

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

LOCATION: AS INDICATED ON THE AGENDA

DATE: THURSDAY, MARCH 4, 2010  
4:30 P.M.

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

BRS FILE NO.: 86832

## BARRISTERS' REPORTING SERVICE

### I N D E X

ITEM	DESCRIPTION	PAGE NO.
CALL TO ORDER		3
ROLL CALL		3
CONSIDERATION OF SB 1064 (ALQUIST)		32
CONSIDERATION OF AB 52 (PORTANTINO)		3
PUBLIC COMMENT		NONE

**BARRISTERS' REPORTING SERVICE**

1 LEGISLATIVE SUBCOMMITTEE, THURSDAY, MARCH 4, 2010

2 4:30 P.M.

3  
4 CHAIRMAN TORRES: LET ME CALL THE  
5 SUBCOMMITTEE TO ORDER AND WE'LL CALL THE ROLL.

6 MS. KING: JACOB LEVIN FOR SUSAN BRYANT.

7 DR. LEVIN: HERE.

8 MS. KING: MICHAEL GOLDBERG. BOB KLEIN.

9 MR. KLEIN: HERE.

10 MS. KING: CLAIRE POMEROY.

11 DR. POMEROY: HERE.

12 MS. KING: FRANCISCO PRIETO. JOHN REED.

13 DUANE ROTH.

14 MR. ROTH: HERE.

15 MS. KING: JOAN SAMUELSON.

16 MS. SAMUELSON: HERE.

17 MS. KING: JEFF SHEEHY.

18 MR. SHEEHY: HERE.

19 MS. KING: ART TORRES.

20 CHAIRMAN TORRES: HERE.

21 MS. KING: WE DO HAVE A QUORUM.

22 CHAIRMAN TORRES: FINE. EXCELLENT. WE'RE  
23 GOING TO PROCEED, THEN, ON THE AGENDA WITHOUT ANY  
24 OBJECTION TO ITEM NO. 4, WHICH WE'LL CONSIDER  
25 ASSEMBLYMEMBER ANTHONY PORTANTINO'S LEGISLATION,

## BARRISTERS' REPORTING SERVICE

1 ASSEMBLY BILL 52.

2 WHAT I'D LIKE TO DO FIRST, ASSEMBLYMEMBER,  
3 IS TO HAVE OUR LEGAL COUNSEL, JAMES HARRISON, GIVE  
4 US A QUICK OVERVIEW AND THEN TURN IT OVER TO YOU.

5 ASSEMBLYMEMBER PORTANTINO: FANTASTIC.

6 MR. HARRISON: GOOD AFTERNOON, EVERYONE.  
7 WE'RE GLAD TO HAVE THE AUTHOR OF THE BILL,  
8 ASSEMBLYMEMBER PORTANTINO, ON THE CALL WITH US TODAY  
9 SO THAT IF I MISSPEAK, HE CAN CORRECT ME.

10 EXISTING LAW REQUIRES THE DEPARTMENT OF  
11 PUBLIC HEALTH TO ESTABLISH AN UMBILICAL CORD BLOOD  
12 COLLECTION PROGRAM, AND IT AUTHORIZES DPH TO  
13 CONTRACT WITH BLOOD BANKS IN CALIFORNIA TO PROVIDE  
14 UMBILICAL CORD BLOOD BANKING SERVICES.

15 AB 52 WOULD ESTABLISH AN OVERSIGHT BOARD,  
16 THE UMBILICAL CORD BLOOD COLLECTION BOARD, TO  
17 ADMINISTER THE PROGRAM. THE PROGRAM WOULD BE FUNDED  
18 BY RAISING THE FEE FOR CERTIFIED COPIES OF BIRTH  
19 CERTIFICATES FROM \$7 TO \$9. THE DELTA THERE, THE  
20 \$2, WOULD GO TOWARDS THE UMBILICAL CORD BLOOD  
21 COLLECTION PROGRAM FUND.

22 THE AUTHOR, IN A LETTER ADDRESSED TO  
23 CHAIRMAN TORRES, HAS EXPRESSED CONCERNS ABOUT THE  
24 DESIRE OF THE DEPARTMENT OF PUBLIC HEALTH TO  
25 ADMINISTER THE PROGRAM GIVEN THE FACT THAT IT

## BARRISTERS' REPORTING SERVICE

1 CURRENTLY ADMINISTERS OVER 300 OTHER PROGRAMS AND  
2 HAS EXPRESSED INTEREST IN CONSIDERING WHETHER CIRM  
3 COULD HOUSE THE UMBILICAL CORD BLOOD PROGRAM.

4 CHAIRMAN TORRES: THANK YOU VERY MUCH,  
5 MR. HARRISON. ASSEMBLYMEMBER, YOU WANT TO PROCEED  
6 TO PRESENT THE ESSENTIAL ELEMENTS OF YOUR  
7 LEGISLATION AND THE RATIONALE.

8 ASSEMBLYMAN PORTANTINO: THANK YOU VERY  
9 MUCH, SENATOR, AND THANK YOU, BOARD MEMBERS, FOR  
10 LETTING ME PRESENT THIS IDEA TO YOU. MANY OF YOU  
11 KNOW THAT THIS IS A PASSION FOR ME PERSONALLY. ONE  
12 OF MY NEIGHBOR'S SON, WHO'S NOW A SENIOR AT LOYOLA  
13 MARYMOUNT, WHEN HE WAS TODDLER I BELIEVE WAS ONE OF  
14 CALIFORNIA'S FIRST CORD BLOOD RECIPIENTS AS A  
15 TODDLER, AND IT SAVED HIS LIFE BY CURING HIS  
16 LEUKEMIA. AND SO I'VE BEEN PASSIONATE ABOUT THIS  
17 ISSUE FOR A LONG TIME. AND WHEN MY OWN DAUGHTER  
18 GAVE BIRTH OR MY WIFE GAVE BIRTH TO MY SECOND  
19 DAUGHTER, WE ENDEAVORED TO DONATE HER CORD BLOOD AND  
20 WAS QUITE CONCERNED THAT THERE WAS NO PUBLIC  
21 OPPORTUNITY FOR US TO DO THAT. AND SO THAT'S THE  
22 GENESIS OF THE PERSONAL SIDE.

23 ON THE POLICY SIDE, WE FEEL, BECAUSE  
24 CALIFORNIA HAS THE MOST DIVERSE BLOOD SUPPLY IN THE  
25 WORLD WITH THE 500,000 BIRTHS A YEAR AND THE FASTEST

## BARRISTERS' REPORTING SERVICE

1 GROWING SEGMENT -- ONE OF THE FASTEST GROWING  
2 SEGMENTS IS THE INTERRACIAL COMPONENT OF OUR BLOOD  
3 SUPPLY, THE DIVERSITY OF OUR BLOOD SUPPLY, AND GIVEN  
4 THE DEFICIENCY IN NATIONAL AVAILABILITY OF A DIVERSE  
5 BLOOD SUPPLY, WE THINK CALIFORNIA IS THE PERFECT  
6 PLACE TO CREATE A PROGRAM. AND THE ESTIMATES THAT  
7 WE'VE GONE THROUGH WITH THE LEGISLATIVE PROCESS AND  
8 ESTIMATES ARE THE NUMBER OF LIVES WE COULD SAVE BY  
9 HAVING A PUBLICLY AVAILABLE CORD BLOOD SYSTEM IN  
10 CALIFORNIA IS SIGNIFICANT AND SOMETHING WORTH  
11 STRIVING FOR.

12 TO THAT END, OUR EFFORTS TO SET IT UP  
13 WITHIN THE DEPARTMENT HAVE NOT BEEN MET WARMLY, SO  
14 TO SPEAK, EVEN TO THE POINT WHEN WE GOT FEDERAL  
15 GRANT MONEY TO HELP START THIS PROGRAM, THE  
16 DEPARTMENT STILL WAS NOT WELL RECEIVING THAT MONEY  
17 FROM THE FEDERAL GOVERNMENT OR WAS GOING TO TAKE IT  
18 FOR OTHER PURPOSES.

19 SO THE EXCITING THING FOR US WAS TO LOOK  
20 AT WHAT YOU'RE DOING AND AUGMENT AND BROADEN WHAT  
21 CIRM IS DOING IN THE FIELD OF UMBILICAL CORD AND PUT  
22 BOTH RESEARCH AND DONATIONS INTO ONE UMBRELLA WITHIN  
23 THE STATE OF CALIFORNIA.

24 SO WHAT WE HAVE BEEN OPEN TO AND  
25 SUGGESTING IS THAT WE AMEND OUR LEGISLATION TO HOUSE

## BARRISTERS' REPORTING SERVICE

1 THE PROGRAM UNDER YOUR UMBRELLA AND HAVE YOU HOUSE  
2 AND IMPLEMENT THE PROGRAM. WE ALSO SEE AN ECONOMIC  
3 FACTOR THAT MAKES IT EXCITING AS WELL. AS WE  
4 COLLECT THE INVENTORY AND WE MAKE IT AVAILABLE TO  
5 THE GENERAL PUBLIC, WHEN A DOCTOR WOULD PRESCRIBE A  
6 DONOR MATCH, YOU WOULD GET REIMBURSED FOR THE COST  
7 OF COLLECTION. SO WE SEE THIS AS A SELF-SUSTAINING  
8 PROJECT THAT WOULD NOT ONLY SAVE LIVES, BUT CONTINUE  
9 TO PAY FOR ITSELF ONCE THE INVENTORY WOULD BE  
10 SIGNIFICANT ENOUGH.

11 I'M A FAN OF WHAT YOU'RE DOING AND SEEING  
12 HOW, YOU KNOW, CERTAINLY WITH EMBRYONIC STEM CELL  
13 RESEARCH AND AVAILABILITY, THERE'S LOTS OF  
14 EXCITEMENT, BUT WITH CORD BLOOD, THE IMPLEMENTATION  
15 CAN BE QUICK, IT CAN BE UP AND GOING RELATIVELY  
16 EASILY WITH EXISTING INFRASTRUCTURE, AND HAVE THE  
17 ABILITY TO NOT ONLY SAVE LIVES, BUT PRECIOUS  
18 HEALTHCARE DOLLARS BECAUSE, AS OTHER COUNTRIES HAVE  
19 DONE COST BENEFIT ANALYSIS OF CORD BLOOD, THEY SEE  
20 THE CURE VERSUS THE LIFETIME TREATMENT COST AND THE  
21 MYRIAD OF DISEASES THAT HAS BEEN KNOWN HAD SUCCESS  
22 IN CURING AS A POSITIVE BENEFIT ON THE FINANCIAL  
23 SIDE.

24 SO WE ARE VERY EXCITED ABOUT THE  
25 OPPORTUNITY TO PRESENT TO YOU THIS IDEA OF HOUSING

## BARRISTERS' REPORTING SERVICE

1 THE PROGRAM AT CIRM. AND SO THAT'S WHAT WE'RE OPEN  
2 TO DO WITH THE LEGISLATION, TO HAVE A DEDICATED  
3 REVENUE SOURCE OF THE BIRTH CERTIFICATE FEE THEN  
4 WHATEVER FEDERAL RESOURCES WE CAN CONTINUE TO BRING  
5 TO THE TABLE TO FUND THIS PROJECT AND HAVE IT BE  
6 SELF-SUSTAINING. AND, AGAIN, I GO TO THE 500,000  
7 BIRTHS A YEAR IN CALIFORNIA, MANY OF THEM IN OUR  
8 URBAN HOSPITALS THAT HAVE A DIVERSE BLOOD SUPPLY  
9 THAT WE NEED IN THE REGISTRY, THE MATHEMATICAL  
10 ADVANTAGES TO CORD BLOOD VERSUS BONE MARROW, THE  
11 EASIER IT IS TO MATCH, THE EASIER IT IS TO SAVE A  
12 LIFE. WE THINK CALIFORNIA HAS THE BLOOD SUPPLY THAT  
13 WE NEED, THE BIRTHS THAT WE NEED, THE MINORITY  
14 POPULATION THAT IS IN NEED OF DONORS, AND WE JUST  
15 SEE A WIN-WIN-WIN FOR EVERYBODY.

16 SO THAT'S THE SHORT PROPOSAL, AND I'M  
17 EXCITED TO PRESENT IT TO YOU.

18 CHAIRMAN TORRES: THANK YOU. TWO THINGS  
19 FIRST, ASSEMBLYMEMBER. FIRST OF ALL, YOU KNOW THAT  
20 I ADMIRE THE WORK THAT YOU'VE BEEN DOING IN THE  
21 LEGISLATURE AND YOU'VE BEEN A VERY PERSISTENT  
22 ADVOCATE, NOT ONLY ON THIS ISSUE, BUT ON SO MANY  
23 OTHER ISSUES. AND YOUR ADVOCACY FOR YOUR  
24 CONSTITUENTS ESPECIALLY DURING THESE MUDSLIDES AND  
25 RAINSTORMS, I KNOW, HAVE BEEN A CHALLENGE FOR YOU



## BARRISTERS' REPORTING SERVICE

1 AND THE PEOPLE THAT YOU REPRESENT. LET ME PUT THAT  
2 OUT FRONT FIRST.

3 SECONDLY, FOR THE PURPOSES OF OUR  
4 DISCUSSION, I REALLY DON'T WANT TO HAVE THE  
5 SUBCOMMITTEE TAKE A POSITION OF OPPOSITION OR IN  
6 SUPPORT OF THIS LEGISLATION, BUT TO SUPPORT THE  
7 CONCEPT. AND LET ME EXPLAIN HOW I'D LIKE TO SEE  
8 THAT HAPPEN WITH THE HELP OF THE SUBCOMMITTEE AND  
9 THEN THE REACTIONS FROM YOUR GUESTS THAT ARE THERE,  
10 ANTHONY, I'M SURE, AT DR. POMEROY'S OFFICE. RATHER,  
11 WE INSTRUCT THE SCIENTIFIC STAFF, THE LEADERSHIP OF  
12 DR. TROUNSON, TO EXAMINE WHAT OTHER ALTERNATIVES  
13 THERE MIGHT BE THAT WE MIGHT BE ABLE TO POTENTIALLY  
14 FUND THAT WOULD NOT BE HOUSED WITHIN CIRM, BUT WOULD  
15 BE AN RFP OR AN RFA, I DON'T KNOW EXACTLY THE LEGAL  
16 TERM FOR IT, THAT WOULD ALLOW US TO EXPLORE THAT  
17 WITH SCIENTIFIC STAFF, NO. 1. ALSO TO EXPLORE IT  
18 WITH SCIENTIFIC STAFF NOT ONLY IN CALIFORNIA, BUT IN  
19 OTHER STATES AND IN THE FEDERAL EXPERIENCE.

20 THIRDLY, THERE'S SOMETHING THAT THE OTHER  
21 VICE CHAIR OF THIS ORGANIZATION, MY COLLEAGUE DUANE  
22 ROTH, EDUCATED ME ABOUT TOO, AND THAT IS THE NUMBER  
23 OF LIABILITY ISSUES THAT WE NEED TO LOOK AT AS WELL.

24 SO I'D LIKE TO PROFFER TO THIS  
25 SUBCOMMITTEE A MOTION TO REFER THIS TO THE

**BARRISTERS' REPORTING SERVICE**

1 SCIENTIFIC STAFF AND TO COME UP WITH ALTERNATIVES  
2 THAT WE MIGHT CONSIDER AND THAT WE MIGHT EVENTUALLY  
3 PROVIDE DO EXACTLY WHAT YOU WANT TO DO, BUT IN A  
4 DIFFERENT FORM RATHER THAN HOUSING IT WITH CIRM.

5 I SPOKE ABOUT THIS POTENTIAL ALTERNATIVE  
6 TO THE ASSEMBLYMEMBER, AND I KNOW HE WAS GOING TO  
7 GIVE IT SOME THOUGHT. BUT I'D LIKE TO RECEIVE A  
8 SECOND ON THAT MOTION SO WE PUT IT FORWARD.

