH GO TO

1 PAY THE INSTITUTION. SO IT'S A QUESTION -- AS I
2 UNDERSTAND IT, THE ISSUE HERE RAISED BY UC DOES NOT
3 QUESTION THE STIPENDS THAT WE OFFER; ISN'T THAT RIGHT?
4 BUT SAYS THAT IF WE WOULD PAY MORE OF THE TUITION FEE
5 LIMITATIONS -- WE PAY MORE OF THE TUITION AND FEES
6 CHARGED BY THE INSTITUTION THAN NIH DOES. I'M NOT
7 QUITE SURE I FOLLOW THE ARGUMENT, THAT THIS WOULD ALLOW
8 RECRUITMENT OF BETTER STUDENTS. IN FACT, NO GRADUATE
9 PROGRAM THAT I KNOW OF IN THE STATE OF CALIFORNIA
10 CHARGES STUDENTS DIRECTLY FOR TUITION AND FEES. IT
11 IS -- IN THE END IT'S CHARGED EITHER TO RESEARCH GRANTS
12 OR IT'S PAID BY THE INSTITUTION. THE STUDENTS
13 THEMSELVES DON'T BEAR THE COST.

14 SO THIS WOULD NOT BE AN ISSUE IN THEIR
15 RECRUITMENT HERE. AND I THINK THE OTHER THING THAT IS
16 OF CONCERN, I'M SURE, TO NIH AND TO US IS THAT,
17 PARTICULARLY IN PRIVATE INSTITUTIONS, THIS CAN BE A
18 FLOATING NUMBER. AND OFTEN IT IS USED -- I KNOW IN
19 SOME INSTITUTIONS IT'S BASICALLY SORT OF WHAT THE
20 TRAFFIC WILL BEAR IN TERMS OF WHAT YOU CAN GET FROM
21 GRANTING AGENCIES FOR THIS.

22 I RECOGNIZE THAT INSTITUTIONS HAVE COSTS, BUT
23 IT SEEMED TO US QUITE REASONABLE TO FOLLOW THE NIH IN
24 THIS, AND IT DOESN'T AFFECT WHAT THE STUDENTS GET. I
25 WOULD ARGUE -- I DON'T QUITE UNDERSTAND THE ARGUMENT, I

1 SHOULD SAY, THAT IT HELPS IN RECRUITMENT.

2 MR. MEARS: I THINK OUR CONCERN WAS THE MONEY
3 HAS TO COME OUT OF THE DEPARTMENT, AND THE PERSON WHO
4 MANAGES THE BUDGET ON THE DEPARTMENT HAS ONLY GOT A
5 LIMITED NUMBER OF DOLLARS. AND IF THAT LIMIT IS
6 INCREASED BY REIMBURSEMENT UNDER A CIRM GRANT, THAT'S
7 GOING TO MAKE IT POSSIBLE FOR THAT DEPARTMENT TO HIRE
8 MORE OR ATTRACT ADDITIONAL GRADUATE STUDENTS. I THINK
9 THAT WAS OUR CONCERN BECAUSE THERE'S A LIMITED AMOUNT
10 OF MONEY AVAILABLE TO MAKE UP THE DIFFERENCE.

11 DR. HALL: I THINK MANY OF US HAVE BEEN
12 INVOLVED IN GRADUATE TRAINING PROGRAMS, AND WE ALL
13 UNDERSTAND THE DIFFICULTY IN PIECING TOGETHER THE
14 BUDGETS FOR THESE.

15 MR. MEARS: YES, SIR. THAT WAS OUR FOCUS.

16 DR. HALL: IT IS ALSO A QUESTION THAT
17 ACTUALLY, HOW TO PUT IT, IT'S OFTEN A COMPETITION
18 BETWEEN THE DEPARTMENTS IN THE INSTITUTIONS.
19 INSTITUTIONS WANT TO RAISE THE FEES IN ORDER TO BRING
20 MORE MONEY TO THE INSTITUTION. THAT ITSELF POSES A
21 BURDEN ON THE DEPARTMENTS TO FIGURE OUT WHERE THAT
22 MONEY IS GOING TO COME FROM, SO IT'S A LITTLE BIT MORE
23 COMPLICATED, I WOULD SAY.

