

BEFORE 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: CROWNE PLAZA HOTEL SFO
1177 AIRPORT BOULEVARD
BURLINGAME, CALIFORNIA

DATE: FRIDAY, JANUARY 30, 2009
9 A.M.

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

BRS FILE NO.: 82458

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; FRIDAY, JANUARY 30, 2009

2 9 A.M.

3

4 CHAIRMAN KLEIN: ALL RIGHT. WELCOME THIS
5 MORNING TO THE CALIFORNIA INSTITUTE FOR REGENERATIVE
6 MEDICINE BOARD MEETING. THANK YOU ALL FOR COMING.
7 AND, MELISSA, IF YOU COULD PROCEED WITH THE PLEDGE
8 OF ALLEGIANCE AND ROLL CALL.

9 (THE PLEDGE OF ALLEGIANCE.)

10 MS. KING: RICARDO AZZIZ.

11 DR. AZZIZ: HERE.

12 MS. KING: ROBERT BIRGENEAU. FLOYD BLOOM.
13 GORDON GILL FOR DAVID BRENNER.

14 DR. GILL: PRESENT.

15 MS. KING: JACOB LEVIN FOR SUSAN BRYANT.

16 DR. LEVIN: PRESENT.

17 MS. KING: MARSHA CHANDLER. MARCY FEIT.

18 MS. FEIT: HERE.

19 MS. KING: MICHAEL FRIEDMAN.

20 DR. FRIEDMAN: HERE.

21 MS. KING: LEEZA GIBBONS. MICHAEL
22 GOLDBERG.

23 MR. GOLDBERG: HERE.

24 MS. KING: SAM HAWGOOD.

25 DR. HAWGOOD: HERE.

BARRISTERS' REPORTING SERVICE

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MS. KING: BOB KLEIN.
CHAIRMAN KLEIN: HERE.
MS. KING: SHERRY LANSING.
MS. LANSING: HERE.
MS. KING: GERALD LEVEY. TED LOVE. ED
PENHOET.
DR. PENHOET: HERE.
MS. KING: PHIL PIZZO. CLAIRE POMEROY.
DR. POMEROY: HERE.
MS. KING: FRANCISCO PRIETO.
DR. PRIETO: HERE.
MS. KING: CARMEN PULIAFITO.
DR. PULIAFITO: HERE.
MS. KING: ROBERT QUINT. JOHN REED.
DR. REED: HERE.
MS. KING: DUANE ROTH.
MR. ROTH: HERE.
MS. KING: JOAN SAMUELSON. DAVID
SERRANO-SEWELL.
MR. SERRANO-SEWELL: HERE.
MS. KING: JEFF SHEEHY.
MR. SHEEHY: HERE.
MS. KING: JONATHAN SHESTACK. AND OSWALD
STEWARD.
MS. KING: FOR THE RECORD, DR. BIRGENEAU

BARRISTERS' REPORTING SERVICE

1 HAS JOINED THE MEETING.

2 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
3 WHERE ARE WE, COUNSEL? WE HAVE ONE OR MORE. WHILE
4 WE'RE WAITING FOR DR. PIZZO, JUST TO TIE TOGETHER
5 LAST NIGHT'S MEETING WITH THIS MORNING'S MEETING,
6 I'D LIKE TO SAY THAT WE HAD A DISCUSSION LAST NIGHT
7 ON THE PATH TO DARKNESS AND THE PATH TO LIGHT, IN
8 DR. PIZZO'S WORDS. AS I SAID THIS MORNING AT THE
9 BEGINNING OF THE SPOTLIGHT, I VIEW IT AS THE PATH
10 THROUGH DARKNESS.

11 IMPORTANTLY, ONE OF THE TOOLS WE HAVE
12 POTENTIALLY OR RESOURCES WE HAVE POTENTIALLY IS IN
13 WORKING WITH THE FEDERAL GOVERNMENT WHICH HAS BEEN
14 EXTRAORDINARILY SUPPORTIVE. WHILE WE'RE DEFERRING
15 TO THE NEXT MEETING A FULL DISCUSSION ON THE
16 INTERFACE WITH THE FEDERAL GOVERNMENT, IT'S
17 IMPORTANT TO NOTE THAT, WHILE THERE ARE A NUMBER OF
18 GROUPS AROUND THE COUNTRY THAT ARE FOCUSED ON THE
19 NATIONAL INSTITUTES OF HEALTH AND INCREASING THAT
20 FUNDING, AND CERTAINLY THAT IS ONE OF OUR EMPHASES
21 AS WELL, THERE IS A CONSTRAINT INHERENT IN THE
22 MATHEMATICS OF THE JOB CREATION BILL THAT
23 CONGRESSMAN OBEY EDUCATED ME ON WHEN I WAS IN
24 WASHINGTON A LITTLE OVER TWO WEEKS AGO. AND THAT
25 CONSTRAINT IS THAT WHEN YOU RAISE THE BASELINE FOR

BARRISTERS' REPORTING SERVICE

1 THE NIH, YOU'RE CHARGED ON A BUDGETARY SYSTEM NOT
2 FOR ONE YEAR OF FUNDING, BUT FOR FOUR YEARS OF
3 FUNDING.

4 SO IF YOU'RE LOOKING AT THE JOB CREATIONS
5 IN THE FIRST YEAR FROM RAISING THE NIH, YOU HAVE A
6 NEGATIVE LEVERAGE BECAUSE THEY'RE COUNTING IT AS IF
7 YOU HAVE TO PUT OUT FOUR YEARS OF FUNDING TO ACHIEVE
8 THAT GOAL. IF, IN FACT, THEY DO THE MATH ON A
9 TWO-YEAR BASIS IN TERMS OF JOB CREATION, YOU STILL
10 HAVE TWO ADDITIONAL YEARS YOU'RE CHARGED WITH.

11 I SAW CONGRESSMAN OBEY, WHO'S CHAIRMAN OF
12 THE HOUSE APPROPRIATIONS, THREE HOURS BEFORE THE
13 MARKUP. HE WAS VERY GENEROUS AND SPENT AN HOUR WITH
14 ME DISCUSSING THE WHOLE ISSUE OF THE STATES BECAUSE
15 HE SAW THE STATES POTENTIALLY AS A WAY TO ADVANCE
16 MORE FUNDS TO BIOMEDICAL RESEARCH THAN HE COULD GET
17 CONSENSUS IN SUPPORTING FOR THE NIH. THE NIH FIGURE
18 HE WAS AT THAT MEETING WAS A BILLION. I
19 ENCOURAGED HIM TO INCREASE IT FURTHER.

20 THE SPEAKER PELOSI STRONGLY TOOK A
21 POSITION TO INCREASE NIH FUNDING. I HAD MET WITH
22 WENDALL PRIMUS, HER HEAD POLICYMAKER, AND THE
23 SPEAKER; AND, IN FACT, THE HOUSE DID COME UP IN THE
24 MARKUP THREE HOURS LATER WITH A HIGHER NIH FIGURE
25 BECAUSE OF A LOT OF DEDICATED EFFORTS BY SCIENTIFIC

BARRISTERS' REPORTING SERVICE

1 GROUPS, BY UNIVERSITIES, BY PATIENT GROUPS AROUND
2 THE COUNTRY.

3 BUT THERE ARE VERY FEW INDIVIDUALS, AN
4 EXTREMELY LIMITED GROUP, WHO ARE BACK IN WASHINGTON
5 DEALING WITH THE STATE'S POTENTIAL COMPLEMENTARY
6 ROLE IN THIS BIOMEDICAL RESEARCH. AND WE CERTAINLY
7 NEED AN AGGRESSIVE CRISIS LEVEL OF PRESENCE IN
8 WASHINGTON BECAUSE IT'S NOT REALLY WHAT HAPPENS OVER
9 THE PHONE. IT'S WHAT HAPPENS IN PERSON AND NOT JUST
10 WHAT HAPPENS AT THE STAFF LEVEL.

11 I'VE DISCUSSED WITH A COUPLE OF BOARD
12 MEMBERS THE FACT THAT THE STAFF IS IN THESE TIMES AN
13 EXTREME FILTER ON INFORMATION GETTING TO THE
14 CONGRESSMEN, CONGRESSWOMEN, AND THE SENATORS. IT IS
15 CRITICAL, AND I MAY ASK TO DRAFT A NUMBER OF THE
16 BOARD MEMBERS IN A COMPLEMENTARY -- IN A ROLE
17 SUPPORTING THE STATES IN A COMPLEMENTARY ROLE TO THE
18 NIH.

19 OUR EFFORTS IN WASHINGTON ARE NOT GOING TO
20 BE NECESSARILY LIMITED TO THE STIMULUS BILL, THE
21 OMNIBUS BILL, WHICH CARRIES THE BUDGET BEYOND THE
22 CONTINUING RESOLUTIONS THAT END IN MARCH THROUGH THE
23 REST OF THE FEDERAL FISCAL YEAR AND THE 2010 BUDGET.
24 OUR ROLE IN WASHINGTON IS GOING TO HAVE TO BE
25 CARRIED IF, IN FACT, THE STATES ARE GOING TO BENEFIT

BARRISTERS' REPORTING SERVICE

1 EVEN THROUGH THEIR INSTITUTIONS DOWN TO THE LEVEL OF
2 THE AGENCIES THAT ADMINISTER AND IMPLEMENT THESE
3 FEDERAL PROGRAMS.

4 A SINGLE LINE CAN BE ABSOLUTELY CRITICAL.
5 IF THAT LINE IN THE CAPITAL RESEARCH PROGRAM
6 INCLUDES UNIVERSITIES AND NONPROFIT INSTITUTIONS FOR
7 CAPITAL FUNDING OF NEW CONSTRUCTION AND IT'S IN THE
8 COMMITTEE REPORTS WHICH EXPANDS ON THE BILL ITSELF,
9 THEN OUR INSTITUTIONS WHO NEED CAPITAL FUNDING FOR
10 RESEARCH FACILITIES CAN POTENTIALLY ACCESS THOSE
11 FUNDS. THAT LINE IS NOT IN THE BILL ITSELF. THAT
12 LINE IS PUT IN THE COMMITTEE REPORTS AT A VERY LATE
13 HOUR.

14 IT'S IMPORTANT FOR US TO UNDERSTAND THAT
15 IN THE COMPETITION FOR RESOURCES, WE HAVE A GREAT
16 STORY, BUT WE ARE GOING TO NEED TO SPEAK UP. THE
17 GOVERNOR OF THE STATE OF WISCONSIN, JIM DOYLE, IS A
18 GREAT ADVOCATE. THE INDIVIDUALS REPRESENTING
19 MASSACHUSETTS ARE GREAT ADVOCATES, BUT THERE ARE
20 VERY FEW STATES THAT ARE ACTUALLY FIELDING
21 INDIVIDUALS IN WASHINGTON DEALING WITH HOW THE
22 STATES CAN SERVE AS COMPLEMENTARY BIOMEDICAL OR IN
23 THIS CASE STEM CELL RESEARCH FUNDING PARTNERS.

24 THERE ARE 32 STATES THAT HAVE BIOMEDICAL
25 RESEARCH FUNDING PROGRAMS OF SOME KIND, EITHER LOAN

BARRISTERS' REPORTING SERVICE

1 PROGRAMS OR GRANT PROGRAMS. THERE ARE ABOUT 18
2 STATES THAT HAVE SOME FORM, ALTHOUGH IN MANY CASES
3 NASCENT FORMS, OF STEM CELL RESEARCH PROGRAMS.

4 WHAT I WOULD LIKE TO EMPHASIZE ON THE
5 POSITIVE SIDE, DR. PIZZO'S PATH TO LIGHT, IS THAT
6 THE RECEPTION IN WASHINGTON FOR STATE FUNDING OF
7 BIOMEDICAL RESEARCH AND STEM CELL RESEARCH IN
8 PARTICULAR IS PHENOMENAL. WHEN I WAS BACK THERE TWO
9 WEEKS AGO, DESPITE VOTES GOING ON CONSTANTLY,
10 COMMITTEES MEETING, THE PREPARATIONS FOR THE
11 INAUGURATION THE FOLLOWING WEEK, I THINK IN A PERIOD
12 OF FOUR DAYS, I WAS ABLE TO SEE ABOUT 15 OR 20
13 SENATORS AND APPROXIMATELY TEN HOUSE MEMBERS,
14 INCLUDING THE LEADERSHIP OF THE KEY COMMITTEES IN
15 THE SENATE AND THE LEADERSHIP IN THE HOUSE.

16 THE AVAILABILITY IS THERE TO US, BUT WE
17 NEED TO BE THERE PHYSICALLY, AND WE'RE GOING TO NEED
18 TO HAVE A VERY MAJOR PRESENCE. HAVING LAWYERS
19 REPRESENT YOU IN WASHINGTON IS VALUABLE AS A
20 TECHNICAL AND AS A SUPPORT TOOL. IT IS NOT A
21 SUBSTITUTE FOR ADVOCACY, INCLUDING BOARD MEMBER
22 ADVOCACY. THE ATTITUDE OF SENATORS AND CONGRESSMEN
23 TO ADVOCATES AND BOARD MEMBERS OF BOARDS LIKE OUR
24 OWN IS THAT WE'RE HERE DEDICATED TO A MISSION. OUR
25 PRIMARY MISSION IS TO ADVANCE MEDICAL RESEARCH.

BARRISTERS' REPORTING SERVICE

1 WE'RE HERE FOR PUBLIC SERVICE JUST LIKE THEY ARE
2 HERE IN PUBLIC SERVICE. WE HAVE A POWERFUL VOICE.
3 THE TECHNICAL SUPPORTING AND
4 ADMINISTRATIVE PROCESS THAT LAWYERS CAN HELP US WITH
5 IN WASHINGTON TO MOVE PROGRAMS DOWNSTREAM TO MAKE
6 SURE THAT THEY'RE GOING TO DELIVER FUNDS AS THE
7 REPRESENTATIVES INTENDED IS AN IMPORTANT SUPPORT
8 FUNCTION, BUT THERE IS NO SUBSTITUTE FOR THE ACTUAL
9 ADVOCACY OF INDIVIDUALS ON THIS BOARD AND/OR
10 SUPPORTING DISEASE GROUPS OR OTHER ORGANIZATIONS.
11 I'D LIKE TO SPECIFICALLY ASK THE BOARD
12 MEMBERS TO THINK ABOUT WHEN THEY CAN BE AVAILABLE.
13 THIS IS NOT A PROCESS OF JUST GETTING THE STIMULUS
14 BILL THROUGH. THIS IS NOT A PROCESS OF JUST GETTING
15 THE '09 BUDGET BILL THROUGH. THIS IS NOT A PROCESS
16 OF JUST GETTING THE 2010 BUDGET THROUGH. THERE'S
17 ALSO THE SUBSEQUENT YEAR BUDGET. TWENTY-FOUR HOURS
18 AGO I WAS ON THE PHONE WITH A SENIOR PERSON IN THE
19 WHITE HOUSE WHO I'VE KNOWN FOR A NUMBER OF YEARS.
20 HIS ADVICE TO ME WAS GO AFTER EVERY PROGRAM. YOU
21 HAVE ON THE MERITS AN EXTREMELY APPEALING AND
22 JUSTIFIED ARGUMENT WITHIN THE PUBLIC POLICY CONTEXT
23 OF THIS ADMINISTRATION. GO AFTER EVERY ONE OF THEM,
24 GO AFTER IT INTENSELY, AND REALIZE THAT YOU MAY GET
25 ONE OUT OF TWO OR THREE PROGRAMS WHERE YOU FINALLY

BARRISTERS' REPORTING SERVICE

1 GET THE FUNDING THROUGH.

2 SO IT'S GOING TO BE A TOUGH PROCESS. IT'S
3 GOING TO TAKE A TREMENDOUS AMOUNT OF EFFORT. AND
4 THE EFFORT WILL BE UNRELENTING IN THE NEXT TWO YEARS
5 BECAUSE, AS WE DISCUSSED LAST NIGHT, IT IS A PATH
6 THROUGH DARKNESS, AND IT WILL TAKE MORE THAN A FEW
7 HOURS OF EVERYONE'S TIME ON THIS BOARD.

8 WITH THAT, I THINK WE HAVE A -- I THINK WE
9 HAVE A QUORUM, BUT I'M GOING TO ASK DR. TROUNSON FOR
10 HIS COMMENT.

11 DR. TROUNSON: THANK YOU, CHAIR. JUST ONE
12 CORRECTION FROM YESTERDAY. JUST ONE CORRECTION FROM
13 YESTERDAY. IN SCENARIO 1 IS INCLUDED THE FACILITIES
14 COMMITMENTS TO THE LAST STAGE EXCEPT FOR A VERY
15 SMALL AMOUNT, EXCEPT FOR A VERY SMALL AMOUNT. AND
16 SO I'M NOT SURE WHY THAT SMALL AMOUNT IS NOT
17 INCLUDED, BUT IT'S ALL IN SCENARIO 1. SO ALL OUR
18 COMMITMENTS ON THE FACILITIES, ON THE FACILITIES
19 PROGRAMS, ARE IN SCENARIO 1 AND, HENCE, WOULD BE IN
20 SCENARIO 2 AND 3.

21 CHAIRMAN KLEIN: SO VERY SPECIFICALLY,
22 THOSE INSTITUTIONS THAT DID NOT GET FRONT-END
23 FUNDING ON A DISCOUNTED PROGRAM, THEY ARE IN THAT
24 SCENARIO 1 CASH FLOW THAT WE WERE DISCUSSING LAST
25 NIGHT.

BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: BOB, I JUST WANT TO FOLLOW UP
2 ON YOUR COMMENTS, WHICH ARE HELPFUL. I SUSPECT THAT
3 ACTUALLY THERE ARE MANY PEOPLE AT THIS TABLE WHO'VE
4 PERSONALLY SPENT A LOT OF TIME MEETING WITH MEMBERS
5 IN CONGRESS. IF MY EXPERIENCE IS REMINISCENT OF
6 ANYONE ELSE, I'VE BEEN ON A REGULAR BASIS OVER THE
7 PAST 15 YEARS AND EVEN LOTS MORE WHEN I WAS AT
8 BETHESDA. AND I THINK THAT ONE THING THAT HAS
9 CHANGED FOR SURE HAS BEEN, AND THIS BEGAN BACK IN
10 2006, IS THE INCREASED, AGAIN, SUPPORT FOR
11 BIOMEDICAL RESEARCH BY THE CONGRESS DESPITE THE
12 ANTISCIENCE MOOD THAT WAS STILL PERVASIVE IN
13 WASHINGTON.

14 BUT THAT SAID, I WANT TO JUST MAKE SURE
15 THAT WE THINK ABOUT WHAT WE'RE SEEKING VIS-A-VIS
16 STATE VERSUS FEDERAL GOVERNMENT. I DON'T THINK I
17 HAVE, NOR DO I SUSPECT ANYONE HERE DOES, ANY DOUBT
18 ABOUT THE IMPORTANCE OF WHAT PROP 71 HAS BROUGHT TO
19 THE AGENDA OF STEM CELL RESEARCH. SO I THINK THAT
20 GOES WITHOUT SAYING. I ALSO DON'T HAVE ANY DOUBT
21 ABOUT WHAT HAS MADE THE UNITED STATES THROUGH NOW
22 THE LEADER IN BIOMEDICAL RESEARCH IN THE WORLD,
23 WHICH HAS BEEN THE STRENGTH OF FEDERAL SUPPORT
24 THROUGH THE NIH, THE NSF, AND OTHER FEDERAL
25 AGENCIES.

BARRISTERS' REPORTING SERVICE

1 AND I ALSO, WHILE I'D LOVE TO THINK ABOUT
2 COMPLEMENTARY INTERACTIONS, I WANT TO JUST SHARE A
3 FEAR THAT IT WOULD BE VERY EASY FOR THE GOVERNMENT,
4 PARTICULARLY IN TIMES OF DIFFICULTY, TO SAY, WELL,
5 WE'LL JUST SHED SOME OF THIS WORK TO THE STATES.
6 LET THEM PICK UP THE BURDEN. SO IF WE TAKE ON AN
7 ARGUMENT THAT SAYS WE WANT TO EXPAND THE STATE
8 CONTRIBUTIONS TO BIOMEDICAL RESEARCH, WE MAY FIND A
9 VERY WELCOMING VOICE IN WASHINGTON; BUT IN THE LONG
10 RUN, THAT MAY INADVERTENTLY SABOTAGE THE STRENGTH OF
11 ORGANIZATIONS LIKE THE NIH, WHICH WILL HAVE
12 DISASTROUS COMPLICATIONS GOING FORWARD.

13 SO I WANT TO JUST BE SURE THAT WE THINK
14 MINDFULLY ABOUT WHAT WE'RE DOING. WE DO HAVE A
15 SHORT-TERM PROBLEM IN CALIFORNIA. WE DO HAVE -- WE
16 HAVE TAKEN A LEAD IN STEM CELL RESEARCH THAT'S
17 FILLED IN A VITAL GAP, BUT I THINK OUR GOALS AS
18 INDIVIDUALS HAS TO BE TO ECHO SUPPORT FOR WHAT HAS
19 MADE THIS NATION THE LEADER IN BIOSCIENCE, WHICH IS
20 THE STRENGTH AND INTEGRITY OF OUR NATIONAL
21 INSTITUTES OF HEALTH.

22 CHAIRMAN KLEIN: I THINK IT'S VERY
23 IMPORTANT TO EMPHASIZE YOUR POINT, THAT WE HAVE
24 EMPHASIZED THAT THE NIH IS THE BACKBONE OF THIS
25 COUNTRY'S BIOMEDICAL RESEARCH, AND WE NEED TO

BARRISTERS' REPORTING SERVICE

1 MAXIMIZE WHATEVER NIH FUNDING CAN BE ACHIEVED AND IN
2 AN ORDERLY FASHION, AS YOU'VE PREVIOUSLY EMPHASIZED.

3 WHAT WE'RE LOOKING AT HERE IS ALSO NOT
4 UNLIMITED ON THE STATE SIDE. IT HAS TO BE WHAT THE
5 STATES CAN CURRENTLY SHOW THAT THEY HAVE THE
6 INFRASTRUCTURE, THE PROVEN INFRASTRUCTURE, TO
7 HANDLE. OUTSIDE OF CALIFORNIA, WISCONSIN,
8 MASSACHUSETTS, AND A FEW OTHER STATES, THAT'S VERY
9 LIMITED. ON A RELATIVE SCALE TO THE NIH, IT'S
10 EXTREMELY LIMITED, BUT IT IS AN IMPORTANT
11 COMPLEMENTARY CONTRIBUTION.

12 SO IT'S VERY CLEAR WHAT OUR EMPHASIS IS
13 STRATEGICALLY FOR THE CONTINUITY OF OUR PROGRAM AND
14 FOR THE CONTINUITY OF OTHER STEM CELL PROGRAMS
15 AROUND THE COUNTRY. THE STATES' DOLLARS THAT ARE
16 NECESSARY FOR THAT CONTINUITY ARE RELATIVELY SMALL
17 DOLLARS IN THE SEVEN OR \$800 BILLION THAT ARE BEING
18 ADDRESSED.

19 MS. KING: EXCUSE ME. CAN I JUST CHECK,
20 SHERRY, BEFORE YOU START? DR. ROME, ARE YOU ON THE
21 LINE?

22 DR. ROME: I'M HERE, YES.

23 MS. KING: EXCELLENT. SO FOR THE RECORD,
24 DR. LEONARD ROME IS JOINING FOR DR. LEVEY FROM UCLA.

25 MS. LANSING: I THINK WE ALSO HAVE TO BE

BARRISTERS' REPORTING SERVICE

1 MINDFUL OF THE CHALLENGE THAT IS OUTLINED IN THE
2 ARTICLE AS WELL, WHICH IS THE PRESIDENT HAS STATED
3 THAT HE WILL LIFT THE BAN ON STEM CELL RESEARCH.
4 HE'S BEEN GOOD ON ALL OF HIS PROMISES SO FAR, SO I
5 HAVE NO REASON TO DOUBT THAT HE WILL NOT BE GOOD ON
6 THIS AS WELL. THEN THE FUNDING WILL BE LOOKED AT, I
7 THINK, I CAN'T PREDICT FOR SURE, BUT LOGICALLY WILL
8 BE LOOKED AT SOMETHING THAT COMES FROM THE NATIONAL
9 INSTITUTE OF HEALTH.

10 AND THEN I THINK WE, WRONGLY SO, WILL BE
11 QUESTIONED AS TO WHAT OUR PARTICULAR FIRM DOES. AND
12 I THINK THAT IN OUR LOBBYING EFFORTS AND IN ALL OF
13 OUR PUBLIC COMMUNICATIONS, IT IS VERY IMPORTANT THAT
14 OUR MISSION BE SEEN AS NEEDED AND STILL RELEVANT AND
15 NOT AS SOMETHING THAT HAS BEEN TAKEN CARE OF BY THE
16 NATIONAL GOVERNMENT. SO I THINK THAT IS SOMETHING
17 THAT WE ALL KNOW. AND THIS ARTICLE, YOU KNOW, ALSO
18 STATES ONE OF THE WAYS THAT WE'RE HELPFUL, CERTAINLY
19 NOT THE ONLY WAY.

20 BUT I THINK THE VOTERS HAVE SPOKEN. THIS
21 IS WHAT THE VOTERS OF CALIFORNIA WISH THEIR DOLLARS
22 TO GO FOR. THAT HAS BEEN SOMETHING THEY HAVE MADE
23 QUITE CLEAR, AND WE HAVE A MISSION THAT WE HAVE TO
24 COMPLETE NO MATTER WHAT HAPPENS AT THE FEDERAL
25 LEVEL, WHICH WILL ONLY BE GOOD NEWS FOR US.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DR. FRIEDMAN.

2 DR. FRIEDMAN: MR. CHAIRMAN, I DON'T WANT
3 TO PROLONG THIS, BUT JUST A COUPLE OF QUICK POINTS.
4 ONE IS THAT I REALLY ENDORSE WHAT THE PREVIOUS
5 SPEAKERS HAVE SAID, BUT WHAT I'D LIKE US TO DO IS TO
6 HAVE A VERY CLEARLY ARTICULATED SET OF SPEAKING
7 POINTS THAT WE ALL USE. YOUR POINT ABOUT MANY
8 PEOPLE WANTING TO PARTICIPATE I THINK IS GOOD. IT
9 MAGNIFIES THE EFFECT.

10 THE CHANCE FOR MISSTATEMENT AND
11 MISCOMMUNICATION AND MISUNDERSTANDING IS EXTREMELY
12 HIGH. WE ALL HAVE DIFFERENT VISIONS OF WHAT WE
13 WOULD LIKE. I ABSOLUTELY WOULD NOT LIKE US TO TRY
14 AND CRAFT THAT MESSAGE HERE. I THINK THIS IS THE
15 WRONG PLACE TO TRY AND DO IT. I DO ASK YOU TO
16 PLEASE, EITHER WITH A STANDING OR APPOINT SOME
17 SUBCOMMITTEE, VERY SIMPLE SET OF SPEAKING POINTS,
18 THE SIMPLER THE BETTER, AND THAT WILL BE THE BASIS
19 OF WHAT WE DO TO MAKE SURE THAT PHIL'S POINTS ABOUT
20 THE NIH AND SHERRY'S POINTS ABOUT THE INTEGRITY OF
21 OUR OWN SYSTEM ARE TAKEN CARE OF.

22 AND SO IT'S A GOOD CALL TO ARMS, BUT WE'RE
23 NOT READY TO GO -- NOBODY HERE IS READY TO GO TO
24 WASHINGTON TO TAKE A MESSAGE BECAUSE WE DON'T HAVE A
25 CLEARLY ARTICULATED MESSAGE AT THIS MOMENT, I THINK.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I THINK WE HAVE A MESSAGE
2 ON CERTAIN POINTS. CERTAINLY SUPPORTING THE
3 BACKBONE OF THE NIH IS VERY CLEAR. AND I DO THINK
4 WE HAVE A MESSAGE THAT NEEDS TO BE CRAFTED AND PUT
5 INTO BULLET POINTS SO THAT WE HAVE A CONSISTENT
6 MESSAGE.

7 DR. FRIEDMAN: THAT'S ALL I'M ASKING.

8 CHAIRMAN KLEIN: RIGHT. SO WHAT WE HAVE
9 TODAY IS --

10 DR. SIMPSON: ARE YOU TAKING PUBLIC
11 COMMENT ON THAT REPORT?

12 CHAIRMAN KLEIN: WHY DON'T WE TAKE A
13 MOMENT FOR A PUBLIC COMMENT ON THIS GENERAL POINT.
14 AND I WOULD ALSO SAY TO DR. FRIEDMAN, IN TERMS OF
15 MESSAGING, IN TERMS OF A COMPLEMENTARY RELATIONSHIP,
16 AS SHERRY HAS REFERENCED, TO THE NIH, ONE OF THE
17 THINGS THAT'S EXTREMELY ATTRACTIVE IN WASHINGTON IS
18 THAT WE'RE DOING THINGS LIKE DISEASE TEAMS, WHICH IS
19 NOT A STANDARD NIH PROGRAM, BUT VIEWED AS
20 COMPLEMENTARY TO THE NIH, THAT WE HAVE THE ABILITY
21 TO FUND PHASE I HUMAN TRIALS AND PHASE II HUMAN
22 TRIALS, WHICH IS A RARE OCCURRENCE THROUGH THE NIH.
23 AND THEIR FUNDING PROGRAMS AND FUTURE FUNDING
24 PROGRAMS AT THIS TIME DON'T ANTICIPATE A MAJOR
25 CHANGE IN THAT ROLE.

BARRISTERS' REPORTING SERVICE

1 SO IN THE THERAPEUTIC AND TRANSLATIONAL
2 DEVELOPMENT AREA, WE HAVE A ROLE THAT IS A
3 COMPLEMENTARY ROLE THAT REALLY HELPS DRIVE TOWARDS
4 PATIENTS THAT IS VERY ATTRACTIVE AS A COMPLEMENTARY
5 ROLE IN THE EYES OF LEADERSHIP IN WASHINGTON.

6 PUBLIC COMMENT.

7 DR. SIMPSON: JOHN SIMPSON WITH CONSUMER
8 WATCHDOG. I THINK IT'S IMPORTANT THAT WE TRY AND
9 FORM APPROPRIATE COLLABORATIONS AT THE NATIONAL
10 LEVEL, AND THAT MAKES SENSE. BUT I HAVE TO SAY THAT
11 I'M VERY SKEPTICAL ABOUT THE NOTION OF THE NEED TO
12 HAVE A FULL-FLEDGED, FULL-PRESS LOBBYING EFFORT
13 THERE. AND I'M TROUBLED BY THE FACT THAT WHAT
14 APPEARS TO BE AN RFP OUT FOR A \$200,000 LOBBYIST, I
15 THINK THAT THE VOTERS OF CALIFORNIA WANTED THIS TO
16 HAPPEN IN CALIFORNIA AND THAT THE EMPHASIS SHOULD BE
17 HERE, NOT PLAYING ON NOW THE NATIONAL STAGE.

18 I THINK IT'S IMPORTANT THAT AT THE LEVEL
19 OF THE WORKING SCIENTISTS THAT PERHAPS THE PRESIDENT
20 HAVE GOOD RELATIONSHIPS WITH THE NIH, BUT I'M VERY
21 SKEPTICAL ABOUT THE WISDOM OF TRYING TO INFLUENCE
22 THE FEDERAL STIMULUS PACKAGE AND ALL THOSE SORTS OF
23 THINGS. IT DIVERTS YOU FROM WHAT SHOULD BE YOUR
24 SIMPLE, PRIMARY GOAL OF FIGURING OUT, IN THE CONTEXT
25 OF WHAT WENT ON LAST NIGHT, WHERE TO GET THE MONEY

BARRISTERS' REPORTING SERVICE

1 TO FUND THE COMMITMENTS HERE. THAT'S PRIMARILY, I
2 THINK, THROUGH A VERY CREATIVE EFFORT OF PRIVATE
3 BOND PLACEMENT.

4 AND IT WOULD SEEM TO ME THAT A LOT OF THIS
5 OTHER STUFF IS DIVERSIONARY, ADDS COSTS, AND I'M
6 HIGHLY SKEPTICAL. I JUST WANTED TO GET THAT ON THE
7 RECORD. THANK YOU.

8 CHAIRMAN KLEIN: SURE. THERE IS AN RFP
9 OUT. THE DOLLAR AMOUNT OF THAT IS COMPLETELY
10 UNKNOWN AT THIS TIME. IT'S IN ORDER TO ATTRACT
11 PROPOSALS AND SEE WHAT WE HAVE AND WHAT RESOURCES WE
12 NEED. SO WE'RE IN AN INVESTIGATION STAGE OF THAT.

13 DR. PENHOET: JUST A QUICK COMMENT. I'VE
14 BEEN A STRONG ADVOCATE OF YOUR POINT OF VIEW, WHICH
15 IS WE SHOULD STICK WITH OUR KNITTING IN CALIFORNIA
16 AND DO OUR JOB WELL. HOWEVER, IN DOING SO, WE HAVE
17 BECOME THE WORLD'S LEADING AUTHORITIES ON THIS
18 FIELD. AND I DO THINK WE HAVE SOME OBLIGATION TO
19 SHARE OUR EXPERIENCE, OUR KNOWLEDGE OF THE FIELD,
20 ETC., WITH OTHERS BECAUSE IT TURNS OUT WE ARE THE
21 WORLD LEADERS. WE'RE CERTAINLY THE LEADERS IN THE
22 UNITED STATES, AND I THINK WE'RE THE LEADERS
23 WORLDWIDE IN TERMS OF THE TOTAL QUANTITY AND QUALITY
24 OF THE PROGRAMS THAT WE'VE FUNDED, THE INFORMATION
25 WE'RE GETTING BACK, JUST THE MASS OF WHAT WE'VE

BARRISTERS' REPORTING SERVICE

1 DONE.

2 SO AT SOME LEVEL I THINK WE HAVE AN
3 OBLIGATION BEYOND THE BORDERS OF OUR STATE TO SHARE
4 WHAT WE'VE LEARNED HERE AND TO CONTINUE TO PLAY A
5 LEADERSHIP ROLE.

6 HAVING SAID THAT, WE OBVIOUSLY STILL NEED
7 TO STICK WITH OUR KNITTING IF WE WANT TO MAINTAIN
8 THAT LEADERSHIP ROLE.

9 CHAIRMAN KLEIN: I'D ALSO POINT OUT THE
10 INITIATIVE SPECIFICALLY SPEAKS AND ADDRESSES AND
11 INTENDS THIS AGENCY TO HAVE AN ACTIVE ROLE WITH
12 CONGRESS. THAT IS SPECIFICALLY ADDRESSED IN THE
13 INITIATIVE.

14 SO LET'S GO FORWARD AND DEAL WITH THE
15 FIRST ITEM ON TODAY'S AGENDA, WHICH I BELIEVE WOULD
16 BE ITEM 5. THIS IS THE CARRY-OVER -- EXCUSE ME --
17 ITEM 4, WHICH ARE THE GRANTS WORKING GROUP ON
18 BRIDGES TO STEM CELL AND TRAINING GRANT NO. 11
19 APPLICATIONS.