9 MR. KLEIN: SECOND.

10 CHAIRMAN TORRES: NOW COMMENTS.

11 MS. KING: THE SECOND, FOR THE RECORD, IS  
12 BY ROBERT KLEIN.

13 MR. KLEIN: THIS IS BOB KLEIN. AND  
14 ASSEMBLYMEMBER PORTANTINO, I TOO HAVE A DAUGHTER --  
15 YOURS WAS A NEIGHBOR. MY DAUGHTER RECENTLY GAVE  
16 BIRTH, AND WE VERY MUCH ARE A BELIEVER IN THE VALUE  
17 OF MAINTAINING THE CORD BLOOD SUPPLY AND WITH THE  
18 POTENTIAL FOR LEUKEMIA AND RECENT RESEARCH IS GOING  
19 INTO AREAS SUCH AS EPILEPSY WHERE THERE ARE CLINICAL  
20 TRIALS GOING ON WITH POTENTIALLY VERY IMPORTANT  
21 RESULTS. SO I THINK THIS IS GOING TO BE A GROWING  
22 AREA OF IMPORTANCE THROUGH MANY AREAS OF DISEASE.

23 AND IT'S A UNIQUE POSITIONING FOR  
24 CALIFORNIA, AS YOU MENTION, BECAUSE OF OUR  
25 DIVERSITY, TO HAVE A NATIONAL LEADERSHIP ROLE HERE.

## BARRISTERS' REPORTING SERVICE

1 SO I DO THINK YOU'VE BEEN A GREAT CHAMPION OF THIS  
2 IDEA, AND IT'S IMPORTANT THAT WE SEE WHAT WE CAN DO  
3 SIDE BY SIDE TO WORK WITH YOU TO MOVE THIS FORWARD.

4 ASSEMBLYMEMBER PORTANTINO: THAT'S VERY  
5 EXCITING. MY GOAL IS TO KEEP MOVING THIS TO THE  
6 POINT WHERE WE'RE ACTUALLY, YOU KNOW, HAVING AN  
7 INVENTORY TO SERVE THE NEEDS OF THIS DIVERSE STATE  
8 AND IMPLEMENT. OBVIOUSLY WE KNOW THAT THE UC'S IN  
9 THE PAST, UCLA HAD A PUBLIC SYSTEM THAT WAS UP AND  
10 GOING, BUT NO LONGER EXISTS. WE'RE LOOKING FOR A  
11 CREATIVE WAY TO KEEP THIS MOVING AND COME UP -- WE  
12 THINK WE'VE COME UP WITH A DEDICATED REVENUE SOURCE.  
13 SO I'M DEFINITELY OPEN TO HAVING YOU FIGURE OUT A  
14 WAY TO ADMINISTER AND SEE THAT WE CAN USE THE  
15 EXISTING INFRASTRUCTURE OUT THERE.

16 IT'S ALWAYS BEEN OUR HOPE THAT WE'RE NOT  
17 CREATING SOMETHING KNEW, THAT WE'RE USING THE  
18 EXISTING SYSTEM OUT THERE BECAUSE OBVIOUSLY WE DON'T  
19 HAVE A TREMENDOUS AMOUNT OF MONEY, BUT IT'S ALSO AN  
20 AREA WHERE YOU CAN -- THE COST-EFFECTIVENESS OF  
21 USING THE INFRASTRUCTURE, BROADENING THE INVENTORY  
22 HAS TREMENDOUS BENEFIT. SO I'M DEFINITELY OPEN TO  
23 GETTING FURTHER INPUT FROM YOU AND TO SEE WHAT  
24 CREATIVE IDEAS YOU COME UP WITH.

25 CHAIRMAN TORRES: DR. TROUNSON AND

**BARRISTERS' REPORTING SERVICE**

1 MR. SHEEHY.

2 DR. TROUNSON: IT'S ALAN TROUNSON,  
3 PRESIDENT OF CIRM. YOU KNOW, THERE ARE SEVERAL  
4 ISSUES THAT WE REALLY HAVE TO DEAL WITH. SO I  
5 APPRECIATE HAVING SOME TIME TO WORK THROUGH THESE  
6 THINGS. CIRM, AS YOU KNOW, MAY NOT EXIST BEYOND A  
7 CERTAIN POINT IN TIME, AND THAT MAY BE A PROBLEM FOR  
8 SETTING UP A FACILITY IF WE DON'T HAVE A RUN-ON  
9 OPTION FOR THAT.

10 WE ALSO DON'T HAVE SUITABLE FACILITIES  
11 PRESENTLY TO DO ANY LABORATORY WORK, SO WE WOULD  
12 HAVE TO CONSIDER WHERE THOSE FACILITIES WERE AND HOW  
13 MUCH THEY WOULD COST AND HOW MUCH THAT PROGRAM WOULD  
14 TAKE.

15 SO I ACTUALLY HAVE SPOKEN TO PROBABLY THE  
16 LEADING PERSON IN THE AREA IN THE WORLD, IRV  
17 WEISSMAN, TODAY. AND I ASKED HIM TO, IN THINKING  
18 ABOUT THIS, JOIN US AND PUT TOGETHER A SCIENTIFIC  
19 GROUP TO TRY AND START TO THINK THROUGH THIS IN A  
20 REALLY LOGICAL WAY SO THAT IF WE DO SAY YES TO IT,  
21 THAT'S IT'S REALLY GOT SOME SENSE ABOUT IT AND WE  
22 CAN SEE THAT IT HAS A SUSTAINABLE COMPONENT THAT  
23 WOULD ALLOW US TO CONTINUE, AND WE DO DEAL WITH THE  
24 VERY SIGNIFICANT ISSUES OF LIABILITY, OF COURSE,  
25 THAT EXIST IN SUCH AREAS.

## BARRISTERS' REPORTING SERVICE

1 SO I THINK I WOULD LIKE TO TAKE THE TIME  
2 TO DO A PROPER STUDY OF IT, HAVE SOME SENIOR PEOPLE  
3 FROM AROUND THE U.S. MEET AND WORK WITH US TO GET A  
4 REASONABLE REPORT BACK TO YOU, CHAIR, AS TO HOW IT  
5 MIGHT BE ACCOMMODATED. IF IT'S NOT THAT WE'RE ABLE  
6 TO ACCOMMODATE IT, I THINK WE SHOULD BE VERY CLEAR  
7 ABOUT THAT IN THE REPORT TO YOU. BUT IF WE'RE ABLE  
8 TO FIGURE OUT A WAY WHICH IT COULD BE ACCOMMODATED,  
9 THEN I WANT TO BE CLEAR ABOUT THAT.

10 CHAIRMAN TORRES: I JUST WANTED TO THANK  
11 YOU, DR. TROUNSON. I WANTED TO MAKE SURE THAT THE  
12 ASSEMBLYMEMBER HEARD YOUR REMARKS TO LET HIM KNOW  
13 HOW SERIOUSLY WE HAVE TAKEN YOUR IDEA,  
14 ASSEMBLYMEMBER, AND THE FACT THAT THERE'S BEEN  
15 OUTREACH, NOT ONLY TO POLICYMAKERS, BUT ALSO TO  
16 SCIENTIFIC ADVISORS BEFORE WE PROCEEDED TO MAKE A  
17 DECISION REGARDING YOUR LEGISLATION.

18 MR. SHEEHY: FIRST I WANT TO THANK  
19 ASSEMBLYMEMBER PORTANTINO FOR THINKING OF US. I AM  
20 INCREDIBLY GRATEFUL FOR THE REGARD THAT YOU HOLD US.  
21 AND WE'VE BEEN WORKING HARD, AND I THINK WE'VE  
22 ACCOMPLISHED A LOT. AND THE FACT THAT YOU LOOK AT  
23 US AS BEING ABLE TO FULFILL THIS ROLE IS EXTREMELY  
24 COMPLIMENTARY TO ME. AND I THINK MY COLLEAGUES AND  
25 ALL OF US HAVE BEEN WORKING OVER THE LAST FIVE YEARS

## BARRISTERS' REPORTING SERVICE

1 TO GET THIS UP AND RUNNING.

2 I WANT TO SAY I'M VERY SUPPORTIVE OF THIS  
3 GOING FORWARD. WE'VE TALKED ABOUT CORD BLOOD  
4 BEFORE. PAUL BERG, NOBEL PRIZE WINNER FROM  
5 STANFORD, URGED US DURING OUR STRATEGIC PLANNING  
6 SESSIONS AT THE OUTSET OF THIS AGENCY TO GET  
7 INVOLVED IN CORD BLOOD WORK. I HOPE THAT WE'LL LOOK  
8 TO PEOPLE UP HERE THAT ARE NEARBY LIKE BURT LUBIN,  
9 WHO HAS A CORD BLOOD BANK AT CHILDREN'S HOSPITAL.

10 ASSEMBLYMEMBER PORTANTINO: ABSOLUTELY.

11 MR. SHEEHY: MAYBE NOT NECESSARILY -- I  
12 KNOW DR. WEISSMAN IS AN ESTEEMED RESEARCHER, BUT  
13 WE'RE NOT TALKING NECESSARILY ABOUT RESEARCH PER SE.  
14 AND THAT, YOU KNOW, LET'S TALK TO PEOPLE WHO ARE  
15 WORKING IN THE CORD BLOOD FIELD, FIGURE OUT A WAY TO  
16 MAKE THIS WORK BECAUSE WE'RE ABOUT REGENERATIVE  
17 MEDICINE, AND THAT GOES ALL THE WAY FROM EMBRYONIC  
18 STEM CELLS AND INDUCED PLURIPOTENT CELLS TO THE  
19 VARIOUS TYPES OF ADULT CELLS, AND WE SHOULD BE ABLE  
20 TO COVER THE WHOLE SPECTRUM FOR THE ENTIRE STATE OF  
21 CALIFORNIA WORKING WITH ALL DIFFERENT CELL TYPES.  
22 AND I THINK THIS IS JUST AN AMAZING OPPORTUNITY FOR  
23 US TO BE MORE PRESENT, MORE INVOLVED IN TRYING TO  
24 GET RESEARCH AND CURES TO PEOPLE IN CALIFORNIA. AND  
25 I AM INCREDIBLY GRATEFUL TO YOU FOR BRINGING THIS TO

## BARRISTERS' REPORTING SERVICE

1 US.

2 CHAIRMAN TORRES: ANY OTHER COMMENTS FROM  
3 MEMBERS OF THE SUBCOMMITTEE?

4 DR. PRIETO: MR. CHAIRMAN, FRANCISCO  
5 PRIETO HERE FROM SACRAMENTO. I JUST -- I ALSO WANT  
6 TO ACKNOWLEDGE AND APPRECIATE WHAT JEFF JUST SAID,  
7 BUT I HAD SOME OF THE SAME THOUGHTS WHEN I SAW THIS  
8 PROPOSAL THAT ALAN TROUNSON BROUGHT UP, THAT WHAT  
9 HAPPENS WHEN CIRM IS NO LONGER AROUND. AND I  
10 THOUGHT THAT YOUR SUGGESTION OF DOING THIS AS AN RFA  
11 OR AN RFP TO PUT A PROGRAM IN PLACE IN THE WAY WE  
12 USUALLY DO, SEND OUT A REQUEST FOR PEOPLE'S IDEAS,  
13 HAVE THEM COME BACK WITH HOW CAN WE GET THIS DONE,  
14 AND THEN BASICALLY GET IT STARTED IN A WAY THAT  
15 WOULD BE SUSTAINABLE AFTER WE'RE GONE. I THINK THIS  
16 SOUNDS LIKE AN EXCELLENT IDEA TO ME.

17 CHAIRMAN TORRES: ANYONE ELSE?

18 MR. ROTH: MR. CHAIRMAN, IT'S DUANE ROTH.  
19 SO I WOULD LIKE TO AGAIN ALSO THANK THE  
20 ASSEMBLYMEMBER FOR BRINGING THIS TO OUR ATTENTION.  
21 AND I WANT TO SUPPORT THE MOTION THAT'S ON THE  
22 FLOOR, THAT WE DO OUR SCIENTIFIC DISCUSSION  
23 INTERNALLY AND MAKE SURE WE UNDERSTAND WHAT IT IS WE  
24 WOULD BE GETTING OURSELVES INTO AND MAKE SURE THAT  
25 WE, IN FACT, DELIVER ON THE REQUEST THAT'S BEING

## BARRISTERS' REPORTING SERVICE

1 MADE.

2 SO IN ADDITION TO THE SCIENCE, I HOPE THAT  
3 WE WILL HAVE A LOOK AT THE SORT OF OPERATIONAL  
4 IMPACT, THE REVENUE VERSUS WHAT THE COST MIGHT BE,  
5 LIABILITY, AND SO ON.

6 BUT THE FINAL COMMENT I WANT TO MAKE, AND  
7 THIS GOES TO THE FACT THAT I DON'T WANT TO ARGUE  
8 WHETHER IT'S AN IMPORTANT ASPECT OF WHAT WE DO AND  
9 FITS WITHIN IT. I THINK THAT'S VALID ON THE  
10 SURFACE. HOWEVER, I THINK ALSO THE FACT THAT WE ARE  
11 REALLY A GRANT AGENCY AS OPPOSED TO AN OPERATIONAL  
12 AGENCY. WE DON'T REALLY HAVE THE KINDS OF EXPERTISE  
13 TODAY THAT, IF WE WERE TO TAKE THIS ON, THAT ARE  
14 EVEN CLOSELY ALIGNED WITH THE KIND OF EXPERTISE WE'D  
15 HAVE TO ADD TO OVERSEE SOMETHING LIKE THIS. SO WE  
16 NEED TO CONSIDER THAT AS WELL TO THE OTHER THINGS  
17 THAT HAVE BEEN MENTIONED IN TERMS OF TIMING AND SO  
18 ON.

19 BUT TODAY WE WOULD NOT HAVE THIS TYPE OF  
20 EXPERTISE, ANYTHING CLOSE TO THIS TYPE OF EXPERTISE.  
21 THE THING WE SHARE IN COMMON IS STEM CELLS, AND  
22 THAT'S KIND OF WHERE COMMONALITY WOULD END. SO WE'D  
23 HAVE TO REALLY ASSESS THAT, I THINK, VERY CAREFULLY  
24 BECAUSE THE WORST THING WE COULD DO FOR YOU IS,  
25 ASSEMBLYMEMBER, TAKE THIS RESPONSIBILITY AND NOT



## BARRISTERS' REPORTING SERVICE

1 DELIVER.

2 CHAIRMAN TORRES: THANK YOU, DUANE.  
3 AGAIN, I JUST WANT TO MAKE SURE, ANTHONY, YOU KNOW  
4 THAT DUANE ROTH HAS BEEN EXTREMELY HELPFUL TO ME IN  
5 EDUCATING ME ABOUT THIS ISSUE. HE'S HAD SOME  
6 EXPERIENCES THERE WITH THE SAN DIEGO BLOOD BANK.

7 MR. ROTH: ACTUALLY THERE'S SOME GOOD  
8 NEWS. WE HAD A RATHER BAD EXPERIENCE HERE A FEW  
9 YEARS AGO. AND THE GOOD NEWS IS THEY'RE ACTUALLY  
10 HAVING A DISCUSSION ABOUT REINSTATING THE PROGRAM  
11 THAT THEY HAD TO GET OUT OF. SO UNDERSTANDING ALL  
12 OF THOSE ISSUES FROM PEOPLE WHO HAVE BEEN THERE,  
13 DONE THAT, I THINK, IS VERY IMPORTANT AS WELL.

14 SO I THINK THERE'S BETTER NEWS AHEAD. THE  
15 QUESTION IS WHO ARE THE RIGHT PEOPLE TO OVERSEE THIS  
16 AND TO GET IT GOING AGAIN.

17 CHAIRMAN TORRES: ANY OTHER COMMENTS FROM  
18 MEMBERS OF THE SUBCOMMITTEE?

19 MS. SAMUELSON: JOAN SAMUELSON. ALL OF MY  
20 THOUGHTS AND COMMENTS HAVE BEEN STATED QUITE ABLY BY  
21 MY COLLEAGUES, SO I WON'T REPEAT THEM. BUT I WANT  
22 TO JOIN IN THANKING THE ASSEMBLYMEMBER FOR BRINGING  
23 THIS TO OUR ATTENTION. CLEARLY WE SHARE AN  
24 OVERARCHING, STRONG CONCERN ABOUT A MISSION OF  
25 URGENT DEVELOPMENT OF CURES.

## BARRISTERS' REPORTING SERVICE

1 ASSEMBLYMEMBER PORTANTINO: RIGHT.

2 MS. SAMUELSON: IT'S ALL TO THE GOOD THAT  
3 WE ARE TALKING ABOUT HOW WE CAN DO THIS MOST  
4 EFFECTIVELY AND WHERE WE CAN BE JOINING IN AND  
5 MAKING IT MORE CONGRUENT ALL THE BETTER. OBVIOUSLY  
6 THERE WILL NEED TO BE SOME MECHANISM, IF THIS WORKS  
7 AND ALL THE CONCERNS ARE SATISFIED, THAT WOULD  
8 ACKNOWLEDGE THAT WE'RE A RESEARCH FUNDING ENTERPRISE  
9 ESSENTIALLY. BUT THAT SHARED MISSION, THE MORE  
10 WE'RE WORKING TOGETHER, THE MORE EFFECTIVELY WE'RE  
11 GOING TO DO THAT. SO I WANT TO THANK YOU, AND WE'LL  
12 DO A GOOD DUE DILIGENCE ON IT FROM OUR STANDPOINT  
13 AND THEN TALK MORE.