24 MY OWN FEELING IS I'M QUITE COMFORTABLE
25 ABIDING BY THE NIH LIMITS. BUT IF PEOPLE THINK WE

1 SHOULD CONSIDER OTHERWISE, WE CAN CERTAINLY DO THAT.

2 MS. MARCKESE: WE HAVE A LOT OF STUDENTS AT
3 SALK FROM UCSD. WE DON'T HAVE OUR OWN DEGREE GRANTING,
4 AND WE GET BILLED FOR THEIR TUITION AND FEES. SO THIS
5 IS DEFINITELY -- PUTTING A CAP ON THAT IS GOING TO HURT
6 US, AND WE CAN'T CHARGE THAT TO OTHER NIH GRANTS OR ANY
7 OTHER PROBABLY FUNDING MECHANISM, SO THE INSTITUTE
8 WOULD HAVE TO PICK UP THE DIFFERENCE.

9 DR. HALL: ALSO MAYBE YOU SHOULD HAVE A
10 DISCUSSION WITH UC SAN DIEGO.

11 MS. MARCKESE: YOU'RE MORE THAN WELCOME TO
12 HELP WITH THAT. I'M JUST SAYING AS A PRIVATE
13 INSTITUTION, IT MAYBE WORKS A LITTLE BIT DIFFERENT AND
14 WE'D HAVE TO BEAR THE DIFFERENCE.

15 DR. HALL: I WOULD CERTAINLY -- IT'S NOT
16 SOMETHING THAT WE RESEARCHED OR REALLY WORKED ON VERY
17 HARD IN THAT SENSE. AND IF PEOPLE FEEL THAT WE SHOULD
18 TAKE THIS UNDER CONSIDERATION, WE CAN CERTAINLY LOOK
19 INTO IT, SEE WHAT TUITION AND FEES ARE AROUND THE
20 STATE, AND SEE WHETHER THESE NUMBERS COULD BE CHANGED
21 IN A MORE FAVORABLE WAY. I DON'T NECESSARILY DISAGREE
22 WITH THAT, BUT I AM -- HOW TO PUT IT -- I AM AWARE THAT
23 THERE ARE LOTS OF DIFFERENT PEOPLE PULLING AT THIS
24 MONEY FOR DIFFERENT REASONS. AND WHAT WE, LIKE
25 EVERYBODY ELSE, WANT TO DO WHAT WE CAN TO SUPPORT THE

1 PROGRAMS.

2 WE THINK THE SUPPORT WE PROVIDE ACTUALLY
3 THROUGH THE TRAINING GRANTS IS REASONABLY GENEROUS FOR
4 THE PROGRAMS THEMSELVES. WE HAVE SUPPLEMENTS TO THE
5 GRADUATE PROGRAMS THAT ARE NOT FOUND TYPICALLY IN NIH
6 TRAINING GRANTS.

7 I WOULD SAY WE WOULD CERTAINLY TAKE IT UNDER
8 CONSIDERATION, BUT I AM DUBIOUS ABOUT SIMPLY OPENING
9 THE DOOR AND SAYING WE WOULD PAY TUITION AND FEES,
10 PERIOD. I THINK WHAT WE'D SEE IN SOME INSTITUTIONS WAS
11 THEY MIGHT EVEN GO UP. SO --

12 MR. SHEEHY: MAYBE IF THERE ARE NEW NUMBERS
13 IN THE INTERIM THAT FOLKS MAY WANT TO PUT FORWARD. I
14 DON'T THINK A BLANK CHECK WOULD BE APPROPRIATE.

15 DR. HALL: MAYBE WE COULD HEAR FROM OTHER
16 MEMBERS OF THE WORKING GROUP, BUT IF THAT'S -- IF
17 PEOPLE ARE AGREEABLE THAT THAT'S A REASONABLE
18 SUGGESTION, THEN I WOULD PUT IT FORWARD FOR
19 CONSIDERATION.