20 MS. KING: AND I BELIEVE WE'LL BE STARTING
21 WITH TRAINING GRANTS.

22 DR. SAMBRANO: MR. CHAIR --

23 CHAIRMAN KLEIN: SHERRY LANSING.

24 MS. LANSING: I WANT TO BE CLEAR THAT --
25 WELL, WE HAVEN'T COME TO THIS CONCLUSION YET

BARRISTERS' REPORTING SERVICE

1 ACTUALLY BECAUSE ARE WE NOW LOOKING -- I WOULD LIKE
2 TO RECOMMEND THAT WE LOOK AT ALL OF THE, NOT JUST
3 THESE GRANTS, BUT ALL OF THE GRANTS AND PROPOSALS
4 THAT ARE UP FOR CONSIDERATION AND THAT WE MAKE OUR
5 DECISIONS BASED ON THEIR SCIENTIFIC MERIT, BUT THAT
6 WE ALWAYS ADD AT THE END OF THEM "SUBJECT TO FUNDING
7 BEING AVAILABLE." BUT I DON'T THINK WE ACTUALLY
8 HAVE TAKEN A CONSENSUS TO BE SURE EVERYBODY IS OKAY.

9 CHAIRMAN KLEIN: I THINK IT'S A GOOD
10 OPENING POSITION. AND AS WE GO THROUGH, AFTER THE
11 PRESENTATION, I THINK IT'S IN ORDER TO HAVE A
12 MOTION.

13 MR. ROTH: MR. CHAIRMAN, I SORT OF THINK
14 WE OUGHT TO DO THAT FIRST. THERE WAS DISCUSSION
15 LAST NIGHT WHERE PEOPLE WERE NOT IN FAVOR OF DOING
16 THE REVIEW HERE AND PUTTING IT OFF. BUT IF WE COULD
17 SETTLE THAT FIRST, I THINK THAT WOULD SAVE POTENTIAL
18 TIME IN GOING THROUGH THE MERITS OF THESE PROPOSALS.

19 CHAIRMAN KLEIN: WE'RE STILL GOING THROUGH
20 THE MERITS OF THESE -- OF WHAT'S BEING PROPOSED; BUT
21 AS A POLICY STATEMENT, IF WE'D LIKE TO OPEN AND
22 ESTABLISH A FRAMEWORK FOR THIS DISCUSSION, I THINK
23 THAT'S ENTIRELY APPROPRIATE. SO IF WE LIKE, SHERRY,
24 WOULD YOU LIKE TO MAKE A MOTION?

25 MS. LANSING: YES. I MOVE THAT ALL OF THE

BARRISTERS' REPORTING SERVICE

1 GRANTS, TOOLS, TECHNOLOGY, EVERYTHING THAT IS
2 SCHEDULED FOR TODAY --

3 CHAIRMAN KLEIN: SHERRY, WHAT WE NEED TO
4 DO IS CONFINE IT TO WHAT WE HAVE AGENDIZED TODAY IN
5 TERMS OF THIS MOTION.

6 MS. LANSING: THAT'S WHAT I SAID, BUT
7 THEY'RE ALL AGENDIZED.

8 CHAIRMAN KLEIN: WHAT THE AGENDA ITEM WE
9 HAVE THAT WE CAN CONSIDER RIGHT NOW IS BRIDGES AND
10 TRAINING. THE TOOLS ARE UNDER A SEPARATE AGENDA
11 ITEM.

12 MS. LANSING: OKAY. I RECOMMEND THEN, AND
13 I WILL COME BACK THEN, AND IT'S CALLED TOOLS --

14 CHAIRMAN KLEIN: AND THE ISSUE, I THINK,
15 WITH COUNSEL IS THAT WE NEED SOMEONE WITH NO
16 CONFLICTS TO MAKE THAT MOTION.

17 MS. LANSING: THAT SURE ISN'T ME.

18 MR. ROTH: I'LL MAKE A MOTION. YOU WANT
19 TO DEAL WITH THESE SEPARATELY? YOU DON'T WANT TO
20 DEAL WITH ALL THREE?

21 CHAIRMAN KLEIN: WE HAVE TWO DIFFERENT
22 AGENDIZED ITEMS, SO WE CAN DEAL WITH BOTH BRIDGES
23 AND TRAINING UNDER THIS MOTION.

24 MR. ROTH: SO THIS ONE IS TRAINING. I'LL
25 MAKE A MOTION THAT WE CONSIDER BRIDGES AND TRAINING

BARRISTERS' REPORTING SERVICE

1 WITH THE CAVEAT THAT WE WOULD APPROVE AND THEN
2 LEDGER WHEN FUNDS -- WHEN AND IF FUNDS ARE
3 AVAIL ABLE.

4 CHAIRMAN KLEIN: IF I CAN ASSIST WITH THAT
5 WORDING, PERHAPS INSTEAD OF THE WORD "LEDGER," IF WE
6 CAN APPROVE THEM FOR FUNDING SUBJECT TO THE
7 AVAIL ABILITY OF FUNDING.

8 MR. ROTH: THAT' S CORRECT.

9 DR. REED: SECOND.

10 CHAIRMAN KLEIN: IT' S BEEN MOVED AND
11 SECONDED.

12 (SIMULTANEOUS DISCUSSION.)

13 CHAIRMAN KLEIN: IS THERE A SECOND TO THE
14 MOTION FROM SOMEONE WITH NO CONFLICTS?

15 MS. LANSING: DON' T WE HAVE A SECOND?

16 CHAIRMAN KLEIN: I CAN SECOND. I WILL
17 SECOND FOR PURPOSES OF THIS DISCUSSION.

18 MR. HARRISON: MR. CHAIR, COULD I ASK FOR
19 ONE CLARIFICATION WITH RESPECT TO THE MOTION? IS
20 THE DETERMINATION AS TO WHETHER SUFFICIENT FUNDS ARE
21 AVAIL ABLE INTENDED TO BE LEFT IN THE HANDS OF STAFF,
22 OR IS THAT A MATTER TO BE BROUGHT BACK TO THE BOARD?

23 MR. ROTH: MATTER TO BE BROUGHT BACK TO
24 THE BOARD.

25 CHAIRMAN KLEIN: DR. PULIAFITO.

BARRISTERS' REPORTING SERVICE

1 DR. PULIAFITO: THIS IS A QUESTION. OKAY.
2 I AGREE WITH THE APPROACH HERE, BUT WE DON'T KNOW
3 WHAT OUR FINANCIAL FUTURE IS. SO I THINK THAT IT'S
4 IMPORTANT THAT WE HAVE THE ABILITY, WE MAY WISH --
5 IF WE HAVE LIMITED FUNDS, WE MAY WISH TO NOT FUND
6 THESE AND FUND SOMETHING ELSE. SO IN OTHER WORDS,
7 IT CAN'T BE THAT THE NEXT TIME WE GET A DOLLAR THAT
8 WE'RE GOING TO GIVE IT AUTOMATICALLY TO THIS. IS
9 THAT --

10 CHAIRMAN KLEIN: WELL, THAT'S NOT IN THIS
11 CURRENT MOTION. THIS MOTION AS CURRENTLY STATED --

12 MR. SERRANO-SEWELL: IT'S A FAIR QUESTION
13 THOUGH. IS THE INTENT BEHIND THE MOTION --

14 CHAIRMAN KLEIN: I'M GOING TO ASK THE
15 MAKER OF THE MOTION.

16 MR. ROTH: MY INTENT WOULD BE THAT IT COME
17 BACK TO THIS BOARD TO MAKE THAT DETERMINATION AS THE
18 FUNDS ARE AVAILABLE.

19 DR. POMEROY: I HAVE A POINT OF ORDER FOR
20 JAMES.

21 CHAIRMAN KLEIN: DR. POMEROY.

22 DR. POMEROY: I'M NOT ALLOWED TO SPEAK TO
23 THIS MOTION PER SE BECAUSE I'M CONFLICTED ON THE
24 TRAINING GRANTS. I FEEL THAT THAT SHUTS OUT MY
25 VOICE ABOUT THE DECISION THAT WE'RE REALLY MAKING,

BARRISTERS' REPORTING SERVICE

1 WHICH IS HOW TO PRIORITIZE OUR FINANCES. AND I,
2 THEREFORE, AM TROUBLED BY THE FACT THAT I WON'T BE,
3 BY VIRTUE OF HOW THIS IS BEING FRAMED, I WON'T BE
4 ABLE TO HAVE INPUT INTO THE REAL ISSUE OF BEING
5 FISCALLY RESPONSIBLE.

6 CHAIRMAN KLEIN: OKAY. LET ME ADDRESS --

7 DR. POMEROY: MY QUESTION WAS TO JAMES, SO
8 MAYBE HE COULD ANSWER THAT.

9 MR. HARRISON: I SYMPATHIZE WITH YOUR
10 POSITION. UNFORTUNATELY ONE OF THE CHALLENGES WE
11 FACE IS THAT WHEN WE CONSIDER OMNIBUS MOTIONS LIKE
12 THIS THAT DEAL AT LARGE WITH AN ENTIRE GRANT
13 PROGRAM, IT EFFECTIVELY PRECLUDES THOSE MEMBERS WHO
14 HAVE AN INTEREST IN AN APPLICATION WITHIN THAT ROUND
15 FROM PARTICIPATING IN THE DISCUSSION OF THE OMNIBUS
16 MOTION.

17 WE'VE DEVELOPED A TOOL TO LET YOU
18 PARTICIPATE IN A VOTE THROUGH THE MECHANISM OF
19 VOTING FOR THE MOTION OR AGAINST IT WITH THE
20 EXCEPTION OF THOSE APPLICATIONS IN WHICH YOU HAVE AN
21 INTEREST, WHICH I ADMIT IT DOES NOT SOLVE THE
22 PROBLEM. BUT THUS FAR, WE HAVEN'T BEEN ABLE TO
23 DEVELOP AN ALTERNATIVE THAT ADDRESSES YOUR CONCERN
24 WHEN WE HAVE AN OMNIBUS MOTION LIKE THIS.

25 CHAIRMAN KLEIN: I WOULD SUPPLEMENT THOSE

BARRISTERS' REPORTING SERVICE

1 COMMENTS, DR. POMEROY, BY STATING THAT WE'VE ALREADY
2 INDICATED IN MARCH WE'RE COMING BACK TO SPECIFICALLY
3 ADDRESS ON A POLICY LEVEL, NOT RELATED TO ANY
4 SPECIFIC APPLICATION, OUR POLICY POSITION, WHICH WE
5 CERTAINLY WILL REVISIT IN APRIL AND PROBABLY
6 FREQUENTLY THEREAFTER, ON FUNDING. SO THIS IS NOT
7 THE ONLY CHANCE TO HAVE A FULL DISCUSSION. WE PUT
8 INFORMATION ON THE TABLE IN THE DISCUSSIONS LAST
9 NIGHT, BUT --

10 DR. POMEROY: I APPRECIATE THAT, BUT THIS
11 IS A POLICY DECISION BY DEFAULT THROUGH A DIFFERENT
12 MECHANISM. SO I JUST WANT TO GO ON THE RECORD WITH
13 MY DISCOMFORT WITH THAT.

14 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU.
15 DR. PIZZO.

16 DR. PIZZO: WELL, CERTAINLY BEING
17 SYMPATHETIC TO CLAIRE'S POINT AND DISCOMFORT, AND I
18 WON'T TALK ABOUT THE CURRENT PROPOSAL, BUT I JUST
19 WILL BY REFLECTION SAY THAT AT AN EARLIER TIME WHEN
20 WE DID NOT HAVE FUNDS AVAILABLE, WE AS A GROUP
21 APPROVED THE TRAINING GRANTS. AND WE DID SO FOR A
22 SPECIFIC REASON. WE DID SO IN ANTICIPATION, HOPEFUL
23 ANTICIPATION, OF BOND ADVANCEMENT NOTES AT THAT
24 TIME, AND WE DID SO TACTICALLY BECAUSE WE FELT THAT
25 BY HAVING SOMETHING CONCRETE IN OUR PORTFOLIO, IT

BARRISTERS' REPORTING SERVICE

1 WOULD ENABLE US TO MAKE THE CASE EVEN MORE STRONGLY
2 TO THOSE WHO MAY BE SUPPORTING THE PROGRAM.

3 SO I THINK THAT IN A SENSE WE DO HAVE A
4 HISTORY IN THIS AREA OF COMING FORWARD IN
5 ANTICIPATION OF SOMETHING WITH CONCRETE PROPOSALS
6 THAT A DONOR COMMUNITY, IF YOU WILL, MIGHT SEE AS
7 MERITORIOUS.

8 CHAIRMAN KLEIN: I WOULD ALSO SAY IT
9 ADDRESSES THE DONOR COMMUNITY. IT ALSO IS HELPFUL
10 IN TRYING TO ACCOMPLISH PRIVATE PLACEMENTS TO HAVE
11 CONCRETE OBJECTIVES THAT HAVE BEEN IDENTIFIED BY
12 THIS BOARD AS WORTHWHILE OF FUNDING SO THAT WE CAN
13 SHOW THEM THAT WE HAVE A REAL ISSUE IN FUNDING WHERE
14 WE NEED IMMEDIATE ACTION, NOT ACTION ON A LONG-TERM
15 BASIS, BUT IMMEDIATE ACTION FOR THIS PROBLEM IF
16 WE'RE GOING TO CONTINUE TO HAVE OUR MOMENTUM.

17 DR. TROUNSON: CHAIR, I'D JUST MAYBE POINT
18 OUT TO THE BOARD YOU NEED TO BE CAREFUL ABOUT THE
19 WORDS BECAUSE WE ACTUALLY DO HAVE FUNDING AVAILABLE
20 RIGHT AT THE MOMENT. IS IT ADDITIONAL FUNDING, OR
21 IS IT FUNDING AVAILABLE? AND SO I THINK IT WOULD BE
22 IMPORTANT TO CRAFT THE WORDS APPROPRIATELY.

23 CHAIRMAN KLEIN: SO --

24 MR. ROTH: THAT IS MY MOTION, THAT IT
25 WOULD COME BACK TO THIS BOARD TO MAKE THAT

BARRISTERS' REPORTING SERVICE

1 DETERMINATION WHEN FUNDS ARE AVAILABLE.

2 CHAIRMAN KLEIN: I THINK, IF WE CAN JUST
3 COORDINATE THIS DISCUSSION.

4 MR. ROTH: TO FUND THESE SPECIFIC GRANTS,
5 IT HAS TO COME BACK HERE, AND WE'LL MAKE THAT
6 DETERMINATION THAT WE --

7 CHAIRMAN KLEIN: ON FUNDS BEING AVAILABLE.

8 MR. ROTH: THAT'S RIGHT.

9 CHAIRMAN KLEIN: BUT AS I UNDERSTOOD THIS
10 IN CONTEXT, WE'RE LOOKING FOR ADDITIONAL SOURCES OF
11 FUNDING BEYOND THE FUNDS WE HAVE CURRENTLY
12 AVAILABLE. IS THAT A CORRECT STATEMENT?

13 MR. ROTH: AND THAT THAT DETERMINATION
14 WOULD BE MADE BY THIS BOARD AT A FUTURE MEETING.

15 CHAIRMAN KLEIN: RIGHT. OKAY. SO DR.
16 AZZIZ.

17 DR. AZZIZ: LET ME ASK JAMES. CAN I --
18 JAMES, CAN WE SPEAK TO THIS MOTION AND, IN FACT, I
19 NEED A CLARIFICATION IN THE END OF THIS OMNIBUS
20 MOTION. OF COURSE, WE ALL WILL EXEMPT OURSELVES
21 FROM THOSE THAT WE HAVE CONFLICT, BUT CAN WE VOTE,
22 OR ARE WE ACTUALLY LIMITING VOTING TO THREE PEOPLE?

23 MR. HARRISON: NO. YOU WILL ALL HAVE THE
24 RIGHT TO VOTE SIMILAR TO WHAT WE DID WITH TIER 2 OF
25 THE TOOLS AND TECHNOLOGY APPLICATIONS WHERE THE

BARRISTERS' REPORTING SERVICE

1 BOARD MADE A DECISION AS TO ALL OF THOSE
2 APPLICATIONS TO DEFER THEM FOR FUTURE CONSIDERATION.
3 AND YOU VOTED YES OR NO ON THE MOTION WITH THE
4 EXCEPTION OF ANY APPLICATION IN WHICH YOU HAD AN
5 INTEREST.

6 DR. POMEROY: BUT FOR CLARIFICATION, WE'RE
7 NOT ALLOWED TO COMMENT.

8 MR. HARRISON: CORRECT.

9 CHAIRMAN KLEIN: YOU'RE NOT ALLOWED TO
10 COMMENT IF, IN FACT, BECAUSE IT IS ADDRESSING BOTH
11 TRAINING AND BRIDGES, IF YOUR INSTITUTION IS
12 INVOLVED IN EITHER OF THOSE.

13 DR. AZZIZ: YOU'RE NOT ALLOWED TO COMMENT.
14 CAN YOU CLARIFY THAT? I THINK THIS IS WHERE RUBBER
15 IS HITTING THE ROAD HERE.

16 MR. HARRISON: ONE OF THE CHALLENGES WE
17 FACE IS THAT UNDER STATE LAW AND UNDER THE ICOC'S
18 OWN POLICIES, WHEN YOU HAVE AN INTEREST IN AN
19 APPLICATION THAT'S PENDING BEFORE THE BOARD, AND A
20 MOTION ENCOMPASSES THAT APPLICATION, YOU'RE
21 PROHIBITED FROM PARTICIPATING IN THE DISCUSSION OF
22 THAT MOTION.

23 DR. AZZIZ: SO MY QUESTION TO YOU AGAIN IS
24 IF I HAVE ONE CONFLICT, DOESN'T MATTER HOW MANY, IF
25 I HAVE A CONFLICT WITH ONE OF THESE GRANTS, I CAN'T

BARRISTERS' REPORTING SERVICE

1 DISCUSS, I CANNOT SPEAK?

2 MR. HARRISON: THAT'S CORRECT. YOU CANNOT
3 TRY TO INFLUENCE THE OUTCOME OF THE MOTION.

4 DR. POMEROY: PERHAPS YOU COULD CLARIFY
5 THIS, JAMES, BY STATING WHO'S --

6 DR. AZZIZ: OTHERWISE, WE'RE NOT GOING TO
7 HAVE ANY DISCUSSION.

8 DR. POMEROY: -- ALLOWED TO COMMENT AND
9 WHO IS ALLOWED TO VOTE.

10 MR. HARRISON: I UNDERSTAND THE
11 DIFFICULTY.

12 (SIMULTANEOUS VOICES.)

13 MR. SERRANO-SEWELL: THAT'S A GOOD POINT
14 OF ORDER QUESTION, CLAIRE'S. CAN YOU INFORM THE
15 BOARD, BASED ON HOW YOU DEFINE THE OMNIBUS NATURE OF
16 DUANE'S MOTION, WHICH ENCOMPASSES EVERYTHING THAT
17 YOU JUST ARTICULATED, CAN YOU TELL US NOW, AS I
18 THINK CLAIRE JUST ASKED, WHO CAN TALK, WHO CAN SPEAK
19 TO THE MOTION AS IT CURRENTLY STANDS AND OBVIOUSLY
20 THEN WHO CAN VOTE ON IT?

21 MR. HARRISON: I CAN IF YOU GIVE ME A
22 MINUTE TO DOUBLE-CHECK TO VERIFY SO THAT WE DON'T
23 MAKE ANY MISTAKES. I WILL DO THAT.

24 CHAIRMAN KLEIN: I'D LIKE TO SUSPEND THESE
25 COMMENTS FOR JUST A COUPLE MINUTES SO COUNSEL CAN

BARRISTERS' REPORTING SERVICE

1 BOTH LOOK AT THIS LIST AND CROSS-VERIFY IT BECAUSE
2 WE TRY AND HAVE TWO COUNSEL ALWAYS VERIFY THESE
3 DECISIONS.

4 (PAUSE IN PROCEEDINGS.)

5 CHAIRMAN KLEIN: DR. PRIETO.

6 DR. PRIETO: MAYBE A QUESTION FOR COUNSEL.
7 WOULD IT BE POSSIBLE FOR THE MAKER TO WITHDRAW THE
8 MOTION AND PERHAPS CRAFT A DIFFERENT ONE THAT WOULD
9 OR PERHAPS SEVERAL DIFFERENT ONES THAT WOULD GET US
10 AROUND SOME OF THESE RESTRICTIONS? IT'S REALLY NOT
11 FEASIBLE FOR US TO FUNCTION AS A BOARD IF WE CAN'T
12 DISCUSS THE KEY ISSUES IN FRONT OF US.

13 MS. LANSING: WELL, I HAVE A SUGGESTION.
14 I THINK WHAT CLAIRE AND SOME OF MY COLLEAGUES ARE
15 QUESTIONING IS WHETHER WE SHOULD FUND ANYTHING AT
16 ALL. SO I THINK IT IS PERFECTLY ACCEPTABLE TO MAKE
17 A GENERAL MOTION THAT STATES -- I WANT TO BE VERY
18 CAREFUL -- THAT TODAY ANY FURTHER -- THIS WOULD NOT
19 BE SOMETHING ANYONE WAS CONFLICTED FROM, ANY FURTHER
20 GRANTS THAT WE MAKE IN ANY AREA WILL ALL BE SUBJECT
21 TO FUNDING DEEMED AVAILABLE BY THIS BOARD. THAT WE
22 WILL -- THIS IS A GENERAL SITUATION THAT WE'RE
23 TALKING ABOUT, AND MAYBE YOU CAN HELP ME, JAMES.

24 I'M GENERALLY RECOMMENDING THAT, DUE TO
25 THE ECONOMIC CRISIS THAT WE ARE FACING, THAT WE LOOK

BARRISTERS' REPORTING SERVICE

1 AT ALL THE FUTURE GRANTS THAT COME BEFORE US TODAY,
2 JUST ASKING FOR TODAY, BASED ON THEIR SCIENTIFIC
3 MERIT AND RECOMMEND WHETHER WE SHOULD FUND THEM
4 PURELY ON THAT, AND ALL FUNDING FOR TODAY'S GRANTS
5 BE SUBJECT TO WHETHER OR NOT FUNDING IS AVAILABLE
6 AND WE PRIORITIZE WHAT WE FUND, AND IT COMES BACK TO
7 THE BOARD BECAUSE THERE IS CERTAINLY FUNDING
8 AVAILABLE. JAMES, YOU CAN HELP ME WITH THIS.

9 CHAIRMAN KLEIN: SO, SHERRY, BY OPERATION
10 OF LAW, THE AGENDAS AND TIMING, IN FACT, THAT'S
11 WHAT'S GOING TO HAPPEN BECAUSE IN MARCH WE DO NOT
12 HAVE ANYTHING UP FOR FUNDING, AND WE WILL, IN FACT,
13 SPECIFICALLY ADDRESS THIS IN A SITUATION WHERE WE DO
14 NOT HAVE CONFLICTS. BUT THE ISSUE I HAVE -- THE
15 ONLY QUESTION I HAVE, JAMES, I HAVE NO ISSUE WITH
16 CLAIRE'S -- WITH SHERRY'S INTENT. THE QUESTION IS
17 CAN WE, AS AGENDIZED, JUSTIFY THAT THE BROADER
18 MOTION CAN BE SUBSUMED UNDER THE SPECIFIC AGENDA
19 ITEM THAT WE HAVE BEFORE US?

20 MS. LANSING: SEE, WHAT I'M REALLY TRYING
21 TO DO IS ALLOW PEOPLE TO TALK.

22 MR. HARRISON: I UNDERSTAND. AND WHAT
23 SHERRY IS SUGGESTING IS THAT WE, IN ESSENCE, ADOPT A
24 STANDARD WHICH IS A SPECIFIC EXCEPTION IN THE LAW
25 WHICH WOULD PERMIT ALL OF YOU TO PARTICIPATE. AND

BARRISTERS' REPORTING SERVICE

1 IT'S A STANDARD WHICH WOULD APPLY TO ALL FUTURE
2 GRANT AWARDS SUBJECT TO A DECISION BY THIS BOARD TO
3 CHANGE THE STANDARD. AND THAT WOULD PERMIT
4 PARTICIPATION. I THINK WE NEED A MINUTE TO CONFER
5 ABOUT WHETHER, BASED ON OUR CURRENT AGENDA, WE HAVE
6 THE ABILITY TO CONSIDER THAT MOTION.

7 CHAIRMAN KLEIN: AND WE CERTAINLY CAN AND
8 WOULD INTEND TO CONSIDER THAT MOTION AT THE MARCH
9 MEETING.

10 MR. SERRANO-SEWELL: TO SHERRY'S
11 SUGGESTION, I THINK SOMETHING WE GOT TO KEEP IN MIND
12 IS, AND I HEAR THIS REPEATEDLY FROM MY COLLEAGUES,
13 AND THAT IS THE PERCEPTION WE HAVE IN THE PUBLIC.
14 NOW, WE HAVE GONE THROUGH EXTRAORDINARY EFFORTS TO
15 ENSURE TRANSPARENCY AND NO ONE HAS A CONFLICT. WE
16 PRIDE OURSELF IN THAT. I THINK, AS A STATE AGENCY,
17 WE DO VERY WELL IN THAT CATEGORY.

18 AND THE PERFECT EXAMPLE IS THE
19 POPULATION -- POPULATING THE GRANTS WORKING GROUP.
20 WE APPOINTED OUT-OF-STATE REVIEWERS. WE DIDN'T HAVE
21 TO, AND WE DO THAT AT GREAT EXPENSE BECAUSE WE
22 WANTED TO ENSURE THAT THE PUBLIC HAD CONFIDENCE IN
23 WHAT WE'RE DOING.

24 SHERRY, MY CONCERN WITH YOUR MOTION IS I
25 TOO SHARE THE DESIRE TO GET AS MUCH COMMENT FROM MY

BARRISTERS' REPORTING SERVICE

1 COLLEAGUES AS POSSIBLE, BUT WE'RE USING POSSIBLY
2 THAT MOTION, YOUR MOTION, YOUR SUGGESTION, AS A
3 MECHANISM TO DO THAT BECAUSE, YOU KNOW, IT'S LIKE
4 WE'RE MAKING AN EXCEPTION TO THE RULE. WE HAVE
5 THESE CONFLICT ISSUES; WE'VE ADOPTED THEM; THE
6 PUBLIC HAS APPLAUDED US. THE PRICE WE PAY
7 SOMETIMES, UNFORTUNATELY, IS WE DON'T GET FULL
8 PARTICIPATION. BUT THAT'S THE PRICE YOU PAY FOR IF
9 YOU WANT TO ENSURE THAT WE GET -- THAT WE ENSURE WE
10 MAKE THE HIGHEST ETHICAL STANDARDS, TRANSPARENCY,
11 CONFLICT OF INTEREST. IF WE WANT TO LOWER THOSE
12 STANDARDS, WE CAN CHANGE OUR RULES AND DO SO.

13 MS. LANSING: BUT I DON'T WANT TO LOWER
14 THOSE STANDARDS. WHAT WE'RE FACING IS A CRISIS THAT
15 NONE OF US COULD HAVE ANTICIPATED, THAT WE DON'T
16 HAVE, PERHAPS -- LOOK, I WANT TO MOVE FORWARD. I
17 THINK I MADE MY POSITION CLEAR. BUT WHAT WE'RE
18 FACING IS A CRISIS WHERE WE MAY RUN OUT OF MONEY.
19 WE'VE BEEN FULLY TRANSPARENT IN THAT. SO AND WE'RE
20 NOT ALONE IN THAT SITUATION.

21 SO THE QUESTION IS TODAY, AND IT'S BEEN A
22 CONTINUAL DISCUSSION SINCE LAST NIGHT, IS DO WE MOVE
23 AHEAD AND FUND THESE? WE HAVE THREE CHOICES. WE
24 CAN MOVE AHEAD AND FUND THEM WITH THE MONEY THAT WE
25 HAVE, AND THAT WAS STAFF'S RECOMMENDATION, AND THEN

BARRISTERS' REPORTING SERVICE

1 WE CANNOT POSSIBLY HAVE ANY MORE MONEY TO FUND
2 ANYTHING ELSE. THAT'S ONE POSSIBLE CONCLUSION. WE
3 CAN MOVE AHEAD AND JUDGE EVERYTHING BASED ON ITS
4 SCIENTIFIC MERIT; AND THEN WHEN WE HAVE A CLEARER
5 VIEW OF HOW MUCH MONEY WE WILL HAVE IN THE NEXT
6 EIGHT WEEKS --

7 DR. PENHOET: SHERRY, WE HAVE A MOTION ON
8 THE FLOOR. YOU'RE BEGINNING TO SPEAK TO THE MOTION.
9 IF DUANE WITHDRAWS HIS MOTION FOR A MOMENT, MAYBE --

10 MS. LANSING: CAN I JUST FINISH MY
11 SENTENCE? THEN WE CAN FUND THAT WAY, OR CANNOT FUND
12 ANYTHING. THAT IS SOMETHING THAT SOME PEOPLE FEEL
13 STRONGLY ABOUT.

14 DR. PENHOET: COULD I SUGGEST A CLARIFYING
15 DEFINITION OF FUNDING AVAILABLE? FUNDING AVAILABLE
16 WOULD MEAN THE FUNDS WERE AVAILABLE GENERALLY TO THE
17 CIRM AND APPROVED BY THIS BOARD FOR THIS PURPOSE.
18 IF THAT WAS THE DEFINITION OF AVAILABLE FUNDING --

19 CHAIRMAN KLEIN: THAT IS WHAT DUANE HAS
20 SAID. AND SO I THINK THAT'S IMPORTANT, ED, TO
21 EMPHASIZE THAT. I'M GOING TO --

22 DR. PIZZO: CAN I JUST BE SURE THAT I
23 CLARIFY SOMETHING THAT SHERRY SAID?

24 CHAIRMAN KLEIN: CAN I -- IT LOOKS LIKE
25 THE ATTORNEYS ARE STILL WORKING.

BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: JUST A CLARIFICATION.

2 CHAIRMAN KLEIN: YOUR COMMENT AND THEN DR.
3 AZZIZ' COMMENT.

4 DR. PIZZO: I JUST WANT TO, SHERRY, BE
5 SURE. YOU'RE NOT SAYING, AT LEAST I DON'T THINK YOU
6 ARE, THAT WE WOULD NOT FULFILL OUR EXISTING
7 COMMITMENTS? WHEN WE TALK ABOUT MONEY ON THE
8 TABLE --

9 MS. LANSING: NO, I'M NOT.

10 DR. PIZZO: OKAY. JUST TO BE CLEAR, WHEN
11 YOU SAY WE CAN MAKE DECISIONS, YOU KNOW, WE HAVE A
12 POT OF MONEY, BUT A LOT OF IT IS COMMITTED. WE'RE
13 TALKING ABOUT INCREMENTAL.

14 CHAIRMAN KLEIN: LET ME SAY, NOT ONLY
15 COMMITTED, WE HAVE CONTRACTS. SO THESE ARE
16 SOVEREIGN CONTRACTS.

17 MR. ROTH: MR. CHAIRMAN --

18 CHAIRMAN KLEIN: WE HAVE DR. AZZIZ AND
19 THEN DUANE ROTH. AND I'D LIKE TO REMIND EVERYONE
20 IT'S VERY CLEAR WE'RE NOT SETTING A PRECEDENT IN THE
21 FUTURE. I THINK, IN PART, THIS IS AN ARTIFICIAL
22 DISCUSSION BECAUSE WE'RE GOING TO HAVE A CLEAR
23 DISCUSSION ON POLICIES AND STANDARDS IN MARCH. THIS
24 IS NOT IN ANY WAY GOING TO BE MISINTERPRETED AS A
25 GENERAL POLICY OR A LACK OF -- AS A GENERAL POLICY.

BARRISTERS' REPORTING SERVICE

1 WE WILL HAVE THE ABILITY TO HAVE GENERAL POLICY
2 DISCUSSIONS. WHICHEVER SIDE CLAIRE OR ANYONE ELSE
3 ARE ON ON A GENERAL POLICY, WE WILL HAVE A FULL
4 DISCUSSION, AGENDIZED ISSUES ON GENERAL POLICIES,
5 AND FULL ABILITY AS A GENERAL STANDARD AND A POLICY
6 FOR EVERYONE ON THIS BOARD TO DEBATE IT IN MARCH.
7 FOLLOW ME? WE CAN CRAFT IN MARCH THE ABILITY TO
8 HAVE A GENERAL DISCUSSION OF ALL THE MEMBERS ON THIS
9 BOARD.

10 DR. AZZIZ: I DID WANT TO COMMENT, NOT IN
11 GENERAL TO THE MOTION, SINCE I MAY NOT BE ABLE TO
12 SPEAK TO THE MOTION, BUT I DO THINK THAT THE LAST
13 TEN MINUTES WE HAVE BEGUN TO SLIDE INTO A POSITION
14 WHERE THERE IS A SENSE THAT OTHERS MAY PERCEIVE THAT
15 THINGS ARE BEING RAILROADED IN THE BOARD AND THAT
16 THE BOARD IS RELEASING ITS FIDUCIARY RESPONSIBILITY.
17 AND SO I WOULD PLEAD WITH THE CHAIR TO BE VERY
18 CAREFUL HOW THIS DISCUSSION IS DIRECTED. BECAUSE
19 OTHERWISE THERE MAY BE A PERCEPTION THAT THE BOARD
20 IS BEING DISENFRANCHISED AT A TIME WHEN THE ECONOMY
21 ISN'T GOING TO ALLOW US TO DO THAT.

22 SO THIS ENTIRE DISCUSSION REALLY HAS
23 REVOLVED AROUND REVIEWING GRANTS THAT ARE ON THE
24 AGENDA WHEN THE ISSUE INITIALLY SHOULD HAVE BEEN
25 DISCUSSED AS TO WHETHER WE WANT TO ACTUALLY EVEN

BARRISTERS' REPORTING SERVICE

1 REVIEW THEM AT ALL OR EVEN BEGIN TO THINK OF FUNDING
2 OR SHOULD WE REVISIT THIS AS A CORPORATION WOULD AND
3 SO ON FOR THE FOUR OR THREE OR TWO MONTHS.

4 I JUST WANT TO GO ON THE RECORD WITH THAT
5 BECAUSE I'M BEGINNING TO BE VERY UNCOMFORTABLE WITH
6 THE ENTIRE DIRECTION OF THE DISCUSSION THAT WE'RE
7 HAVING.

8 CHAIRMAN KLEIN: DR. AZZIZ, I'D LIKE TO
9 POINT OUT THAT THE CHAIR ON THE CHAIR'S OWN
10 INITIATIVE BROUGHT A FULL DISCUSSION OF THE
11 ECONOMICS TO THE BOARD AT THIS MEETING, NOT AT THE
12 BOARD'S REQUEST, BUT AT THE BOARD -- AT THE
13 INITIATION OF THE BOARD, INCLUDING GOING OUT TO
14 2010, WHICH, IN FACT, WE DON'T SEE IN ANY OTHER
15 STATE AGENCY.

16 DR. AZZIZ: YOU SHOULD BE COMMENDED FOR
17 IT. SO, IN FACT, YOU SHOULD BE COMMENDED AND YOU
18 SHOULD CONTINUE IN THAT VEIN, NOT YOU PERSONALLY,
19 THE BOARD. I'M JUST SIMPLY STATING THAT THE LAST 10
20 OR 15 MINUTES BECAUSE HAS BECOME A SLIDE TO --

21 CHAIRMAN KLEIN: WHAT WE'RE SEARCHING FOR
22 IS A WAY TO ACCOMMODATE THE GREATEST AND BROADEST
23 DISCUSSION.

24 DR. AZZIZ: I THINK WE NEED TO PROBABLY
25 WAIT.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: SO, JAMES, CAN I ASK IF I WERE
2 TO WITHDRAW MY MOTION AND WE RETURN TO THE
3 DISCUSSION WE HAD LAST NIGHT THAT WAS AGENDIZED
4 UNDER THE CHAIRMAN'S REPORT, HAVE A GENERAL
5 DISCUSSION, NOT ABOUT THESE SPECIFIC GRANTS, BUT HOW
6 WE GET A SENSE OF THE BOARD, NO MOTIONS, NO ACTION,
7 THEN WE CAN RETURN AFTER WE HAVE THAT DISCUSSION TO
8 THE ACTIONS AND THEN PEOPLE CAN VOTE.