14 CHAIRMAN TORRES: MR. KLEIN.

15 MR. KLEIN: SO THIS IS BOB KLEIN AGAIN.  
16 EVEN ON A CONTRACTED-OUT BASIS, I WANT TO EMPHASIZE  
17 THAT THE STAFF REQUIRED FOR ACCOUNTABILITY AND  
18 OVERSIGHT WOULD HAVE TO BE OUTSIDE OF OUR EXISTING  
19 CAP BECAUSE OUR EXISTING CAP IS MORE THAN EXHAUSTED  
20 WITH OUR EXISTING RESPONSIBILITIES. SO WHEN WE  
21 ADDRESS THIS, WE HAVE TO LOOK RESPONSIBLY AT WHAT  
22 STAFFING IT WOULD TAKE THAT HAS TO BE OUTSIDE OF OUR  
23 EXISTING CAP TO MAKE SURE THAT WE CAN PERFORM ON THE  
24 ACCOUNTABILITY AND OVERSIGHT, WHICH IS CRITICAL TO  
25 THE PATIENTS THAT BENEFIT FROM THIS RESOURCE, IT'S

## BARRISTERS' REPORTING SERVICE

1 CRITICAL FOR THE CONFIDENCE OF THE PEOPLE OF THE  
2 STATE OF CALIFORNIA.

3 CHAIRMAN TORRES: ANY OTHER COMMENTS VERY  
4 BRIEFLY BECAUSE WE NEED TO MOVE ON?

5 MR. SHEEHY: I'LL MAKE IT REAL QUICK. I  
6 JUST WANT TO ELABORATE A LITTLE BIT ON WHAT JOAN  
7 SAID. WE ARE A RESEARCH ORGANIZATION, BUT WE'RE  
8 ALSO, AS WE GET CLOSER TO THE CLINIC, ARE GOING TO  
9 BE A RESOURCE FUNDING ORGANIZATION. WE'VE TALKED  
10 ABOUT FUNDING GMP FACILITIES FOR STEM CELL  
11 PRODUCTION. SO IN SOME WAY WE WILL BE INVOLVED, NOT  
12 DIRECTLY RUNNING A STEM CELL MANUFACTURING PLANT,  
13 BUT WE WILL BE INVOLVED MAKING SURE THAT THE CELLS  
14 WE GET ARE HIGH QUALITY FDA APPROVED.

15 I THINK AS WE MATURE AND WE START DOING  
16 CLINICAL TRIALS, WE'LL HAVE A DIFFERENT SET OF  
17 PERSONNEL AVAILABLE TO US IN ORDER TO DO CLINICAL  
18 WORK, AND WE WILL BE DOING SOME SORT OF VALIDATION  
19 OF RESOURCES IN ORDER TO MAKE THE RESEARCH GO FORTH.  
20 SO I THINK THIS IS VERY CONGRUENT. I DO THINK IT  
21 WILL BE A TOUGH FIX TO -- WE'LL HAVE TO FIGURE ALL  
22 THESE PIECES OUT, BUT I'M VERY SUPPORTIVE OF THIS  
23 MOTION.

24 CHAIRMAN TORRES: WELL, IT WILL ALSO  
25 REQUIRE LESS TIME FOR THE ASSEMBLYMEMBER PUTTING

**BARRISTERS' REPORTING SERVICE**

1 THIS BILL TO THE LEGISLATURE TO WORK WITH US.

2 MOVE TO --

3 DR. POMEROY: I'D LIKE TO MAKE A COMMENT.

4 CHAIRMAN TORRES: DR. POMEROY.

5 DR. POMEROY: AS I THINK EVERYBODY WHO HAS  
6 ATTENDED THESE COMMITTEE MEETINGS KNOWS, I'VE LONG  
7 BEEN A SUPPORTER OF US ADVANCING THE ENTIRE SPECTRUM  
8 OF STEM CELL WORK FROM EMBRYONIC THROUGH ADULT, AND  
9 THAT INCLUDES CORD BLOOD, OF COURSE. I DO THINK  
10 THAT WE HAVE TAKEN ON MORE THAN JUST A RESEARCH  
11 GRANT FUNDING ROLE. WE VERY MUCH ARE INTO  
12 ADVOCATING.

13 SO I THINK THAT THE CONCERN THAT I WOULD  
14 HAVE AROUND THIS IS THAT I DON'T UNDERSTAND THE  
15 BUSINESS PLAN, THE STAFFING REQUIREMENTS, AND THAT'S  
16 THE OPERATIONAL NEED THAT THIS WOULD COME WITH. SO  
17 I WOULD ASK IF THERE WAS INTEREST IN A FRIENDLY  
18 AMENDMENT TO THE MOTION, THAT THIS GROUP WOULD  
19 ENDORSE THE CONCEPT OF ADVANCING THE CALIFORNIA  
20 UMBILICAL CORD BLOOD COLLECTION PROGRAM AND COMMIT  
21 TO SCORING THE BEST -- AND MAKING A RECOMMENDATION  
22 ABOUT THE BEST WAY TO MAKE THAT HAPPEN.

23 I PERSONALLY DON'T THINK THAT THIS IS  
24 REALLY A SCIENTIFIC DISCUSSION AS MUCH AS IT IS A  
25 BUSINESS AND OPERATIONAL AND ADMINISTRATIVE AND

**BARRISTERS' REPORTING SERVICE**

1 LEGAL DISCUSSION.

2 CHAIRMAN TORRES: RIGHT. THOSE ARE THE  
3 ISSUES THAT DUANE AND I TALKED ABOUT AND I MENTIONED  
4 AT THE OUTSET, THE LIABILITY ISSUES, RIGHT.

5 DR. POMEROY: SO I WOULD VERY MUCH LIKE TO  
6 ENSURE THAT THE MOTION MAKES IT CLEAR THAT THAT'S  
7 THE KIND OF EXPERTISE THAT WE WOULD WANT TO HAVE ON  
8 THE ADVISORY COMMITTEE ABOUT THE BEST WAY TO  
9 ACCOMPLISH THIS.

10 CHAIRMAN TORRES: ALL RIGHT. I ACCEPT  
11 THAT AS A FRIENDLY AMENDMENT.

12 MR. KLEIN: AS A SECOND, I WOULD ACCEPT  
13 THAT.

14 CHAIRMAN TORRES: ALL RIGHT. NOW WE'RE  
15 GOING TO MOVE -- THANK YOU, DR. POMEROY, AS ALWAYS.  
16 I'D LIKE TO MOVE NOW TO PUBLIC COMMENTS TO CIRM. IS  
17 THERE ANYONE THERE, JENNA, THAT WOULD LIKE TO  
18 COMMENT? NO.

19 MS. HARWELL: WE HAVE NO PUBLIC COMMENT.

20 MS. KING: NO PUBLIC COMMENT?

21 MS. HARWELL: NO PUBLIC COMMENT.

22 CHAIRMAN TORRES: THANK YOU. CONNECT,  
23 DUANE, ANYONE THERE WITH YOU?

24 MR. ROTH: THERE'S NO ONE HERE.

25 CHAIRMAN TORRES: I'M SORRY TO HEAR THAT.

**BARRISTERS' REPORTING SERVICE**

1 MR. ROTH: JUST ME. I'M SORRY TOO. I'M  
2 LONELY.

3 CHAIRMAN TORRES: DR. POMEROY, I KNOW YOU  
4 HAVE SOME PEOPLE THERE. ARE THEY WISHING TO  
5 COMMENT?

6 DR. POMEROY: YES.

7 CHAIRMAN TORRES: PLEASE IDENTIFY YOURSELF  
8 AND WHO YOU REPRESENT AND PROCEED.

9 MR. COEHLO: MY NAME IS PHIL COEHLO. I  
10 REPRESENT MYSELF, SO I'M A CEO OF A MEDICAL  
11 EQUIPMENT COMPANY. I'VE BEEN ASSOCIATED WITH CORD  
12 BLOOD FOR A CONSIDERABLE PERIOD OF TIME. I AM THE  
13 INDIVIDUAL WHO INITIATED THE LOBBYING EFFORT FOR THE  
14 NATIONAL LEGISLATION, THE GOAL OF WHICH WAS TO  
15 PROVIDE ALL OF OUR CITIZENS AN EQUAL PROBABILITY,  
16 DESPITE THEIR ETHNICITY, OF GETTING AN ACCEPTABLE  
17 MATCH, WHICH AT THE TIME WAS DEFINED AS A FIVE OF  
18 SIX MATCH WHICH IS ACCEPTABLE WITH CORD BLOOD AND AN  
19 ACCEPTABLE CELL DOSE.

20 YOU'RE REFERRING THIS TO THIS RESEARCH  
21 COMMITTEE. YOU'VE TALKED ABOUT WORLDWIDE EXPERTS.  
22 YOU ACTUALLY HAVE A FEW PEOPLE THAT KNOW QUITE A BIT  
23 ABOUT CORD BLOOD THAT ARE ASSOCIATED WITH CIRM. ONE  
24 IS DR. PABLO RUBENSTEIN. WHOEVER ELSE YOU MAY HAVE  
25 HAD IN YOUR MIND, I CAN PRETTY MUCH GUARANTEE YOU

## BARRISTERS' REPORTING SERVICE

1 THEY HAVE LESS KNOWLEDGE ABOUT CORD BLOOD BANKING  
2 THAN DR. RUBENSTEIN. I SUGGEST YOU CONSIDER PUTTING  
3 HIM ON ANY SCIENTIFIC REVIEW BOARD THAT CONSIDERS  
4 THIS.

5 THE SECOND THING, YOU HAVE A TRANSPLANTER  
6 YOU OFTEN CONSULT WITH BY THE NAME OF DR. KURTZBURG,  
7 JOANNE KURTZBURG. I RECOMMEND YOU CONSIDER HER AS  
8 WELL BECAUSE SHE KNOWS A FAIR AMOUNT ABOUT THE  
9 TRANSPLANTATION. AND IN BETWEEN THE TWO OF THEM,  
10 THEY SHOULD PROVIDE QUITE ACCURATE, CONCISE ADVICE.

11 CHAIRMAN TORRES: THANK YOU VERY MUCH,  
12 MR. COEHLO.

13 MR. COEHLO: THE SECOND THING IS WHAT  
14 ESPECIALLY CALIFORNIA NEEDS OR CAN CONTRIBUTE IS, OF  
15 COURSE, ITS ETHNIC DIVERSITY. THE OVERHEAD WHICH  
16 YOU DESCRIBE AS BEING ONEROUS IS CERTAINLY AN ISSUE,  
17 BUT THE REALITY IS THAT THERE ARE MANY BANKS RIGHT  
18 NOW THAT HAVE BEEN APPROVED AND ARE ACCEPTING AND  
19 PROCESSING UNITS AND RECEIVING HRSA REIMBURSEMENT  
20 FUNDS. WHAT CALIFORNIA IS ESPECIALLY ABLE TO  
21 PROVIDE IS THE COLLECTED UNITS. THE HOSPITALS HERE  
22 CAN ADD VERY, VERY SUBSTANTIALLY TO THE NATIONAL  
23 GOALS AND TO THE ABILITY OF CALIFORNIA CITIZENS,  
24 ESPECIALLY THOSE OF MIXED RACE, TO GET ACCEPTABLE  
25 MATCHES.

**BARRISTERS' REPORTING SERVICE**

1 SO I THINK IN YOUR REVIEW OF HOW ALL THIS  
2 MIGHT BE ACCOMPLISHED, I STRONGLY SUGGEST YOU BRING  
3 IN SOME INDIVIDUALS THAT CAN TALK ABOUT HOW ONE CAN  
4 TAKE ADVANTAGE OF BASICALLY THE POPULATION, THE  
5 ETHICALLY DIVERSE POPULATION OF BIRTHS IN THE STATE  
6 OF CALIFORNIA AND MAKE THEM AVAILABLE FOR OUR  
7 CITIZENS. THAT DOES NOT NECESSARILY INVOLVE, IN MY  
8 OPINION, VERY HEAVY OVERHEAD.

9 CHAIRMAN TORRES: THANK YOU VERY MUCH,  
10 MR. COEHLO. ANY OTHER COMMENTS FROM SACRAMENTO?

11 MS. SMITH-CROWLEY: THIS IS SHANNON  
12 SMITH-CROWLEY, AND I'M REPRESENTING THE AMERICAN  
13 CONGRESS OF OBSTETRICIANS AND GYNECOLOGISTS. WE  
14 HELP WITH THE SOURCE OF THE BLOOD. AND I JUST WANT  
15 TO MAKE SURE THAT EVERYBODY IS CLEAR BECAUSE I WAS  
16 HEARING SOME DIFFERENT THINGS ABOUT MAKING CLEAR  
17 THAT WHAT WE'RE ASKING FOR IN THE PROGRAM IS REALLY  
18 A GRANT ADMINISTRATIVE OPERATION, NOT ACTUALLY DOING  
19 ANY OF THE COLLECTIONS AND BANKING THROUGH CIRM.  
20 LITERALLY JUST BEING THE PASS-THROUGH FOR THE MONEY  
21 THAT WE RAISE THROUGH THE BIRTH CERTIFICATE FEE.

22 ALL OF THE STANDARDS FOR WHAT MAKES AN  
23 ACCEPTABLE BANK REALLY HAVE ALREADY BEEN ESTABLISHED  
24 WITH THE FEDERAL LEGISLATION AND THE FEDERAL MONEY  
25 THAT'S BEING DISBURSED. SO IT'S NOT AT ALL



## BARRISTERS' REPORTING SERVICE

1 REINVENTING THE WHEEL .

2 PROBABLY THE BIGGEST ISSUE IS HAVING THE  
3 ABILITY TO HONE DOWN ON WHAT UNITS WE WANT BECAUSE  
4 WE'RE NOT GOING TO BE ABLE TO TAKE EVERY UNIT IN THE  
5 STATE. WE DON'T -- THAT'S GOING TO COST TOO MUCH.  
6 SO FIGURING OUT, FOR INSTANCE, WHAT GENETIC  
7 POPULATION DO WE WANT, WHICH AREAS HAVE THEM, DO WE  
8 GO WITH ALL UC BIRTHING HOSPITALS, WHAT DO WE DO.

9 CHAIRMAN TORRES: I THINK THAT WOULD BE  
10 ALL PART OF A REVIEW OF ANY APPLICATIONS WE WOULD  
11 RECEIVE ONCE AN RFP IS ISSUED, SO YOU'RE RIGHT ON  
12 TARGET.

13 MS. SMITH-CROWLEY: AND THAT WE HAVE --  
14 AGAIN, WE'RE LOOKING FOR JUST THE OPERATIONS -- I'M  
15 SORRY -- WE'RE LOOKING FOR JUST THE ADMINISTRATION  
16 OF THE GRANT.

17 OH, THE OTHER THING IS THAT IF WE  
18 COLLECTED JUST 10 PERCENT OF THE BLOOD IN THE STATE,  
19 THE PROGRAM WITHIN A FEW YEARS WILL BE  
20 SELF-SUFFICIENT AND SELF-FUNDING. AND SO THERE  
21 SHOULD BE ENOUGH UNITS THAT WOULD GO INTO THE  
22 INVENTORY AND PLENTY OF UNITS FOR RESEARCH. SO THIS  
23 ISN'T NECESSARILY A PROGRAM THAT NEEDS TO GO ON FOR  
24 10, 15, 20 YEARS.

25 CHAIRMAN TORRES: THAT WAS A SIMILAR

## BARRISTERS' REPORTING SERVICE

1 CONVERSATION I HAD WITH THE SAN DIEGO BLOOD BANK  
2 PERSON THAT MR. ROTH REFERRED ME TO. AND THAT IS,  
3 WE'RE LOOKING PROBABLY AT A SELF-SUSTAINING  
4 OPERATION WHEN THE INITIAL GRANT MONEY IS PROVIDED.  
5 ALL RIGHT. THANK YOU, DOCTOR.