20 CHAIRMAN ORKIN: I THINK IT WOULD BE
21 REASONABLE TO REEVALUATE, LOOK OVER THE OTHER TUITIONS
22 THROUGHOUT THE STATE, AND SEE WHETHER YOU'RE IN THE
23 RIGHT PLACE.

24 DR. HALL: GOOD. FAIR ENOUGH.

25 MR. SAMBRANO: THERE'S ANOTHER COMMENT FROM

1 UCOP HAVING TO DO WITH OVERDUE REPORTS. I THINK THIS
2 WAS PREVIOUSLY DISCUSSED IN THE PREVIOUS SECTION.
3 AGAIN, THE COMMENT READS AS FOLLOWS: "AS PREVIOUSLY
4 NOTED, WE APPRECIATE THE REQUIREMENT TO PROVIDE TIMELY
5 REPORTS TO CIRM. AS A PRACTICAL MATTER, THE PRIMARY
6 LEVERAGE TO ASSURE THIS END IS CIRM CONTROL OVER
7 RENEWAL FUNDING. REDUCING OR SUSPENDING AN AWARD COULD
8 CREATE INSTITUTIONAL CONCERNS ABOUT DISRUPTION OF
9 STUDENT TRAINING COMMITMENTS AND FINANCIAL EXPOSURE.
10 WE SUGGEST THAT CIRM USE NONRENEWAL RATHER THAN
11 SUSPENSION OR REDUCTION AS A TOOL FOR ENFORCING THE
12 REQUIREMENT OF TIMELY REPORTS."

13 SO ANY COMMENTS OR DISCUSSION ON THAT?

14 DR. HALL: LET ME JUST SAY THAT WE HAVE,
15 MAYBE BECAUSE IT'S ON US NOW, BUT WE, I THINK, HAVE A
16 PARTICULAR INTEREST IN WANTING TO TRACK THE INFORMATION
17 ON STUDENTS. THIS IS ALMOST DIRECTLY AN INSTITUTIONAL
18 RESPONSIBILITY HERE, WHOEVER IS RESPONSIBLE FOR THE
19 TRAINING GRANT OR THE PROGRAM, BUT WE OURSELVES ARE
20 ACCOUNTABLE FOR WHAT IS HAPPENING WITH TRAINING, WHICH
21 CAN BE TRACKED IN A MUCH MORE SPECIFIC WAY OFTEN THAN
22 RESEARCH GRANTS AND A MUCH MORE UNDERSTANDABLE WAY WITH
23 THE PUBLIC. WE WANT TO HAVE THAT INFORMATION BECAUSE
24 WE NEED IT AND SAYING TO THE STATE AND TO THE PUBLIC
25 AND TO ALL THOSE WHO ARE INTERESTED IN STEM CELL

1 RESEARCH, HERE ARE THE PEOPLE WE'VE TRAINED DURING THE
2 LAST YEAR, HERE ARE THEIR BACKGROUNDS, HERE'S WHAT
3 THEY'RE DOING. AND WE, I WOULD ARGUE, NEED THAT IN A
4 TIMELY MANNER.

5 SO OUR INTENT IS NOT TO USE THIS IN AN
6 UNREASONABLE OR UNFAIR OR, I HOPE, BRUTAL WAY, BUT
7 SIMPLY IF WE DO HAVE DIFFICULTY IN A PARTICULAR
8 SITUATION, I THINK WE WANT TO BE ABLE TO SAY, LOOK,
9 THIS IS SERIOUS. WE NEED THIS INFORMATION. PLEASE GET
10 IT TO US QUICKLY, OR WE WILL HAVE TO TAKE ACTION. THAT
11 WOULD BE MY ARGUMENT IN FAVOR OF LEAVING THE LANGUAGE
12 AS IS.

13 CHAIRMAN ORKIN: I THINK THAT'S A GOOD
14 ARGUMENT. IN ADDITION, SINCE THIS IS REALLY THE FIRST
15 FUNDING PROGRAM OF THE INSTITUTE, IT MAKES -- THE ONUS
16 IS ON YOU TO HAVE GOOD ACCOUNTABILITY OF THE FUNDING
17 AND THE SUPPORT. THE MORE REPORTS THE BETTER EARLY ON.