9 CHAIRMAN KLEIN: WE HAVE TWO SEPARATE DAYS
10 UNDER TWO SEPARATE AGENDAS.

11 MR. ROTH: IT CAN BE A CONTINUATION.

12 CHAIRMAN KLEIN: I UNDERSTAND. I'M OPEN
13 TO ANY SOLUTION. I'M INTENSELY AWARE OF THE
14 INTRICACIES OF THE SITUATION. SO I'M ASKING VERY
15 SPECIFIC QUESTIONS.

16 MR. HARRISON: WE HAVE TWO SEPARATE
17 AGENDAS FOR THIS MEETING. THE MORE GENERAL ITEM WAS
18 ON YESTERDAY'S AGENDA. IT'S NOT ON TODAY'S AGENDA;
19 HOWEVER, IT'S INTENDED FOR DISCUSSION ONLY, NOT FOR
20 ACTION. SO IN OTHER WORDS, THERE WOULD BE NOTHING
21 TO UNDO IF SOMEONE WERE TO EXPRESS A CONCERN ABOUT
22 THE FACT THAT THERE WERE A DISCUSSION.

23 FURTHERMORE, IT, AS THIS CONVERSATION HAS
24 DEMONSTRATED, IS OF OBVIOUS RELEVANCE TO THE ISSUES
25 THAT ARE AGENDIZED FOR TODAY; NAMELY, THE

BARRISTERS' REPORTING SERVICE

1 CONSIDERATION OF THREE ROUNDS OF GRANT APPLICATIONS.

2 MR. ROTH: SO I THINK THE BEST WAY MAYBE
3 IS FOR ME IS TO WITHDRAW MY MOTION AND RETURN TO THE
4 DISCUSSION WE DID NOT FINISH LAST NIGHT. THERE WERE
5 A LOT OF COMMENTS, BUT MAYBE WE CAN GET A SENSE OF
6 THE BOARD, LET EVERYBODY SPEAK, AND THEN WE CAN
7 DECIDE. I CAN MAKE THE MOTION AGAIN AND WE CAN
8 REVIEW.

9 CHAIRMAN KLEIN: I'D BE HAPPY TO WITHDRAW
10 MY SECOND.

11 MR. ROTH: WITHDRAW MY MOTION.

12 CHAIRMAN KLEIN: SO I'M GOING TO LEAVE
13 THIS AGENDA ITEM, AND WE'RE GOING TO GO INTO A
14 GENERAL POLICY DISCUSSION WHICH WE HAD AN IN-DEPTH
15 DISCUSSION ON LAST NIGHT. AND IN THAT DISCUSSION,
16 SHERRY, WOULD YOU LIKE TO START THE DISCUSSION, AND
17 THEN I WILL CALL ON ANYONE ELSE AS TO A POTENTIAL
18 GENERAL STANDARD THAT WE WILL ACT ON HOPEFULLY IN
19 MARCH, BUT A DISCUSSION OF THAT POTENTIAL GENERAL
20 STANDARD.

21 MS. LANSING: I FEEL VERY, VERY STRONGLY
22 THAT, THOUGH THESE ARE DIFFICULT ECONOMIC TIMES, WE
23 HAVE FACED CRISES BEFORE. AND I FEEL VERY, VERY
24 STRONGLY THAT WE MUST MOVE FORWARD WITH THE HOPE AND
25 THE ANTICIPATION THAT WE WILL GET THE MONEY TO FUND

BARRISTERS' REPORTING SERVICE

1 THESE GRANTS. WE DON'T KNOW WHAT THE FUTURE HOLDS
2 FOR US. WE DON'T KNOW WHAT'S GOING TO HAPPEN IN THE
3 ECONOMY. AND SO I THINK TO STOP WOULD HAVE BEEN
4 LIKE STOPPING WHEN WE HAD THE LAWSUITS AGAINST US.

5 SO IT IS MY BELIEF THAT WE SHOULD REVIEW
6 EVERY GRANT SUBJECT TO FUNDING BEING AVAILABLE AND
7 APPROVE OR DISAPPROVE THEM IN THE NORMAL COURSE OF
8 BUSINESS. I THINK THAT WE ARE FULLY TRANSPARENT.
9 WE HAVE BEEN MORE THAN HONEST TO ANYBODY WHO HAS
10 SUBMITTED ANYTHING. AND WHEN THESE MATTERS BECOME
11 CLEARER TO US, WHICH THEY WILL WHEN WE KNOW WHAT
12 HAPPENS WHEN WE GO OUT FOR NONCONVENTIONAL BONDINGS,
13 WE KNOW WHAT HAPPENS WHEN WE GO TO FOUNDATIONS AND
14 INDIVIDUALS, WE WILL HAVE A BETTER DETERMINATION.
15 BUT TO STOP THIS, I THINK, IS A DIRE MISTAKE AND
16 WILL ONLY PUT US BEHIND. SO I URGE THAT WE MOVE
17 FORWARD.

18 DR. REED: I SHARE SHERRY'S SENTIMENTS IN
19 TERMS OF HOW WE SHOULD PROCEED AS A BOARD. I THINK
20 THE ONLY SUGGESTION I HAVE TO OFFER REALLY THOUGH IS
21 THE USE OF THE TERM "SUBJECT TO AVAILABILITY" WITH
22 RESPECT TO FUNDS. I THINK IT'S REALLY WHERE WE'RE
23 TALKING. BECAUSE THAT CAN BE INTERPRETED BY
24 DIFFERENT PEOPLE TO MEAN DIFFERENT THINGS, I THINK
25 WHAT WE REALLY ARE TALKING ABOUT IS HOLDING IN

BARRISTERS' REPORTING SERVICE

1 ABEYANCE ANY FUNDING. SO WHAT WE'RE REALLY TALKING
2 ABOUT IS APPROVING FOR FUNDING, BUT NOT ACTUALLY
3 FUNDING. AND WHAT WE'RE TALKING ABOUT ESSENTIALLY
4 IS A HOLDING IN ABEYANCE OF THE FUNDING UNTIL SUCH
5 TIME AS THIS BOARD AGREES THAT IT'S PRUDENT TO DO SO
6 AND THAT IT HAS THE RESOURCES TO DO AND THAT IT CAN
7 THEN -- THE BOARD CAN ALSO EXERCISE ITS DISCRETION
8 IN TERMS OF WHICH OF THESE APPROVED GRANTS WOULD
9 ACTUALLY BE FUNDED SUBJECT TO OUR PRIORITIZATION OF
10 THOSE GRANTS IN TERMS OF THE DIFFERENT TYPES OF
11 PROGRAMS I'M THINKING OF HERE AND THE AVAILABILITY
12 OF FUNDS, HOW MUCH FUNDS DO WE HAVE.

13 CHAIRMAN KLEIN: THIS IS A GENERAL POLICY
14 STATEMENT NOT RELATED TO ANY PARTICULAR PROGRAM, BUT
15 EVERYTHING WE'RE CONSIDERING AS AN AGENCY.

16 DR. BIRGENEAU: I WOULD PERSONALLY LIKE TO
17 ADD I AGREE WITH EVERYTHING THAT'S BEEN SAID EXCEPT
18 I WOULD LIKE TO ADD THE ADDITIONAL CAVEAT THAT I
19 THINK WE MUST GIVE PRIORITY TO PREVIOUSLY APPROVED
20 GRANTS. PEOPLE HAVE MADE DETAILED PLANS BASED ON
21 THE ASSUMPTION THAT THOSE RESOURCES WOULD COME.

22 CHAIRMAN KLEIN: LET ME TRY AND REFOCUS US
23 ALL ON THAT. THOSE ARE ACTUALLY CONTRACT
24 OBLIGATIONS, SO THEY'RE NOT SUBJECT TO NEW FUNDING
25 DECISIONS. THEY HAVE SOVEREIGNTY UNDER THE FEDERAL

BARRISTERS' REPORTING SERVICE

1 AND STATE CONTRACT LAW THAT MUST BE HONORED AS
2 EXISTING OBLIGATIONS. IF WE DID NOTHING, BY
3 OPERATION OF LAW OF THE STATE OF CALIFORNIA, PUBLIC
4 BONDS WOULD EVENTUALLY BE SOLD TO FUND THOSE GRANTS.

5 BY US TAKING AN AFFIRMATIVE POSITION AND
6 RAISING FUNDS POTENTIALLY THROUGH PRIVATE PLACEMENTS
7 OR STIMULUS BILLS OR ANY OTHER RESOURCE, WE CAN
8 ACCELERATE THE AVAILABILITY OF FUNDS FOR EXISTING
9 AND NEW PROGRAMS, BUT THOSE NEW PROGRAMS UNDER
10 OPERATION OF LAW WILL BE FUNDED BY PUBLIC BONDS
11 OF -- THOSE EXISTING ONES BY PUBLIC BONDS OF THE
12 STATE IF WE DID NOTHING AT SOME POINT, HOPEFULLY ON
13 TIME. IN FACT, THE LAW WOULD REQUIRE THEM TO FUND
14 IT ON TIME.

15 DR. FRIEDMAN: SO AT THE RISK OF PILING
16 ON, I TOO AGREE. LET ME MAKE SURE THAT WE'RE CLEAR
17 ABOUT WHAT WAS JUST SAID BECAUSE I THINK IT'S
18 CRUCIAL. WHEN ALAN SAYS THAT WE HAVE SUFFICIENT
19 FUNDS TO THINK ABOUT DOING CERTAIN THINGS, I'M NOT
20 SPEAKING TO A SPECIFIC PROGRAM, I'M TALKING IN
21 GENERAL, IN FACT, IF WE LOOK OUT TO THE EXTENT OF
22 OUR OBLIGATION FOR THE THINGS THAT WE'VE PREVIOUSLY
23 COMMITTED, IT'S NOT AT ALL CLEAR TO ME THAT WE HAVE
24 SUFFICIENT FUNDS IF WE TAKE ON THE TWO-, THREE-, OR
25 WHATEVER-YEAR OBLIGATION THAT WE'VE COMMITTED TO IN

BARRISTERS' REPORTING SERVICE

1 THE CONTRACTUAL SENSE THAT YOU'VE JUST SAID.
2 ESTABLISHING THE PRIMACY OF THE
3 COMMITMENTS WE'VE ALREADY MADE, I THINK, IS EXACTLY
4 THE RIGHT THING TO DO. I ALSO AGREE WITH EVERYONE
5 WHO HAS SPOKEN ABOUT THE VALUE OF REVIEWING THESE
6 GRANTS NOW AND ASSIGNING SOME AN APPROVED PRIORITY,
7 NOT JUST TO SHOW THAT THERE'S DYNAMISM IN THE
8 PROGRAM, ALSO TO GIVE FEEDBACK TO THOSE
9 INVESTIGATORS WHO WANT TO CONTINUE TO CRAFT THEIR
10 PROPOSALS TO MAKE THEM BETTER, BUT ALSO SO THEY
11 COULD USE THOSE PROPOSALS IN GOING TO OTHER
12 AGENCIES.

13 NOW, I UNDERSTAND IT'S LARGELY SYMBOLIC,
14 BUT WE COULD, EITHER OURSELVES OR HAVE THESE
15 INVESTIGATORS, PROVIDE TO NIH OUR REVIEWS OF THESE
16 PROGRAMS AND SAY WE DON'T HAVE THE RESOURCES,
17 PERHAPS, FOR A FUTURE ACTIVITY TO FUND THEM RIGHT
18 NOW, BUT WE THINK THESE ARE HIGHLY MERITORIOUS, AND
19 WE JUST WANT TO MAKE YOU ARE AWARE OF THIS. THERE
20 MAY BE PRIVATE ORGANIZATIONS, DISEASE-FOCUSED
21 ORGANIZATIONS THAT WOULD BE INTERESTED IN FUNDING
22 THESE. AND, AGAIN, BY GIVING OUR STAMP OF REVIEW,
23 IT MIGHT HELP THOSE INVESTIGATORS IN THEIR
24 ACTIVITIES.

25 AND SO I THINK IT'S STRONGLY TO EVERYONE'S

BARRISTERS' REPORTING SERVICE

1 ADVANTAGE TO MOVE AHEAD, BUT I REALLY DO WANT TO
2 HAVE A VERY CONSERVATIVE FINANCIAL PERSPECTIVE ON
3 THIS. AND I'M GLAD THAT EVERYONE'S SAYING IT WILL
4 COME BACK TO THIS BOARD BEFORE ANY DECISIONS ABOUT
5 FUNDING ANY OF THE POSSIBLE RFA'S THAT WE'RE TALKING
6 ABOUT OVER THE NEXT PERIOD OF TIME. THANK YOU.

7 CHAIRMAN KLEIN: OKAY.

8 MS. FEIT: IS IT POSSIBLE, AND I THINK
9 THAT I GAVE THIS A LOT OF THOUGHT LAST NIGHT AFTER
10 THE MEETING, WE'RE TRYING TOO HARD TO PREDICT THE
11 FUTURE. AND I THINK AS A STATE AGENCY WE SHOULD DO
12 WHAT OTHER AGENCIES DO, JUST CONTINUE OUR WORK. AND
13 TAKE THESE THINGS SEPARATELY. WE HAVE IN FRONT OF
14 US GRANTS THAT HAVE BEEN REVIEWED, HAVE GONE THROUGH
15 A PROCESS, AND I THINK WE NEED TO CONCLUDE THAT
16 PROCESS AS ONE ACTION THAT WE TAKE.

17 THE SECOND ACTION WOULD BE THEN FOR THE
18 BOARD TO CONSIDER ITS FUTURE FINANCING AND NOT TRY
19 TO LUMP EVERYTHING TOGETHER AND PREDICT WHAT THE
20 STATE IS GOING TO DO, BUT TO SIMPLY DO THE WORK OF
21 THIS AGENCY AND MOVE FORWARD.

22 I THINK THAT THAT IS THE CLEAREST WAY TO
23 ADDRESS THIS. I WOULD THINK WE'D BE REMISS IN
24 LEAVING THIS STUFF ON THE TABLE AFTER ALL WE'VE DONE
25 TO GET THE WORK HERE. AND I THINK THAT EVERYBODY

BARRISTERS' REPORTING SERVICE

1 UNDERSTANDS THE PREDICAMENT OF THE ECONOMIC CLIMATE.
2 WE DON'T HAVE TO RESTATE IT. EVERYBODY, EVERYBODY
3 IN THE WORLD NOW KNOWS WHERE WE STAND.

4 SO I THINK THIS AGENCY NEEDS TO COMPLETE
5 ITS WORK, MOVE FORWARD, BUT I THINK WE SHOULD
6 SEPARATE THE WORK AND KEEP IT CLEAN. I THINK WE
7 SHOULD LOOK AT THE WORK IN FRONT OF US, COMPLETE THE
8 PROCESS OF THESE GRANTS THAT HAVE BEEN SUBMITTED TO
9 US, AND THEN TAKE UP THE ISSUE AROUND FUTURE
10 FINANCING OF THIS AGENCY AS A SEPARATE ISSUE GOING
11 FORWARD.

12 CHAIRMAN KLEIN: I HAVE DAVID, DEAN PIZZO,
13 CLAIRE POMEROY, DR. AZZIZ, DR. GILL.

14 MR. SERRANO-SEWELL: I'M GLAD WE FOUND A
15 MECHANISM TO HAVE A BROADER DISCUSSION BECAUSE IT
16 WILL INFORM MY DECISION WHEN WE GET INTO THE
17 SPECIFICS. SO I'LL GIVE YOU MY BROAD SENSE OF
18 THINGS. AND THAT IS WE SHOULD PROCEED, BUT I'M
19 UNCOMFORTABLE WITH THE PROCEED WHEN FUNDING
20 AVAILABLE BECAUSE IT DIVERTS FROM THE RECOMMENDATION
21 FROM STAFF, WHICH WE HEARD LAST NIGHT AND WE HAVE
22 MATERIALS IN FRONT OF US. AND I DO BELIEVE THE
23 RECOMMENDATION FROM STAFF EMBODIES OUR SCIENTIFIC
24 MISSION, OUR CORE MISSION, OUR CORE VALUES, AND TO
25 DIVERT FROM THAT WOULD CAUSE GREAT HARM TO OUR

BARRISTERS' REPORTING SERVICE

1 MISSION. I BELIEVE THAT. AND WE DO HAVE, WE CAN
2 FUND CERTAIN PROPOSALS THAT ARE IN FRONT OF US
3 TODAY. WE CAN DO THAT, AND WE OUGHT TO DO THAT.

4 PERHAPS IT HAS TO BE AUGMENTED AND AMENDED
5 IN SOME WAY, BUT I BELIEVE WE CAN. I BELIEVE THE
6 MONEY IS THERE. AND WE HEARD FROM STAFF THAT THE
7 MONEY IS THERE. SO YOU CAN -- WE'RE WELCOME TO
8 REJECT STAFF'S ASSESSMENT OF THINGS, BUT I HAPPEN TO
9 THINK IT HAS SOME VALIDITY.

10 CHAIRMAN KLEIN: OKAY. DR. POMEROY.

11 DR. POMEROY: I THINK THIS CONVERSATION
12 HAS BEEN VERY HELPFUL. I WOULD SAY THIS. I THINK
13 THAT THE DECISION WE MAKE ABOUT THIS WILL SEND AN
14 IMPORTANT MESSAGE, AND THE MESSAGE THAT WE WERE
15 SENDING BEFORE WHEN WE PROCEEDED WITH OUR WORK WHEN
16 WE WERE BEING SUED WAS ABOUT AN EXTERNAL THREAT AND
17 GOING FORWARD DESPITE AN EXTERNAL THREAT. THIS IS A
18 MESSAGE ABOUT WHETHER WE'RE GOING TO BE FISCALLY
19 RESPONSIBLE INTERNALLY WITH OUR OWN FUNDS.

20 SO I THINK THE DECISIONS ARE VERY DISTINCT
21 AND VERY DIFFERENT, AND WE ARE SENDING A MESSAGE
22 BOTH ABOUT THE MISSION AND ALSO ABOUT OUR ABILITY TO
23 BE FISCALLY RESPONSIBLE. I PERSONALLY THINK THAT
24 THE -- ALL OF THESE PROGRAMS, NOT TO SPEAK TO A
25 PARTICULAR ONE, ARE VERY IMPORTANT; HOWEVER, I THINK

BARRISTERS' REPORTING SERVICE

1 IT IS MOST IMPORTANT TO GET OUR FINANCIAL HOUSE IN
2 ORDER BEFORE WE PROCEED AS IF THERE'S PLENTY OF
3 MONEY AROUND. AND I WOULD LIKE TO SEE -- I DO NOT
4 BELIEVE THAT A SIX-WEEK DELAY WILL HURT OUR MISSION
5 WHILE WE GATHER FURTHER DATA ABOUT THE FINANCIAL
6 REALITIES AND ABOUT OUR ABILITY TO GET MORE BONDS.

7 SO WE HAVE TO COME UP FIRST WITH WE HEARD
8 \$112 MILLION IN BONDS TO MEET OUR EXISTING
9 OBLIGATIONS THROUGH 2010, ASSUMING THAT EVERYTHING
10 IS ALL CLEANED UP BY THEN. AND I WOULD LIKE TO KNOW
11 THAT THERE'S A SOLUTION FOR THAT \$112 MILLION GAP
12 BEFORE I IMPLY THAT IT IS ACCEPTABLE TO GO ON WITH
13 SPENDING OR EVEN CONSIDERING THE SPENDING OF
14 ADDITIONAL MONEY.

15 CHAIRMAN KLEIN: THANK YOU. DR. AZZIZ,
16 AND THEN DR. GILL.

17 DR. AZZIZ: I DO WANT TO THANK DUANE AND
18 BOB FOR ALLOWING A BROADER DISCUSSION. I THINK IT'S
19 VERY IMPORTANT.

20 I HAVE TO SAY THAT I AGREE WITH PARTS OF
21 EVERYTHING THAT'S BEEN SAID. CERTAINLY I AGREE WITH
22 DR. POMEROY AND WITH DAVID'S POINT OF VIEW. I FEEL
23 THE ISSUE THAT WE NEED TO RESOLVE, AND I'M LESS
24 CONCERNED ABOUT THE REVIEW OF THE GRANT THAN THE
25 SIGNAL WE ARE GIVING, AND THE SIGNAL OF HOPE IS

BARRISTERS' REPORTING SERVICE

1 GREAT, BUT THE SIGNAL OF FIDUCIARY -- LACK OF
2 FIDUCIARY CAUTION IS ANOTHER ONE THAT I'M CONCERNED
3 ABOUT. AND I AM CONCERNED ABOUT, AS DAVID SAID, THE
4 ISSUE OF WHEN FUNDS ARE AVAILABLE.

5 THIS TERMINOLOGY NEEDS TO BE THOUGHT
6 THROUGH VERY WELL. ARE WE IMPLYING A CONTRACT? ARE
7 WE MEANING THAT ANY MONIES THAT COME IN FIRST GO TO
8 THIS PROGRAM? DO WE ACTUALLY FUND THIS AFTER WE
9 SATISFY THAT WE HAVE THE MONIES TO PAY OUR ALREADY
10 PRIOR OBLIGATIONS? DO EXPOSE OURSELVES TO SUITS OF
11 SOME SORT OR ANOTHER? DO WE ACTUALLY HAVE SOME
12 RAISED EXPECTATIONS THAT ACTUALLY MAY NOT BE
13 FULFILLED?

14 THESE ARE ALL QUESTIONS THAT SIMPLY WE
15 CAN'T ANSWER IN A SHORT TERM. THE CRAFTING OF THE
16 MESSAGE REGARDING THE MONIES AVAILABLE, WHICH CAN
17 RANGE FROM THIS IS YOUR SCORE, THERE ARE TODAY NO
18 MONIES.

19 CHAIRMAN KLEIN: DR. PULIAFITO, IF WE
20 COULD FOCUS ON DR. AZZIZ, PLEASE.

21 DR. AZZIZ: THANK YOU. THERE ARE NO
22 MONIES IN THE PROGRAM, BUT WE WILL LET YOU KNOW IF
23 THERE ARE; AND IF YOU HAVEN'T HEARD OF US BY JUNE,
24 THERE WILL BE NO MONEY OR SOMETHING VERY SPECIFIC
25 LIKE THAT TO SOMETHING VAGUE AS, WELL, IT WILL BE

BARRISTERS' REPORTING SERVICE

1 FUNDED IF MONIES ARE AVAIL ABLE HAS TO BE THOUGHT
2 THROUGH BECAUSE THEY ARE IMPLICATIONS FOR THE
3 GRANTEES. AND THERE ARE IMPLICATIONS FOR HOW WE
4 MANAGE THIS.

5 SO I AM JUST SIMPLY SUGGESTING THAT WE
6 NEED MORE INFORMATION. AND WHILE SOME ARE VERY
7 SAVVY, LIKE YOURSELF AND OTHER PEOPLE, ABOUT THE
8 BOND MARKETS AND SO ON AND SO FORTH, I'M NOT SURE
9 THAT WE WOULD DO OUR BEST JOB IF WE JUST PUT A
10 LITTLE SENTENCE AT THE END OF EVERY RESPONSE LETTER
11 AND THEN FOUND OUT ACTUALLY THAT WE DON'T EVEN KNOW
12 WHAT THAT MEANS.

13 CHAIRMAN KLEIN: SO WE WILL BE ABLE, AND
14 IT IS OUR INTENTION, IN MARCH TO HAVE SOME VERY
15 DETAILED ALTERNATIVE POSITIONS THAT COULD BE TAKEN
16 ON A FULLY AGENDIZED ITEM. BUT THE PROPOSITION 71
17 WAS APPROVED BY SEVEN MILLION VOTERS WHO
18 SPECIFICALLY AUTHORIZED THIS MONEY. WE ACTUALLY
19 HAVE THE AUTHORITY. WE ARE TRYING TO EXERT
20 DISCIPLINE HERE EVEN THOUGH WE HAVE AUTHORIZED
21 SPENDING BECAUSE WE WANT TO MAKE SURE THAT WHEN WE
22 MAKE A COMMITMENT TO A GRANTEE ORGANIZATION, THE
23 FUNDS ARRIVE AND ARRIVE ON TIME. THEIR ECONOMIC
24 PLANNING DURING THIS PERIOD WILL BE VERY CRITICAL.

25 PART OF THE EXERCISE TODAY IS, AS YOU'VE

BARRISTERS' REPORTING SERVICE

1 SAID, TO BE VERY TRANSPARENT AND TO INFORM THEM SO
2 THAT THEY'RE MAKING INDEPENDENT DECISIONS. WE'RE
3 NOT MAKING ANY ASSUMPTIONS FOR THEM. WE'RE BEING
4 COMPLETELY OPEN ABOUT THE CHALLENGES WE HAVE IN
5 ENSURING THAT THOSE FUNDS ARRIVE ON TIME.

6 BUT WE CAN CERTAINLY, AS HAS BEEN
7 SUGGESTED, DECOUPLE THESE QUESTIONS AND APPROVE FOR
8 FUNDING, MAKING IT CLEAR WE'RE NOT MAKING A FUNDING
9 APPROPRIATION, AND MAKE AND REFINE IN MARCH DECISION
10 AVAILABILITY OF FUNDING AND WHAT IT MEANS.

11 DR. AZZIZ: CAN YOU CLARIFY? YOU JUST
12 SAID SOMETHING. WHAT WOULD WE BE APPROVING OTHER
13 THAN THE REVIEWS?

14 CHAIRMAN KLEIN: WE WOULD APPROVE THEM FOR
15 FUNDING, MAKING IT CLEAR WE ARE NOT MAKING THE
16 FUNDING DECISION ON TIMING BECAUSE THAT WILL BE
17 DISCUSSED IN MARCH.

18 NOW, WE CAN -- IN SPEAKING GENERALLY, WE
19 COULD FOLLOW THAT APPROACH WITH ANY RFA.

20 DR. GILL: I THINK WHAT DR. POMEROY SAID
21 IS WHAT'S BEEN TROUBLING ME. AND THAT IS THAT IF WE
22 ARE IN A VERY DIFFICULT FINANCIAL TIME, ONE MIGHT
23 WISH TO REEVALUATE SOMEWHAT THE PREVIOUSLY SET
24 PRIORITIES IN ORDER TO BE FINANCIALLY RESPONSIBLE.
25 AND BY THAT I MEAN, I THINK JEFF ADDRESSED THIS LAST

BARRISTERS' REPORTING SERVICE

1 NIGHT, THAT AMONG THE GRANTS WE'RE GOING TO LOOK AT
2 ON THE AGENDA, NONE OF THESE ADDRESS THE CORE
3 MISSION OF RESEARCH AND TRANSLATION INTO PATIENTS.
4 RATHER, THEY WOULD, SAY, PREPARE A WORKFORCE FOR AN
5 INDUSTRY WHICH MIGHT NOT EXIST.

6 SO IT SEEMS TO ME THAT THE MOST PRUDENT
7 THING WOULD BE TO CONSIDER THESE AT A MARCH OR APRIL
8 MEETING, TO POSTPONE A DECISION ON THIS TYPE OF
9 GRANT EVEN THOUGH THEY HAVE BEEN REVIEWED, TO WAIT
10 UNTIL IT'S CLARIFIED.

11 CHAIRMAN KLEIN: I DON'T THINK YOU WANT TO
12 ADDRESS THE ISSUE OF THE GRANTS WE HAVE BEFORE US.
13 YOU ARE TALKING ABOUT A GENERAL POLICY.

14 DR. GILL: A GENERAL POLICY OF DECIDING
15 WHERE THE PRIORITIES -- REEVALUATION OF THE
16 PRIORITIES FOR FUNDING GIVEN A DIFFERENT FINANCIAL
17 CLIMATE. THAT IS CORRECT.

18 CHAIRMAN KLEIN: IT'S IMPORTANT AS A PRIOR
19 REFERENCE THAT, AS A NUMBER OF SPEAKERS HAVE SAID,
20 THERE'S A TREMENDOUS AMOUNT OF WORK THAT'S GONE INTO
21 THESE. IN SOME CASES INSTITUTIONS HAVE, ACTUALLY IN
22 MANY CASES INSTITUTIONS HAVE ACTUALLY SELECTED THE
23 INDIVIDUALS TO BE IN THE PROGRAM. AND THEY HAVE IN
24 SOME CASES FUNDED PART OF THIS WORK ALREADY. SO
25 PROVIDING A CLEAR MESSAGE -- I REALIZE I DO NOT HAVE

BARRISTERS' REPORTING SERVICE

1 ANY CONFLICTS, SO I CAN ADDRESS THIS ISSUE --
2 PROVIDING A CLEAR MESSAGE ABOUT OUR DESIRE TO FUND
3 THESE ON WHICH PEOPLE REASONABLY RELIED IN DOING THE
4 WORK AND BRINGING THEM HERE AND GOING THROUGH PEER
5 REVIEW HAS MAYBE AN INDEPENDENT VALUE SEPARATE FROM
6 OTHER GRANTS WHERE THOSE EXPECTATIONS AND THE WORK
7 HAS NOT YET BEEN ACCOMPLISHED.

8 THE BAYBIO HAS JUST ISSUED A REPORT SAYING
9 THE CRITICAL SHORTFALL IS NOT JUST FOR INDUSTRY,
10 BUT, IN FACT, FOR THE EXPANSION IN THE NONPROFIT
11 SECTOR FOR RESEARCH TO HAVE THESE HIGHLY TRAINED
12 TECHNICIANS. SO ONE COULD CERTAINLY ARGUE THAT THIS
13 IS PART OF OUR CORE MISSION TO MAKE SURE THAT OUR
14 SCIENTISTS HAVE EXTREMELY WELL-TRAINED INDIVIDUALS.

15 DR. PRIETO.

16 DR. PRIETO: I GUESS I'D RESPECTFULLY HAVE
17 TO DISAGREE WITH DR. GILL ABOUT THE IMPORTANCE OF
18 CERTAIN TYPES OF INVESTMENTS, IF YOU WILL, THAT WE
19 MIGHT MAKE. I THINK YOU CAN ARGUE THAT
20 STRATEGICALLY INVESTING IN A WORKFORCE AND TOOLS
21 THAT WOULD HAVE APPLICABILITY ACROSS MANY, MANY
22 DIFFERENT PARTICULAR LOCATIONS AND PARTICULAR GRANTS
23 AND PARTICULAR, YOU KNOW, AVENUES OF RESEARCH MIGHT
24 BE MORE IMPORTANT THAN ANY INDIVIDUAL SCIENTIFIC
25 GRANT OR EVEN POOL OF SCIENTIFIC GRANTS.

BARRISTERS' REPORTING SERVICE

1 AND IN TERMS OF -- THIS INDUSTRY DOES
2 EXIST IN CALIFORNIA NOW. AND WHETHER IT GROWS AND
3 REALLY TAKES ROOT AND DEVELOPS HERE VERSUS SOMEWHERE
4 ELSE I THINK WILL DEPEND IN PART ON WHAT STRATEGIC
5 DECISIONS WE MAKE. AND I THINK STRATEGICALLY THAT
6 SOME OF THE THINGS WE'RE LOOKING AT ARE GOING TO BE
7 VERY IMPORTANT FOR THE FUTURE OF STEM CELL RESEARCH
8 HERE.

9 CHAIRMAN KLEIN: DR. PIZZO AND THEN DR.
10 PULIAFITO.

11 DR. PIZZO: THIS IS OBVIOUSLY A VERY
12 HELPFUL, IMPORTANT DISCUSSION. I THINK I WANT TO
13 FRAME IT IN A SLIGHTLY DIFFERENT WAY. WE HAVE OUR
14 WORDS BEFORE US AND THE RECOGNITION THAT THEY'RE
15 GOING TO BE HEARD QUITE DIFFERENTLY BY DIFFERENT
16 POPULATIONS OF INDIVIDUALS WHO WILL BE AFFECTED BY
17 THEM BECAUSE WE HAVE SO MANY DIFFERENT
18 CONSTITUENCIES. WHAT WE DO IS GOING TO BE HEARD BY
19 THE CITIZENS OF CALIFORNIA WHO VOTED FOR PROP 71.
20 IT WILL BE HEARD BY GOVERNMENT OFFICIALS WHO HAVE
21 HAD POSITIVE AND/OR NEGATIVE FEELINGS ABOUT CIRM AND
22 WHAT WE HAVE BEEN DOING AND THOSE WHO IN THE PAST
23 HAVE HAD AS PART OF THEIR GOAL AN OBJECTIVE TO
24 INTERFERE WITH THE ACTIVITIES THAT WE'RE CARRYING
25 FORTH. THEY WILL CLEARLY HAVE AN IMPACT ON THOSE

BARRISTERS' REPORTING SERVICE

1 WHO HAVE BEEN RECIPIENTS OF PAST AWARDS OR WHO MIGHT
2 APPLY TO FUTURE ONES BOTH IN ACADEMIA AS WELL AS IN
3 INDUSTRY. AND THEY ARE CLEARLY IMPACTING ALL OF US
4 AS THE INDIVIDUALS WHO OVERSEE WHAT WE'RE DOING.

5 SO I THINK IT'S VERY IMPORTANT, AS WE ARE
6 CARRYING ON THIS DISCUSSION, TO BE COGNIZANT OF HOW
7 THIS IS GOING TO FEEL TO THOSE INDIVIDUALS. AND
8 WHAT WE DO IS NOT SIMPLY GOING TO BE A REFLECTION OF
9 SOME INTERIM ACTIVITY TODAY, BUT WILL HAVE FAIRLY
10 LONG-TERM IN THE SIGNIFICANCE IN TERMS OF THOSE WHO
11 ARE IN TRAINING OR THOSE WHO ARE TRYING TO CARRY OUT
12 THEIR RESEARCH AND THOSE WHO'D LIKE TO SEE US BE
13 SUCCESSFUL AND THOSE WHO WOULD NOT.

14 SO I BREAK THINGS DOWN INTO SORT OF THREE
15 CATEGORIES, GETTING VERY PRACTICAL. I THINK WE'VE
16 ALL SAID AND AGREED THAT WE MUST SUPPORT THOSE
17 GRANTS AND CONTRACTS THAT WE'VE ALREADY AGREED TO.
18 AND, THEREFORE, AS FIDUCIARIES, WE NEED TO BE
19 RESPONSIVE TO THOSE.

20 THE SECOND IS I THINK THAT WE HAVE A, I
21 FEEL, AN OBLIGATION TO OFFER SOME COMMENTARY TO
22 THOSE WHO'VE ALREADY IN GOOD FAITH APPLIED FOR RFA'S
23 OR PROGRAMS THAT WE'VE PUT FORTH. AND WE SHOULD LET
24 THEM KNOW EITHER TODAY OR BY MARCH THAT WE'RE GOING
25 TO TAKE SOME ACTION ON THEM. AND THE ACTION COULD

BARRISTERS' REPORTING SERVICE

1 BE THAT WE HAVE REVIEWED THEIR PROPOSALS AND THAT
2 ANY FUNDING WILL BE CONTINGENT UPON THE AVAILABILITY
3 OF RESOURCES. CLEARLY WE DON'T WANT TO STRETCH
4 BEYOND OUR PIPELINE OF FUNDING.