6 NEXT? ANYONE ELSE THERE, DR. POMEROY?  
7 ALL RIGHT. I'M MOVING TO HYATT REGENCY EMBARCADERO  
8 BOARDROOM B. ANYONE HERE THAT WISHES TO MAKE A  
9 COMMENT? DON REED.

10 MR. REED: YES. MY SISTER DIED OF  
11 LEUKEMIA. ANYTHING THAT CAN BRING US CLOSER TO THE  
12 CURE, I'M FOR THAT. BUT I ALSO REMEMBER WHEN THE  
13 ICOC AND CIRM WAS SUED AND OUR PROGRAM WAS BASICALLY  
14 DENIED FUNDING FOR TWO YEARS. IF SOMETHING WENT  
15 WRONG AND WE'RE SUED FOR THIS, IT CAN TIE UP A LOT  
16 OF RESOURCES AND A LOT OF LEGAL TIME. THAT WOULD  
17 REALLY CONCERN ME. I THINK THIS TAKES IN A WHOLE  
18 DIFFERENT REALM OF EXPERTISE WE'RE NOT READY FOR.  
19 THAT'S MY THOUGHTS.

20 CHAIRMAN TORRES: THANK YOU, DON. YOU  
21 REALLY NEED TO MAKE A COMMENT?

22 MR. KLEIN: VERY SHORT. I'D LIKE TO POINT  
23 OUT THAT WE CAN'T JUST BE A PASS-THROUGH FOR GRANT  
24 FUNDS. THERE'S POLICIES ON DIVERSITY. THERE'S A  
25 LOT OF STANDARDS AND ACCOUNTABILITY. JUST BECAUSE

## BARRISTERS' REPORTING SERVICE

1 THE STANDARDS ARE IN PLACE DOESN'T MEAN THAT THEY'RE  
2 BEING CARRIED OUT ACCOUNTABLY.

3 IF WE TAKE RESPONSIBILITY HERE, WE'VE GOT  
4 RESPONSIBILITY FOR A VERY PRECIOUS RESOURCE THAT WE  
5 HAVE TO HAVE PROPER OVERSIGHT. SO IN THE SPIRIT OF  
6 THIS, I'M VERY STRONGLY SUPPORTIVE.

7 CHAIRMAN TORRES: THANK YOU, BOB. GOOD  
8 POINT. JOAN, IS THERE ANYONE THERE IN HEALDSBURG?

9 MS. SAMUELSON: THERE IS NOT.

10 CHAIRMAN TORRES: THAT'S TOO BAD, BUT NICE  
11 AREA.

12 MS. SAMUELSON: INDEED. WE'RE ALL AT THE  
13 WINERY.

14 CHAIRMAN TORRES: THE CHAIR WILL ENTERTAIN  
15 A ROLL CALL.

16 DR. POMEROY: ART, CAN YOU REPEAT THE  
17 MOTION THAT WE'RE VOTING ON?

18 CHAIRMAN TORRES: YES. THE MOTION IS TO  
19 REFER THE ISSUE FOR REVIEW TO DR. TROUNSON AND THE  
20 SCIENTIFIC STAFF, BUT ALSO TO INCLUDE OPERATIONAL  
21 AND LEGAL ISSUES, INSURANCE AS WELL, THAT DR.  
22 POMEROY MENTIONED IN HER REMARKS.

23 DR. POMEROY: AND WILL THIS COME BACK AT  
24 SOME POINT?

25 CHAIRMAN TORRES: I WOULD THINK WITHIN 90

**BARRISTERS' REPORTING SERVICE**

1 DAYS.

2 ASSEMBLYMEMBER PORTANTINO: SENATOR, AFTER  
3 THE VOTE, MAY I MAKE A CLOSING COMMENT?

4 CHAIRMAN TORRES: YOU CERTAINLY CAN, OR  
5 YOU WANT TO MAKE THE CLOSING COMMENT NOW AND LOSE  
6 THE VOTE?

7 ASSEMBLYMEMBER PORTANTINO: NO. I'D  
8 RATHER HAVE THE VOTE GO FIRST. I'M A SMART  
9 POLITICIAN.

10 CHAIRMAN TORRES: YOU DARN RIGHT ARE.

11 MR. KLEIN: WHY DON'T WE GIVE HIM A RANGE?  
12 WHY DON'T WE ASK THE PRESIDENT WHAT KIND OF  
13 TIMEFRAME HE NEEDS BECAUSE HE'S GOT A LOT OF THINGS  
14 THAT ARE CHALLENGES RIGHT NOW. WHY DON'T WE ASK THE  
15 PRESIDENT WHAT KIND OF TIMEFRAME WOULD BE REASONABLE  
16 BECAUSE THERE'S A BUSINESS AND OPERATIONAL SIDE TO  
17 THIS.

18 CHAIRMAN TORRES: RIGHT.

19 DR. TROUNSON: I THINK YOU NEED TO GIVE  
20 PEOPLE TIME TO GET TOGETHER BECAUSE THIS IS NOT A  
21 SIMPLE MATTER. WE WANT TO DO IT THOROUGHLY, AS I  
22 SAID, SO THAT WHEN WE RETURN A RECOMMENDATION TO  
23 YOU, IT'S WELL REASONED AND WE'VE SCOPED IT OUT  
24 CORRECTLY. SO IF IT DOES TAKE -- IT ALSO REQUIRES  
25 US TO RECOMMEND AN RFA, WE'RE GOING TO HAVE TO

## BARRISTERS' REPORTING SERVICE

1 CONSIDER ALL OF THOSE THINGS AS PART OF THE  
2 RECOMMENDATION.

3 SO WE'VE GOT SOME VERY HEAVY TIME IN FRONT  
4 OF US RIGHT NOW. SO I THINK IF WE CAN GIVE YOU  
5 THREE MONTHS AND HOPEFULLY GIVE YOU SOME IDEA  
6 WHETHER -- IT WOULD BE SOMEWHERE BETWEEN THREE AND  
7 FIVE MONTHS, BUT I WOULD HOPE IT'S CLOSER TO THREE  
8 MONTHS. BUT I DO KNOW THAT THERE ARE SOME VERY  
9 SIGNIFICANT THINGS WE'RE DEALING WITH RIGHT NOW THAT  
10 HAVE GOT OUR STAFF TOTALLY --

11 CHAIRMAN TORRES: DR. POMEROY, IS THAT  
12 COMFORTABLE FOR YOU?

13 DR. POMEROY: I WOULD SUGGEST THAT WE SAY  
14 THREE TO FIVE MONTHS WITH AN AGENDIZED ITEM TO THIS  
15 COMMITTEE AT THREE MONTHS FOR AN UPDATE.

16 CHAIRMAN TORRES: ALL RIGHT. YOU GOT IT.  
17 THE MOTION HAS BEEN AMENDED AGAIN.

18 MS. SAMUELSON: SECOND IF IT NEEDS ONES.

19 MR. KLEIN: SECOND ACCEPTS THE AMENDMENT.

20 CHAIRMAN TORRES: ALL RIGHT. CALL THE  
21 ROLL, PLEASE.

22 MS. KING: JACOB LEVIN.

23 DR. LEVIN: YES.

24 MS. KING: BOB KLEIN.

25 MR. KLEIN: YES.

## BARRISTERS' REPORTING SERVICE

1 MS. KING: CLAIRE POMEROY.  
2 DR. POMEROY: YES.  
3 MS. KING: FRANCISCO PRIETO.  
4 DR. PRIETO: YES.  
5 MS. KING: DUANE ROTH.  
6 MR. ROTH: YES.  
7 MS. KING: JOAN SAMUELSON.  
8 MS. SAMUELSON: YES.  
9 MS. KING: JEFF SHEEHY.  
10 MR. SHEEHY: YES.  
11 MS. KING: ART TORRES.  
12 CHAIRMAN TORRES: AYE.  
13 MS. KING: FOR THE RECORD, THAT MOTION  
14 CARRIES.

15 CHAIRMAN TORRES: ALL RIGHT. MR.  
16 PORTANTINO WANTED TO MAKE A FINAL REMARK.

17 ASSEMBLYMEMBER PORTANTINO: THANK YOU VERY  
18 MUCH, BOARD MEMBERS. I APPRECIATE THE VOTE OF  
19 CONFIDENCE AND KEEPING US MOVING. YOU KNOW, AS I  
20 SAID IN THE BEGINNING, IT'S A PASSION. AND TO KNOW  
21 THAT WE SHARE THAT GOAL, I JUST LOOK AT THE NUMBER  
22 OF BIRTHS WE HAVE A YEAR IN CALIFORNIA AND THE  
23 AMOUNT OF STEM CELLS THAT ARE DISCARDED AS MEDICAL  
24 WASTE WHEN WE HAVE THE MATH ON OUR SIDE TO CURE  
25 PEOPLE OF DISEASES THAT ARE FATAL. AND SO I

## BARRISTERS' REPORTING SERVICE

1 APPRECIATE YOU EMBRACING THAT MISSION AND TRYING TO  
2 KEEP IT MOVING. AND SO I LOOK FORWARD TO GETTING  
3 YOUR REPORT BACK.

4 OBVIOUSLY, SENATOR, YOU KNOW THE  
5 LEGISLATIVE CALENDAR AND WE'VE GOT THIS BILL IN THE  
6 SENATE AS WE SPEAK. AND WE HAVE A PRACTICAL  
7 DEADLINE OF THE LEGISLATIVE CYCLE. I THINK WE CAN  
8 MEET IT UNDER YOUR TIMEFRAME. OBVIOUSLY BE MINDFUL  
9 OF THAT AND THANK YOU FOR THE OPPORTUNITY TO PRESENT  
10 AND YOUR SUPPORT.

11 CHAIRMAN TORRES: WELL, THE POINT HERE IS  
12 THAT YOU WON'T NEED LEGISLATION. THAT'S MY POINT.  
13 WE CAN GET THIS RESOLVED ADMINISTRATIVELY WORKING  
14 TOGETHER.

15 ASSEMBLYMEMBER PORTANTINO: I JUST DIDN'T  
16 KNOW. THE FUNDING PIECE, THE \$2 BIRTH CERTIFICATE  
17 FEE PIECE, THAT'S PART OF IT. THAT PIECE WOULD NEED  
18 LEGISLATION.

19 CHAIRMAN TORRES: I WILL GET BACK TO YOU  
20 NEXT WEEK AND WE'LL HAVE A PRELIMINARY DISCUSSION ON  
21 THAT AND SEE WHERE WE GO BECAUSE THE DEADLINE, I  
22 THINK, FOR POLICY COMMITTEES IS APRIL 23D, CORRECT?

23 ASSEMBLYMEMBER PORTANTINO: THE SENATE  
24 SIDE I'M NOT SURE.

25 CHAIRMAN TORRES: THE SENATE SIDE IS APRIL

## BARRISTERS' REPORTING SERVICE

1 23D FOR POLICY COMMITTEES TO FISCAL COMMITTEES, BUT  
2 THOSE ARE SENATE BILLS, SO THEY MAY APPLY  
3 DIFFERENTLY. SO WE'LL TALK NEXT WEEK AND WE'LL WORK  
4 OUT THE SCHEDULE.

5 ASSEMBLYMEMBER PORTANTINO: THANK YOU,  
6 SIR. THANK YOU VERY MUCH.

7 CHAIRMAN TORRES: BE SAFE ON THOSE  
8 HIGHWAYS.

9 MEMBERS, WE'RE GOING TO MOVE NOW TO SENATE  
10 BILL 1064, ITEM NO. 3, SENATOR ELAINE ALQUIST'S  
11 LEGISLATION ON OUR AGENCY. AND I WILL NOW ASK FOR  
12 OUR COUNSEL, MR. HARRISON, TO GIVE US AN OVERVIEW OF  
13 LEGISLATION.

14 MR. HARRISON: THANK YOU, CHAIR. SB 1064  
15 WOULD MAKE A VARIETY OF CHANGES TO PROP 71. WE'VE  
16 OUTLINED THOSE PROVISIONS IN ATTACHMENT 3 B TO THE  
17 AGENDA. SO I'LL JUST BRIEFLY TAKE YOU THROUGH THEM.

18 FIRST, THE BILL WOULD PROPOSE TO REDUCE  
19 THE TERMS OF THE CHAIR AND THE VICE CHAIR FROM SIX  
20 YEARS TO FOUR YEARS, AND IT WOULD REQUIRE THAT THOSE  
21 TERMS BE STAGGERED. HOWEVER, BECAUSE THE CHAIR AND  
22 THE VICE CHAIR CURRENTLY SERVE CONSECUTIVE TERMS,  
23 IT'S UNCLEAR HOW THE MEASURE WOULD PROPOSE TO  
24 ACCOMPLISH STAGGERED TERMS.

25 SECONDLY, PROPOSITION 71 WAS DESIGNED WITH



## BARRISTERS' REPORTING SERVICE

1 LONGER TERMS IN MIND IN LIGHT OF THE COMPLEX ISSUES  
2 THAT THE AGENCY HAS TO DEAL WITH, INCLUDING THE  
3 PANOPLY OF LAWS RANGING FROM CONFLICT OF INTEREST TO  
4 OPEN MEETING LAWS, SCIENTIFIC ISSUES, THE PEER  
5 REVIEW PROCEDURES. AND THE NOTION WAS THAT IN ORDER  
6 TO COME UP TO SPEED ON THOSE COMPLEX ISSUES AND BE  
7 ABLE TO LEAD THE BOARD, THAT IT WOULD BE APPROPRIATE  
8 TO HAVE A LONGER TERM THAN FOUR YEARS, AND THAT SIX  
9 YEARS WAS THE RIGHT BALANCE.

10 THE BILL WOULD ALSO EXPAND THE  
11 JURISDICTION OF THE CITIZENS FINANCIAL  
12 ACCOUNTABILITY OVERSIGHT COMMITTEE, WHICH IS CHAIRED  
13 BY THE CONTROLLER. CURRENTLY THE CFAOC IS  
14 RESPONSIBLE ON AN ANNUAL BASIS FOR REVIEWING CIRM'S  
15 FINANCIAL PRACTICES AND PERFORMANCE. THE BILL WOULD  
16 REQUIRE THE CFAOC TO ANNUALLY COMMISSION AN  
17 INDEPENDENT PERFORMANCE REVIEW OF THE AGENCY THAT  
18 WOULD INCLUDE A REVIEW OF THE AGENCY'S POLICIES AND  
19 PROCEDURES TO DETERMINE WHETHER THOSE POLICIES AND  
20 PROCEDURES WERE SUITABLE FOR ADMINISTERING THE  
21 AGENCY, WHETHER THEY COMPLIED WITH OTHER LAWS, AND  
22 WHETHER CIRM, IN FACT, COMPLIED WITH ITS OWN  
23 POLICIES AND PROCEDURES.

24 THIS WOULD SPAN THE SCOPE OF POLICIES FROM  
25 SCIENTIFIC STRATEGIC PLAN TO CONTRACTING POLICIES TO

## BARRISTERS' REPORTING SERVICE

1 GRANT ADMINISTRATION POLICIES. AND IT WOULD REQUIRE  
2 THAT THE CONTROLLER WOULD, UPON RECEIVING THE  
3 PERFORMANCE REVIEW, DO HIS OWN ANALYSIS OF IT AND  
4 INCLUDE THAT IN THE CONTROLLERS' ANNUAL REPORT.

5 AND, FINALLY, THE BILL WOULD REQUIRE THAT  
6 CIRM PAY ALL THE COSTS ASSOCIATED WITH THIS AUDIT.

7 JUST A COUPLE OF QUICK NOTES. FIRST, CIRM  
8 IS, AS YOU ALL KNOW, ALREADY SUBJECT TO AUDIT BOTH  
9 BY THE BUREAU OF STATE AUDITS AND BY THE CONTROLLER,  
10 BOTH OF WHICH HAVE ALREADY CONDUCTED EXTENSIVE  
11 AUDITS OF CIRM. MANY OF YOU MAY REMEMBER THAT THE  
12 BUREAU OF STATE AUDITS CONDUCTED A REVIEW OF CIRM  
13 BEGINNING IN 2007. AND THAT REVIEW TOOK  
14 APPROXIMATELY FOUR MONTHS AND COST THE BUREAU OF  
15 STATE AUDITS APPROXIMATELY 200,000. CIRM SPENT  
16 LITERALLY HUNDREDS OF HOURS OF STAFF TIME AND ALSO  
17 EXPENDED ABOUT \$200,000 IN CONNECTION WITH THAT  
18 AUDIT.