18 DR. HALL: RIGHT. YES. ABSOLUTELY. PEOPLE
19 WILL PAY ATTENTION TO THEM IN THE BEGINNING. AFTER A
20 WHILE PEOPLE WILL SORT OF TUNE OUT. THE EARLY ONES
21 WILL, I THINK, BE VERY IMPORTANT. VERY GOOD POINT,
22 STU.

23 MR. SAMBRANO: ANY OTHER COMMENTS IN THAT
24 REGARD? OTHERWISE, I HAVE ANOTHER ADDITIONAL PUBLIC
25 COMMENT THAT COMES FROM THE GREENLINING INSTITUTE. IT

1 READS: "TO THE SCIENTIFIC MEDICAL RESEARCH FUNDING
2 WORKING GROUP. THE GREENLINING INSTITUTE IS A
3 MULTI-ETHNIC PUBLIC POLICY AND ADVOCACY COALITION THAT
4 IS DEDICATED TO IMPROVING HEALTH OUTCOMES FOR
5 LOW-INCOME COMMUNITIES OF COLOR IN CALIFORNIA. OUR
6 COALITION INCLUDES CIVIL RIGHTS, HEALTH, BUSINESS, AND
7 FAITH-BASED ORGANIZATIONS, SUCH AS THE FIRST AME
8 CHURCH, THE CALIFORNIA BLACK CHAMBER OF COMMERCE, THE
9 CALIFORNIA HISPANIC CHAMBER OF COMMERCE, THE ASIAN
10 BUSINESS ASSOCIATION, THE MEXICAN-AMERICAN POLITICAL
11 ASSOCIATION, THE SOUTHEAST ASIAN CENTER, AND THE LA
12 MAESTRA COMMUNITY HEALTH CENTER.

13 "ON BEHALF OF OUR COALITION, WE WOULD LIKE TO
14 COMMEND THE SCIENTIFIC AND MEDICAL RESEARCH FUNDING
15 GROUP'S PROGRESS TOWARDS ENCOURAGING DIVERSITY AMONGST
16 TRAINEES PARTICIPATING IN CIRM-FUNDED PROJECTS. WE
17 WOULD, HOWEVER, JUST LIKE TO MAKE ONE RECOMMENDATION.
18 AND THIS IS IN REGARDS TO CHAPTER 6, SECTION E, ITEM
19 3(A), WHICH IS ENTITLED "TRAINING PROGRAM REPORT."

20 "THIS SECTION, THERE'S A NEED FOR STRONGER
21 AND MORE EFFECTIVE LANGUAGE IN CIRM'S POLICIES THAT
22 INVOLVE DIVERSITY IN ACCORD WITH GREENLINING
23 INSTITUTE'S CONTINUAL ADVOCACY, AS WELL AS OUR HOPE
24 THAT ALL CALIFORNIANS FAIRLY RECEIVE THE BENEFITS OF
25 PROP 71.

1 "ON BEHALF OF OUR COALITION, WE HOPE THAT YOU
2 GIVE THIS RECOMMENDATION CAREFUL CONSIDERATION AND LOOK
3 FORWARD TO SEEING THESE CONCERNS ADDRESSED AT THE NEXT
4 ICOC MEETING IN APRIL. THANK YOU VERY MUCH."

5 LET ME JUST GO BACK TO TELL YOU EXACTLY WHAT
6 THE CHANGE IS. THE CHANGE WOULD READ: TRAINING
7 PROGRAM REPORT OF THE INTERIM GRANTS ADMINISTRATION
8 POLICIES, GRANTEE SHOULD BE REQUIRED TO REPORT THE
9 CURRENT DIVERSITY OF THEIR TRAINEES, INCLUDING, BUT NOT
10 LIMITED TO, THE COLLECTION OF INFORMATION REGARDING
11 AGE, SEX, RACE, ETHNICITY, ETC., AND THAT THESE RECORDS
12 NEED TO BE MADE PUBLICLY AVAILABLE. BY REVIEWING EACH
13 RESEARCH INSTITUTE'S OWN DIVERSITY REPORT AS PART OF
14 EVERY CONSEQUENT TRAINING PROGRAM REVIEW, THE CIRM MAY
15 MORE EFFECTIVELY PERSUADE GRANT APPLICANTS TO EMBRACE
16 MEASURABLE DIVERSITY COMMITMENTS.