5 BUT I ALSO THINK WE HAVE A THIRD GROUP,
6 AND THAT THIRD GROUP ARE THOSE WHO ARE ACTIVELY
7 ANTICIPATING OR HOPING THAT SOME PROJECTS ARE GOING
8 TO COME FORTH BECAUSE WE'VE TALKED A LOT ABOUT
9 THESE, TRANSLATIONAL AWARDS, THE DISEASE AWARDS.
10 AND I THINK WE NEED TO COMMUNICATE VERY CLEARLY THAT
11 THOSE MAY BE ON HOLD FOR NOW SO THAT WE DON'T GET
12 INTO A SITUATION WHERE PEOPLE ARE FRUSTRATED BY OUR
13 INACTION.

14 AND IF WE DO THAT, I THINK WE HAVE TO BE,
15 THEN, MINDFUL OF THE CONSEQUENCES. THE CONSEQUENCES
16 WILL BE RECEIVED VERY DIFFERENTLY BY THE CITIZENS
17 WHO VOTED FOR US, BY THE INVESTIGATORS WHO ARE
18 DEPENDENT UPON US, BY THOSE WHO WOULD SEEK TO PUT US
19 OUT OF BUSINESS, AND THOSE WHO MAY FUND US GOING
20 FORWARD. EACH OF THESE THREE AREAS DOES HAVE AN
21 IMPORTANT SET OF COMPONENTS ASSOCIATED WITH THEM.

22 CHAIRMAN KLEIN: AND I'D LIKE TO SAY THIS
23 LAST POINT, DR. PIZZO, IS VERY IMPORTANT. I'M GOING
24 TO ASK FOR A COMMENT FROM STAFF BECAUSE MY
25 UNDERSTANDING OF THE PROCESS, FOR EXAMPLE, FOR

BARRISTERS' REPORTING SERVICE

1 DISEASE TEAMS, WHICH IS VERY, VERY IMPORTANT TO
2 MOTIVATING PRIVATE-PLACED G.O. BOND SALES, IS THAT
3 OUR FIRST PART OF THAT PROCESS IS TRIAGE, WHICH FOR
4 THE INDIVIDUALS THAT ARE ALREADY IN THIS PROCESS, IT
5 IS A LIMITED APPLICATION. AND I WOULD ABSOLUTELY,
6 FROM AN INDIVIDUAL POINT OF VIEW, I'D LIKE TO HEAR
7 THE OTHER BOARD MEMBERS, ENCOURAGE THEM TO AT LEAST
8 GO THROUGH THE TRIAGE PROCESS BECAUSE IT BUYS US THE
9 TIME TO TRY AND RAISE THAT ADDITIONAL CAPITAL WHICH
10 I PERSONALLY AM DEDICATED TO ACHIEVING. BUT IF THEY
11 DON'T GO THROUGH THE TRIAGE PROCESS, WE DON'T HAVE
12 THE PIPELINE. WE DON'T HAVE THE ARGUMENT FOR
13 URGENCY FOR THE PRIVATE PLACEMENT OF THE G.O. BONDS.

14 SO, DR. TROUNSON OR DR. CSETE, COULD YOU
15 COMMENT ON HOW DETAILED THE APPLICATION IS FOR
16 TRIAGE, FOR EXAMPLE, FOR DISEASE TEAMS?

17 DR. CSETE: I WAS GOING TO USE THE TIME
18 LATER WHEN I TALKED ABOUT AGENDA ITEM 8 TO BRING
19 THIS UP. BUT ONE THING THAT GOT LOST A LITTLE BIT
20 IN ALL OF THE STRINGS LAST NIGHT WAS THE FACT THAT
21 STAFF HAS CONSCIOUSLY GOTTEN TOGETHER OVER THE LAST
22 FEW WEEKS TO TRY TO RECOMMEND TO YOU WHAT OUR
23 PRIORITIES SHOULD BE. AND I WILL SAY THIS IN THE
24 CONTEXT OF SOMEONE WHO, LIKE JOHN AND ALAN, SHUTTLED
25 SUCCESSFUL CAREERS TO COME HERE TO SHEPHERD THROUGH

BARRISTERS' REPORTING SERVICE

1 THE TRANSLATIONAL PROGRAMS OF CIRM.

2 AND I THINK THAT OUR STRONG RECOMMENDATION
3 INTERNALLY, ALL OF THE STAFF, WAS THAT WE FIGURE OUT
4 A WAY TO MOVE FORWARD WITH THE UNIQUE DISEASE TEAM
5 PROGRAMS AND THE EARLY TRANSLATION PROGRAM THAT
6 REALLY IS ITS UNDERPINNING THE FUEL FOR THE FUTURE
7 DISEASE TEAM PROGRAMS. THE TIME IS RIGHT IN STEM
8 CELL BIOLOGY FOR THIS. YOU'VE PUT TOGETHER A STAFF,
9 A REMARKABLY TALENTED STAFF AT CIRM THAT'S READY TO
10 SHEPHERD THESE THROUGH. AND IT'S OUR STRONG -- IT
11 WAS OUR STRONG RECOMMENDATION, AND YOU SAW THEM IN
12 JOHN'S SLIDES, THAT DISEASE TEAMS AND EARLY
13 TRANSLATION, AND THEN OUR THIRD ONE WAS THE BRIDGES
14 PROGRAM BE GIVEN STRONG PRIORITY.

15 IN THAT CONTEXT, THE SPECIFIC QUESTION
16 THAT CHAIRMAN KLEIN ASKED WAS ABOUT THE
17 PREAPPLICATION SCREENING PROCESS. SO OUR PLAN IS TO
18 HAVE A FOUR-PAGE PREAPPLICATION THAT WILL BE
19 REVIEWED BY A COMBINATION OF EXTERNAL REVIEWERS AND
20 INTERNALLY BY CIRM STAFF, AND WE WENT THROUGH THAT
21 PROCESS IN SOME DETAIL OVER THE LAST TWO BOARD
22 MEETINGS, THAT WILL ASK THE INVESTIGATORS TO
23 DESCRIBE THEIR TARGET MOLECULE OR TARGET CELL
24 POPULATION, HOW IT WILL BE ADMINISTERED, WHAT THE
25 TARGET POPULATION IS, AND THE BASIC OUTLINES OF

BARRISTERS' REPORTING SERVICE

1 THEIR RESEARCH PLAN THAT GETS THEM, AND THIS IS
2 ACKNOWLEDGEDLY AGGRESSIVE, TO AN IND APPLICATION
3 WITHIN A FOUR-YEAR TIMEFRAME.

4 AND AS DR. PIZZO HAS SAID, THIS
5 APPLICATION HAS -- THE IDEA OF THIS PROGRAM HAS
6 GENERATED ENORMOUS BUZZ IN THE STATE. THERE'S BEEN
7 REMARKABLE EFFORT ON FORMING MULTIDISCIPLINARY
8 PRIVATE-PUBLIC PARTNERSHIP TEAMS THAT REPRESENT
9 REALLY THE BEST SCIENCE IN CALIFORNIA, AND AS YOU
10 WILL HEAR LATER WHEN WE GET TO AGENDA ITEM 8, SOME
11 OF THE BEST SCIENTISTS FROM AROUND THE WORLD.

12 THE PREAPPLICATION WILL, WE HOPE, ALLOW US
13 TO RECOMMEND THAT ABOUT 50 OR 60 TEAMS' APPLICATIONS
14 BE RECEIVED IN FULL TO BE REVIEWED BY THE DISEASE --
15 BY THE GRANTS WORKING GROUP. AND ORIGINALLY, AT THE
16 TIME OF CONCEPT APPROVAL, THE BOARD RECOMMENDED
17 SETTING ASIDE ABOUT \$250 MILLION FOR THE POSSIBILITY
18 THAT ABOUT TEN OF THESE TEAMS WOULD BE FUNDED.

19 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
20 NOW, MR. HARRISON, MY UNDERSTANDING IS, AND I
21 SPECIFICALLY CHOSE DISEASE TEAMS HOPEFULLY FOR THIS
22 REASON, IS THAT SINCE NO APPLICATIONS HAVE BEEN
23 RECEIVED, THAT ANY MEMBER OF THE BOARD CAN DISCUSS
24 THIS. IS THAT A CORRECT STATEMENT? THERE'S BEEN A
25 CONCEPTUAL APPROVAL, BUT NO APPLICATIONS HAVE BEEN

BARRISTERS' REPORTING SERVICE

1 RECEIVED.

2 MR. HARRISON: THAT'S RIGHT.

3 CHAIRMAN KLEIN: I KNOW THAT I CAN TALK
4 ABOUT IT, BUT I'M TRYING TO BROADEN THE ABILITY OF
5 BOARD MEMBERS TO TALK.

6 MR. HARRISON: TO TALK GENERALLY ABOUT THE
7 DISEASE TEAMS PROGRAMS? YES.

8 CHAIRMAN KLEIN: THANK YOU. JEFF AND THEN
9 DR. HAWGOOD.

10 MR. SHEEHY: WHAT I'M TRYING TO FIGURE OUT
11 IS WHAT OUR DECISION POINTS ARE, ESPECIALLY SINCE
12 WE'RE NOT GOING TO BE ABLE TO ADDRESS THEM DIRECTLY,
13 BUT RATHER HOW WE DISPOSE OF THESE THREE GRANT
14 ROUNDS TODAY. IT SEEMS LIKE WE STARTED OFF I WAS
15 HEARING TWO THINGS. ONE IS LET'S PROCEED MORE OR
16 LESS LIKE WE'RE STILL IN BUSINESS; AND WHEN FUNDS
17 BECOME AVAILABLE, WE'LL FUND THESE.

18 THE OTHER I'M HEARING IS LET'S PUT
19 EVERYTHING ON HOLD UNTIL WE HAVE MORE INFORMATION.
20 BUT BOTH OF THOSE TO ME DON'T SEEM TO REALLY PROVIDE
21 ENOUGH INFORMATION PER WHAT THE STAFF IS DISCUSSING
22 WHICH IS SOME SENSE OF PRIORITY. I DO THINK THAT
23 THE OPTION TO JUST STOP EVERYTHING IS ONE OPTION;
24 BUT I THINK FOR THE OTHER OPTION, WE SHOULDN'T MAKE
25 DECISIONS ABOUT ALL THE GRANT ROUNDS THAT ARE IN

BARRISTERS' REPORTING SERVICE

1 FRONT OF US.

2 WE SHOULD SOMEHOW INDICATE, AS WE DISCUSS
3 THE AGENDA ITEMS BEFORE US, SOME SENSE OF PRIORITY.
4 AND THAT WILL SEND SIGNALS TO THOSE INDIVIDUALS WHO
5 ARE AND GROUPS OF INDIVIDUALS WHO ARE PREPARING
6 GRANT APPLICATIONS IN OUR UPCOMING ROUNDS THAT WE DO
7 INTEND TO VIGOROUSLY PURSUE OUR PRIORITIES. BUT I
8 THINK OUR EITHER/ORS OUGHT TO BE EITHER/OR OR
9 BECAUSE I DO THINK THAT WE NEED TO SEND A CLEAR
10 SIGNAL THAT SOME THINGS ARE GOING TO BE ATTENDED TO
11 FIRST AS WE MOVE IF WE DECIDE WE'RE GOING TO MOVE
12 FORWARD.

13 THERE IS STILL THAT OPTION JUST TO SAY WE
14 DON'T KNOW ENOUGH, YOU KNOW, WE'RE VERY PRUDENT.
15 BUT I REALLY WOULD PREFER THAT THE OTHER OPTION NOT
16 BE LET'S JUST PUT EVERYTHING AND JUST START PILING
17 STUFF BACK, START PILING AIRPLANES UP UNTIL THE
18 LANDING IS OPEN, BUT ACTUALLY SAY THESE ARE THE ONES
19 THAT ARE GOING TO GO FORWARD, AND WE'RE GOING TO DO
20 WHAT WE CAN TO GET THOSE FUNDED, FOR ME PERSONALLY.

21 DR. HAWGOOD: I THINK I WOULD LARGELY ECHO
22 WHAT JEFF JUST SAID AND APPRECIATE WHAT DR. CSETE
23 JUST TOLD US. I THINK THE ONE POINT OF CONSENSUS
24 THAT WE CAN ALL AGREE TO IS THAT WE ARE FISCALLY
25 CONSTRAINED, AND I THINK THAT SPEAKS TO STRATEGY.

BARRISTERS' REPORTING SERVICE

1 AND I AM RELUCTANT TO BOX US IN ON A GIVEN STRATEGY
2 UNTIL WE'VE ALIGNED ALL OF OUR PRIORITIES. I THINK
3 WE HAVE VERY EXCITING THINGS COMING DOWN THE PIKE,
4 BUT WE'RE GOING TO BE CONSTRAINED. WE'RE GOING TO
5 HAVE TO MAKE HARD CHOICES. AND I WOULD AS SOON MAKE
6 THOSE CHOICES SIMULTANEOUSLY VERSUS SEQUENTIALLY AND
7 FIND OURSELVES BOXED IN AND NOT ABLE TO DO SOMETHING
8 THAT WE WOULD ALL AGREE IS ABSOLUTELY MISSION
9 CRITICAL.

10 CHAIRMAN KLEIN: OKAY. I THINK WE'VE HAD
11 A VERY GOOD DISCUSSION ON THIS ITEM COMPLEMENTING
12 THE DISCUSSION FROM LAST NIGHT. DUANE, DID YOU HAVE
13 A COMMENT?

14 MR. ROTH: IF WE'RE COMPLETED, I THINK I'M
15 READY TO ATTEMPT A MOTION.

16 CHAIRMAN KLEIN: SO I'D LIKE TO GO FROM
17 THIS ITEM OF GENERAL DISCUSSION, REEMPHASIZING THAT
18 WITH THE PREPARATION OF THESE DISCUSSIONS AND THE
19 INPUT FROM THE BOARD, WE'RE GOING TO BE ABLE TO COME
20 BACK IN MARCH WITH SOME POLICY OPTIONS THAT ARE WELL
21 DEVELOPED AND TAKE INTO ACCOUNT THE INPUT FROM THE
22 BOARD, WHICH IS, OF COURSE, AN ESSENTIAL PART OF THE
23 PROCESS TO REALLY BRING ANYTHING REASONABLE HERE FOR
24 CONSIDERATION ON STANDARDS.

25 WE ARE NOW GOING BACK TO ITEM 4. AND CAN

BARRISTERS' REPORTING SERVICE

1 I ASK YOU, DUANE, MAYBE TO ENHANCE PARTICIPATION, WE
2 COULD HANDLE EACH OF THESE SEPARATELY?

3 MR. HARRISON: MR. CHAIR, THAT ACTUALLY
4 DOESN'T MAKE A DIFFERENCE IN TERMS OF THE ABILITY OF
5 MEMBERS TO PARTICIPATE.

6 CHAIRMAN KLEIN: BECAUSE THEY'RE ALL IN
7 BOTH. OKAY. FINE. I'M JUST TRYING TO SEARCH FOR
8 OPPORTUNITIES FOR PARTICIPATION.

9 MR. ROTH: BEFORE I MAKE MY MOTION, JUST
10 THERE WERE A NUMBER OF VERY, VERY PROFOUND
11 SUGGESTIONS AND COMMENTS MADE IN THIS LAST SESSION.
12 AND I'M PERSUADED BY MARCY'S CONCERN THAT WE
13 CONTINUE OUR WORK. I THINK THAT'S IMPORTANT. I
14 THINK RICARDO, WORDS MATTER, AND THEN DR. PIZZO AND
15 OTHERS THAT WE'VE MADE COMMITMENTS HERE THAT ARE
16 REALLY HARD TO GO BACK AND SECOND-GUESS. PERHAPS IF
17 WE HAD DONE THIS BEFORE THE RFA'S WENT OUT, THAT
18 WOULD BE APPROPRIATE. BUT I THINK THE INTEGRITY OF
19 OUR PROCESS IS VERY IMPORTANT, THAT WE TRY TO
20 MAINTAIN THE INTEGRITY THERE.

21 SO WITH THAT, I'M GOING TO MAKE THIS
22 MOTION WITH A LITTLE HELP FROM JAMES. I MOVE THAT
23 WE CONSIDER AND APPROVE FOR FUNDING THE BRIDGES AND
24 TRAINING GRANT II APPLICATIONS WITH CAVEAT, WITH THE
25 CAVEAT THAT FUNDING OF APPROVAL OF THE GRANTS IS

BARRISTERS' REPORTING SERVICE

1 SUBJECT TO THE ICOC'S DETERMINATION, IN ITS SOLE
2 DISCRETION, THAT CIRM HAS SUFFICIENT FUNDS,
3 EXCLUDING FUNDS AVAILABLE TO MEET EXISTING
4 COMMITMENTS, TO FUND THE GRANT APPLICATIONS.

5 CHAIRMAN KLEIN: I'D SECOND THAT. I
6 THINK, JAMES, IT APPEARS TO ME TO BE SUFFICIENT ON
7 ITS FACE?

8 MR. HARRISON: YES.

9 DR. PENHOET: CLARIFYING POINT. I THINK
10 THE CURRENT -- DR. AZZIZ MADE A PLEA FOR A VERY
11 ROBUST DEFINITION OF THE TERM "FUNDS BEING
12 AVAILABLE." I BELIEVE THAT THE CURRENT PROPOSAL
13 DOES NOT INCLUDE THAT THE FUNDS AVAILABLE WOULD BE
14 AT THE DISCRETION OF THE BOARD, IRRESPECTIVE OF
15 FUNDS ARE GENERALLY AVAILABLE TO THIS BOARD, AND
16 COULD INCLUDE A DECISION THAT THE FUNDS WOULD NOT BE
17 AVAILABLE FOR REASON OF REPRIORITIZING FUNDS WITHIN
18 CIRM BY THE BOARD. I THINK THAT, DUANE, I THINK
19 THAT'S WHAT YOU MEANT BY YOUR FIRST ONE.

20 SO FUNDS AVAILABLE WOULD MEAN FUNDS
21 GENERALLY AVAILABLE TO CIRM AS A RESULT OF BOND
22 SALES, ETC., AND THAT THIS BOARD HAD CONCLUDED THAT
23 THE FUNDS WERE AVAILABLE TO THESE SPECIFIC, WHATEVER
24 THEY ARE, THESE TWO OR ANY OTHERS, BASED ON CURRENT
25 UNDERSTANDING OF THE PRIORITIES OF THE CIRM. BOTH

BARRISTERS' REPORTING SERVICE

1 OF THOSE WOULD BE INCLUDED IN THE DEFINITION.

2 CHAIRMAN KLEIN: I'D LIKE TO POTENTIALLY
3 DISTINGUISH THESE, TAKING YOUR COMMENT, DR. PENHOET.
4 STAFF HAS IDENTIFIED BRIDGES AS A MISSION CRITICAL
5 OBJECTIVE. AND I'D LIKE TO SEPARATE THEM. IT IS
6 OUR OPTION, SO I'D LIKE TO ASK IF WE FIRST WOULD
7 CONSIDER THIS MOTION, DUANE, AS TO THE TRAINING
8 PROGRAM AND THEN SEPARATELY CONSIDER, INCLUDING DR.
9 PENHOET'S ADDITIONAL LANGUAGE, AND THEN SEPARATELY
10 CONSIDER IT AS TO THE BRIDGES PROGRAM WITH THE
11 UNDERSTANDING HERE THAT DUANE ALREADY HAS IN THE
12 LANGUAGE THAT IT'S THE SOLE DISCRETION OF THE BOARD
13 WHETHER TO FUND. SO IT DOES NOT MEAN THAT WE'RE
14 COMMITTED TO ACTUALLY ADVANCE THE FUNDS, BUT I'M
15 TRYING TO RECOGNIZE THAT THERE IS A POTENTIAL
16 DIFFERENCE IN THESE TWO PROGRAMS.

17 I WOULD LIKE TO RECOGNIZE DR. OLSON.

18 DR. OLSON: I JUST WANTED TO -- THANK YOU,
19 MR. CHAIRMAN. I JUST WANTED TO MAKE SURE THAT
20 THERE'S A FURTHER CLARIFICATION REGARDING THIS "IF
21 FUNDS AVAILABLE." RECOGNIZE THAT YOU'VE ALL BEEN
22 TALKING ABOUT THROUGH DECEMBER 31ST OF 2010. WE
23 HAVE COMMITMENTS EXTENDING BEYOND THAT. SO I WANT
24 TO MAKE IT VERY CLEAR WHAT YOU'RE TALKING ABOUT WHEN
25 YOU'RE TALKING ABOUT FUNDS AVAILABLE, AND I JUST ASK

BARRISTERS' REPORTING SERVICE

1 YOU TO TAKE THAT INTO CONSIDERATION.

2 CHAIRMAN KLEIN: AND THE INTENT IS AT THE
3 MARCH MEETING TO ADDRESS THOSE ISSUES VERY
4 SPECIFICALLY. AND REMEMBER WHAT DUANE HAS SUGGESTED
5 IS IT'S THE SOLE DISCRETION OF THE BOARD ON THE
6 ACTUAL FUNDING.

7 DR. AZZIZ: JUST A PROCEDURAL QUESTION.
8 ED, WAS THAT A FRIENDLY AMENDMENT?

9 DR. PENHOET: I CAN'T MAKE AN AMENDMENT.
10 I WAS TRYING TO CLARIFY THE DEFINITION.

11 CHAIRMAN KLEIN: I WAS ASKING IF THERE
12 COULD BE A FRIENDLY AMENDMENT. SO THAT WAS THE FORM
13 OF MY QUESTION.

14 MR. ROTH: LET ME LISTEN TO THE LANGUAGE.

15 MR. HARRISON: IF YOU'D GIVE ME JUST ONE
16 MINUTE, I THINK I CAN SOLVE THE QUANDARY.

17 DR. PIZZO: WHILE HE'S GETTING THE
18 LANGUAGE, THERE'S AMONG THE MANY ARTICLES THAT ARE
19 OUT THERE TODAY, WON'T TALK ABOUT THE ONE, BUT THE
20 OTHER IS STEM CELL FACILITY MIGHT NOT GET BUILT.
21 THIS IS *THE SAN DIEGO TRIBUNE*, AND IT'S A BIG STORY.
22 IT ALSO ALLUDES TO OUR DISCUSSION OF LAST NIGHT.
23 AND I THINK WE CERTAINLY CAN ENVISION THAT SOME OF
24 THE DIALOGUE WE'RE HAVING HERE TODAY IS GOING TO BE
25 OUT THERE, WHICH IS WHY, GOING BACK TO MY EARLIER

BARRISTERS' REPORTING SERVICE

1 COMMENTS, THE MESSAGES WE CONVEY ARE EITHER GOING TO
2 PROVIDE DARKNESS OR HOPE.

3 CHAIRMAN KLEIN: LET'S GO THROUGH THE
4 STEPS HERE. WE HAVE MARCY AND THEN SHERRY LANSING.
5 AND I WAS ON THE PHONE WITH ED HOLMES AT 10:30 LAST
6 NIGHT GOING THROUGH THE CONSTITUTIONAL PROTECTIONS
7 FOR EXISTING COMMITMENTS AND DISCUSSING THE WORK
8 THAT JAMES HAS BEEN DOING AT MY REQUEST FOR THE LAST
9 FIVE WEEKS ON DEVELOPING SOMETHING FOR THE BANKS SO
10 THEY COULD UNDERSTAND THAT THEY COULD RELY UPON
11 CONSTITUTIONAL PROTECTIONS AND THE FUNDING
12 AUTHORIZATION WE HAVE IN PLACE ON EXISTING
13 CONTRACTS.

14 MS. FEIT: JUST HAVE TWO QUICK POINTS I
15 WANTED TO MAKE. ONE IS, AGAIN, TO RESTATE
16 CONTINUING THE WORK OF THIS AGENCY GOING FORWARD,
17 BUT ALSO BEING CLEAR THAT THE BOARD HAS SERIOUS
18 FIDUCIARY RESPONSIBILITIES RIGHT NOW.

19 THE SECOND POINT IS FOR FUTURE AGENDAS,
20 I'D LIKE FOR MARCH FOR THE BOARD TO CONSIDER AS A
21 TOPIC OF DISCUSSION THAT QUARTERLY PAYMENTS IN THE
22 FUTURE BECOME A POLICY SINCE FIDUCIARILY WE SHOULD
23 DO EVERYTHING TO CONSERVE CAPITAL NOW AND IN THE
24 FUTURE FOR CIRM'S MISSION.

25 CHAIRMAN KLEIN: DUANE, IF I COULD GET

BARRISTERS' REPORTING SERVICE

1 SHERRY' S COMMENTS AND THEN WE' LL GO BACK TO YOU.

2 MS. LANSING: YOU KNOW, I' VE BEEN SITTING
3 AND LISTENING. AND THE ONE GROUP THAT WE HAVE SORT
4 OF SKIRTED AROUND, AND PHIL WAS VERY ELOQUENT IN
5 GOING THROUGH THE GROUPS, IS THE PATIENTS
6 THEMSELVES. DO YOU KNOW? AND THAT IS PERHAPS THE
7 GROUP THAT WE REPRESENT THE MOST, WHICH IS ACTUALLY
8 ALL THE CITIZENS OF CALIFORNIA. AND WE MUST
9 REMEMBER THAT THEY VOTED FOR THIS, AND THEY ARE THE
10 MOST POWERFUL GROUP. THEY ARE THE CITIZENS. THEY
11 ARE THE CITIZENS THAT GET PEOPLE ELECTED.

12 AND THERE ARE WAYS THAT OUR GOVERNMENT,
13 OUR LEGISLATURE CAN SOLVE THESE PROBLEMS. THEY MAY
14 BE UNPLEASANT WAYS, THEY MAY BE DIFFICULT, BUT I
15 REALLY BELIEVE THAT IF WE MOVE FORWARD AND IF THERE
16 IS NO FUNDING TO FUND THESE, YOU ARE GOING TO HAVE A
17 GROUP, TO QUOTE A MOVIE, THAT' S MAD AS HELL AND NOT
18 GOING TO TAKE ANY MORE AND IS GOING TO FIND A WAY TO
19 UNITE THE DIVISIVE, YOU KNOW, PEOPLE AND UNITE THE
20 LEGISLATURE. AND WE WILL FIND A WAY TO GET THE
21 MONEY. AND IN MY OPINION, THAT IS WHY I FEEL SO
22 STRONGLY THAT REPRESENTING THE PATIENTS, WHICH IS
23 REALLY BASICALLY EVERY CITIZEN, IS REALLY THE
24 OVERRIDING CONCERN THAT WE SHOULD HAVE. AND WE MUST
25 MOVE FORWARD.

BARRISTERS' REPORTING SERVICE

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(APPLAUSE.)

MR. ROTH: SO, JAMES, COULD YOU GIVE ME YOUR THOUGHTS ON HOW TO CRAFT THIS MOTION?

MR. HARRISON: LET'S SEE IF THIS WORKS. APPROVED TRAINING II GRANTS AND BRIDGES GRANTS WOULD BE SUBJECT -- FUNDING OF BRIDGES AND TRAINING II GRANTS WOULD BE SUBJECT TO THE ICOC'S DETERMINATION, IN ITS SOLE DISCRETION, THAT CIRM HAS SUFFICIENT FUNDS, EXCLUDING FUNDS AVAILABLE TO MEET EXISTING COMMITMENTS, AND THAT FUNDING THE GRANTS IS CONSISTENT WITH CIRM'S PRIORITIES.

CHAIRMAN KLEIN: OKAY.

MR. ROTH: SO I WILL ACCEPT THAT AS AN AMENDMENT TO THE ORIGINAL MOTION.

CHAIRMAN KLEIN: I ACCEPT IT AS THE SECOND. ALL RIGHT. SO THAT IS THE MOTION. WE'VE HAD A THOUGHTFUL DISCUSSION. I'D LIKE PUBLIC COMMENT. SEEING NO PUBLIC COMMENT --

MR. NUNN: MIKE NUNN FROM THE SALK INSTITUTE. I'M THE DIRECTOR OF GRANTS DEVELOPMENT THERE. AND I GUESS I'M NOT CONFLICTED BECAUSE I'M NOT ON THE BOARD, SO I CAN SAY WHAT I THINK.

AS FAR AS THE TRAINING GRANTS GOES AND BRIDGES TO STEM CELLS, WE HAVE INVOLVEMENT WITH BOTH PROGRAMS. AND WITH THE TRAINING GRANTS IN

BARRISTERS' REPORTING SERVICE

1 PARTICULAR, WE HAVE AN EXISTING PROGRAM THAT WOULD
2 BE CONTINUING. AND PRIOR TO COMING TO THE SALK
3 INSTITUTE, I WAS A PROGRAM DIRECTOR AT THE NATIONAL
4 INSTITUTES OF HEALTH, THE NEUROLOGY INSTITUTE, FOR
5 QUITE A WHILE, FIVE YEARS.

6 AND THERE IN TRAINING GRANTS YOU ALWAYS
7 HAD A CONTINUATION PHASE BECAUSE YOU'RE TALKING
8 ABOUT PEOPLE WHO ARE ON FUNDING WHERE IF YOU MAKE A
9 DECISION TO STOP FUNDING, ESSENTIALLY THEY HAVE NO
10 JOB, AND THESE ARE STUDENTS, YOUNG PEOPLE.

11 SO I WOULD HOPE THAT IN YOUR PROVISION FOR
12 THESE KINDS OF AWARDS, ESPECIALLY IN A CONTINUATION
13 SITUATION, THAT YOU CONSIDER PEOPLE, IT'S NOT THE
14 DOLE, BUT ON THE DOLE, WHO IF YOU TAKE THEM OFF THE
15 DOLE, THEY WOULD COMPLETELY FALL OUT OF THIS LINE OF
16 WORK.

17 CHAIRMAN KLEIN: WE HAVE DEDICATED
18 STUDENTS WHO ARE COMMITTING THEIR LIFE TO THIS FIELD
19 WHO ARE BEING SUPPORTED IN THEIR LEARNING THIS VERY
20 SPECIFIC AND SPECIALIZED NEW AREA OF MEDICINE.

21 MR. NUNN: I THINK THAT IT'S IMPORTANT TO
22 CONSIDER THOSE PEOPLE.

23 IN ADDITION, PUTTING ON MY FORMER NIH HAT,
24 IT MAY BE, I DON'T KNOW IF THIS IS BAD LANGUAGE
25 HERE, BUT NIH ROUTINELY USES THE PHRASE "PENDING

BARRISTERS' REPORTING SERVICE

1 AVAILABILITY OF FUNDS," AND ALL INSTITUTIONS FUNDED
2 BY NIH ARE USED TO WHAT THAT MEANS, WHICH IS WHEN
3 THE CONGRESS GETS THEIR BUDGET ACT TOGETHER, YOU
4 WILL GET AN AWARD AS SOON AS WE FIGURE OUT HOW TO DO
5 IT. AND I THINK MOST OF THE INSTITUTIONS RECEIVING
6 AWARDS FROM THIS AGENCY WOULD BE QUITE FAMILIAR WITH
7 THAT.

8 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

9 DR. SIMPSON: JOHN SIMPSON FROM CONSUMER
10 WATCHDOG. IT STRIKES ME SPECIFICALLY ON THE MOTION
11 THAT IT HITS THE APPROPRIATE BALANCE OF FIDUCIARY
12 RESPONSIBILITY AND HOPE THAT WILL CARRY YOU FORWARD
13 AND SEND THE BEST MESSAGE THAT YOU CAN SEND TO ALL
14 FOLKS RIGHT NOW, SO I WOULD NOW ENDORSE THE MOTION.

15 CHAIRMAN KLEIN: THANK YOU.

16 MR. ROTH: CALL THE QUESTION.

17 CHAIRMAN KLEIN: CALL THE QUESTION.

18 MS. KING: MAYBE COUNSEL WANTS TO TELL
19 MEMBERS HOW TO RESPOND, PLEASE.

20 MR. HARRISON: JUST REMINDER, AS IF YOU
21 NEED IT, BECAUSE THIS IS AN OMNIBUS MOTION THAT
22 COVERS TWO DIFFERENT GRANT ROUNDS, YOU SHOULD STATE
23 YOUR VOTE WITH THE CAVEAT THAT YOU ARE NOT VOTING AS
24 TO THOSE APPLICATIONS IN WHICH YOU HAVE A CONFLICT
25 OF INTEREST.

BARRISTERS' REPORTING SERVICE

1 MS. KING: RICARDO AZZIZ.

2 DR. AZZIZ: FOR, EXCEPT FOR THOSE
3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: ROBERT BIRGENEAU.

5 DR. BIRGENEAU: FOR, EXCEPT FOR THOSE
6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: GORDON GILL.

8 DR. GILL: AGAINST, EXCEPT FOR THOSE
9 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

10 MS. KING: JACOB LEVIN.

11 DR. LEVIN: FOR, EXCEPT FOR THOSE
12 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

13 MS. KING: MARCY FEIT.

14 MS. FEIT: YES, EXCEPT FOR THOSE
15 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

16 MS. KING: MICHAEL FRIEDMAN.

17 DR. FRIEDMAN: FOR, EXCEPT FOR THOSE
18 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

19 MS. KING: MICHAEL GOLDBERG.

20 MR. GOLDBERG: YES, EXCEPT FOR THOSE
21 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

22 MS. KING: SAM HAWGOOD.

23 DR. HAWGOOD: YES, EXCEPT FOR THOSE
24 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

25 MS. KING: BOB KLEIN.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: YES, EXCEPT FOR THOSE
2 APPLICATIONS WITH WHICH I HAVE A CONFLICT. I DON'T
3 HAVE ANY CONFLICTS. I'M GETTING TIRED.

4 MS. KING: SHERRY LANSING.

5 MS. LANSING: YES, EXCEPT FOR THOSE
6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: LEONARD ROME.

8 DR. ROME: YES, EXCEPT FOR THOSE
9 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

10 MS. KING: ED PENHOET.

11 DR. PENHOET: YES, EXCEPT FOR THOSE
12 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

13 MS. KING: PHIL PIZZO.

14 DR. PIZZO: YES, EXCEPT FOR THOSE
15 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

16 MS. KING: CLAIRE POMEROY.

17 DR. POMEROY: NO, EXCEPT FOR THOSE
18 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

19 MS. KING: FRANCISCO PRIETO.

20 DR. PRIETO: YES, EXCEPT FOR THOSE
21 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

22 MS. KING: CARMEN PULIAFITO.

23 DR. PULIAFITO: YES, EXCEPT FOR THOSE
24 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

25 MS. KING: JOHN REED.

BARRISTERS' REPORTING SERVICE

1 DR. REED: YES, EXCEPT FOR THOSE
2 APPLICATIONS WITH WHICH I HAVE A CONFLICT, IF THERE
3 ARE ANY SUCH GRANTS WITH WHICH I HAVE A CONFLICT
4 BECAUSE I DON' T KNOW.

5 MS. KING: DUANE ROTH.

6 MR. ROTH: YES.

7 MS. KING: DAVID SERRANO-SEWELL.

8 MR. SERRANO-SEWELL: NO.

9 MS. KING: JEFF SHEEHY.

10 MR. SHEEHY: NO, EXCEPT FOR THOSE
11 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

12 CHAIRMAN KLEIN: OKAY. THANK YOU.

13 MS. KING: IT APPEARS THAT THAT MOTION
14 CARRIES FOR THE RECORD; IS THAT CORRECT, COUNSEL?

15 CHAIRMAN KLEIN: THAT WOULD CERTAINLY BE
16 CORRECT. THANK YOU. ALL RIGHT.

17 SO AT THIS POINT I' D LIKE TO, I THINK,
18 PROCEED ON ITEM 4 AND ASK FOR A BREAK AT THE REQUEST
19 OF THE PUBLIC AND OUR DEDICATED TRANSCRIPTIONIST.
20 THANK YOU. FIVE-MINUTE BREAK.