19 THE OTHER THING THAT IS WORTH NOTING IS  
20 THAT PURSUANT TO THE SCIENTIFIC STRATEGIC PLAN,  
21 WHICH WAS APPROVED IN 2006, CIRM IS IN THE PROCESS  
22 OF PLANNING FOR AN EXTERNAL SCIENTIFIC REVIEW OF THE  
23 AGENCY'S PERFORMANCE, WHICH WILL BE COMPLETE  
24 HOPEFULLY BY THE END OF THIS YEAR, SO THAT IS  
25 ALREADY UNDER WAY.

## BARRISTERS' REPORTING SERVICE

1 THE NEXT ISSUE THAT SB 1064 ADDRESSES IS  
2 ONE THAT WE HAVE ACTUALLY ALREADY ACCOMPLISHED, AND  
3 THAT IS THAT IT WOULD REQUIRE CIRM TO INCLUDE IN THE  
4 MINUTES OF THE BOARD MEETINGS A TALLY OF THE  
5 MEMBERS' VOTES AND RECUSALS. THAT'S SOMETHING THAT  
6 WE ARE CURRENTLY DOING AND HAVE DONE BACK TO JANUARY  
7 1, 2008. THE ONLY DIFFERENCE WITH THE LEGISLATION  
8 IS THAT IT WOULD REQUIRE US TO GO BACK TO DAY ONE TO  
9 AMEND THE BOARD MINUTES TO INCLUDE SUCH TALLIES FOR  
10 THE MEETINGS.

11 I SHOULD ADD, MELISSA IS REMINDING ME,  
12 THAT FROM THE VERY OUTSET, CIRM HAS HAD EACH OF ITS  
13 BOARD MEETINGS AND SUBCOMMITTEE MEETINGS  
14 TRANSCRIBED. ALL THAT INFORMATION IS AVAILABLE ON  
15 CIRM'S WEB SITE ALTHOUGH NOT IN A CONDENSED FORM.

16 WITH RESPECT TO INTELLECTUAL PROPERTY,  
17 THERE ARE A COUPLE PROVISIONS, ONE OF WHICH WOULD  
18 REQUIRE THAT ALL REVENUES RECEIVED THROUGH  
19 INTELLECTUAL PROPERTY AGREEMENTS BE DEPOSITED INTO  
20 THE STATE'S GENERAL FUND. UNDER CIRM'S EXISTING  
21 REGULATIONS, INTELLECTUAL PROPERTY REVENUES ARISING  
22 FROM CIRM-FUNDED RESEARCH ARE ALREADY REQUIRED TO BE  
23 DEPOSITED TO THE GENERAL FUND. SO IT'S UNCLEAR  
24 WHETHER THIS PROVISION WOULD ADD ANYTHING TO OUR  
25 EXISTING REGULATIONS.

## BARRISTERS' REPORTING SERVICE

1 SB 1064 WOULD ALSO REQUIRE CIRM AND THE  
2 BOARD TO ENGAGE IN SUCCESSION PLANNING. AND THIS  
3 WOULD INCLUDE AN EXAMINATION OF THE LEADERSHIP  
4 QUALITIES NECESSARY FOR THE AGENCY, AN OUTLINE OF  
5 SUCCESSION PROCEDURES, INCLUDING PROVISION FOR  
6 MAKING INTERIM APPOINTMENTS. THE BOARD BEGAN  
7 DISCUSSING SUCCESSION PLANNING IN 2009, AND THE  
8 EVALUATION SUBCOMMITTEE INTENDS TO DISCUSS THE TOPIC  
9 AT ITS UPCOMING MEETING, INCLUDING THE IDEAL  
10 QUALITIES FOR THE CHAIR AND VICE CHAIR.

11 THE BILL IS ALSO A LITTLE BIT UNCLEAR AS  
12 TO WHAT IT MEANS BY DEVELOPING A TIMEFRAME FOR  
13 INTERIM APPOINTMENTS. THE BOARD ITSELF DOES NOT  
14 MAKE APPOINTMENTS TO THE BOARD. THOSE APPOINTMENTS  
15 ARE MADE BY THE CONSTITUTIONAL OFFICERS, THE  
16 SPEAKER, AND THE PRESIDENT PRO TEM. THE ONLY THING  
17 THE BOARD DOES WITH RESPECT TO APPOINTMENTS IS THAT  
18 IT REVIEWS THE NOMINATIONS FOR CHAIR AND VICE CHAIR  
19 MADE BY THE FOUR CONSTITUTIONAL OFFICERS AND ELECTS  
20 THE CHAIR AND VICE CHAIR, BUT THE BOARD IS NOT  
21 ITSELF RESPONSIBLE FOR APPOINTMENTS. SO IT'S  
22 UNCLEAR HOW THE REQUIREMENTS OF THE SUCCESSION  
23 PLANNING PROVISIONS IN 1064 WOULD APPLY.

24 THE MEASURE WOULD ALSO PROPOSE TO LIFT THE  
25 50-EMPLOYEE CAP. THAT'S AN ISSUE THAT WE'VE

## BARRISTERS' REPORTING SERVICE

1 DISCUSSED BEFORE. THE AGENCY IS COMMITTED TO  
2 REMAINING WITHIN THE 6-PERCENT CAP ON ADMINISTRATIVE  
3 EXPENSES. AS WE'VE SAID BEFORE, THE AGENCY IS IN  
4 THE PROCESS OF EXPLORING ALTERNATIVES TO THE  
5 CHALLENGES IMPOSED BY THE 50-EMPLOYEE CAP.

6 MOVING ON, 1064 WOULD ALSO ADDRESS THE  
7 DUTIES OF THE CHAIR. SPECIFICALLY IT WOULD  
8 ELIMINATE THE CHAIR'S CURRENT RESPONSIBILITY FOR  
9 SUPERVISING THE ANNUAL REPORT AND PUBLIC  
10 ACCOUNTABILITY REQUIREMENTS, WHICH IN PROP 71  
11 INCLUDE THINGS LIKE CONFLICT OF INTEREST LAWS,  
12 PUBLIC MEETING LAWS, PUBLIC RECORD LAWS, COMPETITIVE  
13 BIDDING LAWS, AND THE AGENCY'S INTELLECTUAL PROPERTY  
14 REGULATIONS. THAT PROVISION WAS DESIGNED TO ENSURE  
15 THAT THE BOARD, ACTING UNDER THE LEADERSHIP OF THE  
16 CHAIR, WOULD BE IN A POSITION FOR REVIEWING AND  
17 PROVIDING OVERSIGHT OF THE AGENCY'S COMPLIANCE WITH  
18 THE PUBLIC ACCOUNTABILITY PROVISIONS IN THE LAW.

19 THE OTHER CHANGE IT WOULD MAKE IS TO  
20 ASSIGN THE CHAIR'S CURRENT ROLE FOR LEADING  
21 INTELLECTUAL PROPERTY NEGOTIATION TO THE PRESIDENT,  
22 WHO WOULD BOTH LEAD THE NEGOTIATIONS AS WELL AS  
23 EXECUTE INTELLECTUAL PROPERTY CONTRACTS. AGAIN, THE  
24 ORIGINAL DESIGN ENVISIONED THAT THOSE TWO FUNCTIONS  
25 WOULD BE SEPARATED; THAT IS, THAT LEADING

## BARRISTERS' REPORTING SERVICE

1 NEGOTIATIONS WOULD BE IN THE CHAIR'S HANDS AND  
2 EXECUTING THE CONTRACTS WOULD BE IN THE PRESIDENT'S  
3 HANDS, SO YOU HAVE A DUAL LEVEL OF REVIEW TO AFFORD  
4 EXTRA PROTECTION TO THE PUBLIC.

5 NEXT, THE BILL WOULD PURPORT TO ELIMINATE  
6 THE 15 SCIENTIFIC MEMBER CAP ON THE GRANTS REVIEW  
7 COMMITTEE, ALTHOUGH THE LANGUAGE IS DRAFTED IN SUCH  
8 A WAY THAT THE CAP ACTUALLY REMAINS, BUT APPARENTLY  
9 IT IS THE AUTHOR'S INTENT TO LIFT IT. WE'VE  
10 DISCUSSED THIS ISSUE BEFORE AS WELL IN THE CONTEXT  
11 OF THE LITTLE HOOVER COMMISSION'S RECOMMENDATIONS.  
12 AND STAFF HAVE MADE CLEAR THAT THEY DO NOT VIEW THE  
13 15-SCIENTIST CAP AS A LIMITING FACTOR ON THE  
14 AGENCY'S ABILITY TO REVIEW GRANT APPLICATIONS. IN  
15 FACT, STAFF HAS NOTED IN THE PAST THAT ADDING  
16 ADDITIONAL MEMBERS MIGHT ACTUALLY SLOW THE RATE OF  
17 REVIEW BECAUSE OF THE NEED TO ACCOMMODATE ADDITIONAL  
18 DISCUSSION.

19 THE BILL WOULD ALSO ADDRESS THE  
20 PREAPPLICATION PROCESS AND REQUIRE THAT ALL  
21 APPLICATIONS BE SENT TO THE GRANTS WORKING GROUP  
22 PRIOR TO ANY OTHER REVIEW PROCESS. SO IT WOULD  
23 EFFECTIVELY ELIMINATE THE PREAPPLICATION PROCESS.

24 A COUPLE OF NOTES THERE. FIRST, THE  
25 PREAPPLICATION PROCESS HAS ONLY APPLIED TO REPEATING

## BARRISTERS' REPORTING SERVICE

1 REQUESTS FOR APPLICATIONS SO THAT IF SOMEONE SUBMITS  
2 A PREAPPLICATION AND THE APPLICATION REQUEST IS  
3 DEFERRED, THE INDIVIDUAL CAN APPLY FOR A SUBSEQUENT  
4 RFA ON THE SAME TOPIC OR FOR ANOTHER RFA.

5 ALSO, THE AGENCY CONDUCTED AN EXTENSIVE  
6 REVIEW OF THE STEM CELL PROGRAM LEADERS AND  
7 REPRESENTATIVES FROM THE STEM CELL INDUSTRY AND  
8 ASKED THEM THEIR VIEW OF THE PREAPPLICATION PROCESS.  
9 AMONG THE STEM CELL PROGRAM LEADERS, THERE WAS  
10 UNANIMOUS SUPPORT FOR THE PREAPPLICATION PROCESS AS  
11 OPPOSED TO OTHER ALTERNATIVES.

12 AND THE FINAL POINT I'LL MAKE IS THAT THE  
13 BOARD AT ITS LAST MEETING HAS ADDRESSED THIS ISSUE  
14 AND INTENDS TO CONSIDER IT IN THE CONTEXT OF A  
15 SCIENTIFIC ISSUES SUBCOMMITTEE TO DETERMINE WHETHER  
16 OR NOT THERE ARE IMPROVEMENTS THAT COULD BE MADE OR  
17 OTHER ALTERNATIVES.

18 THIS BILL ALSO INCORPORATES THE  
19 INTELLECTUAL PROPERTY PROVISIONS THAT MANY OF YOU  
20 WILL RECALL FROM SB 1565. AND THOSE ARE  
21 REQUIREMENTS REGARDING ACCESS PLANS FOR THE  
22 UNINSURED, AS WELL AS PROVIDING THAT CALIFORNIA  
23 STATE AND LOCAL FUNDED PROGRAMS WOULD RECEIVE ANY  
24 THERAPIES ARISING OUT OF CIRM-FUNDED RESEARCH AT ONE  
25 OF THREE CALRX PRICES. THESE ARE BOTH PROVISIONS

## BARRISTERS' REPORTING SERVICE

1 THAT ARE CURRENTLY IN OUR REGULATIONS. HOWEVER, AS  
2 WITH 1565, WE DO HAVE SOME CONCERNS ABOUT THESE  
3 PROVISIONS.

4 FIRST, AS WE DISCUSSED THE LAST TIME THIS  
5 ISSUE CAME UP, IT IS VERY IMPORTANT TO MAINTAIN  
6 FLEXIBILITY IN ADDRESSING THESE REGULATIONS AND  
7 MODIFYING THEM AS CIRCUMSTANCES CHANGE. OBVIOUSLY  
8 WE'RE IN THE MIDST OF A NATIONAL DEBATE OVER OUR  
9 HEALTHCARE SYSTEM, AND THERE COULD VERY WELL BE  
10 SIGNIFICANT CHANGES IN THE FUTURE THAT WOULD AFFECT  
11 THESE PROGRAMS. ONE OF THE THINGS THAT MEASURE  
12 WOULD DO WOULD BE TO LOCK IN THE CALRX PROGRAM AS IN  
13 EXISTENCE ON DECEMBER 31, 2010. SO THAT EVEN IF THE  
14 LEGISLATURE WERE TO MAKE AMENDMENTS TO THE PROGRAM  
15 IN THE FUTURE, THOSE AMENDMENTS WOULD NOT APPLY TO  
16 CIRM. WE HAVE INCLUDED INFORMATION AND ANALYSIS  
17 REGARDING SB 1565. MANY OF THE ISSUES ARE THE SAME.

18 FINALLY, THE BILL WOULD REQUIRE THAT CIRM  
19 ENGAGE IN WHAT IT REFERS TO AS TRANSITION PLANNING.  
20 WHAT THE AUTHOR INTENDS IS THAT CIRM WOULD CONSIDER  
21 ITS STRATEGIES RELATING TO THE EXPIRATION OF BOND  
22 FUNDING. THIS IS A PROCESS THAT THE AGENCY HAS  
23 ALREADY BEEN ENGAGED IN. WE HAVE EXPLORED, FOR  
24 EXAMPLE, THE POTENTIAL OF A LOAN PROGRAM OR A  
25 FEDERAL LOAN GUARANTEE PROGRAM TO PROVIDE EXTENDED



## BARRISTERS' REPORTING SERVICE

1 FUNDING FOR THE AGENCY.

2 THE PROPOSAL ALSO APPEARS TO MISCONSTRUE  
3 THE BOND PROVISIONS OF PROP 71. IT SUGGESTS THAT  
4 BOND FUNDING WILL EXPIRE ON JANUARY 1, 2014. IT'S  
5 IMPORTANT TO NOTE THAT THE WAY PROP 71 WAS WRITTEN,  
6 EVEN THOUGH IT AUTHORIZES THE ISSUANCE OF UP TO 350  
7 MILLION IN BONDS EACH YEAR, IT PROVIDES THAT TO THE  
8 EXTENT THAT CAPACITY IS NOT USED IN ANY PARTICULAR  
9 YEAR, IT ROLLS OVER AND CAN BE USED IN SUBSEQUENT  
10 YEARS. SO THERE IS NO EXPIRATION ON THE TIME WITHIN  
11 WHICH THE AGENCY HAS TO ISSUE BONDS OR EXPEND ITS  
12 FUNDS. AGAIN, THAT WAS BY DESIGN IN RECOGNITION OF  
13 THE POSSIBILITY OF DELAYS SUCH AS LITIGATION AND THE  
14 NEED TO ENSURE THAT THE AGENCY WAS MAKING DECISIONS  
15 BASED ON SCIENTIFIC MERIT AND NOT MERELY SPENDING  
16 THE FUNDS BECAUSE OF AN ARTIFICIAL DEADLINE.

17 SO THAT'S A MORE EXTENDED SUMMARY THAN I  
18 INTENDED OF 1064.

19 CHAIRMAN TORRES: LET ME GO OVER SOME  
20 QUICK HISTORY HERE. I'VE KNOWN ELAINE ALQUIST SINCE  
21 SHE MARRIED THEN SENATOR ALFRED ALQUIST, SO ABOUT 28  
22 YEARS. I MET WITH HER LAST YEAR IN THE FALL TO  
23 INTRODUCE HER TO THE NUMBER OF ISSUES THAT WE WERE  
24 FACING AS AN AGENCY SO THAT WE WOULD BEGIN THE  
25 EDUCATION OF LEGISLATORS WHICH IS ALWAYS IMPORTANT

## BARRISTERS' REPORTING SERVICE

1 WHEN THERE ISN'T A PARTICULAR EXPERTISE THAT THEY  
2 HAVE ACQUIRED.

3 WHEN SHE BECAME CHAIRMAN OF THE SENATE  
4 HEALTH COMMITTEE PRIOR TO THAT, SHE INHERITED A  
5 STAFF WHICH CAME WITH THE COMMITTEE, WHICH IS  
6 APPROPRIATE. AND SOMETIMES THAT STAFF HAS BEEN, AT  
7 LEAST IN MY EXPERIENCE, THEY REALLY HAVEN'T DONE  
8 THEIR HOMEWORK IN TERMS OF WHAT WE'VE DONE, NO. 1,  
9 AND WHAT THE LAW REQUIRES THAT WE'VE DONE AND HOW  
10 WE'VE COMPLIED WITH THAT.