17 IN THAT REGARD, THE TRAINING APPOINTMENT
18 FORMS THAT ARE REQUIRED OF EACH TRAINEE WHEN THEY ARE
19 APPOINTED ACTUALLY ASKS FOR ALL OF THIS INFORMATION.
20 SO THIS IS INFORMATION WE WILL ALREADY BE TRACKING. SO
21 I THINK WE'VE COVERED THAT BASE.

22 BUT IF THERE ARE ADDITIONAL SUGGESTIONS OR
23 COMMENTS REGARDING THIS COMMENT.

24 MS. SAMUELSON: IS THERE ANY SCIENTIFIC
25 PURPOSE SERVED IN COMPLYING WITH THIS? I'M JUST AFRAID

1 IT'S BURDENSOME FOR NO OTHER EFFECTIVE REASON.

2 MR. SAMBRANO: WHAT WE'RE DOING IS TRACKING.
3 THIS IS A TRACKING MECHANISM. IT IS NOT DEFINING OR
4 SPECIFYING WHO OR WHAT WILL BE A TRAINEE.

5 MS. EVANS: UNIVERSITY CALIFORNIA. THIS IS
6 THE FIRST TIME WE'VE HEARD ABOUT WHAT'S GOING TO BE ON
7 THIS TRACKING FORM. I WOULD JUST RECOMMEND THAT YOUR
8 ATTORNEYS REVIEW WHAT YOU'RE GOING TO BE ASKING, AND
9 THAT EITHER IT'S NOT CONNECTED WITH NAMES OR THAT
10 YOU'VE GOT A SYSTEM OF RECORDS FOR PRIVACY. SOME OF
11 THAT INFORMATION WE WOULD NOT DISCLOSE DEPENDING ON HOW
12 YOU'RE GOING TO ASK FOR IT.

13 DR. CHIU: THANK YOU.

14 DR. HALL: VERY HELPFUL.

15 MR. SAMBRANO: ANY ADDITIONAL COMMENTS?

16 MR. REED: THIS JUST SEEMS TO ME -- I AGREE
17 WITH THE PREVIOUS STATEMENT. THIS IS KID GLOVES STUFF,
18 VERY DELICATE. I CAN SEE ALL KIND OF PROBLEMS HERE IF
19 WE GET TOO SPECIFIC. THERE'S LAWS, I THINK, THAT
20 PRECLUDE US LETTING RACE BE A BASIS FOR HIRING.
21 ANYTHING THAT GETS TOO SPECIFIC, I THINK YOU'RE IN RISK
22 OF VIOLATING THAT.

23 MR. SAMBRANO: LET ME JUST MAKE ONE COMMENT.
24 THE FORM THAT WE HAVE IS BASED ON WHAT NIH CURRENTLY
25 USES FOR TRAINEES UNDER THEIR AWARDS. SO IT DOESN'T

1 DEVIATE FROM THAT AT ALL. IT SIMPLY PLACES IT IN A
2 DIFFERENT FORM, WHICH IS OUR FORM, AND WE'RE COLLECTING
3 ESSENTIALLY THE SAME TYPE OF INFORMATION. THERE IS
4 NOTHING NEW IN THAT FORM.