21 (A RECESS WAS TAKEN.)

22 (DR. PRICE IS NOW IN FOR DR.
23 BIRGENEAU.)

24 CHAIRMAN KLEIN: IF WE COULD RECONVENE,
25 PLEASE. STAFF, IF YOU COULD HELP FIND MEMBERS. IF

BARRISTERS' REPORTING SERVICE

1 STAFF WOULD PLEASE RAID THE RESTROOMS. THERE IS NO
2 PLACE SAFE FROM STEM CELL RESEARCH. STAFF, HOW WE
3 DOING? OKAY. WE REALLY DO NEED TO RESCUE WHATEVER
4 BOARD MEMBERS ARE IN THE HALL. WE NEED TO PROCEED
5 HERE.

6 WHILE THE BOARD IS ASSEMBLING, I'D LIKE TO
7 CALL EVERYONE'S ATTENTION TO THE NEW *TIME MAGAZINE*
8 COVER, WHICH IS JUST OUT, HAS ON THE COVER A VERY
9 VIBRANT STEM CELL PICTURE, AND IT STATES, "HOW THE
10 COMING REVOLUTION IN STEM CELLS COULD SAVE YOUR
11 LIFE." THAT'S THE COVER OF *TIME MAGAZINE*.

12 DR. PIZZO: IS THAT WITH YOUR PICTURE,
13 BOB? WHAT KIND OF STEM CELL IS IT?

14 CHAIRMAN KLEIN: I WAS GOING TO PASS IT TO
15 YOU TO IDENTIFY FOR ME.

16 THE SUBSET IS DIABETES, HEART DISEASE,
17 PARKINSON'S.

18 MS. KING: IF I COULD JUST REMIND ALL THE
19 BOARD MEMBERS TO REFER TO THE SHEETS THAT I'VE
20 HANDED YOU THAT LIST THE APPLICATIONS WITH WHICH YOU
21 HAVE CONFLICTS FOR BOTH THE TRAINING PROGRAM AND
22 THEN ON A SEPARATE SHEET THE BRIDGES PROGRAM DURING
23 THESE CONVERSATIONS, THAT WOULD BE GREAT. THANK
24 YOU.

25 CHAIRMAN KLEIN: ALL RIGHT. MR. SIMPSON,

BARRISTERS' REPORTING SERVICE

1 YOU HAVE A QUESTION?

2 DR. SIMPSON: VERY QUICK POINT OF
3 HOUSEKEEPING SORT OF THINGS. I'VE GOT A COUPLE OF
4 E-MAILS FROM PEOPLE WHO ARE TRYING TO FOLLOW IN ON
5 THE WEBCAST. IT'S SIMPLY THAT WHEN YOU ARE
6 ADDRESSING SLIDES AND SO ON, THEY DON'T HAVE ACCESS
7 TO THEM. SO IF YOU CAN REFER TO NUMBERS AND FIGURES
8 AND SO ON, THE PEOPLE WHO ARE LISTENING, AND THERE
9 ARE A LOT OF THEM, AND IT'S COMMENDABLE THAT YOU'RE
10 DOING THIS, WOULD BENEFIT MORE SIMPLY BY HAVING THAT
11 REFERENCE TO FIGURES.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WE
13 WILL DO IT TO THE EXTENT POSSIBLE.

14 MR. GOLDBERG: MR. SIMPSON, PERHAPS IN THE
15 SPIRIT OF THAT, IS THERE ANY CHANCE THE CONSUMER
16 WATCHDOG COULD PROVIDE THE VIDEO SERVICES THAT COULD
17 ALLOW THIS TO BE SIMULTANEOUSLY WEBCAST IN VIDEO AS
18 WELL AS AUDIO? JUST FOR YOUR CONSIDERATION, SIR.

19 CHAIRMAN KLEIN: WE'LL LOOK FOR MONEY
20 EVERYWHERE, JOHN. ALL RIGHT.

21 WE NEED TO MOVE, AND WE'RE GOING -- I'D
22 ASK THE BOARD TO CONSIDER TIME. WE HAVE AN AGENDA
23 WITH A NUMBER OF ITEMS WE HAVE TO GET THROUGH. I'D
24 LIKE TO MOVE EXPEDITIOUSLY. AND IF WE COULD PLEASE
25 CONSIDER THAT.

BARRISTERS' REPORTING SERVICE

1 WE ARE GOING TO ASK THE STAFF, GIL
2 SAMBRANO. DR. SAMBRANO IS GOING TO BEGIN, AND I
3 BELIEVE YOU'RE BEGINNING ON TRAINING GRANTS II; IS
4 THAT CORRECT?

5 DR. SAMBRANO: THAT'S CORRECT.

6 CHAIRMAN KLEIN: PLEASE LET'S MAKE THE
7 COMMENTS IN A MORE SUMMARY, BOTTOM-LINE FASHION WITH
8 A SHORT INTRODUCTION IF WE COULD.

9 DR. SAMBRANO: I WILL DO MY BEST. SO MR.
10 CHAIR, MEMBERS OF THE BOARD, AND MEMBERS OF THE
11 PUBLIC, I'M PLEASED TO BRING TO YOU THE
12 RECOMMENDATIONS FROM THE GRANTS WORKING GROUP
13 REGARDING THE RESEARCH TRAINING PROGRAM II. AND AS
14 YOU WILL NOTE, THIS PROGRAM IS A REISSUANCE OF AN
15 RFA THAT WE ISSUED THE VERY FIRST TIME FOR TRAINING
16 GRANTS TO TRAIN PREDOCTORAL, POSTDOCTORAL, AND
17 CLINICAL FELLOWS AND TO LEAD THEM TO DEVELOP
18 PRODUCTIVE PROGRAMS IN STEM CELL RESEARCH.

19 THE AWARDS THEMSELVES PROVIDE SUPPORT FOR
20 TRAINEES, INCLUDING STIPENDS, TUITION, AND FEES FOR
21 STUDENTS, HEALTH INSURANCE, AND AN ALLOWANCE FOR
22 RESEARCH AND TRAVEL. IT ALSO PROVIDES SUPPORT FOR
23 PROGRAM ADMINISTRATION, INCLUDING THE DEVELOPMENT OF
24 COURSES, SEMINARS, AND PARTIAL SALARY FOR THE
25 PROGRAM DIRECTOR.

BARRISTERS' REPORTING SERVICE

1 THE PROGRAM IS AVAILABLE IN THREE TYPES.
2 THE TYPE 1 ARE COMPREHENSIVE PROGRAMS THAT WILL
3 SUPPORT UP TO 16 TRAINEES AT ALL THREE TRAINING
4 LEVELS. THE TYPE 2 ARE INTERMEDIATE PROGRAMS WHICH
5 WOULD SUPPORT UP TO TEN TRAINEES AT TWO LEVELS AT
6 840,000 PER YEAR. AND THE TYPE 3, WHICH ARE MORE
7 FOCUSED OR SPECIALIZED PROGRAMS, WHICH WOULD SUPPORT
8 UP TO SIX TRAINEES AT ONE OR TWO TRAINING LEVELS AT
9 525,000 PER YEAR.

10 AND JUST TO REMIND YOU, THE CONCEPT WHICH
11 YOU APPROVED FOR THIS PROGRAM WOULD ALLOW FUNDING OF
12 UP TO 18 PROGRAMS FOR THREE YEARS WITH A TOTAL
13 PROGRAM COST OF ABOUT \$48 MILLION.

14 THE REVIEW CRITERIA THAT WAS UTILIZED BY
15 THE GRANTS WORKING GROUP TO DETERMINE THE MERIT OF
16 THESE APPLICATIONS ARE THOSE THAT ARE SHOWN ON THE
17 SLIDE. THEY ARE ALSO THE ONES THAT WERE APPROVED BY
18 THE BOARD AND EXIST IN THE GRANTS ADMINISTRATION
19 POLICY AND INCLUDE THE OVERALL QUALITY OF THE
20 PROGRAM, THE PROGRAM LEADERSHIP, OBVIOUSLY THE
21 RESEARCH AND TRAINING STRENGTH OF THE MENTORS THAT
22 ARE PROPOSED, THE QUALITY AND DIVERSITY OF ANY
23 EXISTING TRAINING PROGRAMS, WHETHER THEY ARE CIRM
24 PREVIOUS TRAINING PROGRAMS OR NIH TRAINING PROGRAMS,
25 FOR EXAMPLE, AND THE STRENGTH OF STEM CELL RESEARCH

BARRISTERS' REPORTING SERVICE

1 AT THE INSTITUTION.

2 I WANT TO JUST POINT OUT TO YOU THAT THE
3 REVIEWERS, IN MAKING THEIR SCORES AND
4 RECOMMENDATIONS, HAD THE OPTION TO RECOMMEND A
5 DECREASE IN THE NUMBER OF TRAINEE SLOTS THAT WERE
6 REQUESTED BY THE APPLICANT. THEY ALSO HAD THE
7 OPTION TO RECOMMEND A CHANGE TO A MORE FOCUSED
8 PROGRAM CATEGORY. FOR EXAMPLE, IF AN APPLICANT CAME
9 IN WITH AN APPLICATION FOR A TYPE 1 PROGRAM,
10 REVIEWERS, IF THEY FELT APPROPRIATE, COULD RECOMMEND
11 A CHANGE TO A TYPE 2 PROGRAM.

12 YOU SHOULD ALSO NOTE THAT, FOR EXISTING
13 TRAINING PROGRAMS, REVIEWERS WERE PRESENTED WITH
14 FACTUAL DATA ON THE NUMBER OF PUBLICATIONS THAT WERE
15 REPORTED FROM TRAINEES FOR THAT PROGRAM, THE NUMBER
16 OF SLOTS THAT THEY WERE ABLE TO SUCCESSFULLY FILL,
17 AND THE TIMELINESS OF THE PROGRESS REPORTS.

18 SHOWN HERE IS JUST THE HISTOGRAM OF THE
19 SCORE DISTRIBUTION OF THE INITIAL SCIENTIFIC SCORE
20 GIVEN BY THE WORKING GROUP. ALONG THE BOTTOM AXIS
21 ARE THE SCORES FROM ONE TO A HUNDRED WITH A HUNDRED
22 BEING THE BEST POSSIBLE SCORE AND AGAINST THE NUMBER
23 OF APPLICATIONS. THE GRANTS WORKING GROUP INITIALLY
24 DREW A LINE AT ABOUT 75 TO DEFINE TIER 1 OR THOSE
25 THAT THEY WOULD RECOMMEND FOR FUNDING BEING ABOVE

BARRISTERS' REPORTING SERVICE

1 THAT LINE. THOSE THAT WERE NOT DEEMED MERITORIOUS
2 OR RECOMMENDED FOR FUNDING WERE UNDER A SCORE OF 60.
3 THOSE IN BETWEEN WERE RECOMMENDED IF FUNDS
4 AVAILABLE.

5 IN THE NEXT SLIDE WE HAVE A SUMMARY TABLE
6 OF THE FINAL RECOMMENDATIONS OF THE WORKING GROUP,
7 WHICH TOTAL TO 15 APPLICATIONS WITH A TOTAL AMOUNT
8 REQUESTED OF 40.6 MILLION, AND THAT WOULD CONSTITUTE
9 TIER 1. AND IN TIER 2 THERE ARE TWO ADDITIONAL
10 APPLICATIONS THAT TOTAL 4.6 MILLION THAT WOULD BE
11 RECOMMENDED IF FUNDS AVAILABLE.

12 AND SO I THINK WE CAN GO TO THE LISTING OF
13 THE APPLICATIONS. SO SHOWN HERE ARE THE
14 APPLICATIONS IN RANK ORDER AND THE RECOMMENDATIONS.
15 THEY SHOW THE APPLICATION NUMBER, THE SCORE
16 RECEIVED, A REDACTED TITLE, WHICH DEIDENTIFIES IT,
17 AND THEN THE NUMBER OF SLOTS REQUESTED FOR
18 PREDOCTORAL, POSTDOCTORAL, OR CLINICAL FELLOWS
19 SLOTS.

20 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
21 MUCH. SO JEFF SHEEHY, WOULD YOU LIKE TO LOOK AT THE
22 COMPARISON OF THE RECOMMENDATION TOTALS TO THE
23 BUDGET TOTAL?

24 MR. SHEEHY: WELL, IT IS -- I BELIEVE IT'S
25 A LITTLE BIT UNDER BUDGET, ISN'T IT? DIDN'T WE

BARRISTERS' REPORTING SERVICE

1 BUDGET --

2 DR. SAMBRANO: THAT'S CORRECT.

3 MR. SHEEHY: SO WE DID COME IN UNDER.

4 DR. SAMBRANO: SO TIER 1 REPRESENTS,
5 AGAIN, ABOUT 40 MILLION, AND THE ALLOCATED BUDGET
6 FOR THE OVERALL PROGRAM WAS 48 MILLION.

7 CHAIRMAN KLEIN: CAN I SEE THE GRAY AREA
8 ON THIS, PLEASE?

9 DR. SAMBRANO: THE COLOR DOESN'T SHOW UP
10 WELL ON THIS ONE, BUT THE GRAY ZONE ARE APPLICATIONS
11 115 AND -- I'M SORRY -- 1155 AND 1161.

12 CHAIRMAN KLEIN: I WOULD JUST LIKE TO
13 STATE THAT THE TRAINING PROGRAM HAS TURNED OUT TO BE
14 HIGHLY PRODUCTIVE IN TERMS OF PUBLICATIONS AND IN
15 TERMS OF OUR EFFECTIVE RESULTS FROM THE PHASE ON THE
16 TRAINING PROGRAM I. I BELIEVE, IF I CAN SEE THE
17 NUMBERS, 161, IS THAT THE SECOND ONE IN THE GRAY
18 AREA, IS AN INSTITUTION THAT HAD A HISTORY OF HIGH
19 PRODUCTIVITY IN PUBLICATIONS.

20 AND IN THE PEER REVIEW AT THE END OF THE
21 PEER REVIEW, THE LEAD PEER REVIEWER MADE A STATEMENT
22 THAT NOW THAT HE HAD GONE THROUGH THE WHOLE SYSTEM,
23 THAT HE REALIZED THAT, IN FACT, HIS COMMENTS ON A
24 RELATIVE BASIS HAD RESULTED IN IT BEING IN THE GRAY
25 AREA WHERE HE REALLY THOUGHT IT, SOLIDLY BELIEVED IT

BARRISTERS' REPORTING SERVICE

1 SHOULD HAVE BEEN IN THE FUNDED AREA.

2 IT'S IMPORTANT THAT IN ANY PROCESS, WHEN
3 YOU START AT THE BEGINNING AND YOU END UP AT THE
4 END, YOU'VE GOT THE WHOLE SPECTRUM AND IT GIVES YOU
5 SOME CONTEXT FOR THE EVALUATION. BUT ALSO DURING
6 THE EVALUATION PROGRAM, WE LEARNED THAT A NUMBER OF
7 THESE INSTITUTIONS HAVE DEVELOPED COURSES THAT ARE
8 TAUGHT THROUGH VIDEO CONFERENCING TO BRING IN
9 SPECIALISTS FROM OTHER AREAS. AND EARLY ON IN THE
10 DISCUSSION, IT WASN'T CLEAR WHAT THE VARIOUS
11 INDIVIDUALS IN THE PEER REVIEW THOUGHT ABOUT THE
12 VALUE OF SOME OF THOSE COURSES. LATER ON THERE WERE
13 SOME VERY STRONGLY POSITIVE COMMENTS MADE ABOUT THE
14 VALUE OF THOSE COURSES, WHICH I THINK WOULD HAVE
15 RESULTED, BASED ON MY INDIVIDUAL PERCEPTION, IN SOME
16 HIGHER SCORES.

17 BUT I WOULD LIKE TO EMPHASIZE THAT IN
18 BUILDING OUR CORE ENTRY GATEWAY FOR INDIVIDUALS INTO
19 THIS FIELD, THAT THIS HAS BEEN A VERY PRODUCTIVE
20 PROGRAM IN TERMS OF PUBLICATIONS FOR US, THE
21 PUBLICATIONS OF THE INDIVIDUAL PARTICIPANTS, AND I
22 BELIEVE THAT STATISTICALLY FROM MY MEMORY IS THAT
23 THE SECOND ITEM DOWN IN THE GRAY AREA RESULTED IN
24 SEVEN DIFFERENT PUBLICATIONS, WHICH, GIVEN THE
25 NUMBER OF INDIVIDUALS AND THE SHORT TIME PERIOD,

BARRISTERS' REPORTING SERVICE

1 THAT WAS A VERY GOOD PERFORMANCE.

2 BUT MOST IMPORTANTLY, I THINK WE HAVE A
3 STRONG DISCIPLINE, EVEN IF WE HAVE FUTURE FUNDING,
4 TO REMAIN IN THE BUDGET. AND MY UNDERSTANDING IS
5 THAT EVEN WITH THE APPLICATIONS IN THE GRAY AREA, WE
6 WOULD BE IN THE BUDGET; IS THAT CORRECT?

7 DR. SAMBRANO: THAT IS CORRECT.

8 CHAIRMAN KLEIN: DR. PIZZO, DID YOU WANT
9 TO ADDRESS THIS?

10 DR. PIZZO: WELL, ORDINARILY I WOULD BE,
11 IN LIGHT OF ALL OF OUR DISCUSSIONS HERETOFORE, BE
12 ARGUING TO RAISE THE BAR RATHER THAN TO LOWER THE
13 BAR. IN TRAINING GRANTS I THINK THE BAR COULD BE
14 MODIFIED BECAUSE WE ALL RECOGNIZE THAT THE PIPELINE
15 IS REALLY KEY TO CALIFORNIA'S AND OUR NATION'S
16 FUTURE, BUT WE HAVE JUST ON THIS ALREADY 15 OUT OF
17 20 OF THE TRAINING GRANTS ALREADY BEING APPROVED.
18 AND I WOULD HAVE SIGNIFICANT DIFFICULTY IN SEEING
19 ANY OTHERS COME UP TO THE FUNDABLE LEVEL.

20 THERE IS A DISPARITY IN SCORES. THERE'S A
21 BREAKOFF. THESE ARE BELOW 80. ALL THE OTHER ONES
22 ARE FAIRLY AT OR ABOVE. SO I THINK THAT WE
23 SHOULDN'T, IN LIGHT OF EVERYTHING WE SPENT LAST
24 NIGHT AND TODAY TALKING ABOUT, GOING BACK TO OLD
25 POLICY, AND TRYING TO GIVE MORE, I THINK WE SHOULD

BARRISTERS' REPORTING SERVICE

1 BE WORKING ON GETTING AND MAKING THE BAR AS HIGH AS
2 WE CAN. AND I THINK THIS IS ALREADY APPROPRIATELY
3 SET FOR TRAINING GRANTS.

4 CHAIRMAN KLEIN: OKAY.

5 DR. POMEROY: JAMES, CAN YOU CLARIFY WHO
6 CAN TALK?

7 MR. HARRISON: YES. THE ONLY MEMBER WHO
8 CANNOT PARTICIPATE IN THE DISCUSSION OF THESE TWO
9 GRANTS, WHICH ARE 1168 -- EXCUSE ME -- 1155 AND
10 1161, IS DR. PULIAFITO.

11 CHAIRMAN KLEIN: AS TO THESE TWO GRANTS.
12 DR. AZZIZ.

13 DR. AZZIZ: JUST A POINT, A QUESTION
14 ACTUALLY PROBABLY FOR STAFF. BOB, YOU MENTIONED
15 THAT THE SENIOR LEAD REVIEWER FOR 61, AFTER GOING
16 THROUGH IT, FELT THAT HIS OR HER SCORE -- WE OFTEN
17 RUN INTO THAT IN OTHER REVIEWS -- THERE IS NO
18 OPPORTUNITY TO SAY WE'VE GONE THROUGH THESE. NOW
19 LET ME REASSESS. IS THERE NOT A SCORING SHEET WHERE
20 YOU CAN CHANGE YOUR NUMBER?

21 CHAIRMAN KLEIN: HIS COMMENT WAS MADE
22 AFTER PROGRAMMATIC REVIEW.

23 DR. AZZIZ: AFTER PROGRAMMATIC. I'M
24 SORRY. NOT DURING THE REVIEW.

25 CHAIRMAN KLEIN: AND THE PROBLEM WAS THAT

BARRISTERS' REPORTING SERVICE

1 THEY HAVE AN ABILITY TO RESCORE. THIS IS SOMETHING
2 THAT HE ACTUALLY THOUGHT ABOUT VERY SERIOUSLY AND
3 ACTUALLY WROTE A FOLLOW-UP LETTER MAKING THIS POINT.
4 SO IT'S SOMETHING HE MUST HAVE WRESTLED WITH AND
5 THEN MADE THE COMMENT AT THE END OF THE PROGRAMMATIC
6 REVIEW.

7 DR. TROUNSON: SO, I MEAN, CHAIR, IN
8 RESPECT TO THAT, THERE ARE 15 REVIEWERS THERE.
9 THERE ARE TWO OTHER SUBSIDIARY REVIEWERS. AND SO,
10 YOU KNOW, I THINK WE HAVE TO TAKE, YOU KNOW, SOME
11 REGARD TO THAT. AND THERE WERE DEFICIENCIES IN
12 THOSE TWO. PERHAPS THEY WERE IN THE WRITING, BUT
13 THERE WERE THE DEFICIENCIES, AND THEY WERE
14 RECOGNIZED.

15 NORMALLY I WOULD -- I THINK I'D BE VERY
16 SUPPORTIVE OF GETTING THESE KIND OF THINGS UP,
17 PERHAPS IF THERE WAS DOUBT ABOUT IT, TO GET THEM IN;
18 BUT THESE WERE WELL AND TRULY BELOW THE MARKS THAT
19 ARE RECOMMENDED TO YOU.

20 SO FROM THE POINT OF THE GRANTS WORKING
21 GROUP, THERE ARE 15 REVIEWERS THAT MARK THEM AND
22 THEN PATIENT ADVOCATES WHO WERE THERE. THEY ALL HAD
23 THE OPPORTUNITY TO MAKE ADJUSTMENTS. SO I THINK THE
24 THOUGHTS FROM THAT REVIEWER HAVE COME AFTER THE TIME
25 OF THE MEETING.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OKAY. JEFF SHEEHY.

2 MR. SHEEHY: I WANT TO SECOND DR. PIZZO'S
3 COMMENT. AND EVEN THOUGH WE'RE FUNDING THESE FOR
4 WHEN WE MIGHT ACTUALLY HAVE MONEY, I THINK WE NEED
5 TO BE VERY CONSCIOUS OF THESE ARE NOT GOING TO GO IN
6 WITH ANY PRIORITY, I DON'T BELIEVE. AND WE MIGHT
7 HAVE TO START RAISING OUR BAR. I THINK THAT'S WHERE
8 WE ARE. AND THIS IS NOT -- I'M NOT CERTAIN THAT
9 WHEN WE PUT EVERYTHING INTO PERSPECTIVE, THIS IS
10 GOING TO BE THE HIGHEST PRIORITY RFA THAT WE DO THIS
11 YEAR.

12 AND I HAD DISCUSSIONS WITH STAFF PRIOR TO
13 TRYING TO THINK ABOUT PROGRAMMATIC REVIEW ABOUT AN
14 ISSUE THAT CAME UP IN THE REVIEW OF THE FIRST
15 TRAINING GRANTS, WHICH WAS A PHILOSOPHICAL ISSUE
16 THAT DIDN'T GET RESOLVED BECAUSE WE WERE BUILDING
17 CAPACITY. BUT HOW MANY TRAINING PROGRAMS DO YOU
18 NEED? DO YOU WANT TO CREATE KIND OF A CORE SET OF
19 SUPERB TRAINING PROGRAMS, OR DO YOU WANT TO HAVE A
20 GREAT NUMBER OF TRAINING PROGRAMS THAT RANGE IN
21 QUALITY FAIRLY BROADLY?

22 AND STAFF HAS NOT GOTTEN ENOUGH FEEDBACK
23 FROM THE FIRST ROUND TO REALLY ALLOW THAT TO BE A
24 REALLY EVIDENCE-BASED DECISION IN THE WAY THAT WE
25 WOULD REALLY WANT TO DO IT AS AN AGENCY AND SAY WE

BARRISTERS' REPORTING SERVICE

1 HAVE A NUMBER OF PROGRAMS THAT HAVE BEEN VERY
2 SUCCESSFUL WITH PUBLICATIONS AND OTHER SORTS OF
3 METRICS TO REALLY HIGHLIGHT THE FRONT-RUNNERS AND
4 START TO MAYBE HONE OUR TRAINING PROGRAM INTO
5 SOMETHING THAT'S A LITTLE TIGHTER AND SMALLER.

6 UNFORTUNATELY, THOUGH, I THINK OUR HAND
7 MAY HAVE BEEN -- OUR HANDS MAY HAVE BEEN FORCED IN
8 THIS GIVEN OUR REALITY. AND GIVEN THAT WE ARE KIND
9 OF APPROVING GRANTS ON A KIND OF PROMISSORY BASIS, I
10 THINK WE SHOULD TRY TO BE AS REALISTIC AND AS
11 HARD-NOSED ABOUT THIS AS WE CAN BECAUSE I DON'T
12 THINK WE'RE GOING TO BE ABLE TO FUND EVERYTHING THAT
13 WE SAY WE'RE GOING TO FUND.

14 CHAIRMAN KLEIN: AND DUANE. AFTER DUANE,
15 I'D LIKE THE STAFF TO COMMENT. ONE OF THE THINGS
16 I'M CONCERNED ABOUT IS, SINCE THE GRAY AREA
17 REPRESENTS EXISTING TRAINING PROGRAMS, ARE THEY
18 LOCKED IN AS AN ESSENTIAL PART OF ANY OF THE BRIDGES
19 PROPOSALS THAT WE WILL SEE? I THINK MARIE IS SAYING
20 NO, WHICH WOULD BE A GOOD ANSWER.

21 MR. ROTH: I WAS GOING TO MAKE A MOTION
22 THAT WE MOVE TO FUND THE RECOMMENDED FOR FUNDING
23 AREA, HOPEFULLY GET A SECOND ON THAT, AND THEN WE
24 CAN MOVE, IF THERE NEEDS TO BE A DISCUSSION ON THOSE
25 TWO GRANTS AND TAKE THEM INDIVIDUALLY, IF SOMEBODY

BARRISTERS' REPORTING SERVICE

1 WANTS TO DO THAT. IF IT'S APPROPRIATE, I'D LIKE TO
2 MAKE A MOTION THAT, WITH THE CAVEAT OF THE PREVIOUS
3 MOTION THAT WE PASSED, THAT WE APPROVE THESE
4 RECOMMENDED FOR FUNDING IN THE WHITE AREA.

5 CHAIRMAN KLEIN: OKAY. SECOND BY DAVID
6 SERRANO-SEWELL. DISCUSSION?

7 MR. SHEEHY: I THINK WE HAVE A CONFLICTS
8 ISSUE HERE, DON'T WE?

9 CHAIRMAN KLEIN: WE DO HAVE -- EVERYONE
10 HAS IN FRONT OF THEM A LIST OF THEIR CONFLICTS. IF
11 ANYONE WOULD LIKE CLARIFICATION --

12 MR. SHEEHY: I JUST THINK IT'D BE MORE
13 PRUDENT TO START GOING GRANT BY GRANT MYSELF AT THE
14 POINT WE'RE AT WITH THE MONEY. I'M JUST NOT -- I
15 JUST FEEL LIKE NOW I DON'T HAVE ANY CHOICES. EVEN
16 THESE IN THE WHITE AREA, WE ARE NOT GOING TO FUND
17 ALL THOSE EVEN IF WE SAY WE'RE GOING TO.

18 CHAIRMAN KLEIN: DR. REED, YOU'RE GOING TO
19 ADDRESS THE GENERAL POLICY ISSUE, NOT ANY INDIVIDUAL
20 GRANT?

21 DR. REED: I WAS GOING TO ADDRESS THE
22 PRIOR STATEMENT ABOUT GOING GRANT BY GRANT, IF I
23 MAY. AND THAT IS THAT IN READING THE MATERIALS
24 SUPPLIED TO US, THEY ALL SOUND THE SAME. I DON'T
25 KNOW HOW WE'RE GOING TO GO THROUGH WHAT WE HAVE AND

BARRISTERS' REPORTING SERVICE

1 FIGURE OUT WHICH OF THESE IS MORE MERITORIOUS THAN
2 ANOTHER.

3 CHAIRMAN KLEIN: THEY'RE ALL CONSISTENTLY
4 VERY HIGH QUALITY.

5 DR. REED: THEY ALL TALK ABOUT THE SAME
6 THING. THEY'VE GOT A TRAINING PROGRAM AND CLASSES
7 AND LAB WORK.

8 MR. SHEEHY: WHEN WE COME BACK SIX MONTHS
9 FROM NOW AND WE REALIZE THAT WE DIDN'T GET ALL THE
10 MONEY TO DO SCENARIO 3 AND WE HAVE TO START CULLING,
11 WE'RE GOING TO HAVE ALL THESE APPROVED. WHEN ARE WE
12 GOING TO START FACING THAT WE DON'T HAVE ENOUGH
13 MONEY TO DO EVERYTHING?

14 CHAIRMAN KLEIN: SO JEFF, I THINK THAT
15 YOUR POINT HAS BEEN MADE. DR. AZZIZ.

16 DR. AZZIZ: I DID WANT TO SPEAK TO JEFF'S
17 POINT, AND I VERY MUCH, AS YOU ALL KNOW, AM
18 CONCERNED ABOUT FUNDING. HOWEVER, WE'RE PAST THAT
19 ROAD. I MEAN WE'RE NOW IN THE STAGE OF HAVING TO
20 DECIDE WHAT WE THINK OF THE PRIORITIZATION THAT THE
21 STAFF HAS ALREADY COME THROUGH. SO WE GIVE THE
22 STAFF A JOB TO DO. THEY BRING THE BEST SCIENCE AS
23 POSSIBLE, THEY GIVE US THEIR RANKING. WE DO NEED TO
24 BE CAREFUL THAT WE ON ONE SIDE DON'T SECOND-GUESS
25 THEM ON THE OTHER SIDE, DO OUR FIDUCIARY

BARRISTERS' REPORTING SERVICE

1 RESPONSIBILITY.

2 SO ALL I'M SAYING TO JEFF IS I DON'T THINK
3 GOING GRANT BY GRANT BY GRANT AT THIS POINT IS THE
4 REASONABLE THING NOW THAT WE'RE IN THIS PROCESS OF
5 HAVING TO DO THIS.

6 AS I SAID BEFORE, IF WE WANTED TO CHANGE
7 THE PAY LINES OR THESE KIND OF THINGS, WE PROBABLY
8 SHOULD DELAY THE ENTIRE REVIEW. SO I SPEAK TO THE
9 FACT THAT WE ACCEPT THE RECOMMENDATION.

10 CHAIRMAN KLEIN: I THINK JEFF IS SPEAKING
11 TO THE FACT THAT WE DO HAVE AN OBLIGATION TO MAKE
12 SURE THAT IF ANY GRANT IN THIS GROUP STOOD OUT AS
13 BEING INAPPROPRIATE, WE WOULD QUESTION IT AND PULL
14 IT OUT OF THE FUNDING IN TERMS OF OUR STATUTORY
15 OBLIGATION.

16 DR. PIZZO: I THINK THAT TWO THINGS. ONE,
17 I THINK JEFF IS ALSO SAYING, AND WE ALL AGREE WITH,
18 I THINK, THAT WE'RE GOING TO HAVE TO BE MORE RATHER
19 THAN LESS STRINGENT. THAT, I THINK, IS CLEAR.

20 THE SECOND PART OF IT IS THAT I THINK MY
21 INTERPRETATION OF THE MOTION PASSED IS THAT WE'LL
22 HAVE AN OPPORTUNITY TO STILL DO THAT. SO THAT WHAT
23 WE'RE DOING NOW IS WE'RE APPROVING THE
24 RECOMMENDATIONS. IF WE TURN OUT TO HAVE A TENTH OF
25 THE DOLLARS THAT WE THOUGHT WE WERE GOING TO HAVE,

BARRISTERS' REPORTING SERVICE

1 WE CAN COME BACK AT THAT POINT AND REVISIT THIS IN
2 COMPARISON TO OTHER THINGS. SO I THINK WE'RE NOT
3 CUTTING OUT THAT FLEXIBILITY THAT YOU'VE
4 ARTICULATED.

5 MR. SHEEHY: I JUST THINK THAT THE WORKING
6 GROUP MIGHT HAVE DRAWN THE LINES DIFFERENTLY IF THEY
7 WERE OPERATING IN THE SAME BUDGET ENVIRONMENT. I
8 THINK THERE MIGHT HAVE BEEN A LARGER GRAY AREA.

9 DR. PIZZO: IT'S POSSIBLE, BUT THEN WE'RE
10 BEING REVISIONIST. I DON'T KNOW THAT WE CAN.

11 CHAIRMAN KLEIN: WE DO HAVE AN OBLIGATION
12 TO MAKE THOSE INDIVIDUAL DECISIONS.

13 DR. PIZZO: I UNDERSTAND THAT. BUT WHAT
14 I'M SAYING BY THAT COMMENT IS WE'RE BEING
15 REVISIONIST IN A QUALIFIER, NOT THE DECISION, BUT
16 HOW THE ECONOMIC CLIMATE WILL INFLUENCE IT. THERE'S
17 NO DOUBT THAT WE'RE ALL THINKING DIFFERENTLY TODAY
18 THAN WE WERE YESTERDAY OR MONTHS AGO.

19 DR. REED: ANOTHER POINT OF CLARIFICATION.
20 DID THE RFA ACTUALLY SPECIFY HOW MANY FUNDS WERE
21 GOING TO BE ADMINISTERED VIA THIS PROGRAM?

22 CHAIRMAN KLEIN: IT DID SET -- THE RFA DID
23 SET OUT A --

24 DR. REED: SORT OF SET AN EXPECTATION.

25 CHAIRMAN KLEIN: -- PROGRAM BUDGET, AND WE

BARRISTERS' REPORTING SERVICE

1 ARE 20 PERCENT BELOW THAT BUDGET.

2 MR. ROTH: COULD WE CALL THE QUESTION?

3 CHAIRMAN KLEIN: IF WE CAN -- I'D LIKE TO
4 GET ANY PUBLIC COMMENT.

5 MS. MARTINS-GREEN: MR. CHAIR, MEMBERS OF
6 THE BOARD, THANK YOU FOR GIVING ME THIS OPPORTUNITY
7 TO SPEAK. MY NAME IS MANUELA MARTINS-GREEN. I'M A
8 PROFESSOR AT THE UNIVERSITY OF CALIFORNIA RIVERSIDE.
9 AND I'M HERE TODAY TO ADVOCATE FOR FUNDING OF OUR
10 PROPOSAL, WHICH IS THE VERY FIRST ONE IN THE GREEN
11 THERE.

12 I HEAR YOUR CONCERNS, BUT I ACTUALLY HOPE
13 THAT YOU HEAR MY CONCERNS AS WELL. LET ME PUT IT
14 FORTH.

15 I'M NOT A PI ON THE GRANT, BUT I AM A
16 RESEARCHER. I AM AN EDUCATOR. I REALLY CARE FOR
17 THE QUALITY OF THE EDUCATION WE PRODUCE AT UCR TO
18 OUR STUDENTS, AND I CAME HERE TODAY BECAUSE OF THAT.