11 SO DR. TROUNSON, BOB KLEIN, MYSELF, JAMES  
12 HARRISON, ELONA BAUM MET WITH ELAINE AND HER THREE  
13 STAFF PEOPLE, LISA CHAN, JEAN-PAUL BUCHANAN, WHO IS  
14 BRITISH, AND HER FORMER CHIEF OF STAFF, SAILAJA. WE  
15 HAD A TWO-AND-A-HALF-HOUR MEETING WHERE WE DISCUSSED  
16 THE ISSUES WITH THEM THAT THEY HAD RAISED WITH US.  
17 IT WAS CLEAR IN THOSE DISCUSSIONS, AT LEAST TO ME,  
18 AND ANYONE CAN PROFFER THEIR OWN OPINION, THAT THE  
19 STAFF DID NOT UNDERSTAND A LOT OF THE ISSUES THAT WE  
20 WERE TALKING ABOUT OR HOW WE IMPLEMENTED THEM.

21 WE FOLLOWED THAT UP WITH A LUNCH, WHICH  
22 WAS MORE SOCIAL THAN SUBSTANTIVE, BUT AT NO TIME WAS  
23 IT ADDRESSED THAT THERE WAS GOING TO BE IMMINENT  
24 LEGISLATION INTRODUCED UNTIL I RECEIVED A COPY OF A  
25 PRESS RELEASE THAT ACCUSED CIRM OF BEING ACCOUNTABLE

## BARRISTERS' REPORTING SERVICE

1 TO NO ONE WAS THE HEADLINE. WELL, YOU MIGHT IMAGINE  
2 HOW A CONVERSATION EMERGED BETWEEN MYSELF AND HER  
3 CHIEF OF STAFF ON HOW THAT IF THE RULES OF  
4 ENGAGEMENT ARE NOT KNOWN AHEAD OF TIME, AT LEAST  
5 TELL ME NOW HOW YOU'RE GOING TO DEAL WITH THIS ISSUE  
6 BECAUSE I DON'T THINK THAT WAS FAIR BECAUSE FOR THE  
7 PREVIOUS WEEK I HAD BEEN PLEADING FOR A FOLLOW-UP  
8 MEETING TO OUR FEBRUARY 8TH MEETING ON ALL OF THE  
9 ISSUES WHERE THERE WAS NO CLARITY BY THE STAFF IN  
10 THAT REGARD. SHE APOLOGIZED. AND I INDICATED WHO  
11 WILL BE THE POINT PERSON TO TALK TO, AND SHE  
12 INDICATED IT WOULD NOT BE PETER HANSEL, BUT IT WOULD  
13 BE JEAN-PAUL BUCHANAN.

14 I OFFERED THEN FOR SENATOR ALQUIST OR ANY  
15 MEMBER OF HER STAFF TO ADDRESS THIS SUBCOMMITTEE VIA  
16 PHONE OR IN PERSON. THAT REQUEST WAS REFUSED. AND  
17 I ALSO ASKED SENATOR ALQUIST IN A PERSONAL LETTER TO  
18 SEE IF SHE WOULD TESTIFY BEFORE THE BOARD AND GIVE  
19 US HER OPINIONS AS TO THE NECESSITY FOR THIS  
20 LEGISLATION. SHE FELT THAT OUR TWO-HOUR MEETING WAS  
21 SUFFICIENT FOR HER TO EXPRESS HER VIEWS ON THE  
22 LEGISLATION AND DID NOT WANT TO SPEAK TO THE BOARD  
23 AS A WHOLE, WHICH I FOUND UNUSUAL. ANTHONY  
24 PORTANTINO WOULD PROBABLY HAVE BEGGED TO BE BEFORE  
25 THE BOARD.

## BARRISTERS' REPORTING SERVICE

1 NOTWITHSTANDING THAT AND GIVEN THAT  
2 HISTORY, I DO NOT THINK THAT THIS SUBCOMMITTEE  
3 SHOULD TAKE A POSITION ON THIS LEGISLATION EITHER  
4 FOR OR AGAINST. BUT RATHER, THERE IS A THIRD OPTION  
5 WHICH I WOULD LIKE TO PROFFER TO THIS SUBCOMMITTEE.  
6 AND THAT IS THAT WE RECOMMEND THAT THIS BILL GO TO  
7 INTERIM STUDY. AND THAT'S A THIRD OPTION ALWAYS  
8 AVAILABLE TO A COMMITTEE AND CLEARLY TO A LEGISLATOR  
9 TO ASSUME. THERE ARE SOME WHO ARGUE THAT A MOVE TO  
10 INTERIM STUDY KILLS THE BILL. WELL, IT DOESN'T KILL  
11 THE CONCEPT. IT ALLOWS A SUBSTANTIVE POLICY  
12 COMMITTEE WITH SENATOR ALQUIST AT THE HELM TO REALLY  
13 DO AN IN-DEPTH OVERSIGHT REVIEW ALL OF THESE ISSUES  
14 THAT HAVE BEEN RAISED BY THE LITTLE HOOVER  
15 COMMISSION, BY THE CONTROLLER'S AUDIT, AND REALLY GO  
16 THROUGH EXACTLY WHAT WE'VE COMPLIED WITH WITH THE  
17 STAFF AT EVERY LEVEL.

18 AND THERE ARE SOME ISSUES THAT I THINK ARE  
19 NOT IN THE BILL NOW, AND THAT IS THIS BILL DOES  
20 REQUIRE A FISCAL APPROPRIATION OUTSIDE OF MANDATING  
21 THAT CIRM'S COFFERS PAY FOR EVERYTHING THAT IS  
22 INDICATED IN THE LEGISLATION. THERE ARE SOME ISSUES  
23 THAT ARE TO BE PAID BY THE STATE BOARD OF AUDIT, AT  
24 LEAST 200,000. THERE ARE OTHER ISSUES THAT WE DON'T  
25 KNOW WHAT KIND OF EXPENSES THE CONTROLLER WILL INCUR

## BARRISTERS' REPORTING SERVICE

1 BY HAVING TO DO A PERFORMANCE AUDIT AND SEEKING THE  
2 OPINIONS OF WORLDWIDE SCIENTISTS TO DETERMINE  
3 WHETHER WE'RE DOING THE RIGHT JOB OR NOT. IT'S  
4 GOING TO TAKE TIME AND A LOT OF EXPENDITURE. IS  
5 THAT AN APPROPRIATE USE OF GENERAL FUND MONIES WHEN  
6 WE HAVE CLEARLY COMPLIED WITH THE BUREAU OF STATE  
7 AUDITS, WITH THE ACCOUNTABILITY STANDARDS BY THE  
8 STATE CONTROLLER, WITH FIVE YEARS OF A CLEAN  
9 FINANCIAL AUDIT BY INDEPENDENT PUBLIC ACCOUNTING  
10 FIRMS, AND EACH OF THOSE AUDITS HAS BEEN REVIEWED BY  
11 THE CONTROLLER'S OFFICE, GIVING US AN ANNUAL STAMP  
12 OF APPROVAL.

13 IN ADDITION, THE CITIZENS FINANCIAL  
14 ACCOUNTABILITY AND OVERSIGHT COMMITTEE CREATED BY  
15 THE VOTERS AND CHAIRED BY JOHN CHIANG, MY VERY DEAR  
16 FRIEND, AT LEAST FOR NOW, HAS REVIEWED EACH  
17 FINANCIAL AUDIT WITHOUT ANY EXCEPTION. AND THE  
18 VOTERS OF CALIFORNIA SPECIFICALLY CREATED A  
19 GOVERNING BOARD TO PROVIDE ACCOUNTABILITY.

20 SO IT REALLY GETS MY CRAW WHEN A PRESS  
21 RELEASE COMES OUT SAYING THAT THIS AGENCY IS  
22 ACCOUNTABLE TO NO ONE. THAT IS JUST BALDERDASH. WE  
23 ARE ACCOUNTABLE IN EVERY SHAPE AND FORM IN TERMS OF  
24 THE TRANSPARENCY ISSUES THAT THE BOARD MEMBERS THAT  
25 I'VE PERSONALLY WITNESSED HAVE TO RECUSE THEMSELVES

## BARRISTERS' REPORTING SERVICE

1 AT THE PEER REVIEW PROCESS IN TERMS OF WORKING  
2 GROUPS, THAT HAVE TO SIGN CONFLICTS OF INTEREST  
3 PROVISIONS, THE FORM 700 THAT WE HAVE TO COMPLY WITH  
4 AS MEMBERS OF THIS BOARD OF OUR ECONOMIC INTEREST.  
5 I THINK THAT WHAT HAS HAPPENED HERE, AS SOME MEMBERS  
6 OF LEGISLATURE HAVE TOLD ME, THAT THIS LEGISLATION  
7 APPEARS TO BE STAFF DRIVEN AND NOT LEGISLATIVELY  
8 DRIVEN.

9 IF THAT'S THE CASE, THAT'S FINE. THAT'S  
10 THE NATURE OF THE PROCESS. I ACCEPT IT. BUT I DO  
11 BELIEVE THAT A MOTION TO MOVE THIS LEGISLATION TO  
12 INTERIM STUDY BY THE SENATE HEALTH COMMITTEE WOULD  
13 BEHOOVE THE INTERESTS OF THE TAXPAYERS SO THAT  
14 SENATOR ALQUIST CAN TAKE A LEGITIMATE ROLE IN  
15 PROVIDING OVERSIGHT, WHICH, QUITE FRANKLY, SHE COULD  
16 DO NOW IF SHE WANTED TO. SHE HAS CHOSEN NOT TO.  
17 WHEN I WAS CHAIR OF THE SENATE TOXICS COMMITTEE, THE  
18 SENATE INSURANCE COMMITTEE, I TOOK IT UPON MYSELF TO  
19 TAKE AGENCIES TO TASK AND BRING THEM UNDER A HEARING  
20 TO DETERMINE WHERE THEIR FAULTS WERE, WHERE THEIR  
21 POSITIVES AND STRENGTHS WERE.

22 I BELIEVE THAT AN INTERIM STUDY MOTION  
23 WOULD HELP HER DO THAT AND THE LEGISLATURE DO THAT  
24 SO THE PEOPLE BECOME EDUCATED AS TO WHAT THIS  
25 PRESIDENT HAS BEEN DOING, WHAT THIS STAFF HAS BEEN

## BARRISTERS' REPORTING SERVICE

1 DOING, WHAT THIS CHAIRMAN AND BOARD HAVE BEEN DOING  
2 IN JUDICIOUSLY COMPLYING WITH MANY OF THE ISSUES  
3 THAT HAVE BEEN RAISED BY THE LITTLE HOOVER  
4 COMMISSION, WHO THEIR OWN DIRECTOR SAID BEFORE THE  
5 FINANCIAL ACCOUNTABILITY COMMITTEE BY THE CONTROLLER  
6 ABOUT HOW WELL WE WERE DOING AND HOW TRANSPARENT WE  
7 WERE IN TERMS OF OUR PROCESSES.

8 SO I THINK A LOT OF EDUCATION STILL NEEDS  
9 TO TAKE PLACE, AND I'M WILLING TO DO THAT WITH  
10 MEMBERS OF THE LEGISLATURE, BUT I DO THINK THAT THIS  
11 WOULD GIVE HER AN OPPORTUNITY TO PROVIDE AN  
12 OVERSIGHT OF THIS AGENCY IN A MUCH CLEARER WAY AND  
13 MUCH MORE TRANSPARENT WAY THAN HAVING LEGISLATION  
14 WRITTEN IN A BACK ROOM THAT DOESN'T TAKE INTO  
15 ACCOUNT THE ISSUES AND THE PROGRESS THAT WE'VE MADE  
16 AS AN AGENCY. AT LEAST IN THE SHORT TIME I'VE BEEN  
17 HERE, I'VE NOTICED THAT.

18 SO I WOULD PROFFER A MOTION TO MOVE THIS  
19 BILL TO INTERIM STUDY WITHOUT OPPOSING OR SUPPORTING  
20 IT AND LET THE LEGISLATURE CONTINUE TO OVERSIGHT US  
21 IN A SUBSTANTIVE WAY. IS THERE A SECOND?

22 MR. SHEEHY: I'LL SECOND.

23 CHAIRMAN TORRES: DISCUSSION.

24 MS. SAMUELSON: THANK YOU, ART. I  
25 COMPLETELY AGREE. WE ARE ATTEMPTING TO DO SOMETHING

## BARRISTERS' REPORTING SERVICE

1 AS DIRECTED BY THE VOTERS IN THE INITIATIVE OF PROP  
2 71 THAT ISN'T BEING DONE ANYWHERE ELSE IN THE WORLD.  
3 NO ONE ELSE, AS FAR AS I KNOW, NO ENTERPRISE HAS  
4 BEEN GIVEN SO MUCH MONEY WITH SUCH AN AMBITIOUS  
5 MISSION. IT'S AN INCREDIBLY COMPLICATED EFFORT.

6 JUST AS ONE TINY EXAMPLE, THE INTELLECTUAL  
7 PROPERTY PROVISIONS, AT SEVERAL MEETINGS I'VE BEEN  
8 INVOLVED IN IN THE LAST SEVERAL YEARS HAVE HAD  
9 TESTIMONY THAT THE ACCESS PROVISIONS THAT ARE  
10 PROVIDED IN OUR LAW COULD GO A LONG WAY TO  
11 PREVENTING THE BIOMEDICAL COMMUNITY, BUSINESS  
12 COMMUNITY FROM BEING FINANCIALLY ABLE TO MAKE THE  
13 PRODUCTS THAT WOULD MAKE OUR MISSION SUCCEED. AND  
14 I'VE HEARD THAT OVER AND OVER.

15 SO WE ALREADY HAVE A HUGE, HUGE CHALLENGE  
16 IN THAT ARENA TO BOTH HAVE LOW PRICES AND ACCESS TO  
17 LOW-INCOME CALIFORNIANS AND SUCCEED IN OUR MISSION.  
18 TO MAKE THAT MORE DIFFICULT WILL JUST MAKE OUR  
19 MISSION THAT MUCH MORE POTENTIALLY IMPOSSIBLE.  
20 THAT'S JUST ONE OF MYRIAD OTHER INCREDIBLY  
21 COMPLICATED ISSUES THAT WE HAVE BEEN ADDRESSING. IF  
22 NOTHING ELSE, ON BEHALF OF THE VOTERS OR THE  
23 LEGISLATURE, WHO WOULD HAVE TO COME UP WITH, I  
24 GUESS, 70-PERCENT APPROVAL OF THIS OR TAKE IT BACK  
25 TO THE VOTERS, THIS HAD BETTER BE WORTH THE TIME AND



## BARRISTERS' REPORTING SERVICE

1 THE EFFORT AND THE MONEY IT WILL TAKE TO REEXAMINE  
2 EVERYTHING THAT WE'RE DOING. SO I THINK IT DESERVES  
3 VERY CAREFUL STUDY. THAT'S IT.

4 DR. LEVIN: IT'S JACOB LEVIN IN IRVINE.  
5 ART, I THINK IT'S A WONDERFUL AND VERY DIPLOMATIC  
6 SOLUTION. YOU SHOULD BE IN POLITICS. I FULLY  
7 BELIEVE THAT IF SENATOR ALQUIST AND THE COMMITTEE  
8 ARE BROUGHT IN AND REALLY UNDERSTAND ALL THAT CIRM  
9 HAS ACCOMPLISHED AND ALL OF THE OVERSIGHT THAT WE  
10 REALLY HAVE BEEN SUBJECT TO AND BEEN ACCOUNTABLE  
11 FOR, THEY WILL ALL COME TO THAT SAME CONCLUSION,  
12 THAT WE'RE DOING AN AWFULLY GOOD JOB AND JUST WHAT  
13 THE PEOPLE WANT.