5 DR. HALL: JUST TO ANSWER JOAN'S POINT, I
6 THINK WE ALL HAVE AN INTEREST IN HAVING A DIVERSE GROUP
7 OF SCIENTISTS AND CLINICIANS BE INVOLVED IN STEM CELL
8 RESEARCH. I CERTAINLY KNOW FROM MY EXPERIENCE AT NIH
9 THAT THE ABILITY TO GET VARIOUS ETHNIC GROUPS INVOLVED
10 IN CLINICAL TRIALS OFTEN IS AFFECTED BY THEIR
11 PERCEPTIONS OF THE PHYSICIANS THAT THEY ARE DEALING
12 WITH AND WHETHER OR NOT THOSE PHYSICIANS ARE PEOPLE
13 THAT THEY TRUST. AND CERTAINLY IN SOME COMMUNITIES
14 WHERE THERE'S BEEN A HISTORY OF DISCRIMINATION AND EVEN
15 A HISTORY OF FEELING THEY HAVE BEEN MISUSED IN MEDICAL
16 EXPERIMENTS, THEN IT IS VERY IMPORTANT TO HAVE
17 PHYSICIANS THAT THESE PEOPLE RECOGNIZE AND ARE
18 COMFORTABLE WITH AND TRUST, AND IT MAKES A HUGE
19 DIFFERENCE IN, I THINK, NOT ONLY ULTIMATE DELIVERY OF
20 HEALTHCARE, BUT ALSO IN TERMS OF OUR OWN ABILITY TO
21 WORK AND HAVE THE THERAPIES THAT WE DEVELOP BE
22 AVAILABLE AND BE TO ALL ETHNIC GROUPS.

23 SO I JUST WANT TO STRONGLY ENDORSE THE
24 PRINCIPLE HERE. WE SEE IT AS VERY DIRECTLY RELATED TO
25 THE GOALS OF THE INSTITUTE AND TO OUR GOALS OF

1 PROVIDING THERAPIES FOR ALL CALIFORNIANS.

2 MR. REED: I WOULD JUST LIKE TO RESPOND TO
3 THAT. NATURALLY IN FAVOR OF INCLUSION OF ALL ETHNIC
4 DIVERSITY. THAT MAKES US STRONGER AS A NATION, AS A
5 COUNTRY, BUT I KNOW THERE'S VERY SPECIFIC LAWS
6 INVOLVED, AND WE DON'T WANT TO HAVE ANYTHING TO
7 INTERFERE WITH US.

8 MR. SAMBRANO: I THINK -- ARE THERE ANY OTHER
9 COMMENTS REGARDING THIS CHAPTER? OTHERWISE --

10 DR. YOUNG: JUST VERY -- I WAS JUST LOOKING
11 AT THE VERY INITIAL PART, THE CRITERIA FOR REVIEW OF
12 TRAINING GRANT APPLICATIONS. I KNOW THE MEETINGS HAVE
13 ALREADY BEEN MADE AND DONE AND SO FORTH, BUT THIS IS
14 FOR THE FUTURE. IT SEEMS TO ME THAT SOME MORE THOUGHT
15 PERHAPS COULD BE PUT INTO THE CRITERIA HERE. THEY ARE
16 NOT ADDRESSING SEVERAL REALLY CRITICAL ISSUES THAT, FOR
17 ONE, I WOULD REALLY LIKE TO HAVE SOMETHING IN THERE
18 THAT TALKS ABOUT THE TRACK RECORD OF TRAINING AND THE
19 QUALITY OF THE TRAINEES.

20 DR. CHIU: DOES NO. 4 ADDRESS YOUR CONCERN?
21 CRITERION NO. 4 ON PAGE 37.

22 DR. YOUNG: QUALITY AND DIVERSITY OF EXISTING
23 TRAINING PROGRAMS. I WAS JUST THINKING THE CRITERIA.
24 THESE JUST SEEM VERY SHALLOW, AND THEY'RE NOT
25 ADDRESSING THE -- TO ME THE REAL MARK OF A TRAINING

1 PROGRAM IS WHERE THE TRAINEES GO AND WHAT THEY BECOME.
2 SO I WAS JUST THINKING THAT IF -- WE SHOULD EITHER PUT
3 THE CRITERIA OR NOT PUT THE CRITERIA, BUT TO HAVE
4 THESE, A LIMITED SET OF CRITERIA LIKE THIS DOESN'T MAKE
5 A LOT OF SENSE TO ME.

6 DR. HALL: WISE, IF YOU WOULD LIKE TO MAKE
7 SOME SUGGESTIONS ABOUT CRITERIA BEFORE OUR ICOC
8 MEETING, WE'D BE HAPPY TO PROPOSE THEM TO THE ICOC.