19 I PERSONALLY MENTOR MANY UNDERREPRESENTED
20 STUDENTS AND CAN SPEAK FOR THE IMPORTANCE OF A
21 CAMPUS WHERE MINORITY STUDENTS CAN SEE OPPORTUNITIES
22 FOR EDUCATION AND FOR SUCCEEDING AND COMPETING AFTER
23 THEY LEAVE.

24 JUST THE DAY BEFORE YESTERDAY, I AND A
25 HANDFUL OF COLLEAGUES WERE RECOGNIZED FOR OUR

BARRISTERS' REPORTING SERVICE

1 MENTORSHIP OF UNDERREPRESENTED MINORITIES. MY
2 STUDENT, WHOSE NAME GOES BY DAVID, FOR EXAMPLE, CAME
3 IN WITH A NUMBER OF DEFICIENCIES. WE COACHED HIM.
4 AND HE'S GRADUATING IN JUNE, HAS APPLIED FOR MEDICAL
5 SCHOOLS AROUND THE COUNTRY, HAS BEEN ACCEPTED IN SIX
6 MEDICAL SCHOOLS, AND HE HAS CHOSEN TO GO TO JOHN
7 HOPKINS. AND I WAS VERY PROUD OF HIM.

8 SO THE OTHER REASON WHY I'M HERE IS
9 BECAUSE I ACTUALLY, NOT BEING ON THE GRANT, LOOKING
10 AT IT, I ASKED MYSELF WHY IS IT THAT THE GRANT THREE
11 YEARS AGO THAT WAS SUBMITTED TO THIS BOARD AND
12 RECOMMENDED BY THE REVIEWERS FOR FUNDING AND
13 ACTUALLY HIGHLY MERITORIOUS, AND NOW THREE YEARS
14 LATER, WHEN WE HAVE A HUGE DIFFERENCE IN WHAT WE
15 HAVE ACHIEVED IN RIVERSIDE, IT'S NOT RECOMMENDED FOR
16 FUNDING.

17 SO LET ME JUST READ A FEW THINGS THAT WE
18 HAVE IN MEANTIME, WITHOUT FUNDING FROM CIRM, WITH
19 OUR FUNDING WE HAVE ESTABLISHED AT RIVERSIDE RELATED
20 TO STEM CELL RESEARCH. SO WE HAVE HIRED TWO NEW
21 FACULTY. WE HAVE NINE UCR FACULTY WORKING ON STEM
22 CELL RESEARCH. WE HAVE BEEN FUNDED BY CIRM FOR A
23 STEM CELL CORE FACILITY. THERE ARE THREE
24 INVESTIGATORS IN OUR GROUP WHO ARE FUNDED BY CIRM.
25 WE HAVE HAD FACULTY AND STUDENTS GOING TO MEETINGS

BARRISTERS' REPORTING SERVICE

1 PRESENTING THEIR RESEARCH. WE HAVE HAD PUBLICATIONS
2 COMING OUT OF OUR GROUP. WE HAVE ALREADY TWO
3 COURSES, TWO FULL COURSES, ONE ON ETHICS AND ONE ON
4 STEM CELL BIOLOGY, GOING RIGHT NOW. WE HAVE -- WE
5 ARE ORGANIZING FOUR MORE COURSES. WE HAVE HAD
6 TRAINING OF ELEVEN GRADUATE STUDENTS AND THREE POST
7 DOCS AND INTERFACED WITH A NUMBER OF COMPANIES. WE
8 HAVE WORKED WITH OUR SISTER UNIVERSITY, UC IRVINE,
9 TO IMPROVE AND ENHANCE OUR ABILITY TO EDUCATE AND DO
10 RESEARCH IN STEM CELL.

11 SO WE NOW HAVE CURRENTLY A REQUEST FOR 30
12 STUDENTS TO ENGAGE IN STEM CELL RESEARCH AND
13 TRAINING. IF WE DO NOT GET THIS GRANT, IT REALLY
14 WILL BE A HUGE BLOW ON OUR EFFORTS TO EDUCATE OUR
15 UNDERREPRESENTED MINORITY. I TEACH LARGE CLASSES,
16 MEDIUM SIZE CLASSES, SMALL CLASSES. I CAN GUARANTEE
17 YOU THAT IF YOU WALK IN THOSE CLASSES, WHAT YOU SEE
18 IS A MULTIPLE-COLORED CLASS.

19 LAST YEAR I SPENT A YEAR ON SABBATICAL
20 LEAVE AT STANFORD. ON THE OTHER HAND, THOSE
21 STUDENTS ARE NOT OF THE SAME COLOR. AND YOU JUST
22 WALK ON THE COMMONS ON THE CAFETERIA TO SEE THE
23 DIFFERENCE.

24 SO THE THIRD REASON WHY I'M HERE IS
25 BECAUSE I DON'T KNOW HOW MANY MEMBERS OF THE BOARD

BARRISTERS' REPORTING SERVICE

1 KNOW THAT WE ARE RANKED THIRD NATIONALWIDE IN ETHNIC
2 DIVERSITY. AND THIS CAME OUT OF THE *U. S. NEWS AND*
3 *WORLD REPORT*. WE HAVE 19,000 STUDENTS ON CAMPUS:
4 50 PERCENT ARE WOMEN, 33 PERCENT ARE
5 UNDERREPRESENTED MINORITIES, 25 PERCENT ARE
6 HISPANIC. IN FACT, THE DEPARTMENT OF EDUCATION HAS
7 NAMED US AS AN HISPANIC-SERVING INSTITUTION. AND WE
8 ARE THE NO. 1 MOST -- THE MOST RESEARCH INTENSE
9 INSTITUTION THAT'S CLASSIFIED AS HISPANIC.

10 FOR EXAMPLE, OUR PROGRAM IN CELL MOLECULAR
11 AND DEVELOPMENTAL BIOLOGY HAS 29 PERCENT MINORITIES,
12 50 PERCENT WOMEN, AND THIS WOULD BE A PROGRAM WHERE
13 WE WOULD BE DRAWING A LOT OF OUR TRAINEES FOR THE
14 STEM CELL. WE HAVE ANOTHER GRANT FROM GANN, WHICH
15 IS IN CHEMICAL ENGINEERING, 75 PERCENT
16 UNDERREPRESENTED MINORITIES AND 50 PERCENT WOMEN.

17 SO AT UCR, VERY MUCH LIKE CIRM, WE ARE
18 COMMITTED TO AND, I QUOTE, INCREASING THE CHANNELS
19 FOR SUCCESS AND TO ENSURE THAT ALL CALIFORNIANS CAN
20 BENEFIT FROM STEM CELL RESEARCH. I REALIZE WE'RE
21 NOT THE STANFORDS, THE UCLA'S, THE BERKELEYS OF THE
22 WORLD. AND THOSE PEOPLE, THOSE TRAINED PEOPLE THAT
23 GO ALL OVER THE WORLD IN A NUMBER OF THINGS, AND WE
24 APPLAUD. WE ARE A UNIVERSITY THAT TRAINS PEOPLE WHO
25 GO BACK TO THEIR COMMUNITIES WHO ENHANCE THE

BARRISTERS' REPORTING SERVICE

1 EDUCATION OF THEIR COMMUNITIES, WHO RAISE THE
2 STANDARD OF LIVING.

3 SO I'D LIKE TO FINISH BY JUST SAYING WHEN
4 OUR FIRST APPLICATION THAT WAS RECOMMENDED FOR
5 FUNDING WAS NOT AWARDED, IT PUT OUR CAMPUS AND OUR
6 STUDENTS AT SERIOUS DISADVANTAGE. IN SPIKE OF THAT
7 SETBACK, UC RIVERSIDE USED ITS OWN RESOURCES TO RAMP
8 UP ITS STEM CELL PROGRAM IN SIGNIFICANT WAYS. THESE
9 POINTS WERE ALL PRESENTED IN THE LETTER THAT YOU
10 HAVE BEFORE YOU, THE PETITION. I HOPE THAT YOU
11 CONSIDER THIS PROGRAMMATIC APPEAL AND WILL VOTE
12 TODAY TO FUND A NEW CIRM STEM CELL TRAINING PROGRAM
13 AT UCR. BY DOING SO, YOU WILL ALLOW US TO REALLY BE
14 SUCCESSFUL IN DELIVERING STEM CELL TRAINING FOR A
15 GROWING POPULATION OF UNDERREPRESENTED MINORITY
16 STUDENTS IN THE MOST UNDERREPRESENTED REGION OF
17 CALIFORNIA.

18 AND LET ME JUST LEAVE YOU WITH THIS
19 THOUGHT. IF WE DID ALL THIS WITHOUT CIRM MONEY,
20 WHAT DO YOU THINK WE WOULD HAVE DONE WITH THE CIRM
21 MONEY? A LOT MORE. WE WOULD HAVE A FULLY BLOWN
22 PROGRAM.

23 CHAIRMAN KLEIN: I THINK YOU'VE MADE AN
24 OUTSTANDING PRESENTATION. YOU'RE TO BE COMMENDED
25 FOR YOUR COMMITMENT AT UC RIVERSIDE. IT IS

BARRISTERS' REPORTING SERVICE

1 EXTRAORDINARY TO BE RANKED THIRD IN ETHNIC MINORITY
2 DIVERSIFICATION. AND WHILE STANFORD HAS A GREAT
3 OUTREACH PROGRAM, YOU HAVE TREMENDOUS DIVERSITY EVEN
4 COMPARED ON A NATIONAL STANDARD. SO IT'S -- BUT
5 THIS OBVIOUSLY HAS BEEN AN HISTORIC COMMITMENT OF
6 OURS TO TRY AND GET DIVERSITY.

7 THE FIRST MOTION THAT WILL BE UP FOR VOTE,
8 AS I UNDERSTAND IT, DUANE, IS FOR THE TOP CATEGORY.

9 MS. FEIT: YES. I JUST WANTED TO COMMENT
10 DR. SUSAN BRYANT CALLED ME YESTERDAY, AND I'M JUST
11 SPEAKING FOR HER. I PROMISED HER I WOULD. THAT SHE
12 WANTED THE BOARD TO KNOW SHE WAS IN SUPPORT OF THIS
13 PROPOSAL.

14 MS. KING: I JUST WANTED TO LET BOARD
15 MEMBERS KNOW THAT TO REFER TO THE LETTER BEING
16 TALKED ABOUT, IT'S IN THE BACK OF YOUR BINDER WITH
17 THE GRANT SUMMARIES. THERE'S A TAB THAT SAYS
18 EXTRAORDINARY PETITIONS. THIS DOCUMENT IS BEHIND
19 THAT TAB.

20 MS. MARTINS-GREEN: THANK YOU FOR THE
21 TIME. AND I HOPE YOU SEND US OUT WITH A SIGN OF
22 HOPE, NOT A SIGN OF DISCOURAGEMENT AND FEAR.

23 CHAIRMAN KLEIN: THANK YOU.

24 MR. REED: KNOWING WHAT A DIFFICULT TIME
25 AND STRESS THIS IS, IF THIS WAS THE LAST DAY OF OUR

BARRISTERS' REPORTING SERVICE

1 EXISTENCE, I THINK THIS WOULD BE A TREMENDOUS DEED
2 TO ACCOMPLISH. IF WE TAKE CARE OF THE BASE, IF WE
3 PROVIDE FOR THE STUDENTS, THE FUTURE OF THE FIELD IS
4 SECURE. I THINK THIS IS AN AREA, IF WE'RE GOING TO
5 MAKE A MISTAKE, LET'S ERR ON THE SIDE OF TOO MANY
6 EDUCATIONAL PROGRAMS. I'D MUCH RATHER HAVE TOO MANY
7 QUALIFIED AND TRAINED STUDENTS THAN NOT ENOUGH.

8 CHAIRMAN KLEIN: THANK YOU. DOES THE
9 STAFF HAVE ANY COMMENT ON THE EXTRAORDINARY
10 PETITION? I THINK IT'S APPROPRIATE. DUANE HAS
11 CALLED THE POINT THAT THIS EXTRAORDINARY PETITION IS
12 NOT ADDRESSED BY THIS PARTICULAR MOTION. LET'S MOVE
13 ON THIS MOTION. I THINK WE'VE HAD DISCUSSION ON
14 THIS MOTION. AND IN THE INTEREST OF TIME, I'D LIKE
15 TO SEE IF WE COULD CALL THE QUESTION. AND DO WE
16 HAVE QUORUM THAT'S JUST RETURNED?

17 MR. HARRISON: MR. CHAIR, WE'RE TRYING TO
18 LOCATE A COUPLE OF BOARD MEMBERS. AS SOON AS THEY
19 RETURN, WE WILL HAVE A QUORUM.

20 CHAIRMAN KLEIN: OKAY. I WAS THINKING
21 THAT THAT MIGHT BE THE SITUATION. DUANE, GIVEN
22 THAT, AS I SUSPECTED, WE'RE TRYING TO LOCATE A
23 COUPLE, COULD WE HAVE THAT COMMENT AT THIS TIME. IS
24 THERE A STAFF COMMENT ON THE EXTRAORDINARY PETITION
25 WHILE WE'RE WAITING? DO WE NOW HAVE A QUORUM? WE

BARRISTERS' REPORTING SERVICE

1 HAVE A QUORUM. WE WILL RETURN TO THE INTENT TO HAVE
2 A VOTE ON THIS ITEM. AND CAN WE CALL THE QUESTION,
3 PLEASE.

4 MR. HARRISON: AGAIN, MR. CHAIR, REMINDER
5 TO MEMBERS TO VOTE FOR OR AGAINST THE MOTION WITH
6 THE EXCEPTION OF THOSE APPLICATIONS IN WHICH THEY
7 HAVE AN INTEREST.

8 CHAIRMAN KLEIN: THANK YOU.

9 MS. KING: RICARDO AZZIZ.

10 DR. AZZIZ: FOR, EXCEPT FOR THOSE
11 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

12 MS. KING: ROBERT PRICE.

13 DR. PRICE: YES, EXCEPT FOR THOSE
14 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

15 MS. KING: GORDON GILL.

16 DR. GILL: YES, EXCEPT FOR THOSE
17 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

18 MS. KING: JACOB LEVIN.

19 DR. LEVIN: YES, EXCEPT FOR THOSE
20 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

21 MS. KING: MARCY FEIT.

22 MS. FEIT: YES, EXCEPT FOR THOSE
23 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

24 MS. KING: MICHAEL FRIEDMAN.

25 DR. FRIEDMAN: YES, EXCEPT FOR THOSE

BARRISTERS' REPORTING SERVICE

1 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

2 MS. KING: MI CHAEL GOLDBERG.

3 MR. GOLDBERG: YES, EXCEPT FOR THOSE

4 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

5 MS. KING: SAM HAWGOOD.

6 DR. HAWGOOD: YES, EXCEPT FOR THOSE

7 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

8 MS. KING: BOB KLEIN.

9 CHAIRMAN KLEIN: YES.

10 MS. KING: SHERRY LANSING.

11 MS. LANSING: YES, EXCEPT FOR THOSE

12 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

13 MS. KING: LEONARD ROME.

14 DR. ROME: YES, EXCEPT FOR THOSE

15 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

16 MS. KING: ED PENHOET.

17 DR. PENHOET: ABSTAIN.

18 MS. KING: PHI L PIZZO.

19 DR. PIZZO: YES, EXCEPT FOR THOSE

20 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

21 MS. KING: CLAIRE POMEROY.

22 DR. POMEROY: YES, EXCEPT FOR THOSE

23 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

24 MS. KING: FRANCI SCO PRI ETO.

25 DR. PRI ETO: ABSTAIN.

BARRISTERS' REPORTING SERVICE

1 MS. KING: CARMEN PULIAFITO.

2 DR. PULIAFITO: YES, EXCEPT FOR THOSE
3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: JOHN REED.

5 DR. REED: YES, EXCEPT FOR THOSE
6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: DUANE ROTH.

8 MR. ROTH: YES.

9 MS. KING: DAVID SERRANO-SEWELL.

10 MR. SERRANO-SEWELL: YES.

11 MS. KING: JEFF SHEEHY.

12 MR. SHEEHY: NO, EXCEPT FOR THOSE
13 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

14 MS. KING: AND FOR THE RECORD, THAT MOTION
15 CARRIES.

16 MR. HARRISON: MR. CHAIRMAN, JUST TO
17 CORRECT ONE THING. BECAUSE OF THE VARYING QUORUM
18 LEVELS, WE WILL HAVE TO DO A CALCULATION TO
19 DETERMINE WHETHER THERE ARE ANY APPLICATIONS FOR
20 WHICH WE DIDN'T HAVE AN ADEQUATE QUORUM WITH THIS
21 VOTE.

22 CHAIRMAN KLEIN: THANK YOU. SO WE'RE
23 GOING TO MOVE ON TO THE NEXT ITEM, AND WE'RE GOING
24 TO MAINTAIN THE OPTION OF COMING BACK TO THIS ITEM
25 IF WE NEED TO BREAK IT DOWN TO A SUBITEM.

BARRISTERS' REPORTING SERVICE

1 SO GIL, DR. SAMBRANO, COULD YOU ADDRESS
2 THE BRIDGES PROGRAM, PLEASE.

3 DR. AZZIZ: TIER 2 AND THEN TIER 3.

4 CHAIRMAN KLEIN: WE WILL CONSIDER ANY
5 MOTIONS ON TIER 2 OR TIER 3 AT THIS POINT. ARE
6 THERE ANY MOTIONS ON TIER 2 OR TIER 3 FOR FUNDING?

7 LET ME ASK THIS QUESTION. DOES ANYONE
8 HAVE ANY INTEREST IN CARRYING FORWARD TIER 2 TO A
9 FUTURE DATE TO SEE IF MORE FUNDS BECOME AVAILABLE?
10 OKAY. SO IS THERE A --

11 MR. HARRISON: MR. CHAIR, I JUST WANTED TO
12 REPORT BACK THAT WE DID HAVE A SUFFICIENT QUORUM AS
13 TO EACH OF THE APPLICATIONS COVERED BY THAT MOTION.

14 CHAIRMAN KLEIN: SO LET US DEAL WITH TIER
15 2 AND TIER 3.

16 DR. TROUNSON: SORRY, BOB. I THINK YOU
17 DID ASK US TO COMMENT ON THE EXTRAORDINARY PETITION.
18 CAN WE DO THAT JUST FOR COMPLETENESS?

19 MR. SHEEHY: ACTUALLY IN TERMS OF THE
20 PROCESS OF EXTRAORDINARY PETITION, WHAT WE WERE
21 TRYING TO DO IS NOT GET INTO A DISCUSSION OF IT
22 UNLESS THE BOARD BROUGHT IT UP SO AS NOT TO
23 ENCOURAGE EXTRAORDINARY PETITIONS AND HAVE THE
24 BOARD'S TIME BE TAKEN UP BY IT. UNLESS THERE'S A
25 MOTION TO CONSIDER THAT APPLICATION, I WOULD -- I

BARRISTERS' REPORTING SERVICE

1 READ THE DOCUMENT. I APPLAUD STAFF FOR THE
2 DILIGENCE WITH WHICH THEY DID IT; BUT IF WE TAKE UP
3 EVERY EXTRAORDINARY PETITION, WE MIGHT CEASE TO
4 FUNCTION AND ENCOURAGE EXTRAORDINARY PETITIONS TO
5 COME IN GREATER QUANTITY.

6 CHAIRMAN KLEIN: ALL RIGHT. IS THERE A
7 STAFF -- IS THERE A BOARD MEMBER WHO WOULD LIKE THE
8 REPORT ON THE EXTRAORDINARY PETITION? OKAY. THERE
9 IS NOT.

10 IS THERE A MOTION ON TIER 2 AND TIER 3?
11 AND, MR. HARRISON, IT WOULD BE NOT TO CONSIDER FOR
12 FUTURE -- NOT TO CONSIDER FOR FUNDING?

13 MR. HARRISON: CORRECT.

14 MR. SHEEHY: SO MOVE.

15 CHAIRMAN KLEIN: IS THERE A SECOND? HE
16 DOES NOT HAVE A CONFLICT. IS THERE A SECOND?

17 MR. ROTH: SECOND.

18 CHAIRMAN KLEIN: SECOND FROM DUANE.
19 COMMENT FROM THE BOARD? COMMENT FROM THE AUDIENCE?
20 CALL THE QUESTION.

21 MR. SHEEHY: TO NOT FUND TIER 2 OR TIER 3.

22 CHAIRMAN KLEIN: MR. HARRISON, COULD YOU
23 REPEAT THE MOTION, PLEASE.

24 MR. HARRISON: THE MOTION, AS I UNDERSTOOD
25 IT, IS NOT TO FUND THE APPLICATIONS THAT REMAIN,

BARRISTERS' REPORTING SERVICE

1 THOSE IN TIER 2 AND TIER 3.

2 MS. KING: RICARDO AZZIZ.

3 DR. AZZIZ: FOR, EXCEPT FOR THOSE
4 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

5 MS. KING: ROBERT PRICE.

6 DR. PRICE: FOR, EXCEPT FOR THOSE
7 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

8 MS. KING: GORDON GILL.

9 DR. GILL: YES, EXCEPT FOR THOSE
10 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

11 MS. KING: JACOB LEVIN.

12 DR. LEVIN: YES, EXCEPT FOR THOSE
13 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

14 MS. KING: MARCY FEIT.

15 MS. FEIT: YES, EXCEPT FOR THOSE
16 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

17 MS. KING: MICHAEL FRIEDMAN.

18 DR. FRIEDMAN: FOR, EXCEPT FOR THOSE
19 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

20 MS. KING: MICHAEL GOLDBERG.

21 MR. GOLDBERG: YES, EXCEPT FOR THOSE
22 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

23 MS. KING: SAM HAWGOOD.

24 DR. HAWGOOD: YES, EXCEPT FOR THOSE
25 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

BARRISTERS' REPORTING SERVICE

1 MS. KING: BOB KLEIN.

2 CHAIRMAN KLEIN: YES.

3 MS. KING: SHERRY LANSING.

4 MS. LANSING: YES, EXCEPT FOR THOSE
5 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

6 MS. KING: LEONARD ROME.

7 DR. ROME: YES, EXCEPT FOR THOSE
8 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

9 MS. KING: ED PENHOET.

10 DR. PENHOET: YES.

11 MS. KING: PHIL PIZZO.

12 DR. PIZZO: YES, EXCEPT FOR THOSE
13 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

14 MS. KING: CLAIRE POMEROY.

15 DR. POMEROY: YES.

16 MS. KING: FRANCISCO PRIETO.

17 DR. PRIETO: YES.

18 MS. KING: CARMEN PULIAFITO.

19 DR. PULIAFITO: YES, EXCEPT FOR THOSE
20 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

21 MS. KING: JOHN REED.

22 DR. REED: YES, EXCEPT FOR THOSE
23 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

24 MS. KING: DUANE ROTH.

25 MR. ROTH: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: DAVID SERRANO-SEWELL.

2 MR. SERRANO-SEWELL: YES.

3 MS. KING: JEFF SHEEHY.

4 MR. SHEEHY: YES.

5 MS. KING: AND I THINK I CAN SAFELY SAY
6 THAT MOTION CARRIES.

7 CHAIRMAN KLEIN: OKAY. THANK YOU.
8 DR. YAFFE.

9 DR. YAFFE: MR. CHAIRMAN AND MEMBERS OF
10 THE COMMITTEE, IT'S MY PLEASURE TO BRING TO YOU THE
11 CONSIDERATION -- FOR YOUR CONSIDERATION THE
12 RECOMMENDATIONS OF THE GRANTS WORKING GROUP ON THE
13 BRIDGES TO STEM CELL RESEARCH AWARD APPLICATIONS.

14 MAY I JUST REMIND YOU THAT THE GOALS OF
15 THIS INITIATIVE ARE TO EXPAND CALIFORNIA'S WORKFORCE
16 IN STEM CELL SCIENCE AND REGENERATIVE MEDICINE AND
17 TO PROVIDE RESEARCH AND TRAINING OPPORTUNITIES FOR
18 STUDENTS REPRESENTING THE DIVERSITY OF CALIFORNIA'S
19 POPULATION, AND IN PARTICULAR TO PROVIDE THOSE
20 OPPORTUNITIES FOR STUDENTS WHO ARE MATRICULATING AT
21 COLLEGES OTHER THAN OUR RESEARCH INTENSIVE
22 UNIVERSITIES.

23 KEY FEATURES OF THE BRIDGES PROGRAM ARE
24 AND CENTER AROUND STUDENT RESEARCH INTERNSHIPS IN
25 STEM CELL LABORATORIES. IN ADDITION, THERE ARE

BARRISTERS' REPORTING SERVICE

1 TECHNIQUES COURSES AT CIRM-FUNDED SHARED LAB OR
2 EQUIVALENT FACILITIES, AND AN INTEGRATION OF
3 INTERNSHIPS WITH NEW OR PREEXISTING UNDERGRADUATE OR
4 MASTER'S PROGRAMS AT HOME INSTITUTIONS.

5 WITH REGARD TO THIS FEATURE, I JUST WANT
6 TO ALERT THE COMMITTEE TO THE FACT THAT VIRTUALLY
7 ALL OF THESE PROPOSED PROGRAMS ARE LINKED TO THE
8 ACADEMIC SCHOOL YEAR. SO THERE WILL BE AN IMPACT IF
9 YOU CHOOSE TO DELAY A PROGRAM MUCH BEYOND THE
10 INITIATION OF THIS SUMMER.

11 FURTHER, THESE PROGRAMS FEATURE SUPPORTIVE
12 AND COMPLEMENTARY EDUCATIONAL ACTIVITIES, INCLUDING
13 COURSES, SEMINARS, AND APPROPRIATE ADVISING. THE
14 PROPOSALS WERE DEVELOPED AND SUBMITTED BY APPLICANT
15 OR HOME INSTITUTIONS WHICH ARE PUBLIC AND PRIVATE
16 CALIFORNIA EDUCATIONAL INSTITUTIONS WHICH DO NOT
17 HAVE A CIRM-FUNDED SHARED LAB FACILITY. THESE ARE
18 PRIMARILY THE CALIFORNIA STATE UNIVERSITY CAMPUSES,
19 CALIFORNIA COMMUNITY COLLEGES, AND PRIVATE COLLEGES
20 WITHIN CALIFORNIA.

21 THIS PROGRAM ALSO INVOLVES PARTNER OR
22 INTERNSHIP HOST INSTITUTIONS WHICH ARE CALIFORNIA'S
23 RESEARCH INTENSIVE UNIVERSITIES, RESEARCH
24 INSTITUTES, AND PRIVATE SECTOR COMPANIES ENGAGED IN
25 STEM CELL RESEARCH. AND THESE ORGANIZATIONS PROVIDE

BARRISTERS' REPORTING SERVICE

1 THE SITES OF THE INTERNSHIP RESEARCH OPPORTUNITIES.

2 IN TERMS OF THE SCOPE OF THE PROGRAM, EACH
3 AWARD WILL SUPPORT UP TO TEN INTERN TRAINEES PER
4 YEAR FOR INTERNSHIPS OF SIX TO 12 MONTHS' DURATION.
5 PROGRAMS WILL BE FUNDED FOR UP TO THREE YEARS. CIRM
6 ORIGINALLY INDICATED THAT WE WOULD FUND UP TO TEN
7 PROGRAMS WITH AN OVERALL PROGRAM COST, WHICH YOU
8 APPROVED IN THE CONCEPT PROPOSAL, OF UP TO \$18
9 MILLION.

10 THE PROGRAM RESULTED IN THE SUBMISSION OF
11 22 APPLICATIONS, AND THESE WERE REVIEWED BY THE
12 GRANTS WORKING GROUP AT THEIR NOVEMBER MEETING. THE
13 GRANTS WORKING GROUP USED THE FOLLOWING KEY CRITERIA
14 IN THEIR EVALUATION OF THESE PROPOSALS.

15 THEY EVALUATED THE TRAINING PROGRAM AND,
16 IN PARTICULAR, THE QUALITY AND AVAILABILITY OF
17 INTERNSHIPS, THE EDUCATIONAL ENHANCEMENT ACTIVITIES,
18 AND THE EDUCATIONAL INTEGRATION; THAT IS, THE
19 INTEGRATION OF THE INTERNSHIP PROGRAM INTO THEIR
20 OVERALL EDUCATIONAL DEGREE OR CERTIFICATE PROGRAMS.

21 IN ADDITION, THE GRANTS WORKING GROUP
22 EVALUATED THE CONSTITUTIONAL COMMITMENT AND
23 PARTNERING ARRANGEMENTS AND THE PROGRAM
24 ADMINISTRATION AND, IN PARTICULAR, THE
25 QUALIFICATIONS OF THE PROGRAM DIRECTOR.

BARRISTERS' REPORTING SERVICE

1 THE GRANTS WORKING GROUP SCORED THESE
2 PROGRAMS ON A SCALE OF ONE TO ONE HUNDRED. HERE YOU
3 SEE THE DISTRIBUTION OF THE SCORES OF THE PROGRAMS.
4 THE GRANTS WORKING GROUP ALSO DREW A LINE AT 75,
5 DEFINING TIER 1, THOSE APPLICATIONS RECOMMENDED FOR
6 FUNDING, AND DREW A SECOND LINE AT 55. THE
7 APPLICATIONS BELOW THIS LINE ARE IN TIER 3, NOT
8 RECOMMENDED, WITH THE APPLICATIONS BETWEEN THE LINES
9 IN TIER 2 RECOMMENDED IF FUNDS ARE AVAILABLE.

10 HERE YOU SEE THE SUMMARY OF THESE
11 RECOMMENDATIONS. TIER 1, RECOMMENDED FOR FUNDING,
12 11 APPLICATIONS, FOR A TOTAL OF REQUESTED BUDGET
13 \$17.5 MILLION. FOR YOUR REFERENCE, AT THE BOTTOM IS
14 THE ORIGINAL ALLOCATED APPROVED BUDGET, \$18 MILLION.

15 TIER 2, THERE ARE FIVE APPLICATIONS
16 RECOMMENDED IF FUNDS ARE AVAILABLE. TO FUND THESE
17 APPLICATIONS WOULD REQUIRE AN ADDITIONAL \$6.2
18 MILLION, AND TIER 3, NOT RECOMMENDED, THERE ARE SIX
19 APPLICATIONS.

20 AT THIS POINT PERHAPS MR. SHEEHY HAS
21 COMMENTS, OR WE COULD LOOK AT THE SCORES IN THE
22 DIFFERENT CATEGORIES.

23 MR. SHEEHY: THE ONE COMMENT I'D LIKE TO
24 MAKE IS TO COMMEND THE SCIENTIFIC STAFF. THIS WAS
25 REALLY A UNIQUE RFA THAT WENT OUTSIDE THE BOUNDS OF

BARRISTERS' REPORTING SERVICE

1 OUR USUAL REVIEWERS. AND THE ASSEMBLY OF REVIEWERS
2 WHO WERE CAPABLE OF REALLY GIVING THE TYPE OF
3 RIGOROUS EVALUATION THAT WE TYPICALLY HAVE FOR OUR
4 GRANTS, WE SHOULD REALLY -- WE OWE STAFF A HAND FOR
5 THIS. THEY WERE VERY, VERY THOUGHTFULLY REVIEWED BY
6 PEOPLE WHO REALLY KNEW WHAT THEY WERE TALKING ABOUT.
7 AND GETTING THOSE FOLKS IN THE ROOM IS NOT AS EASY
8 AS PEOPLE MAY THINK.

9 (APPLAUSE.)

10 DR. YAFFE: MR. SHEEHY, I DON'T KNOW --

11 MR. SHEEHY: I THINK YOU WANT TO TAKE ANY
12 MOTIONS NOW.

13 CHAIRMAN KLEIN: SO ARE THERE -- MY
14 UNDERSTANDING IS, AGAIN, TO REPEAT, IS THAT THE
15 RECOMMENDED GROUP IS WITHIN THE BUDGET CATEGORY?

16 DR. YAFFE: YES, IT IS. IT'S UNDER BUDGET
17 BY HALF A MILLION.

18 CHAIRMAN KLEIN: OKAY. I WILL TAKE
19 MOTIONS AND THEN TAKE BOARD DISCUSSION AND COMMENTS
20 ON THE MOTION BECAUSE I KNOW THERE ARE PEOPLE IN THE
21 AUDIENCE WHO WOULD LIKE TO ADDRESS THIS ITEM.

22 MR. ROTH: I WOULD LIKE TO MAKE A MOTION
23 TO FUND TIER 1 UNDER THE CAVEAT OF OUR PREVIOUS
24 DISCUSSION.

25 CHAIRMAN KLEIN: ALL RIGHT. SECOND. I'M

BARRISTERS' REPORTING SERVICE

1 GOING TO OPEN THIS FIRST TO -- ACTUALLY I'D LIKE TO,
2 BECAUSE I KNOW THERE'S SOMEONE WHO WOULD LIKE TO
3 ADDRESS TIER 1 IN THE AUDIENCE, GIVE THEM THE
4 BENEFIT OF ADDRESSING THIS, AND THEN WE'LL HAVE THE
5 GENERAL BOARD DISCUSSION.

6 MR. ROTH: CHAIRMAN KLEIN, IS IT IN TIER 1
7 THIS PUBLIC COMMENT?

8 CHAIRMAN KLEIN: THEIR COMMENT GOES TO THE
9 ISSUE OF WHETHER MOVING IT TO TIER 1, AND I'M TRYING
10 TO ANTICIPATE THE TIME WE HAVE FOR THIS OVERALL
11 DISCUSSION SO THEY CAN TAKE THIS INTO CONSIDERATION
12 IN ACTING BECAUSE THEN WE DON'T HAVE TO GO THROUGH
13 THIS TWICE. YES.

14 DR. COOK: GOOD MORNING. THANK YOU FOR
15 GIVING US A CHANCE TO PRESENT OUR CONCEPTS TO YOU.
16 I'M BOB COOK. I'M THE CHAIR OF THE BIOLOGY
17 DEPARTMENT AT CALIFORNIA STATE UNIVERSITY FULLERTON.

18 CHAIRMAN KLEIN: IF YOU COULD SPEAK A
19 LITTLE CLOSER TO THE MICROPHONE, PLEASE.

20 DR. COOK: I'M BOB COOK. I'M THE CHAIR OF
21 THE BIOLOGY DEPARTMENT AT CALIFORNIA STATE
22 UNIVERSITY FULLERTON, AND I'M HERE TO SPEAK TO YOU
23 ABOUT THE PROPOSAL THAT IS AT THE TOP OF THE GRAY
24 BARRIER, AND HOPING TO CONVINCING YOU TO FUND IT
25 PARTIALLY.

BARRISTERS' REPORTING SERVICE

1 OUR PROGRAM, OUR GOAL IN THIS PROGRAM IS
2 TO PREPARE SCHOLARS IN THE ESSENTIALS OF STEM CELL
3 BIOLOGY AT THE HOME CAMPUS AND TO SEND THEM TO THE
4 HOST CAMPUS SO THAT THEY CAN ADVANCE THEIR RESEARCH
5 AND GAIN EXPERIENCE IN HUMAN STEM CELL BIOLOGY.

6 WE HAVE CREATED FOUR COURSES IN STEM CELL
7 BIOLOGY PRIOR TO THE CALL FOR THESE PROPOSALS. TWO
8 OF THESE COURSES DEAL WITH STEM CELL BIOLOGY
9 DIRECTLY, ONE OF WHICH IS A STEM CELL BIOLOGY
10 LABORATORY WHICH IS CURRENTLY FUNDED BY A GRANT FROM
11 NSF AND BY CAMPUS FUNDING.