14 CHAIRMAN TORRES: THANK YOU. MR. KLEIN.

15 MR. KLEIN: SO I'D LIKE TO ADDRESS THE  
16 FUNDAMENTAL CONCEPT OF THE CONSTITUTIONALITY OF SOME  
17 OF THESE PROPOSALS. IT IS CRITICAL TO UNDERSTAND  
18 THAT IF YOU WERE TO SUGGEST THAT YOU COULD  
19 CONSTITUTIONALLY TAKE AWAY WHAT THE INITIATIVE HAS  
20 ESTABLISHED AS THE PUBLIC ACCOUNTABILITY  
21 RESPONSIBILITY AT THE BOARD LEVEL FOR THE  
22 BAGLEY-KEENE LAW, FOR CONFLICTS AT BOARD LEVELS AND  
23 MEMBERS AND TRANSFER THAT TO THE PRESIDENT, THEN YOU  
24 COULD THEORETICALLY CHANGE THE PEER REVIEW PROCESS,  
25 YOU COULD CHANGE OUR STANDARDS PROCESS, YOU COULD

## BARRISTERS' REPORTING SERVICE

1 CHANGE ANYTHING IN THIS INITIATIVE.

2 THE INITIATIVE, IT'S VERY CLEAR, IS TRYING  
3 TO CREATE STABILITY IN THE STRUCTURE THAT IT'S  
4 CREATED SO THAT OTHER COUNTRIES CAN COLLABORATE WITH  
5 US, SO OTHER STATES CAN COLLABORATE WITH US AND KNOW  
6 THAT WE'RE NOT GOING TO CHANGE YEAR TO YEAR BASED  
7 UPON POLITICAL DECISIONS AND APPOINTEES AND  
8 STAFFING. WE ARE AN AGENCY THAT THEY CAN COUNT ON  
9 THAT HAS BEEN ESTABLISHED BY AN INITIATIVE THAT HAS  
10 CONSTITUTIONAL PROTECTIONS ON THE STATUTORY  
11 AUTHORITY.

12 AND THE ACCOUNTABILITY AT THE BOARD LEVEL  
13 IS SOMETHING AND THE OVERSIGHT OF THAT BOARD IS  
14 SOMETHING THAT I SPENT A LOT OF TIME WITH THE VOTERS  
15 DURING THE CAMPAIGN ON GOING TO CHAMBERS OF  
16 COMMERCE, GOING TO CIVIC ORGANIZATIONS, TALKING WITH  
17 REPORTERS ABOUT THAT BOARD BEING APPOINTED BY  
18 CONSTITUTIONAL OFFICERS, AND THE CHAIR BEING  
19 RESPONSIBLE AND ACCOUNTABLE TO HAVE A PERSON WITH  
20 INDIVIDUAL RESPONSIBILITY TO BE ACCOUNTABLE FOR  
21 WHETHER OR NOT THESE LAWS AND STANDARDS ARE  
22 FOLLOWED, WHETHER OR NOT THE CONFLICTS OF THE BOARD  
23 MEMBERS ARE RIGOROUSLY ENFORCED AND WHETHER OR NOT  
24 THE BAGLEY-KEENE STATUTES ARE RIGOROUSLY ENFORCED.

25 IT IS VERY IMPORTANT TO UNDERSTAND THESE

## BARRISTERS' REPORTING SERVICE

1 ARE FUNDAMENTAL PARTS OF THIS INITIATIVE AS WELL AS  
2 THE BASIC OVERSIGHT OF MAKING CERTAIN THAT THE  
3 ETHICS OFFICERS REPORTS FROM THE SCIENTIFIC STAFF  
4 ARE FOLLOWED UP ON. WE HAVE TWO LEGAL OPINIONS FROM  
5 THE REMCHO FIRM AND FROM THE MERKSAMER FIRM THAT  
6 WERE DELIVERED TO LITTLE HOOVER COMMISSION. THEY  
7 REFERRED TO THAT IN THEIR PUBLIC TESTIMONY. THOSE  
8 HAVE NEVER BEEN DEALT WITH AND NEVER BEEN RESPONDED  
9 TO, AND IT'S VERY IMPORTANT THAT BOTH OF THOSE TAKES  
10 THE POSITION THAT YOU CAN'T GO CHANGING THINGS THAT  
11 HAVE A FUNDAMENTAL ROOTING IN THIS INITIATIVE  
12 BECAUSE IF YOU DO, THERE IS NO STABILITY TO THE  
13 INITIATIVE PROCESS AND WHAT THE PUBLIC HAS MANDATED  
14 THROUGH \$7 MILLION VOTES.

15 CHAIRMAN TORRES: ANY BOARD MEMBERS?  
16 MR. SHEEHY.

17 MR. SHEEHY: WELL, FIRST, I'M VERY  
18 SUPPORTIVE OF SENATOR TORRES' MOTION. AND I HAVE TO  
19 SAY THAT THIS PARTICULAR BILL MAKES ME -- JUST FILLS  
20 ME WITH SADNESS, TO BE HONEST. WE'RE GOING TO HAVE  
21 EIGHT FACILITIES BUILT BY AUGUST 1ST OF THIS YEAR,  
22 UP AND RUNNING. A BILLION DOLLARS IN WHAT IS TRUE  
23 STIMULUS MONEY, ONLY 250 MILLION OF IT ACTUALLY  
24 COMING FROM THE STATE. CONSTRUCTION WORKERS WHO  
25 WOULD HAVE BEEN OUT OF WORK DOING JOBS, FEEDING

## BARRISTERS' REPORTING SERVICE

1 THEIR FAMILIES, CONTINUE TO BE EMPLOYED. WE'RE  
2 GOING TO HAVE STATE-OF-THE-ART RESEARCH FACILITIES  
3 THAT WILL SERVE THE PEOPLE OF CALIFORNIA FOR A  
4 GENERATION.

5 I SPENT THIS AFTERNOON TALKING WITH AIDS  
6 ACTIVISTS WHO ARE INCREDIBLY EXCITED ABOUT TWO OF  
7 THE DISEASE TEAM PROJECTS THAT WE FUNDED THIS YEAR.  
8 AND THE HOPE THAT WE'RE OFFERING TO PATIENTS ALL  
9 OVER CALIFORNIA AS WE GET CLOSER AND CLOSER TO THE  
10 CLINIC WITH OUR RESEARCH, I JUST WONDER, WITH ALL  
11 DUE RESPECT TO SENATOR ALQUIST, I WONDER IF HER  
12 STAFF WHO HAS DRIVEN THIS BILL HAVE SPENT ANY TIME  
13 WITH THE PATIENTS SUFFERING FROM A CHRONIC OR  
14 LIFE-THREATENING DISEASE FOR WHOM WE HAVE GIVEN SUCH  
15 HOPE, IF THEY REALLY HAVE SAT DOWN WITH ANY OF THE  
16 PEOPLE WHO ARE COUNTING ON US TO MAKE A DIFFERENCE  
17 IN THEIR LIVES. I DON'T BELIEVE THAT THEY HAVE  
18 BECAUSE THERE'S NO WAY THAT THIS BILL COULD HAVE  
19 COME OUT IF THEY HAD.

20 I ALSO JUST WANT TO TALK TO THE SCIENTIFIC  
21 RIGOR, WHICH IS ULTIMATELY THE GROUNDING FOR  
22 EVERYTHING WE DO. GREAT BRITAIN, JAPAN, GERMANY,  
23 SPAIN, AUSTRALIA, CANADA, THEY ALL DEFER TO GRANT  
24 DECISIONS MADE BY THE ADVICE THAT'S MADE THROUGH OUR  
25 PEER REVIEW GROUP, THEN RATIFIED BY THE ICOC IN

## BARRISTERS' REPORTING SERVICE

1 TERMS OF MAKING FUNDING ALLOCATION IN PARTNERSHIP  
2 WITH US. THIS POINTS TO THE EXTREME RIGOR OF OUR  
3 SCIENTIFIC REVIEW PROCESS, WHICH IS ULTIMATELY HOW  
4 WE SPEND MONEY. IF GREAT BRITAIN, THE COUNSEL  
5 GENERAL OF GREAT BRITAIN CAN STAND NEXT TO OUR  
6 PRESIDENT AND THE COUNSEL GENERAL OF CANADA CAN  
7 STAND NEXT TO OUR PRESIDENT IN ANNOUNCING DISEASE  
8 TEAM GRANTS THAT ARE JOINTLY FUNDED AND REVIEWED  
9 THROUGH THE CIRM PROCESS, I THINK THAT SPEAKS TO AN  
10 INCREDIBLE LEVEL OF SCIENTIFIC RIGOR.

11 AND SO PERSONALLY I DON'T UNDERSTAND THE  
12 LACK OF ACCOUNTABILITY CALL. I WONDER IN THESE  
13 TIMES WHERE -- YOU KNOW, MY KID STARTS PUBLIC SCHOOL  
14 NEXT YEAR. I DON'T KNOW IF SHE'S GOING TO HAVE A  
15 TEACHER, AND PEOPLE WANT TO SPEND MONEY ON MORE  
16 AUDITS. YOU KNOW, PEOPLE WITH AIDS ARE LOSING  
17 SERVICES IN THE STATE. HOME HEALTHCARE WORKERS ARE  
18 BEING LAID OFF. SO THERE WILL BE PEOPLE WHO DIE,  
19 AND YET HUNDREDS OF THOUSANDS OF DOLLARS, WHICH MAY  
20 NOT SEEM MUCH IN THE GLOBAL THING, BUT IF THERE WERE  
21 ONE MORE TEACHER WHO WAS HIRED OR TWO MORE TEACHERS  
22 OR A FEW MORE HOME HEALTHCARE WORKERS, PEOPLE ALL  
23 OVER CALIFORNIA ARE MARCHING FOR EDUCATION, AND WE  
24 FUNDED A BRIDGES PROGRAM THAT'S KEEPING KIDS IN  
25 SCHOOL AT THE SAN FRANCISCO STATE LEVEL, AT THE

## BARRISTERS' REPORTING SERVICE

1 COMMUNITY COLLEGE LEVEL THAT IS GETTING PEOPLE  
2 INTERNSHIPS WITH COMPANIES THAT WILL BE THEIR FUTURE  
3 AND THEIR CAREERS.

4 SO I REALLY FEEL LIKE THAT WE'RE DOING OUR  
5 JOB. AND, AGAIN, NOT TO BE CRITICAL OF SENATOR  
6 ALQUIST, BUT I WONDER IF THIS IS REALLY THE MOST  
7 IMPORTANT THING FOR THE LEGISLATURE TO BE TAKING UP  
8 THIS YEAR.

9 CHAIRMAN TORRES: DR. TROUNSON.

10 DR. TROUNSON: YOU KNOW, I'M VERY STRONGLY  
11 IN SUPPORT OF YOUR MOTION, CHAIR. I REALLY BELIEVE  
12 THE BILL AS IT IS WRITTEN DOES NOT SHOW A CLEAR  
13 UNDERSTANDING HOW CIRM OPERATES, NOR COMPLETE GRASP  
14 OF THE COMPLEXITY OF PROPOSITION 71. I THINK WE'VE  
15 GOT AN EDUCATION JOB TO DO, AND I THINK THE WAY YOU  
16 PROPOSE IS NECESSARY. I THINK WE HAVE TO REALLY  
17 HELP OUT ON THIS.

18 AND I RECOGNIZE THAT WHILE SOME PROPOSED  
19 CHANGES, SUCH AS LIFTING THE 50-PERSON CAP OR EVEN  
20 CONSIDERATION OF THE SCOPE OF RESPONSIBILITY, FIT  
21 FOR THE NEW INCOMING CHAIR MIGHT BE HELPFUL, MOST OF  
22 THE OTHERS WOULD MAKE IT ALMOST DIFFICULT, IF NOT  
23 IMPOSSIBLE, TO COMPLETE ITS MISSION IN THE TIMEFRAME  
24 THAT WE HAVE IN MIND. SO I REALLY DO THINK IT'S  
25 INDWELLING UPON US TO PURSUE THE EDUCATION FOR THE

**BARRISTERS' REPORTING SERVICE**

1 LEGISLATORS IN ORDER FOR THEM TO BETTER UNDERSTAND  
2 BECAUSE IT'S VERY CLEAR TO ME THAT THEY ARE NOT  
3 UNDERSTANDING OR WANTING TO UNDERSTAND IN THIS  
4 FRAME. AND IF WE CAN GET IT INTO THIS DISCUSSION  
5 FORMAT, I THINK WE MAY DO A LOT OF GOOD.

6 CHAIRMAN TORRES: THANK YOU, MR.  
7 PRESIDENT. ANY OTHER COMMENTS FROM BOARD MEMBERS?

8 DR. POMEROY: I ALSO WANT TO SPEAK IN  
9 SUPPORT OF YOUR MOTION. I THINK THAT WE REALLY ARE  
10 COMMITTED TO WORKING WITH THE LEGISLATURE. THAT'S  
11 WHAT WE'VE SAID BACK IN OUR PREVIOUS DISCUSSIONS  
12 AROUND THIS TYPE OF ISSUE.

13 I WANT TO SAY THAT I PERSONALLY AM OPEN TO  
14 THE FACT THAT WE MAY NOT BE PERFECT AND THERE MAY BE  
15 THINGS WE CAN IMPROVE, BUT THIS BILL IS WRITTEN WITH  
16 SO MANY FAR-REACHING, UNINTENDED CONSEQUENCES THAT I  
17 FEAR COULD DO MUCH MORE DAMAGE THAN GOOD. SO I  
18 THINK YOURS IS A GREAT APPROACH TO IMPROVING MUTUAL  
19 UNDERSTANDING AND LOOKING TO SEE IF THERE ARE SOME  
20 MINOR THINGS THAT WE CAN DO, BUT FUNDAMENTALLY THE  
21 PROGRESS THAT CIRM HAS MADE AND THE PEOPLE THAT IT'S  
22 FUNDED HAVE MADE IS SO INSPIRING, THAT I AGREE WITH  
23 JEFF. IT IS DISAPPOINTING THAT THIS IS HAPPENING IN  
24 THIS WAY. THANK YOU.

25 CHAIRMAN TORRES: THANK YOU, DR. POMEROY.

## BARRISTERS' REPORTING SERVICE

1 ANY OTHER COMMENTS FROM BOARD MEMBERS?

2 MR. ROTH: SO I'M NOT DISAPPOINTED. I'M  
3 FRUSTRATED AND ESPECIALLY WHEN YOU LISTEN TO THE WAY  
4 THAT IT WAS LINED UP HERE VERSUS THE READ WE HAVE ON  
5 IT AND WHERE THEY'RE COMING OUT. AND I THINK PART  
6 OF WHAT I WOULD ENCOURAGE US TO DO IS TO TRY, IF  
7 IT'S AT ALL POSSIBLE, AND I SUPPORT EXACTLY WHERE  
8 YOU ARE GOING WITH THIS, ART, BUT GET JAMES, ME WITH  
9 THE RIGHT COUNSEL OR THE RIGHT PEOPLE UP THERE TO GO  
10 THROUGH WHAT HE WENT THROUGH WITH US. AND THEN  
11 THERE WILL BE A FEW THINGS THAT ARE LEFT OVER THAT  
12 WE REALLY DO HAVE TO AGREE TO DISAGREE ON.

13 BUT THE THINGS THAT -- SO MUCH OF WHAT YOU  
14 WENT THROUGH, WE'RE LIKE TALKING TO A WALL. IF YOU  
15 GO THROUGH IT AND YOU EXPLAIN EXACTLY WHAT WE'VE  
16 DONE, THINGS ARE ALREADY DONE, AND THE AUDITS AND  
17 THINGS LIKE THAT, AND TO ME IT'S JUST VERY  
18 FRUSTRATING THAT WE CAN'T GET BEYOND THAT AND GET TO  
19 THE REMAINING ISSUES THAT ACTUALLY WE'RE WILLING TO  
20 DISCUSS WITH THEM. BUT THIS IS GETTING US NOWHERE,  
21 AND THIS IS SO MUCH LOST TIME AND ENERGY FOR PEOPLE  
22 THAT DON'T HAVE THE TIME AND ENERGY TO DO IT.

23 CHAIRMAN TORRES: I THINK YOUR SIDE OF THE  
24 AISLE, DUANE, HAS BEEN MORE COOPERATIVE AND  
25 SUPPORTIVE THAN MY SIDE.



## BARRISTERS' REPORTING SERVICE

1 MR. ROTH: I'M ALWAYS WHERE IS THIS -- WHY  
2 DOES THIS KEEP COMING UP? EITHER WE'RE NOT  
3 EFFECTIVELY COMMUNICATING OR SOMEBODY DOESN'T WANT  
4 TO LISTEN. THEY SIMPLY WANT TO HAVE A BILL.