9 DR. YOUNG: SURE. SURE.

10 MS. SAMUELSON: THAT IS ALSO EXACTLY THE KIND
11 OF THING THAT WOULD BE RAISED AND DISCUSSED AND PUT
12 FORWARD AS A REAL RECOMMENDATION FROM THE WORKING GROUP
13 TO THE ICOC WHEN WE SIT DOWN AND COMPLETE THE PROCESS
14 OF COMPLYING WITH THE PROP 71 RESPONSIBILITIES OF THE
15 WORKING GROUP, WHICH WE'LL BE DOING SOON.

16 DR. YOUNG: RIGHT. I'LL DO THAT RIGHT NOW, A
17 PIECE OF PAPER TO ARLENE TO LOOK AT.

18 DR. HALL: WHY DON'T WE NOT DO IT ON THE FLY
19 HERE BECAUSE I THINK IF WE TRY TO WORDSMITH IT HERE.
20 WE WILL CERTAINLY BRING IT UP TO THE ICOC MEETING.
21 SO --

22 MR. SAMBRANO: IF WE'RE DONE WITH ANY
23 COMMENTS, ANY OTHER SUGGESTIONS, DR. ORKIN, SHOULD WE
24 GO FORWARD WITH A VOTE?

25 CHAIRMAN ORKIN: GO AHEAD. ARE THERE ANY --

1 DO YOU WANT TO TAKE A ROLL CALL?

2 DR. CHIU: IS THERE A MOTION?

3 MR. SHEEHY: I'D LIKE TO MOVE THAT WE ADOPT

4 SECTION 6 WITH A STIPULATION THAT FURTHER RESEARCH ON

5 SECTION 2 ON TUITION AND FEES BE DONE BY STAFF WITH

6 POTENTIAL AMENDMENT.

7 DR. CHIU: THERE IS A MOTION ON THE TABLE.

8 CHAIRMAN ORKIN: ROLL CALL OR ARE WE GOING TO

9 DO THIS BY EXCLUSION? ANY OPPOSED?

10 MR. SAMBRANO: WE JUST NEEDED A SECOND.

11 CHAIRMAN ORKIN: SECOND?

12 DR. DONAHOE: SECOND.

13 MR. SAMBRANO: HERE'S THE ROLL CALL.

14 MS. SAMUELSON: ONE SECOND. THIS IS THE

15 FINAL APPROVAL OF THE WHOLE CHAPTER 6.

16 MR. SAMBRANO: CHAPTER 6.

17 STU ORKIN.

18 CHAIRMAN ORKIN: YES.

19 MR. SAMBRANO: JOAN SAMUELSON.

20 MS. SAMUELSON: YES.

21 MR. SAMBRANO: SUSAN BONNER-WEIR. ALI

22 BRI VANLOU.

23 DR. BRI VANLOU: YES.

24 MR. SAMBRANO: PATRICIA DONAHOE.

25 DR. DONAHOE: YES.

1 MR. SAMBRANO: ANDREW FEINBERG. MARCY FEIT.
2 MS. FEIT: YES.
3 MR. SAMBRANO: ALEXANDRA JOYNER. JUDITH
4 KIMBLE. SHERRY LANSING. JEFFREY MACKLIS.
5 DR. MACKLIS: YES.
6 MR. SAMBRANO: JEFFREY ROTHSTEIN. PABLO
7 RUBINSTEIN. DAVID SERRANO-SEWELL.
8 MR. SERRANO-SEWELL: YES.
9 MR. SAMBRANO: JEFF SHEEHY.
10 MR. SHEEHY: YES.
11 MR. SAMBRANO: JON SHESTACK.
12 MR. SHESTACK: YES.
13 MR. SAMBRANO: DENNIS STEINDLER.
14 DR. STEINDLER: YES.
15 MR. SAMBRANO: RAINER STORB. CLIVE SVENDSEN.
16 JANET WRIGHT. GEORGE YANCOPOULOS.
17 DR. YANCOPOULOS: YES.
18 DR. CHIU: WISE YOUNG.
19 DR. YOUNG: YES.
20 MR. SAMBRANO: THANK YOU.
21 DR. HALL: ALL RIGHT. CONGRATULATIONS TO THE
22 WORKING GROUP. THIS IS TREMENDOUS.
23 MS. SAMUELSON: THERE'S ONE FINAL MOTION I
24 THINK WE SHOULD ADOPT, WHICH IS JUST TO CONFIRM THAT
25 THIS WILL BE FORWARDED TO THE ICOC FOR APPROVAL AS AN