12 IT'S ON THE BASIS OF THESE FOUR COURSES
13 THAT OUR ACADEMIC COMPONENT OF THIS GRANT PROPOSAL
14 RESTS. TO THIS POINT WE HAVE ALREADY TRAINED 28
15 STUDENTS IN THE BASIC SKILLS OF STEM CELL BIOLOGY,
16 BUT THEY HAVE NOT HAD THE ADVANTAGE OF BEING ABLE TO
17 BE IN A HUMAN STEM CELL BIOLOGY LAB YET. AND HAVING
18 THIS PROGRAM FUNDED WOULD ALLOW US TO MOVE OUR
19 STUDENTS FROM OUR LABS WHERE THEY DO MOUSE STEM CELL
20 WORK TO THE LABS OF OUR COLLABORATING HOST
21 INSTITUTIONS WHERE THEY WOULD DO HUMAN STEM CELL
22 BIOLOGY.

23 IT'S BASICALLY AGREED, I THINK, IF YOU
24 LOOK AT THE REVIEWS, THAT WE HAVE A STRONG
25 CURRICULUM IN PLACE ON OUR CAMPUS. WE HAVE FOUR

BARRISTERS' REPORTING SERVICE

1 STRONG AND WELL-PREPARED FACULTY WHO CAN WORK WITH
2 STUDENTS TO GIVE THEM THE BASIC BACKGROUND IN STEM
3 CELL BIOLOGY AND TO PREPARE THE STUDENTS TO MOVE TO
4 OUR HOST CAMPUSES WHERE WE HAVE A CADRE OF EXCELLENT
5 HUMAN STEM CELL BIOLOGY RESEARCHERS PREPARED TO TAKE
6 THEM INTO THE PROGRAM.

7 WE HAVE AN ENERGETIC AND COMMITTED PROGRAM
8 DIRECTOR. WE HAVE A LARGE GROUP OF STUDENTS
9 PREPARED TO ENTER THE PROGRAM.

10 CAL STATE FULLERTON REPRESENTS OR SERVES,
11 RATHER, A DIVERSE MINORITY POPULATION IN NORTH
12 ORANGE COUNTY, A DIVERSE SOCIOECONOMIC POPULATION IN
13 NORTH ORANGE COUNTY, AND A GROUP OF FIRST-GENERATION
14 FAMILIES WHO HAVE NOT BEEN TO COLLEGE BEFORE.
15 HAVING A PROGRAM SUCH AS THIS WOULD GIVE THEM
16 OPPORTUNITIES THAT ARE UNAVAILABLE TO THEM AND WOULD
17 REMAIN UNAVAILABLE IF WE ARE NOT FUNDED.

18 WE HAVE -- WE WOULD ASK THAT YOU NOT, BY
19 MOVING US TO TIER 1, NOT BUMP ANY OF THE PREVIOUSLY
20 RECOMMENDED CANDIDATES, BUT RATHER ADD US TO THE
21 MIX, GIVE US PARTIAL FUNDING. TRAINING PROGRAMS BY
22 THEIR VERY NATURE ARE MODULAR IN COMPONENT. WE CAN
23 DO VERY WELL WITH FUNDS THAT REMAIN FROM THE
24 ORIGINAL 18 MILLION THAT HAVE BEEN ALLOCATED, AND
25 THAT WE WOULD BE HAPPY TO TAKE THE 500,000 THAT

BARRISTERS' REPORTING SERVICE

1 REMAIN, WORK WITH A SMALLER GROUP OF STUDENTS, MOVE
2 THEM THROUGH, AND AT LEAST HAVE SOME STUDENTS FROM
3 NORTH ORANGE COUNTY WHO CAN PARTICIPATE IN THIS
4 FANTASTIC PROGRAM THAT YOU'VE CREATED RATHER THAN
5 HAVING NO ORANGE COUNTY REPRESENTATION. THANK YOU
6 VERY MUCH.

7 CHAIRMAN KLEIN: SO THAT WE CAN GET THE
8 PUBLIC COMMENT ON THIS, MR. SIMPSON, DID YOU WANT TO
9 MAKE A PUBLIC COMMENT?

10 MR. SIMPSON: I'M CONFUSED AS TO WHETHER
11 YOU'RE TAKING COMMENT ON TIER 2, OR IS IT JUST ON
12 THE MOTION OF PUTTING INTO TIER 1?

13 CHAIRMAN KLEIN: JUST ON THE MOTION OF
14 PUTTING IT IN TIER 1.

15 MR. SIMPSON: I WOULD SUPPORT TIER 1 AS IT
16 IS NOW CONSTITUTED, BUT WITH THE CAVEAT THAT I WOULD
17 HOPE THAT TIER 2 GETS DISCUSSED AND THERE IS
18 APPROPRIATE COMMENT ON TIER 2.

19 CHAIRMAN KLEIN: ALL RIGHT. SO BOARD
20 DISCUSSION. JEFF SHEEHY.

21 MR. SHEEHY: COULD I ASK A QUESTION OF
22 STAFF? YOU MADE A COMMENT ABOUT THERE'S A TIME
23 FACTOR RELATED, THAT WHILE WE'RE KICKING THIS DOWN
24 THE ROAD TO DECIDE WHETHER, YOU KNOW, WHEN WE
25 ACTUALLY FUND THIS, CAN YOU KIND OF ELABORATE?

BARRISTERS' REPORTING SERVICE

1 DR. YAFFE: WELL, VIRTUALLY ALL THE
2 PROPOSED PROGRAMS ARE LINKED TO THE ACADEMIC YEAR,
3 WHICH WOULD INVOLVE RECRUITMENT OF THEIR STUDENTS
4 DURING THE SUMMER OR IN EARLY FALL AND THEN
5 FOLLOWING IN THE ACADEMIC CALENDAR. IF A PROGRAM IS
6 NOT GIVEN THE GO-AHEAD OR FUNDED BY A CERTAIN DATE,
7 I DON'T KNOW WHAT THAT DATE MIGHT BE, BUT CERTAINLY
8 BY THE SUMMER OR BEGINNING OF THE FALL, THE PROGRAM
9 IS UNLIKELY TO BE ABLE TO START UP IN THE WINTER OR
10 LATE SPRING. THEY MAY HAVE TO WAIT FOR AN ENTIRE
11 YEAR BEFORE THEY CAN THEN INITIATE THE PROGRAM, AT
12 LEAST DESIGNED, DESCRIBED, AND RECOMMENDED BY THE
13 GRANTS WORKING GROUP.

14 MR. SHEEHY: THIS IS A PRIORITY PROGRAM OF
15 THE SCIENTIFIC STAFF, I BELIEVE, AS WE'VE HEARD. I
16 CAN'T OFFER AN AMENDMENT TO THE MOTION OR ANYTHING,
17 BUT DO WE WANT TO SOMEHOW ON THIS MOTION MAKE -- I
18 WOULD NOT LIKE THIS DECISION TO BE MADE BY DEFAULT.
19 I WONDER IF WE WANT TO SET A POINT SO THAT WE CAN
20 CLEARLY COMMUNICATE. JUST AS A PHILOSOPHICAL
21 QUESTION, DO WE WANT TO SAY IN MARCH OR APRIL THAT
22 WE'RE DEFINITELY GOING TO MAKE A GO OR NO GO SO THAT
23 THESE INSTITUTIONS CAN HAVE SOME CERTAINTY AS TO
24 WHETHER OR NOT THEY'RE GOING TO GO FORWARD?

25 CHAIRMAN KLEIN: LET ME ASK THE MAKER OF

BARRISTERS' REPORTING SERVICE

1 THE MOTION. DUANE, WOULD YOU BE WILLING TO INCLUDE
2 IN YOUR MOTION, BECAUSE I WOULD AS A SECOND, THAT WE
3 RECOGNIZE THAT THE STAFF HAS RECOMMENDED THIS AS A
4 MISSION CRITICAL PROGRAM?

5 MR. ROTH: YOU KNOW, I'M NOT SURE IT NEEDS
6 TO BE IN THE MOTION, BUT I WOULD HATE TO GIVE THE
7 IMPRESSION THAT SOMEHOW THIS IS GOING TO TAKE
8 PRIORITY OVER SOMETHING ELSE WHEN WE'VE ALREADY HAD
9 THAT DISCUSSION.

10 CHAIRMAN KLEIN: THAT'S FINE.

11 MR. ROTH: THAT'S AT OUR SOLE DISCRETION
12 TO DO THAT.

13 MS. LANSING: I WOULD JUST LIKE TO SUGGEST
14 THAT WHEN WE COME TO OUR NEXT MEETING, THAT ALAN
15 PRESENT TO US STAFF'S RECOMMENDATION AS TO HOW WE
16 SHOULD PRIORITIZE THE GRANTS THAT WE'VE APPROVED
17 BECAUSE, DON'T FORGET, WE HAVE THE DISEASE TEAMS
18 YET. WE HAVE A LOT OF THE OTHER THINGS THAT ARE
19 GOING TO COME FORWARD, SO I DON'T THINK WE CAN
20 ANSWER THOSE QUESTIONS.

21 MR. ROTH: THAT'S THE POINT. I DON'T
22 THINK WE WANT TO LOSE OUR FLEXIBILITY AND TO CHANGE
23 THIS MOTION AND MAKE IT SOMEHOW DIFFERENT THAN THE
24 PREVIOUS ONES WE JUST APPROVED.

25 CHAIRMAN KLEIN: THAT'S EXACTLY THE

BARRISTERS' REPORTING SERVICE

1 QUESTION I WAS ASKING.

2 MR. SHEEHY: SO WE'RE JUST NOT GOING TO
3 SET ANY PRIORITIES AT THIS MEETING.

4 MR. SERRANO-SEWELL: I WAS GOING TO SPEAK
5 TO THAT. I THINK THAT CLARIFICATION IS REALLY
6 IMPORTANT. I THINK, BOB, IT'S WORTH REPEATING,
7 ESPECIALLY TO THE PEOPLE OR WHATEVER IT IS WE'RE
8 DOING FOR THEM IN THE FIRST YEAR. THE BOARD HAS
9 DECIDED TO RETAIN ITS SOLE DISCRETION, MEANING,
10 YEAH, WE APPROVED YOU, BUT YOU MIGHT NOT GET
11 ANYTHING IN MARCH. YOU GET ZERO.

12 NOW, I DON'T KNOW HOW YOU -- AS AN
13 INSTITUTION, I DON'T KNOW HOW YOU REALLY RELY ON
14 THAT AND GO BACK TO YOUR. I DON'T THINK YOU CAN,
15 BUT I'LL LEAVE IT TO THOSE INSTITUTIONS TO FIGURE IT
16 OUT.

17 MR. ROTH: MY HOPE IS THAT THROUGH ALL
18 THIS DISCUSSION PEOPLE WILL WATCH WHAT'S HAPPENING
19 ON THE BUDGET AND WATCH WHAT HAPPENS WHEN WE GO AND
20 START TALKING TO PEOPLE. AND I THINK THAT GIVES
21 THEM SOME SENSE OF WHETHER THIS IS GOING TO HAPPEN
22 OR NOT.

23 CHAIRMAN KLEIN: YEAH. DR. PRIETO.

24 DR. PRIETO: WOULD IT BE APPROPRIATE TO
25 MAKE A SEPARATE -- TO REQUEST A SEPARATE AMENDMENT

BARRISTERS' REPORTING SERVICE

1 TO THIS MOTION TO PARTIALLY FUND THE APPLICATION
2 FROM TIER 2?

3 CHAIRMAN KLEIN: AMENDMENTS ARE IN ORDER
4 IN DISCUSSION OF THE MOTION AS LONG AS YOU DON'T
5 HAVE ANY CONFLICTS.

6 DR. PRIETO: I DON'T HAVE ANY CONFLICT
7 WITH THIS APPLICATION.

8 CHAIRMAN KLEIN: MR. HARRISON, DO YOU HAVE
9 A QUESTION ABOUT THE RIGHT TO MAKE AN AMENDMENT TO
10 THIS MOTION?

11 MR. HARRISON: NO. UNDER THE BOARD'S
12 EXCEPTION TO ROBERTS RULES OF ORDER, IF THE MAKER
13 AND THE SECOND ACCEPT A FRIENDLY AMENDMENT, THEN IT
14 CAN BE CONSIDERED. OTHERWISE, IT COULD BE
15 CONSIDERED IN A SUBSEQUENT MOTION.

16 MR. ROTH: I WOULD PREFER NOT TO AND TO
17 DEAL WITH THAT IN THE SECOND DISCUSSION ABOUT
18 WHETHER WE WANT TO DO THAT AND THEN TALK ABOUT THAT.

19 CHAIRMAN KLEIN: THANK YOU.

20 DR. PIZZO: AS A MATTER OF PRINCIPLE, I
21 WOULD NOT LIKE TO SEE US GET INTO THE SITUATION
22 WHERE LEFTOVER MONEY THAT'S NOT APPLIED IS BEING
23 USED AS A SOURCE FOR FUNDING OTHER PROPOSALS THAT
24 DIDN'T MEET A CUTOFF. I THINK THAT CONFUSES WHAT
25 WE'RE TRYING TO DO.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I THINK WHAT YOU' RE
2 SAYING IS IT NEEDS TO BE ON THE MERITS RATHER THAN
3 WHETHER THERE' S LEFTOVER MONEY.

4 DR. PIZZO: BECAUSE OTHERWISE WE WILL NEED
5 TO GO -- CONTINUE TO GO BACK AND SEE IF WE HAVEN' T
6 FILLED IT. IT IS ON THE MERITS.

7 THE OTHER THING I' LL JUST QUICKLY SAY IS
8 SINCE WORDS MATTER, JUST GIVEN OUR LAST COMMENT, WE
9 MAY USE THE TERM "MISSION CRITICAL," BUT I' D LIKE TO
10 THINK THAT ALMOST EVERYTHING WE DO IS MISSION
11 CRITICAL. THERE MAY BE SOME PROPOSALS THAT ARE TIME
12 SENSITIVE, AND MAYBE THAT' S AN IMPORTANT CAVEAT THAT
13 WE WANT TO OFFER.

14 CHAIRMAN KLEIN: YEAH. I WAS SPECIFICALLY
15 RECOGNIZING THE STAFF' S POSITION THAT THIS IS A
16 MISSION CRITICAL OBJECTIVE, WHICH I THINK IS
17 RELEVANT INFORMATION FOR US TO CONSIDER AT THE NEXT
18 MEETING.

19 DR. REED: YOU SAID THE COMMENT ON THE
20 SPECIFIC SUGGESTED AMENDMENT, IF WE STILL ARE
21 DISCUSSING THAT, OR IS THAT NOW OFF THE TABLE?

22 CHAIRMAN KLEIN: BECAUSE IT HAS TO BE A
23 VOLUNTARY ACCEPTANCE OF THE MAKER OF THE MOTION AND
24 THE SECOND, THAT HAS TO NOW BE HANDLED AS A SEPARATE
25 ITEM.

BARRISTERS' REPORTING SERVICE

1 DR. REED: ALL RIGHT. I'LL WAIT TILL
2 THEN.

3 CHAIRMAN KLEIN: ADDITIONAL BOARD
4 COMMENTS? I'D LIKE TO CALL THE QUESTION ON THIS
5 MOTION.

6 DR. POMEROY: CAN YOU REPEAT THE MOTION,
7 PLEASE?

8 MR. HARRISON: THE MOTION IS TO APPROVE
9 THOSE APPLICATIONS FOR BRIDGES GRANTS THAT ARE IN
10 TIER 1.

11 MS. KING: RICARDO AZZIZ.

12 DR. AZZIZ: FOR, EXCEPT FOR THOSE
13 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

14 MS. KING: ROBERT PRICE.

15 DR. PRICE: APPROVE, EXCEPT FOR THOSE -- I
16 HAD NO CONFLICTS.

17 MS. KING: GORDON GILL.

18 DR. GILL: YES, EXCEPT FOR THOSE
19 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

20 MS. KING: JACOB LEVIN.

21 DR. LEVIN: YES, EXCEPT FOR THOSE
22 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

23 MS. KING: MARCY FEIT.

24 MS. FEIT: YES, EXCEPT FOR THOSE
25 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

BARRISTERS' REPORTING SERVICE

1 MS. KING: MICHAEL FRIEDMAN.

2 DR. FRIEDMAN: FOR, EXCEPT FOR THOSE
3 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

4 MS. KING: MICHAEL GOLDBERG.

5 MR. GOLDBERG: YES, EXCEPT FOR THOSE
6 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

7 MS. KING: SAM HAWGOOD.

8 DR. HAWGOOD: YES, EXCEPT FOR THOSE
9 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

10 MS. KING: BOB KLEIN.

11 CHAIRMAN KLEIN: YES.

12 MS. KING: SHERRY LANSING.

13 MS. LANSING: YES, EXCEPT FOR THOSE
14 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

15 MS. KING: LEONARD ROME.

16 DR. ROME: YES, EXCEPT FOR THOSE
17 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

18 MS. KING: ED PENHOET.

19 DR. PENHOET: YES, EXCEPT FOR THOSE
20 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

21 MS. KING: PHIL PIZZO.

22 DR. PIZZO: YES, EXCEPT FOR THOSE
23 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

24 MS. KING: CLAIRE POMEROY.

25 DR. POMEROY: YES, EXCEPT FOR THOSE

BARRISTERS' REPORTING SERVICE

1 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

2 MS. KING: FRANCISCO PRIETO.

3 DR. PRIETO: YES, EXCEPT FOR THOSE

4 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

5 MS. KING: CARMEN PULIAFITO.

6 DR. PULIAFITO: YES, EXCEPT FOR THOSE

7 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

8 MS. KING: JOHN REED.

9 DR. REED: YES, EXCEPT FOR THOSE

10 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

11 MS. KING: DUANE ROTH.

12 MR. ROTH: YES.

13 MS. KING: DAVID SERRANO-SEWELL.

14 MR. SERRANO-SEWELL: YES.

15 MS. KING: JEFF SHEEHY.

16 MR. SHEEHY: YES, EXCEPT FOR THOSE

17 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

18 CHAIRMAN KLEIN: AND I'D LIKE TO SAY MY
19 UNDERSTANDING, DR. PRICE, OF WHAT YOU SAID IS EXCEPT
20 FOR THOSE WITH WHICH --

21 DR. PRICE: YES. I WAS ABOUT TO MODIFY MY
22 VOTE.

23 MR. HARRISON: MR. CHAIR, COULD I MAKE ONE
24 SUGGESTION. BECAUSE OF THE QUORUM REQUIREMENTS FOR
25 TWO OF THE APPLI CATIONS, I WOULD RECOMMEND THAT WE

BARRISTERS' REPORTING SERVICE

1 LEAVE THIS VOTE OPEN. LEEZA GIBBONS PLANS TO JOIN
2 US AFTER LUNCH; AND AT THAT POINT IN TIME, SHE CAN
3 VOTE. WE CAN CLOSE THE VOTE AND WE WILL HAVE HAD A
4 SUFFICIENT QUORUM FOR EACH OF THE APPLICATIONS IN
5 TIER 1.

6 CHAIRMAN KLEIN: WITHOUT OBJECTION, I'M
7 GOING TO LEAVE THE VOTE OPEN. COULD YOU TELL ME THE
8 ITEMS, PLEASE?

9 MR. HARRISON: YES. THEY ARE APPLICATION
10 NOS. 1194 AND APPLICATION 1190.

11 CHAIRMAN KLEIN: THANK YOU. THOSE ITEMS
12 WILL BE LEFT OPEN. THE VOTE IS OTHERWISE LOGGED FOR
13 THOSE OTHER APPLICATIONS THAT WE JUST CONSIDERED.

14 AS TO THE GRAY AREA, IS THERE ANY MOTION
15 AS TO THE GRAY AREA?

16 DR. PULIAFITO: ONLY POINT OF INFORMATION.
17 ONLY NONCONFLICTED INDIVIDUALS CAN MAKE A MOTION?

18 CHAIRMAN KLEIN: ONLY NONCONFLICTED
19 INDIVIDUALS CAN MAKE A MOTION.

20 MR. ROTH: ON ANY INDIVIDUAL GRANT.

21 CHAIRMAN KLEIN: ON ANY INDIVIDUAL GRANT.

22 DR. PULIAFITO: WHAT ABOUT A MOTION AS A
23 GLOBAL MOTION?

24 CHAIRMAN KLEIN: THEY CAN MAKE A GLOBAL
25 MOTION ON THE GRAY AREA IF YOU'RE NOT CONFLICTED

BARRISTERS' REPORTING SERVICE

1 WITH ANY ITEMS IN THE GRAY AREA.

2 SO QUESTIONS? IS THERE ANYONE WHO, ON A
3 PROGRAMMATIC BASIS, WHICH IS OBVIOUSLY A CRITERIA
4 FOR CONSIDERATION AS WELL AS A STRAIGHT SCIENTIFIC
5 SCORE, WANTS TO PICK UP THE PROPOSAL, AS I
6 UNDERSTAND IT FROM THE COMMENT PREVIOUSLY MADE, THAT
7 THERE BE A \$600,000 AWARD TO FULLERTON INSTEAD OF
8 THE FULL AWARD SUGGESTED, WHICH WOULD KEEP US IN
9 BUDGET? MY UNDERSTANDING OF THE PROGRAMMATIC
10 REQUEST IS THIS IS AN UNDERREPRESENTED AREA WITH
11 TREMENDOUS POTENTIAL IN THE STATE WITH A PROGRAM
12 THAT IS IN THE GRAY AREA.

13 IS THERE ANYONE THAT WOULD LIKE TO ADDRESS
14 THAT REQUEST? ALL RIGHT. SEEING NO ONE. IS THERE
15 ANYONE THAT WOULD LIKE TO MAKE ANY MOTION AS TO THE
16 GRAY AREA? DR. REED.

17 DR. REED: I'D LIKE TO MOVE THAT NO
18 FURTHER GRANTS IN THIS CATEGORY ARE APPROVED FOR
19 FUNDING AT THIS TIME.

20 CHAIRMAN KLEIN: OKAY. THE WORDING OF
21 THAT MOTION IS INTERESTING, BUT LET ME ASK A
22 QUESTION OF COUNSEL. BECAUSE IT ADDRESSES THE
23 CATEGORY, IS THIS A MOTION THAT DR. REED SHOULD BE
24 MAKING?

25 MR. HARRISON: WITH ONE CLARIFICATION.

BARRISTERS' REPORTING SERVICE

1 THE QUESTION -- DR. REED CAN MAKE A MOTION AS TO
2 TIER 2. HE CANNOT MAKE A MOTION AS TO TIER 2 AND
3 TIER 3.

4 CHAIRMAN KLEIN: MY UNDERSTANDING IS HE
5 WAS ONLY ADDRESSING TIER 2; IS THAT CORRECT, DR.
6 REED?

7 DR. REED: I WOULD ADDRESS BOTH IF I'M
8 ALLOWED.

9 CHAIRMAN KLEIN: MY UNDERSTANDING, DR.
10 REED, IS YOU ARE INTENDING TO ADDRESS TIER 2; IS
11 THAT CORRECT?

12 DR. REED: I'LL WITHDRAW THE MOTION AND
13 ALLOW DUANE ROTH TO REPHRASE.

14 MR. ROTH: I WILL MAKE A MOTION NOT TO
15 FUND ANYTHING IN TIER 2 AND TIER 3 AT THIS TIME.

16 CHAIRMAN KLEIN: SO I'M INTERESTED IN THE
17 WORDING. IS THE WORDING "AT THIS TIME"? IS THERE
18 INTENT TO CARRY ANY OF THESE FORWARD, OR IS THIS AT
19 ANY TIME?

20 MR. ROTH: I'LL EXPLAIN MY MOTION. I
21 DON'T WANT TO GIVE ANYONE THE IMPRESSION THAT IT'S
22 LIKELY WE'RE GOING TO COME BACK AND VISIT THIS
23 BECAUSE I DON'T THINK THAT'S GOING TO HAPPEN. I
24 THINK THAT'S THE SENSE OF THE BOARD.

25 SECONDLY, WHILE I'M SYMPATHETIC TO THE

BARRISTERS' REPORTING SERVICE

1 PRESENTATION THAT WAS MADE, I THINK FROM A PRECEDENT
2 STANDPOINT, ONCE WE START GOING IN AND MODIFYING
3 BASED ON RECOMMENDATIONS FOR PARTIAL FUNDING, WE
4 SHOULD OPEN IT UP TO EVERYBODY WHO WOULD HAVE THE
5 CHANCE TO COME AND ARGUE FOR PARTIAL FUNDING OF
6 THEIR GRANT. THEREFORE, ON THE BASIS OF THAT, JUST
7 THE INTEGRITY OF THE PROCESS, I THINK I'LL STAY WITH
8 MY MOTION.

9 CHAIRMAN KLEIN: I THINK ANYONE CAN ARGUE
10 FOR PARTIAL FUNDING. I THINK YOU'RE JUST TAKING THE
11 POSITION THAT YOU DON'T WANT TO MAKE THAT DECISION.

12 SO ANY ADDITIONAL DISCUSSION? DO WE HAVE
13 A SECOND? WE DO NOT HAVE A SECOND.

14 DR. PRICE: SECOND.

15 CHAIRMAN KLEIN: LET US CHECK. WE NEED TO
16 CHECK THAT.

17 CHAIRMAN KLEIN: DR. GILL IS ASKING THE
18 QUESTION.

19 MR. SERRANO-SEWELL: I'LL MAKE THE SECOND.

20 CHAIRMAN KLEIN: DAVID SERRANO-SEWELL WILL
21 MAKE THE SECOND. THANK YOU. OKAY. DR. GILL ASKED
22 FIRST. YOU'D LIKE TO MAKE A SECOND?

23 DR. GILL: I SECOND.

24 CHAIRMAN KLEIN: I WILL RECOGNIZE THE
25 FIRST SECOND OF DR. GILL. IF I COULD ASK FOR PUBLIC

BARRISTERS' REPORTING SERVICE

1 COMMENT ON THIS.

2 DR. SIMPSON: JOHN SIMPSON FROM CONSUMER
3 WATCHDOG. I'M DISAPPOINTED THAT YOU ARE MAKING THIS
4 MOTION. I WOULD HAVE SUGGESTED THAT THE MOTION IN
5 THIS PARTICULAR CASE, BECAUSE OF THE UNIQUE NATURE
6 OF THIS PROGRAM AND BECAUSE, IF I CAN BE SO CRASS AS
7 TO SAY, ALL THE REPRESENTATIVES OF THE BIG FAT
8 UNIVERSITIES HAVE GOTTEN THEIRS ALREADY, AND THESE
9 GUYS HAVEN'T. AND YOU MANAGED TO SAVE ENOUGH TO
10 SUBSTANTIALLY FUND ALL THROUGH THE GRAY AREA. I
11 WOULD HAVE, BECAUSE OF THE VERY SPECIAL CASE IN THIS
12 FIRST OPPORTUNITY TO OPEN IT UP TO MANY MORE PEOPLE
13 IN THE STATE OF CALIFORNIA AND UNSERVED MINORITIES,
14 I WOULD STRONGLY RECOMMEND THAT YOU DEFEAT THIS
15 MOTION AND THAT A NEW MOTION BE ENTERED THAT WOULD
16 MOVE UP ALL OF THE GRAY AREA. THANK YOU.

17 CHAIRMAN KLEIN: OKAY.

18 DR. GILL: CAN I EXPLAIN THE REASON I
19 SECONDED IT? I FEEL THAT THERE SHOULD BE EQUAL
20 ACCESS FOR EACH PERSON IN AN AREA TO SPEAK IF WE
21 WERE GOING TO GO IN ONE BY ONE. IN OTHER WORDS, I
22 CERTAINLY APPRECIATE THE VALUE OF THE FULLERTON
23 PROGRAM, BUT WE HAVE NOT BEEN ABLE TO HEAR FROM THE
24 OTHER PROGRAMS, ONE OF WHICH HAS EXACTLY THE SAME
25 SCORE. SO I FIND IT IMPOSSIBLE TO JUDGE BASED ONLY

BARRISTERS' REPORTING SERVICE

1 ON THE PRESENCE OF AN ADVOCATE HERE.

2 CHAIRMAN KLEIN: SO, DR. GILL, EVERYONE
3 HAS THE OPPORTUNITY TO SPEAK. THE FULLERTON
4 REPRESENTATIVE MADE THE EFFORT TO COME HERE AND
5 SPEAK. AND, IN FACT, THE SYSTEM REWARDS THE -- THE
6 SYSTEM PERMITS THAT THOSE WHO WILL MAKE THE EXTRA
7 EFFORT CAN PROVIDE A FOCUS ON THEIR CASE AND
8 CONSIDERATION. AND THEY ARE -- THE FULLERTON IS ONE
9 OF THE TOP TWO IN THIS CATEGORY.

10 DR. FRIEDMAN: I'M TRYING TO DECIDE
11 WHETHER TO MAKE A COMMENT OR NOT, AND I THINK I
12 WILL. I DON'T MEAN TO BE PROVOCATIVE, AND I DON'T
13 MEAN TO BE TRUCULENT. I TAKE STRONG EXCEPTION TO
14 YOUR COMMENTS. NOBODY KNOWS WHICH UNIVERSITIES ARE
15 GETTING WHAT. YOUR COMMENT ABOUT FAT UNIVERSITIES
16 GETTING FATTER IS ENTIRELY INAPPROPRIATE. YOUR
17 COMMENTS SHOULD HAVE BEEN RESTRICTED, I SUGGEST, TO
18 WHAT WOULD BE GOOD FOR THE BEST TRAINING FOR THE
19 BEST STUDENTS IN THE STATE TO HELP THE PROGRAM. AND
20 I FIND THAT REALLY AN INAPPROPRIATE COMMENT TO MAKE
21 AT THIS TIME.

22 MR. SIMPSON: I'M SORRY YOU TOOK IT THAT
23 WAY.

24 CHAIRMAN KLEIN: ADDITIONAL DISCUSSION?

25 DR. LEVIN: I JUST WANT TO CLARIFY WHAT

BARRISTERS' REPORTING SERVICE

1 THE MOTION IS ON THE FLOOR. ARE WE VOTING NOT TO
2 FUND THESE, OR TO PUSH THEM TO THE MARCH MEETING?

3 CHAIRMAN KLEIN: NOT TO FUND.

4 DR. PENHOET: WE'RE NOT FUNDING ANYTHING.
5 RECOMMEND FOR FUNDING.

6 DR. LEVIN: THERE WILL BE NO FURTHER
7 DISCUSSION OF THESE.

8 CHAIRMAN KLEIN: IF THIS PASSES, THERE
9 WILL BE NO FURTHER DISCUSSION OF THESE AT THE MARCH
10 MEETING OR ANY OTHER MEETING.

11 MR. ROTH: AGAIN, AS THE MAKER OF THE
12 MOTION, I JUST WANT TO COMMENT AGAIN. THE REASON I
13 THINK THIS IS PRUDENT IS IN LIGHT OF ALL THE
14 DISCUSSION WE'VE HAD, THAT, YOU KNOW, WE'RE TRYING
15 TO GO THE EXTRA MILE HERE IN MAKING SURE WE GIVE
16 PEOPLE EXPECTATIONS THAT WE POTENTIALLY CAN LIVE UP
17 TO. AND I THINK THE FACT THAT THINGS ARE GOING TO
18 CHANGE SIGNIFICANTLY ENOUGH THAT IN APRIL, MAY, JUNE
19 WE COULD DECIDE TO THROW ANOTHER FOUR OR \$5 MILLION
20 HERE IS NOT GOING TO HAPPEN. THEREFORE, I DO NOT
21 WANT TO GIVE ANY FALSE HOPE. I'D RATHER THEY KNOW
22 TODAY AND NOT HOLD ON.

23 CHAIRMAN KLEIN: OKAY. ADDITIONAL
24 DISCUSSION? CALL THE QUESTION.

25 MS. KING: RICARDO AZZIZ.

BARRISTERS' REPORTING SERVICE

1 DR. AZZIZ: FOR, EXCEPT FOR THOSE
2 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

3 MS. KING: ROBERT PRICE.

4 DR. PRICE: YES, EXCEPT FOR THOSE
5 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

6 MS. KING: GORDON GILL.

7 DR. GILL: YES, EXCEPT FOR THOSE
8 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

9 MS. KING: JACOB LEVIN.

10 DR. LEVIN: YES, EXCEPT FOR THOSE
11 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

12 MS. KING: MARCY FEIT.

13 MS. FEIT: YES, EXCEPT FOR THOSE
14 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

15 MS. KING: MICHAEL FRIEDMAN.

16 DR. FRIEDMAN: YES, EXCEPT FOR THOSE
17 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

18 MS. KING: MICHAEL GOLDBERG.

19 MR. GOLDBERG: YES, EXCEPT FOR THOSE
20 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

21 MS. KING: SAM HAWGOOD.

22 DR. HAWGOOD: YES, EXCEPT FOR THOSE
23 APPLI CATIONS WITH WHICH I HAVE A CONFLI CT.

24 MS. KING: BOB KLEIN.

25 CHAIRMAN KLEIN: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: SHERRY LANSING.

2 MS. LANSING: YES, EXCEPT FOR THOSE
3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: LEONARD ROME.

5 DR. ROME: YES, EXCEPT FOR THOSE
6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: ED PENHOET.

8 DR. PENHOET: YES, EXCEPT FOR THE ONE WITH
9 WHICH I HAVE A CONFLICT.

10 MS. KING: PHIL PIZZO.

11 DR. PIZZO: YES, EXCEPT FOR THOSE
12 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

13 MS. KING: CLAIRE POMEROY.

14 DR. POMEROY: YES, EXCEPT FOR THOSE
15 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

16 MS. KING: FRANCISCO PRIETO.

17 DR. PRIETO: NO, EXCEPT FOR THOSE
18 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

19 MS. KING: CARMEN PULIAFITO.

20 DR. PULIAFITO: YES, EXCEPT FOR THOSE
21 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

22 MS. KING: JOHN REED.

23 DR. REED: YES, EXCEPT FOR THOSE
24 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

25 MS. KING: DUANE ROTH.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: YES.

2 MS. KING: DAVID SERRANO-SEWELL.

3 MR. SERRANO-SEWELL: YES.

4 MS. KING: JEFF SHEEHY.

5 MR. SHEEHY: YES, EXCEPT FOR THOSE
6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MR. HARRISON: MR. CHAIR, CAN I ONCE AGAIN
8 RECOMMEND THAT WE KEEP THE VOTE OPEN ON THIS MOTION
9 AS THERE'S ONE APPLICATION IN THIS CATEGORY, 1187,
10 FOR WHICH WE NEED MEMBER GIBBONS' VOTE.

11 DR. PENHOET: AS EMBARRASSED AS I AM, NOT
12 BEING ABLE TO COUNT, I HAVE TO CHANGE MY VOTE TO YES
13 EXCEPT FOR THOSE WITH WHICH I HAVE CONFLICTS.

14 CHAIRMAN KLEIN: ON THE ADVICE OF COUNSEL,
15 WITHOUT OBJECTION, I'M GOING TO KEEP 1187 OPEN. IS
16 THAT THE CORRECT NUMBER?