5 CHAIRMAN TORRES: I THINK THAT'S CLEARLY  
6 THE CASE. AND I THINK WHAT JAMES AND I HAVE TO DO  
7 OBVIOUSLY IS TO SIT DOWN WITH THE COUNSELS TO THE  
8 VARIOUS MEMBERS OF THE SENATE HEALTH COMMITTEE  
9 BECAUSE I DON'T SEE THAT WE CAN PURSUE ANY FURTHER  
10 DISCUSSION, ALTHOUGH I'M ALWAYS OPEN IT TO AND HAVE  
11 SAID SO TO SENATOR ALQUIST'S STAFF, BUT I DO THINK  
12 WE NEED TO CONCENTRATE ON THE MEMBERS OF THE SENATE  
13 HEALTH COMMITTEE BECAUSE I THINK WE'VE REACHED A  
14 TEMPORARY, I ALWAYS SAY TEMPORARY, END TO  
15 DISCUSSIONS WITH PEOPLE WE MAY DISAGREE WITH, BUT,  
16 AGAIN, THE DOOR IS ALWAYS OPEN. AND I HAVE SAID SO  
17 TO HER CHIEF OF STAFF AND CLEARLY TO ELAINE.

18 MR. ROTH: IT WOULD BE AWFULLY NICE IF  
19 JAMES COULD MEET WITH THE COUNSEL THAT WILL TAKE A  
20 LOOK JUST COUNSEL TO COUNSEL.

21 CHAIRMAN TORRES: RIGHT.

22 MR. ROTH: AND THEN REPORT BACK, YOU KNOW,  
23 HERE'S THE -- WE'VE GIVEN OUR RATIONALE FOR EVERY  
24 ONE OF THESE THINGS VERY SUCCINCTLY. CAN WE PLEASE  
25 SIT DOWN WITH SOMEBODY TO GO THROUGH AND THEN GET

## BARRISTERS' REPORTING SERVICE

1 THE LIST OF THINGS THAT ARE REMAINING THAT WE HAVE  
2 TO, IN FACT, DISCUSS.

3 CHAIRMAN TORRES: ALL RIGHT. ANY OTHER  
4 COMMENTS FROM BOARD MEMBERS?

5 MS. SAMUELSON: A QUICK COMMENT AND  
6 QUESTION. IT SEEMS TO ME WE ALWAYS COULD BE DOING  
7 OUR JOB BETTER. WE'RE NOT PERFECT. AND PERHAPS IN  
8 GOING TO THE OTHER MEMBERS OF THE COMMITTEE, THE  
9 STATE SENATE COMMITTEE, WE MIGHT SEEK THEIR INPUT  
10 UNDER THE UMBRELLA OF WHAT IS THIS TRYING TO  
11 ACCOMPLISH BECAUSE I'M JUST MYSTIFIED. IF THERE'S  
12 SOMETHING THAT COULD BE DONE ALONG THE LINES OF NOT  
13 A PERFORMANCE AUDIT, BUT ASKING THE UNDERLYING  
14 QUESTION OF A PERFORMANCE AUDIT, IS THERE SOMETHING  
15 WE COULD BE DOING BETTER, WE WOULD LOVE TO BE DOING  
16 THAT, OF COURSE. WE ALWAYS WANT TO BE SMARTER AND  
17 FASTER AT WHAT WE'RE DOING BECAUSE OUR MISSION IS SO  
18 DIFFICULT.

19 BUT I DON'T SEE ANY WAY THAT ANY OF THE  
20 PROVISIONS IN THIS LEGISLATION DO THAT.

21 CHAIRMAN TORRES: WE'LL BE GETTING -- I'LL  
22 BE GOING DOWN THE LIST, AND I WILL CALL UPON BOARD  
23 MEMBERS IN THOSE DISTRICTS WHERE I THINK YOU CAN BE  
24 HELPFUL TO FOLLOW UP WITH SOME OF THE MEMBERS OF THE  
25 HEALTH COMMITTEE.

**BARRISTERS' REPORTING SERVICE**

1 ANY OTHER MEMBER, SUBCOMMITTEE MEMBER  
2 COMMENTS? IF NOT, WE'LL MOVE TO THE PUBLIC DOMAIN.  
3 ANYONE AT CIRM, JENNA?

4 MS. PRYNE: THERE'S NO PUBLIC COMMENT AT  
5 CIRM.

6 CHAIRMAN TORRES: DUANE, YOU'RE ALONE, SO  
7 WE'RE DONE. DR. POMEROY.

8 DR. POMEROY: NO PUBLIC COMMENT.

9 CHAIRMAN TORRES: NO PUBLIC COMMENT.  
10 EMBARCADERO, ANY PUBLIC COMMENTS HERE? DON REED.

11 MR. REED: I HAVE A QUESTION. DOES OUR  
12 RECOMMENDING A STUDY IMPLY IN ANY WAY THAT WE'RE NOT  
13 SURE IF THE BILL IS GOOD FOR US OR NOT?

14 CHAIRMAN TORRES: NO. I THINK WHAT WE'RE  
15 IMPLYING WITH AN INTERIM STUDY IS TO TAKE A LOOK, AS  
16 I SAID AT THE OUTSET, TO TAKE A REAL INVENTORY WITH  
17 THIS HEARING, THAT SHE CAN DO LATER DOWN THE ROAD  
18 AFTER THE LEGISLATURE IS OUT, A TRUE INVENTORY OF  
19 WHAT THIS BILL CALLS FOR AND WHAT WE'VE ALREADY  
20 COMPLIED WITH.

21 MR. REED: HAS SHE SHOWN ANY INCLINATION  
22 OF INTEREST IN THIS LINE OF REASONING?

23 CHAIRMAN TORRES: NO.

24 MR. REED: SO I'M NOT CLEAR WHAT WE GAIN  
25 BY RECOMMENDING IT. WE RECOMMEND IT FOR HER, BUT IT

## BARRISTERS' REPORTING SERVICE

1 SEEMS TO ME --

2 CHAIRMAN TORRES: NO. NO. WE RECOMMEND  
3 IT -- NO. THE WAY I WORK IT IS YOU HAVE AN AUTHOR.  
4 IF THEY'RE NOT ACCEPTABLE TO OUR POSITION, THEN WE  
5 WORK WITH THE OTHER MEMBERS WHO HAVE A VOTE, AND IT  
6 COMES DOWN TO CALLING THE VOTE.

7 MR. REED: BECAUSE I HAVE READ THIS  
8 CAREFULLY. I TYPED OUT LARGE PORTIONS OF IT TO TRY  
9 AND GET IT INTO MY BRAIN WHAT IT'S ABOUT. THE GOOD  
10 PARTS OF IT ARE THINGS THAT ARE ALREADY PART OF OUR  
11 STRUCTURE, AND THE NEGATIVE THINGS ARE LEAPS INTO  
12 THE UNKNOWN WITH UNINTENDED CONSEQUENCES, AS CLAIRE  
13 POMEROY POINTED OUT. I HAVE NO QUESTION IN MY MIND  
14 ABOUT THIS BILL. I BOW TO YOUR SUPERIOR POLITICAL  
15 ACUMEN.

16 CHAIRMAN TORRES: IT'S NOT SUPERIOR. IT'S  
17 JUST AN ACUMEN. THE BOTTOM LINE, AS I SEE IT, IS  
18 THIS, AND LET'S BE VERY CLEAR ABOUT IT. THE SENATOR  
19 MAY DECIDE THAT SHE DOESN'T WANT TO BRING IT UP FOR  
20 ANY KIND OF VOTE BECAUSE SHE DOESN'T OR WILL NOT  
21 HAVE THE VOTES TO PASS IT. AND THAT MAY BE A WAY,  
22 AN ALTERNATIVE. THE SECOND ALTERNATIVE MAY BE THAT  
23 THE MEMBERS MAY DECIDE THEY WANT TO SUPPORT HER AS A  
24 MEMBER AND THEN VOTE FOR INTERIM STUDY AS A WAY OF  
25 NOT KILLING THE BILL AND OPPOSING HER PUBLICLY.

## BARRISTERS' REPORTING SERVICE

1 WHAT I'M TRYING TO AVOID IS A CONFRONTATION BECAUSE,  
2 AS CLAIRE POMEROY APPROPRIATELY SAID, WE WANT TO  
3 WORK WITH THE LEGISLATURE. AND I THINK THAT WE  
4 CAN'T WORK WITH THE LEGISLATURE IF WE'RE ALWAYS  
5 GOING TO BE THROWING BOMBS BACK AT THEIR BOMBS. IT  
6 DOESN'T MAKE SENSE.

7 SO I THINK THAT THE FIRST ISSUE THAT WE  
8 OUGHT TO DO IS TO TALK TO THE MEMBERS OF THE HEALTH  
9 COMMITTEE, SENATOR STRICKLAND, WHO IS THE VICE CHAIR  
10 AND A REPUBLICAN, AS YOU WELL KNOW, DUANE; SENATOR  
11 SAMUEL AANESTAD, A REPUBLICAN; SENATOR GILBERT  
12 CEDILLO, WHO REPRESENTS MY OLD SENATE DISTRICT;  
13 SENATOR DAVE COX, A REPUBLICAN FROM NORTHERN  
14 CALIFORNIA; MY CURRENT SENATOR, SENATOR MARK LENO;  
15 SENATOR GLORIA NEGRETE MCLEOD, WHO REPRESENTS SAN  
16 BERNARDINO/RIVERSIDE; SENATOR FRAN PAVLEY THAT  
17 REPRESENTS SANTA MONICA, WEST SIDE OF L.A.; AND  
18 SENATOR GLORIA ROMERO, WHO IS A STAUNCH SUPPORTER OF  
19 CIRM WITH LEGISLATION THAT SHE AUTHORED ALONG WITH  
20 ASSEMBLYMEMBER TORLICKSON ON CURRICULUM ISSUES.

21 SO WE WANT TO MAKE SURE THAT WE TALK TO  
22 THESE FOLKS. AND IF THERE'S A WAY FOR -- SENATOR  
23 ALQUIST IS A BRIGHT WOMAN AND SHE KNOWS HOW TO  
24 COUNT, AND SO DO I. AND SO SHE NEEDS FIVE VOTES TO  
25 GET A BILL OUT OF THE COMMITTEE, AND SHE MAY GET THE

## BARRISTERS' REPORTING SERVICE

1 VOTES FOR AN INTERIM STUDY, BUT I DON'T SEE, ONCE WE  
2 MAKE OUR CASE, WHERE SHE CAN GET FIVE VOTES TO PUT  
3 THIS BILL OUT OF COMMITTEE. SO WHY THAT'S MY  
4 SUGGESTION IS TO MOVE TOWARD A MOTION FOR INTERIM  
5 STUDY, WHICH ALLOWS EVERYBODY TO TAKE A BREATHER AND  
6 GET A REAL SENSE OF WHAT WE'VE DONE AND WHAT WE  
7 HAVEN'T DONE.

8 AS JOAN HAS SAID AND CLAIRE AS WELL, WE'RE  
9 NOT PERFECT. AS JEFF SAID, WE'RE NOT PERFECT. AND  
10 WE'RE NOT, BUT AT LEAST ARE WE COMPLYING WITH THE  
11 ISSUES THAT HAVE BEEN RAISED BY THE CONTROLLER'S  
12 FINANCIAL ACCOUNTABILITY COMMITTEE AND THE LITTLE  
13 HOOVER COMMISSION? MY RESPONSE IS, YES, WE HAVE.

14 DR. TROUNSON: IT GIVES US A CHANCE TO  
15 ALSO EDUCATE THE PEOPLE DOWN IN SACRAMENTO. AND I  
16 THINK IT'S TIME THAT WE TRIED TO DO IT. IT'S GOING  
17 TO COST TIME, BUT IT WILL BE ABOUT LONG-TERM  
18 BENEFIT. AND I THINK THERE ARE PEOPLE LIKE SENATOR  
19 ALQUIST AND PROBABLY OTHERS WHO REALLY HAVEN'T  
20 THOUGHT MUCH ABOUT IT. SO I THINK IT'S PART OF WHAT  
21 WE NEED TO DO.

22 MR. KLEIN: THERE IS A VERY CONSTRUCTIVE  
23 PROCESS WE WENT THROUGH WITH THE LEADERSHIP OF THE  
24 SENATE AND THE ASSEMBLY IN 2005 AND 2006 WHERE WE  
25 MET WITH THE LEGISLATORS, GOT IDEAS WHICH WERE GREAT

## BARRISTERS' REPORTING SERVICE

1 IDEAS. WE ACTUALLY -- I CREATED A KEY LIST OF WHAT  
2 THEY WANTED, HAD THEIR COUNSEL AND THEIR CONSULTANTS  
3 APPROVE LANGUAGE, AND THEN BROUGHT IT TO THE BOARD.  
4 WE PASSED IT WITH A PROVISION THAT IF WE EVER  
5 CHANGED THESE PROVISIONS, WE WOULD IN ADVANCE NOTIFY  
6 THE LEGISLATURE THAT WE WERE CHANGING THOSE  
7 PROVISIONS. SO NOT ONLY DID WE INCORPORATE THEIR  
8 IDEAS, BUT TOLD THEM WE WOULD OBSERVE THEM AND WE  
9 WOULDN'T CHANGE THEM WITHOUT GIVING THEM NOTICE SO  
10 THEY COULD THEN DECIDE WHETHER THEY WANTED TO TAKE  
11 SOME FUTURE ACTION.

12 SO WE'VE HAD A HISTORY OF VERY  
13 PRODUCTIVELY TRYING TO LEARN FROM THE LEGISLATURE,  
14 WHICH HAS A LOT OF KNOWLEDGE AND A LOT OF  
15 EXPERIENCE, AND INCORPORATING THAT IN A WAY THAT  
16 RESPECTED THE INITIATIVE AND THE PROCESS. SO  
17 HOPEFULLY WE CAN DEMONSTRATE THAT WE HAVE COME TO  
18 THAT TABLE BEFORE PRODUCTIVELY AND LIVED BY IT FOR  
19 THREE OR FOUR YEARS ALREADY WITH REAL DISCIPLINE,  
20 AND WE WOULD HOPE TO LEARN AND FOLLOW THAT MODEL TO  
21 REALLY IMPROVE OURSELVES.

22 CHAIRMAN TORRES: RIGHT. THAT WAS AN  
23 INFORMAL PROCESS. NOW WE'RE MOVING EVEN FURTHER TO  
24 SUGGEST A MORE FORMAL PROCESS BY WHICH TO TAKE THE  
25 INPUT AND BY WHICH TO EDUCATE EACH OTHER.

**BARRISTERS' REPORTING SERVICE**

1 ARE THERE ANY OTHER COMMENTS AT ANY VENUE?  
2 ANY BOARD MEMBER COMMENTS BEFORE WE MOVE TO A VOTE?  
3 YOU WANT TO RESTATE THE MOTION, MR. HARRISON?

4 MR. HARRISON: THE MOTION IS TO RECOMMEND  
5 THAT SB 1064 BE MOVED TO INTERIM STUDY WITHOUT  
6 ENDORSING OR OPPOSING THE BILL.

7 MS. KING: JACOB LEVIN.

8 DR. LEVIN: YES.

9 MS. KING: BOB KLEIN.

10 MR. KLEIN: YES.

11 MS. KING: CLAIRE POMEROY.

12 DR. POMEROY: YES.

13 MS. KING: FRANCISCO PRIETO.

14 DR. PRIETO: YES.

15 MS. KING: DUANE ROTH.

16 MR. ROTH: YES.

17 MS. KING: JOAN SAMUELSON.

18 MS. SAMUELSON: YES.

19 MS. KING: JEFF SHEEHY.

20 MR. SHEEHY: YES.

21 MS. KING: ART TORRES.

22 CHAIRMAN TORRES: AYE.

23 MS. KING: THAT MOTION CARRIES.

24 CHAIRMAN TORRES: THANK YOU VERY MUCH,  
25 MEMBERS, FOR YOUR TIME AND WE'LL SEE YOU IN



**BARRISTERS' REPORTING SERVICE**

1 SACRAMENTO AT OUR FIRST MEETING IN AN ACTUAL  
2 LEGISLATIVE CHAMBER. ADJOURNED.

3 (THE MEETING WAS THEN ADJOURNED AT  
4 05:52 P.M.)

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**BARRISTERS' REPORTING SERVICE**

**REPORTER'S CERTIFICATE**

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE LEGISLATIVE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR ON THURSDAY, MARCH 4, 2010, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152  
BARRISTER'S REPORTING SERVICE  
1072 BRISTOL STREET  
SUITE 100  
COSTA MESA, CALIFORNIA  
(714) 444-4100