1 INTERIM DOCUMENT, WHICH THE RESEARCH FUNDING WORKING
2 GROUP MAY RECOMMEND REVISIONS OF TO THE ICOC WHEN IT
3 COMPLETES ITS DEVELOPMENTAL PROCESS PURSUANT TO THE
4 SPECIFICS OF PROP 71 GOVERNING THE WORKING GROUP.

5 DR. CHIU: THAT IS THE MOTION ON THE TABLE.

6 MS. SAMUELSON: WHICH I THINK IS THE EARLIER
7 SENSE OF THE GROUP, BUT I THINK WE SHOULD BE EXPLICIT
8 ABOUT IT.

9 DR. CHIU: WORKING GROUP, IS THERE A SECOND
10 ON THE MOTION ON THE TABLE?

11 CHAIRMAN ORKIN: CAN I HEAR THAT RESTATED?
12 I'M NOT QUITE SURE WHAT THE MOTION IS.

13 MS. SAMUELSON: IT'S JUST TO CONFIRM THAT
14 THAT IS AN INTERIM DOCUMENT AND THAT THERE MAY BE
15 REVISIONS.

16 CHAIRMAN ORKIN: YES. OKAY.

17 DR. CHIU: ARE THERE ANY OPPOSING VOTES?
18 THEN WE SHALL BRING THIS FORWARD AS A CONSENSUS VOTE TO
19 ADOPT THIS AS AN INTERIM DOCUMENT.

20 DR. HALL: WITH THE POSSIBILITY OF CHANGES.

21 DR. CHIU: WITH THE POSSIBILITY OF CHANGES.
22 THANK YOU VERY MUCH.

23 CHAIRMAN ORKIN: THANK YOU.

24 DR. HALL: THIS IS TREMENDOUS. LET ME JUST
25 REMIND EVERYBODY AND SAY THAT ONE OF THE REASONS WE'RE

1 PARTICULARLY PLEASED WITH THIS IS THAT THIS IS THE
2 THIRD PIECE IN OUR THREE-LEGGED STOOL, AS IT WERE.
3 WITH THE MEDICAL AND ETHICAL STANDARDS, THE
4 INTELLECTUAL PROPERTY POLICY, AND NOW THE GRANTS
5 ADMINISTRATION POLICY, THIS WILL COMPLETE, AT LEAST ON
6 AN INTERIM BASIS, OUR INFRASTRUCTURE FOR ISSUING GRANTS
7 AND WILL ALLOW US TO GO AHEAD. SO WE VIEW THIS AS A
8 REAL MILESTONE, IF YOU WILL, AND WE LOOK FORWARD TO
9 HAVING THE ICOC CONSIDER IT IN APRIL.

10 SO THANKS TO EVERYONE FOR PARTICIPATING. WE
11 REALLY APPRECIATE YOUR HELP AND YOUR THOUGHTFULNESS IN
12 HELPING US GO THROUGH THIS DOCUMENT.

13 I ALSO WANT TO SAY THANKS TO THE MEMBERS OF
14 THE PUBLIC WHO ARE HERE. WE APPRECIATE YOUR INPUT. WE
15 APPRECIATE YOUR THOUGHTFUL COMMENTS AND LOOK FORWARD TO
16 WORKING WITH YOU FURTHER ON THIS.

17 CHAIRMAN ORKIN: BYE.

18 (THE MEETING WAS THEN CONCLUDED AT 03:29 P.M.)

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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 proceedings before the Scientific and Medical Research Funding Working Group of the California Institute for Regenerative Medicine in the matter of its regular meeting held at the location indicated below

UC CALIFORNIA, SAN FRANCISCO
PRESIDENT' S ROOM, LAUREL HEIGHTS CONFERENCE CENTER
3333 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA
on
TUESDAY, MARCH 14, 2006

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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