17 MR. HARRISON: THAT'S CORRECT.

18 CHAIRMAN KLEIN: ALL THE OTHER VOTES WILL
19 BE LOGGED AS FINAL VOTES.

20 QUESTION AT THIS POINT. DR. YAFFE, DID
21 YOU HAVE ADDITIONAL?

22 DR. YAFFE: I DON'T.

23 MS. KING: TIER 3 IS DONE AS WELL, SO
24 WE'RE DONE WITH AGENDA ITEM 4, BRIDGES AND TRAINING.

25 CHAIRMAN KLEIN: THANK YOU. SO LET ME

BARRISTERS' REPORTING SERVICE

1 ASK, MELISSA, ARE WE AT A POINT WHERE IT WOULD BE
2 APPROPRIATE TO ADJOURN FOR THE LUNCH DISCUSSION?

3 MS. KING: WE ARE. THE ONLY THING YOU
4 MIGHT WANT TO CONSIDER IS ADDRESSING ITEM 5, TOOLS
5 AND TECHNOLOGY, TIER 2, THAT WAS CARRIED OVER FROM
6 THE LAST MEETING IF IT WAS THE SENSE OF THE BOARD
7 THAT THAT WOULD BE A BRIEF ENOUGH DISCUSSION, OR YOU
8 COULD GO TO LUNCH.

9 CHAIRMAN KLEIN: OKAY. THANK YOU FOR YOUR
10 ADVICE. LET ME ASK THE BOARD HERE. WHAT IS THE
11 SENSE OF THE BOARD? SHOULD WE TRY AND TACKLE THIS
12 ITEM OR ADJOURN FOR LUNCH?

13 DR. PULIAFITO: DO IT NOW.

14 MS. FEIT: DO WE HAVE A QUORUM TO TAKE
15 ACTION ON THAT?

16 DR. PULIAFITO: YOU MAY NOT HAVE IT AFTER
17 LUNCH.

18 CHAIRMAN KLEIN: LEEZA GIBBONS IS COMING
19 BACK AFTER LUNCH.

20 MS. KING: WE COULD JUST HOLD IT, BUT
21 WE'RE ALSO GOING TO LOSE DR. ROME.

22 CHAIRMAN KLEIN: WE HAVE A QUORUM WITH DR.
23 ROME OTHER THAN THOSE THAT HAVE WALKED OUT FOR JUST
24 A MOMENT.

25 MR. HARRISON: YES.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: WE DO. ALL RIGHT. YOU
2 KNOW YOU'RE IN A CRISIS WHERE BATHROOM PASSES COME
3 AT A PREMIUM.

4 DR. PENHOET: WE COULD RAISE MONEY FOR
5 THIS INSTITUTION BY SELLING THEM.

6 CHAIRMAN KLEIN: LET'S KEEP IT GOING FOR
7 TWO OR THREE MORE HOURS.

8 MS. KING: I'M GOING TO SUGGEST, WHILE DR.
9 AZZIZ IS OUT OF THE ROOM, THAT WE HAVE DR. TALIB
10 JUST BRIEFLY TAKE US THROUGH HIS SLIDES ON TOOLS AND
11 TECHNOLOGIES.

12 CHAIRMAN KLEIN: YES. DR. TALIB, COULD
13 YOU BRING UP, AS I SUPPOSE YOU WILL, IMMEDIATELY THE
14 SCORING CHART TO SHOW US WHAT THE RELATIVE SCORES
15 ARE IN THE GRAY AREA?

16 DR. POMEROY: MELISSA, DO YOU HAVE
17 CONFLICT SHEETS?

18 MS. KING: I DO. I'M GOING TO NEED JUST A
19 MOMENT. I'VE GOT TO GET THIS SPREADSHEET UP AND I
20 WILL HAND THEM OUT TO YOU.

21 DR. TALIB: MR. CHAIRMAN AND MEMBERS OF
22 THE BOARD, WHAT I'D LIKE TO DO IS JUST PROVIDE YOU
23 THE TABLE IN WHICH THE TOOLS AND TECHNOLOGY AWARDS
24 WHICH WERE DISCUSSED IN THE LAST ICOC MEETING. IN
25 THE LAST ICOC MEETING, YOU APPROVED 23 APPLICATIONS,

BARRISTERS' REPORTING SERVICE

1 WHICH ARE SHOWN IN THE FIRST COLUMN AND THESE 23
2 APPLICATIONS WHICH WERE PLACED BY THE GRANTS WORKING
3 GROUP IN THE TIER 1.

4 SO THESE 23 APPLICATIONS WITH A TOTAL
5 AMOUNT OF THE FUNDING OF \$19.8 MILLION, WHICH IS
6 VERY CLOSE TO THE TARGET OF THE ICOC WHICH WAS
7 RECOMMENDED, AND THAT WAS \$20 MILLION.

8 YOU ALSO PLACED SOME OF THE APPLICATIONS
9 IN TIER 2, AND THOSE WERE TOTAL OF 17 APPLICATIONS
10 WHICH WERE PLACED IN TIER 2, AND THEY'RE UP FOR
11 DISCUSSION TODAY FOR CONSIDERATION. THESE 17
12 APPLICATIONS WOULD AMOUNT TO ADDITIONAL FUNDING OF
13 ABOUT \$16 MILLION.

14 IN THE NEXT SLIDE, JUST FOR YOUR
15 INFORMATION, I WANT TO EMPHASIZE THAT IN TIER 1,
16 WHICH YOU HAVE APPROVED, CONTAINS ALL THE
17 APPLICATIONS WHICH WERE RECOMMENDED OR WHICH WERE
18 CONSIDERED TO BE IMPORTANT IN TERMS OF THE AREAS
19 WHICH ARE IMPORTANT FOR FUNDING. THAT IS, ALL THE
20 SUBJECT AREAS WHICH ARE CONSIDERED TO BE IMPORTANT
21 IN WHICH THERE IS SOME ROADBLOCKS TO MOVE THE FIELDS
22 TOWARDS THE CLINIC.

23 THESE FIVE CATEGORIES ARE BIOMARKERS, GENE
24 MANIPULATION, BIOASSAYS, STEM CELL DIFFERENTIATION,
25 SCALE UP, AND BIOENGINEERING. SO ALL SUBJECT AREAS

BARRISTERS' REPORTING SERVICE

1 APPEARS TO BE EQUALLY REPRESENTED IN THE TIER 1
2 WHICH YOU HAVE ALREADY APPROVED FOR FUNDING.

3 AND I WILL NOW HAND OVER TO DR. SAMBRANO,
4 WHO CAN SHOW YOU MORE INFORMATION ABOUT THESE
5 APPLICATIONS.

6 CHAIRMAN KLEIN: I SPECIFICALLY WANT TO
7 SEE THE SCORING SHEET SHOWING US THE SCORES IN THE
8 GRAY AREA AS COMPARED TO THE APPROVED AREA.

9 DR. SAMBRANO: IT'S SHOWN UP HERE AND YOU
10 SHOULD NOTE THAT THEY ARE SEPARATED BY THE SESSIONS
11 IN WHICH THEY WERE REVIEWED. SO THERE WAS SESSION
12 1, WHICH IS SHOWN AT THE TOP, AND THEN THOSE ARE
13 SHOWN IN RANK ORDER OF SCORE, AND THEN BELOW THAT IS
14 SESSION 2, AGAIN, THOSE APPLICATIONS IN RANK ORDER.

15 THERE ARE TWO OF THEM, ONE IN EACH OF THE
16 SESSIONS, THAT ARE HIGHLIGHTED IN RED, APPLICATION
17 1050 AND APPLICATION 1062, WHICH WERE ORIGINALLY
18 RECOMMENDED BY THE GRANTS WORKING GROUP TO BE IN
19 TIER 1 AND WERE BROUGHT DOWN BY THE BOARD INTO TIER
20 2. SO THOSE ARE INCLUDED WITHIN THE OVERALL TIER 2
21 CATEGORY SHOWN HERE.

22 CHAIRMAN KLEIN: AND THE SCORING FOR TIER
23 1 IN BOTH SESSIONS ENDED AT WHAT SCORES? TIER 1
24 SCORING, WHAT WAS THE BOTTOM SCORE IN TIER 1?

25 DR. SAMBRANO: GIVE ME A SECOND.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: WHILE THIS INFORMATION IS
2 BEING OBTAINED, THIS WAS A PARTICULARLY HIGH SCORING
3 ROUND, IF YOU RECALL, QUALITATIVELY. AND I THINK
4 WE'RE GOING TO SEE THAT IN TIER 1 WE HAVE SOME BEING
5 FUNDED WHERE WE HAVE HIGHER SCORES ACTUALLY IN TIER
6 2.

7 A SEPARATE CONSIDERATION IS WHILE EVERY
8 SUBJECT AREA WAS COVERED, I WOULD LIKE TO KNOW AT
9 THE MARCH MEETING IF THERE ARE SUBAREAS WHICH ARE
10 OBSTACLES TO CRITICAL PROGRESS THAT WERE NOT FUNDED
11 THAT ARE IN TIER 2 THAT HAVE HIGH SCORES.

12 THE ISSUE IS NOT -- I'M NOT ASKING THAT WE
13 TAKE ACTION ON RECOMMENDING FOR FUNDING AT THIS
14 TIME, JUST THAT WE CARRY OVER TIER 2 TO THE MARCH
15 MEETING SO THAT WE CAN SURGICALLY, GIVEN SCARCE
16 RESOURCES, LOOK AND SEE IF THERE'S ANY ITEMS IN TIER
17 2 THAT WOULD HAVE PARTICULAR SIGNIFICANCE BECAUSE
18 THEY'RE SUBAREAS OF A REPRESENTED AREA THAT STILL
19 REPRESENT POTENTIAL OBSTACLES.

20 DR. PIZZO: COULD YOU DEFINE WHAT YOU MEAN
21 BY HIGH SCORE BECAUSE NONE OF THOSE LOOK HIKE HIGH
22 SCORES TO ME.

23 CHAIRMAN KLEIN: WELL, LET'S LOOK AT THE
24 SCORES FOR THE FUNDED CATEGORY.

25 DR. SAMBRANO: SO THE ORIGINAL LINE THAT

BARRISTERS' REPORTING SERVICE

1 WAS DRAWN BY THE GRANTS WORKING GROUP THAT
2 ORIGINALLY DEFINED TIER 1 WAS A SCORE OF 80 OR
3 ABOVE. BUT AFTER PROGRAMMATIC REVIEW, THERE WERE
4 APPLICATIONS THAT SCORED 77, 76 THAT WERE ALSO
5 INCLUDED IN TIER 1 THAT YOU MOVED FORWARD FOR
6 FUNDING.

7 DR. PIZZO: WHAT WAS THE MEDIAN SCORE FOR
8 TIER 1, THE MEDIAN?

9 DR. SAMBRANO: WELL, THE HIGHEST SCORE WAS
10 A 90.

11 CHAIRMAN KLEIN: MY COMMENT IS MADE, DR.
12 PIZZO, THAT WE HAVE FUNDED -- IN THE FUNDING
13 CATEGORY, WE HAVE SCORES THAT ARE, IN FACT, EQUAL TO
14 THE TOP FUNDED AREA OF TIER 2. AND THESE SCORES ARE
15 STILL, ON A COMPARATIVE WITH OTHER REVIEWS, STRONG
16 SCORES AT THE TOP OF THIS LIST. AND, AGAIN, BECAUSE
17 THIS ADDRESSES TOOLS WHICH MAY HAVE A SPECIFIC
18 SIGNIFICANCE TO A CRITICAL AREA, I KNOW THAT THERE
19 ARE DISAGREEMENTS OVER THE SUBJECT, BUT I'D JUST
20 LIKE TO RETAIN THE OPTION, IF POSSIBLE, FOR
21 CONSIDERATION OF THE BOARD.

22 DR. TROUNSON: SORRY, CHAIR. JUST TO
23 REMIND THE BOARD THAT IT WAS THE STAFF
24 RECOMMENDATION NOT TO FUND ANY MORE IN TOOLS AND
25 TECHNOLOGY. JUST TO REMIND YOU OF THAT

BARRISTERS' REPORTING SERVICE

1 RECOMMENDATION.

2 MR. ROTH: MR. CHAIRMAN, CAN I ASK A
3 QUESTION?

4 CHAIRMAN KLEIN: YES.

5 MR. ROTH: CAN YOU PUT THE SLIDE BACK UP
6 WITH THE DISTRIBUTION? THESE ARE BOTH IN THE
7 SCALE-UP CATEGORY, THESE TWO IN RED.

8 CHAIRMAN KLEIN: JEFF SHEEHY, WHILE WE'RE
9 PUTTING THIS SLIDE UP, I THINK, HAS A COMMENT, AND
10 THEN WE'RE GOING TO HAVE DR. CSETE'S COMMENT.

11 MR. SHEEHY: I WOULD SUPPORT THE CHAIR'S
12 SUGGESTION THAT WE PUT THIS OFF AND WE REALLY DRILL
13 DOWN ON THIS. I THOUGHT THAT THIS WAS A TRUE GRAY
14 AREA IN THE CONTEXT OF THE WORKING GROUP IN THAT
15 THERE WAS A SUGGESTION THAT WE FUND IF FUNDS ARE
16 AVAILABLE. AND WE DID NOT REALLY GET INTO DETAIL ON
17 THESE AT THE LAST MEETING BECAUSE IT WAS OUR FIRST
18 RECOGNITION THAT WE DID NOT HAVE THE FUNDING
19 AVAILABLE THAT WE TYPICALLY HAVE.

20 BUT I BELIEVE THERE'S VALUE IN HERE AND
21 THAT IT WOULD BE WORTHWHILE FOR US TO LOOK CAREFULLY
22 AT THESE. YOU KNOW, THE NOBEL IN BIOCHEMISTRY THIS
23 YEAR WENT TO A TOOL, BIOFLUORESCENCE. THESE ARE
24 REAL THINGS, REAL PRODUCTS, THAT WE'RE ACTUALLY --
25 THIS IS A FIRST APPLIED SCIENCE GRANT THAT WE'VE

BARRISTERS' REPORTING SERVICE

1 DONE. WE'RE ACTUALLY GOING TO HAVE SOMETHING AT THE
2 END OF THE DAY. AND I WOULD STRONGLY URGE THAT WE
3 HOLD IT OVER. AND IF THE CHAIR WITH SCIENTIFIC
4 STAFF CAN REALLY LOOK AND SEE IF THERE'S ANYTHING IN
5 HERE THAT MIGHT HAVE PARTICULAR VALUE.

6 CHAIRMAN KLEIN: SO DR. CSETE.

7 DR. CSETE: OUR RECOMMENDATION IN PART TO
8 FUND TIER 1 AND NOT BELOW WAS A RECOGNITION OF THE
9 SUCCESS OF THIS PROGRAM IN THAT THE TIER 1
10 APPLICATIONS REPRESENT ENORMOUSLY EXCITING SCIENCE.
11 AND WE'D LIKE A CHANCE TO EVALUATE THAT BUT I THINK
12 AFTER WE'RE INTO THE PROGRAM FOR A LITTLE WHILE TO
13 DETERMINE WHERE THE HOLES ARE DOWN THE ROAD. AND I
14 THINK WE SHOULD LOOK AT THIS AS A REAL SUCCESS.

15 ANOTHER THING ABOUT THE RELATIVELY HIGH
16 SCORES WAS MENTIONED. I THINK IT MAY BE PARTLY A
17 FUNCTION OF THE UNIQUE NATURE OF THIS RFA AS THE
18 ONLY TOOLS AND TECHNOLOGY THAT WE'VE DONE, BUT I
19 THINK WE'RE GOING TO SEE THIS INCREASINGLY WITH THE
20 MATURATION OF OUR PROGRAMS. EACH ROUND OF REVIEWS
21 GETS MORE COMPETITIVE, AND SO WE'RE GOING TO HAVE TO
22 BE SAYING NO TO THINGS THAT WE MAYBE A YEAR TWO OR
23 PRIOR TO THAT HAD NOT.

24 CHAIRMAN KLEIN: AND UNDERSTANDING THAT
25 FROM THE COMMENTS AT PEER REVIEW, IT IS NOT CLEAR TO

BARRISTERS' REPORTING SERVICE

1 ME THAT THERE ARE NOT SOME SUBPOINTS THAT MAY BE
2 CRITICAL TO OUR MISSION THAT ARE WITHIN CATEGORIES
3 THAT ARE OTHERWISE REPRESENTED. AND I'M JUST ASKING
4 THE BOARD TO CONSIDER THAT WE MAY WANT STAFF TO LOOK
5 AT THESE INDIVIDUAL AND COME BACK, NOT WITH A
6 CATEGORICAL RECOMMENDATION, BUT MAKE SURE THAT
7 THERE'S NOT SOME INDIVIDUAL APPLICATION IN THIS
8 CATEGORY THAT WOULD BE MISSION CRITICAL.

9 DR. PIZZO: ALONG THAT LINE, I WAS GOING
10 TO ASK A QUESTION THAT WAS SIMILAR TO WHAT WAS JUST
11 ANSWERED BY MARIE, AND JUST AM MAKING THE
12 ASSUMPTION, BASED UPON WHAT YOU SAID AND WHAT ALAN
13 SAID, THAT IN MAKING THE RECOMMENDATIONS NOT TO FUND
14 THOSE THAT WERE IN TIER 2, YOU'VE IN A SENSE ALREADY
15 LOOKED AT THESE AND YOU ALREADY CARRIED OUT THAT
16 WORK.

17 DR. CSETE: YES. AND OUR USUAL PRACTICE
18 IS TO DIVIDE THE POTENTIALLY DISCUSSED GRANTS AT THE
19 BOARD MEETING AMONG THE SCIENCE OFFICERS. IF THERE
20 ARE INDIVIDUAL QUESTIONS ABOUT TIER 2, THAT WE ARE
21 ALL PREPARED TO DISCUSS THAT, AND PERHAPS THAT COULD
22 BE DONE IN CLOSED SESSION.

23 DR. TROUNSON: IT'S A BIT PHILOSOPHICAL,
24 BUT I THINK WE WOULD BE BETTER OFF IF WE WAITED FOR,
25 YOU KNOW, A YEAR TO SEE WHAT WAS GOING TO BE REALLY

BARRISTERS' REPORTING SERVICE

1 CRITICALLY IMPORTANT COMING UP OVER THIS NEXT 12
2 MONTHS. AND I DON'T THINK THERE WAS ANY MEMBER OF
3 STAFF THAT FELT THAT THOSE THAT ARE IN THIS GRAY
4 AREA WOULD BE SOMETHING THAT WE COULD ABSOLUTELY --
5 IT WOULDN'T HAVE A MAJOR IMPACT.

6 NOW, HAVING SAID THAT, SOME OF THESE
7 THINGS ARE UNPREDICTABLE, AS YOU KNOW, IN RESEARCH.
8 SO OFTEN I'M AWARE OF NOBEL PRIZES FROM PEOPLE WHO
9 NEVER GOT A GRANT. SO, YOU KNOW, GIVEN THAT'S NOT
10 THE SYSTEM THAT WE USE, IT IS ON THE RANKING, IT IS
11 ON THE BEST ESTIMATE, I WOULD ACTUALLY THINK, YOU
12 KNOW, WE WERE PHILOSOPHICALLY SMARTER TO SAY, OKAY,
13 IF WE GOT THE FUNDS, LET'S RETHINK ABOUT TOOLS AND
14 TECHNOLOGY WITHIN 12 MONTHS OR IN 12 MONTHS' TIME
15 BECAUSE I THINK THERE WILL BE SOME SAVAGELY
16 IMPORTANT ONES THAT WILL DEMONSTRATE THEMSELVES IN
17 THAT TIME.

18 CHAIRMAN KLEIN: SO I WOULD AMEND MY
19 STATEMENT TO SAY THAT THE SUGGESTION OF DR.
20 TROUNSON, THAT WE COULD EXAMINE WHETHER A SUBSEQUENT
21 TOOLS AND TECHNOLOGY ROUND COULD BE MISSION CRITICAL
22 WITHIN THE NEXT 12 MONTHS WOULD APPROPRIATELY
23 ADDRESS THE ISSUE THAT I WAS CONCERNED WITH.

24 DR. PIZZO: SO THEN CAN WE HAVE --

25 DR. POMEROY: IS THERE A MOTION ON THE

BARRISTERS' REPORTING SERVICE

1 FLOOR?

2 DR. PIZZO: I WAS GOING TO MAKE A MOTION.

3 CHAIRMAN KLEIN: CAN YOU MAKE A MOTION IN
4 THIS CATEGORY?

5 DR. PIZZO: CAN I? PROBABLY NOT.

6 MR. ROTH: NO, BUT I CAN, AND I'LL MAKE
7 THE MOTION THAT WE NOT RECONSIDER THESE FOR A NUMBER
8 OF REASONS. NO. 1, I'M PERSUADED, LOOKING AT THIS
9 CHART, THAT WE HAVE A GOOD MIX. THERE'S NOT
10 ANYTHING THERE THAT'S GLARINGLY UNDERREPRESENTED,
11 NO. 1. NO. 2, BACK TO THIS FISCAL DISCIPLINE AND
12 THESE ARE JUST DIFFERENT TIMES, AND I DON'T WANT
13 TO -- I DON'T THINK WE WANT TO BE INCONSISTENT WITH
14 WHAT WE JUST DID AND GIVE PEOPLE FALSE HOPE. I
15 THOROUGHLY, THOROUGHLY SUPPORT THIS CATEGORY, AND I
16 AGREE THAT IF WE COME BACK WITHIN A YEAR WITH
17 ANOTHER RFA, THAT WOULD EVEN BE MORE POWERFUL.

18 SO I'LL MAKE THE MOTION WE DO NOT CONSIDER
19 ANY OF THESE GRANTS FURTHER.

20 MR. SHEEHY: I JUST -- I WOULD LIKE TO
21 THINK ABOUT MAYBE KEEPING ALIVE 1050, WHICH WAS
22 RECOMMENDED FOR FUNDING BY THE WORKING GROUP IN
23 PROGRAMMATIC REVIEW. THERE WERE TWO THAT WERE NOT.
24 I ACTUALLY THINK WE COVERED THE SCIENTIST IN 1062.
25 BUT THE 1050, THAT WAS RECOMMENDED BY THE WORKING

BARRISTERS' REPORTING SERVICE

1 GROUP. AND IF WE CAN PUT THAT IN THE SAME CATEGORY
2 THAT WE PUT THE OTHER GRANTS THAT WE PUT FORWARD, AT
3 LEAST WE'D BE CONSISTENT. AND SCALE-UP DOES SEEM
4 IMPORTANT SINCE WE'RE IN CLINICAL TRIALS. BUT
5 PEOPLE DIDN'T RECOMMEND THINGS FOR FUNDING UNLESS
6 THEY THOUGHT THAT THEY WERE GOING TO USE THEM. AND
7 FOR SOMEONE TO PULL UP A SCORE, THERE WAS THE SENSE
8 THAT THAT WAS A VALUABLE APPLICATION.

9 CHAIRMAN KLEIN: DISCUSSION?

10 MR. ROTH: IS THERE A SECOND? I DON'T
11 THINK YOU HAVE A SECOND.

12 DR. POMEROY: I'LL SECOND IT IN THE GLORY
13 OF HAVING A MOTION THAT I'M NOT CONFLICTED WITH.

14 CHAIRMAN KLEIN: THANK YOU, DR. POMEROY.
15 THIS WILL BE A VERY FAMOUS MOTION.

16 SO THERE'S A MOTION AND A SECOND. AND
17 THERE'S A REQUEST FOR AN AMENDMENT TO THE MOTION.
18 AND THE MAKER -- HE CAN ASK THE MAKER OF THE
19 MOTION -- YOU CAN'T.

20 MR. SHEEHY: I HAVE CONFLICTS, NOT WITH
21 THIS PARTICULAR APPLICATION I REFERENCED, BUT WITHIN
22 THIS GROUP.

23 CHAIRMAN KLEIN: HE CAN ASK FOR AN
24 AMENDMENT THAT ADDRESSES THIS INDIVIDUAL
25 APPLICATION; IS THAT CORRECT?

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: 1050. I'M NOT CONFLICTED ON
2 THE APPLICATION, BUT I'M CONFLICTED ON APPLICATIONS
3 IN THE GROUP.

4 MR. HARRISON: RIGHT. IF YOUR QUESTION OR
5 REQUEST IS JUST RELATED TO APPLICATION 1050, THAT'S
6 FINE.

7 CHAIRMAN KLEIN: THE QUESTION GOES TO THE
8 MAKER OF THE MOTION.

9 MR. ROTH: JEFF, I'M GOING TO STICK TO
10 WHAT I SAID LAST TIME. I THINK WE JUST -- I WOULD
11 LOVE TO CONSIDER TWO OR THREE OF THESE, BUT I THINK
12 WE JUST CANNOT DO IT.

13 MR. SHEEHY: WELL, WE'RE JUST DOING TIER 1
14 ACROSS THE BOARD TODAY, AND I JUST FELT LIKE THIS
15 ONE PROBABLY WOULD HAVE SURVIVED.

16 MR. ROTH: I KNOW, BUT THINGS ARE
17 DIFFERENT. AND I THINK -- I HATE THIS STUFF AND I
18 KNOW ALL OF YOU DO, BUT I THINK WE'VE GOT TO STICK
19 TO OUR --

20 CHAIRMAN KLEIN: OKAY. THANK YOU. THE
21 AMENDMENT IS NOT ADOPTED BY THE MAKER OR THE SECOND.
22 SO I'D ASK FOR PUBLIC COMMENT. SEEING NO PUBLIC
23 COMMENT, I'D LIKE TO CALL THE QUESTION.

24 MS. KING: COULD I ASK FOR THE ASSISTANCE
25 OF A COLLEAGUE TO STEP OUTSIDE THE DOOR AND ASK DR.

BARRISTERS' REPORTING SERVICE

1 GILL TO REJOIN US, PLEASE?

2 DR. PRIETO: COULD YOU RESTATE THE MOTION?

3 CHAIRMAN KLEIN: MR. HARRISON, IF YOU
4 WOULD RESTATE THE MOTION, AND THEN WE WILL CONFIRM
5 THAT WE HAVE ALL THE VOTES WE NEED IN THE ROOM.

6 MR. HARRISON: THE MOTION MADE BY DUANE
7 ROTH AND SECONDED BY CLAIRE POMEROY IS NOT TO FUND
8 THE APPLICATIONS IN TIER 2 OF TOOLS AND TECHNOLOGY.

9 MS. KING: I JUST WANTED TO CHECK IN. DR.
10 ROME, ARE YOU STILL WITH US?

11 DR. ROME: YES.

12 MS. KING: EXCELLENT. THANK YOU. I KNOW
13 YOU STAYED LONGER THAN YOU HAD THOUGHT YOU WERE ABLE
14 TO, AND I REALLY APPRECIATE THAT. WE'RE JUST ABOUT
15 DONE AND ABOUT TO BREAK FOR LUNCH, SO THANK YOU.

16 CHAIRMAN KLEIN: SHE CAN BEGIN THE ROLL
17 CALL WHILE WE'RE WAITING?

18 MR. HARRISON: YES.

19 MS. KING: RICARDO AZZIZ.

20 DR. AZZIZ: FOR, EXCEPT FOR THOSE
21 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

22 MS. KING: ROBERT PRICE.

23 DR. PRICE: FOR, EXCEPT FOR THOSE
24 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

25 MS. KING: I WILL SKIP DR. GILL AND RETURN

BARRISTERS' REPORTING SERVICE

1 TO HIM. JACOB LEVIN.

2 DR. LEVIN: YES, EXCEPT FOR THOSE
3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: MARCY FEIT.

5 MS. FEIT: YES, EXCEPT FOR THOSE
6 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

7 MS. KING: MICHAEL FRIEDMAN.

8 DR. FRIEDMAN: YES, EXCEPT FOR THOSE
9 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

10 MS. KING: MICHAEL GOLDBERG.

11 MR. GOLDBERG: YES, EXCEPT FOR THOSE
12 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

13 MS. KING: SAM HAWGOOD.

14 DR. HAWGOOD: YES, EXCEPT FOR THOSE
15 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

16 MS. KING: BOB KLEIN.

17 CHAIRMAN KLEIN: YES.

18 MS. KING: RETURNING TO DR. GILL.

19 DR. GILL: THIS IS DUANE'S MOTION, YES.
20 THE ANSWER IS YES, EXCEPT FOR THOSE APPLICATIONS
21 WITH WHICH I HAVE A CONFLICT.

22 MS. KING: JAMES, COULD I ASK YOU TO
23 REPEAT THE MOTION FOR SHERRY LANSING?

24 MR. HARRISON: YES. THE MOTION IS NOT TO
25 FUND THOSE APPLICATIONS IN TIER 2 OF TOOLS AND

BARRISTERS' REPORTING SERVICE

1 TECHNOLOGY.

2 MS. LANSING: NOT TO FUND THE ONES IN TIER
3 2. I BETTER ABSTAIN BECAUSE I WASN'T HERE FOR THE
4 DISCUSSION.

5 MS. KING: LEONARD ROME.

6 DR. ROME: YES, EXCEPT FOR THOSE
7 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

8 MS. KING: ED PENHOET.

9 DR. PENHOET: YES, EXCEPT FOR THOSE WITH
10 WHICH I HAVE A CONFLICT.

11 MS. KING: PHIL PIZZO.

12 DR. PIZZO: YES, EXCEPT FOR THOSE
13 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

14 MS. KING: CLAIRE POMEROY.

15 DR. POMEROY: YES.

16 MS. KING: FRANCISCO PRIETO.

17 DR. PRIETO: NO.

18 MS. KING: CARMEN PULIAFITO.

19 DR. PULIAFITO: YES, EXCEPT FOR THOSE
20 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

21 MS. KING: JOHN REED.

22 DR. REED: YES, EXCEPT FOR THOSE
23 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

24 MS. KING: DUANE ROTH.

25 MR. ROTH: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JEFF SHEEHY.

2 MR. SHEEHY: NO, EXCEPT FOR THOSE
3 APPLICATIONS WITH WHICH I HAVE A CONFLICT.

4 MS. KING: I'M SORRY. I FORGOT YOU WERE
5 BACK THERE. DAVID SERRANO-SEWELL.

6 MR. SERRANO-SEWELL: NO.

7 MS. KING: THAT MOTION CARRIES AND WE
8 DON'T NEED TO HOLD IT OPEN.

9 CHAIRMAN KLEIN: OKAY. MOTION CARRIES.
10 CAN YOU TELL US WHERE TO ADJOURN FOR
11 LUNCH?

12 MS. KING: YES. LUNCH WILL BE IN THE
13 PENINSULA ROOM, WHICH IS WHERE YOU HAD BREAKFAST
14 THIS MORNING. IT'S AT THE OTHER END OF THE HOTEL
15 BEYOND THE RESTAURANT.

16 CHAIRMAN KLEIN: FOR THE QUORUM PURPOSES,
17 LEEZA GIBBONS IS RETURNING. WHAT TIME?

18 MS. KING: SHE'S RETURNING RIGHT AROUND
19 NOW. SHE'S GOING TO TRY TO JOIN US FOR LUNCH AND
20 THEN COME BACK INTO THE MEETING RIGHT AFTER LUNCH.
21 NOBODY ELSE CAN LEAVE BECAUSE WE ALSO LOST DR. ROME.
22 SO I CAN'T HAVE ANYONE ELSE LEAVE DURING LUNCHTIME.

23 CHAIRMAN KLEIN: WE'RE GOING TO TRY AND
24 HOLD THIS AT 35 MINUTES BECAUSE WE'VE GOT A LOT OF
25 THINGS TO COVER.

BARRISTERS' REPORTING SERVICE

1 (A RECESS WAS TAKEN.)

2 CHAIRMAN KLEIN: ALL RIGHT. I THINK WE'RE
3 GOING TO RECONVENE. WE HAVE ONE MEMBER OR SO COMING
4 BACK IN. WE'RE GOING TO RECONVENE. WE HAVE A LOT
5 TO COVER. I'M GOING TO GO DIRECTLY TO AN ACTION
6 ITEM, ITEM 10. AND I'M GOING TO TURN THIS OVER TO
7 MICHAEL GOLDBERG.

8 MR. GOLDBERG: THANK YOU, CHAIRMAN KLEIN.
9 IAN, ITEM.

10 CHAIRMAN KLEIN: WE'RE GOING TO GO TO NO.
11 10 FIRST. IS THE LAP UNDER 9 OR 10? WE'RE GOING TO
12 9.

13 MR. GOLDBERG: AND IAN IS GOING TO LEAD US
14 THROUGH THE CHANGES WE DISCUSSED AND HAVE
15 INCORPORATED SINCE OUR LAST CONVERSATION ON THIS
16 POINT.

17 MR. SWEEDLER: GOOD AFTERNOON. I'M HAPPY
18 TO BE HERE TODAY TO PRESENT TO YOU THE LOAN
19 ADMINISTRATION POLICY, WHICH IS THE CULMINATION OF
20 MANY MONTHS, OVER A YEAR OF WORK BY A LOT OF
21 DIFFERENT PEOPLE.

22 THE LOAN ADMINISTRATION POLICY DEFINES THE
23 TERMS AND PROCEDURES THAT WILL APPLY TO CIRM LOAN
24 FUNDING. AND IT'S BEFORE YOU AS SOMETHING WE NEED
25 TO IMPLEMENT TO HAVE LOAN FUNDING. WE WANT IT

BARRISTERS' REPORTING SERVICE

1 PASSED THIS MONTH IN PARTICULAR BECAUSE WE INTEND TO
2 DEBUT LOAN FUNDING WITH THE DISEASE TEAMS RFA, WHICH
3 IS SCHEDULED TO BE RELEASED NEXT MONTH.

4 THE WAY WE GOT HERE, YOU APPOINTED A LOAN
5 TASK FORCE WHICH WAS CHAIRED BY DUANE ROTH. THERE
6 WAS EXTENSIVE RESEARCH THAT WENT INTO THEIR WORK, A
7 NUMBER OF PUBLIC HEARINGS. THEY BROUGHT THAT TO THE
8 FINANCE SUBCOMMITTEE WHICH WORKED WITH THAT FURTHER
9 AND EVENTUALLY PRODUCED A POLICY DOCUMENT THAT YOU
10 APPROVED IN SEPTEMBER. AND WE'VE BEEN WORKING SINCE
11 THEN WITH THE FINANCE SUBCOMMITTEE TO TURN THAT
12 POLICY DOCUMENT INTO REGULATIONS.

13 FOR THE MOST PART, LOANS WILL WORK JUST
14 LIKE GRANTS, AND THEY WILL BE GOVERNED BY OUR
15 STANDARD GRANTS ADMINISTRATION POLICY. SO THE LOAN
16 ADMINISTRATION POLICY IS NOT A COMPREHENSIVE SET OF
17 RULES. WHAT IT IS IS A COLLECTION OF THE SPECIFIC
18 RULES THAT APPLY JUST TO LOANS, AND THAT'S WHAT
19 WE'RE HERE TO GO OVER TODAY.

20 AND WHAT I'D LIKE TO DO IS JUST GO THROUGH
21 THE BASIC TERMS, AND THEN I'D BE HAPPY TO TAKE ANY
22 QUESTIONS.

23 THERE ARE TWO TYPES OF LOANS AVAILABLE. A
24 RECOURSE LOAN IS THE SIMPLE KIND OF LOAN THAT WE'RE
25 ALL FAMILIAR WITH. YOU BORROW THE MONEY AND THEN

BARRISTERS' REPORTING SERVICE

1 WHEN IT'S DUE, YOU PAY IT BACK WITH INTEREST. A
2 NONRECOURSE LOAN IS MORE CLOSELY TIED TO THE FATE OF
3 THE PARTICULAR PROJECT OR PRODUCTS THAT THE CIRM
4 LOAN IS FUNDING. A NONRECOURSE LOAN, THE BORROWER
5 MAY BE ABLE TO CANCEL THAT LOAN IF THE PROJECT IS
6 ABANDONED.

7 SOME OF THE BASIC TERMS OF THE LOAN, THE
8 INTEREST RATE WILL BE DETERMINED ON AN RFA-BY-RFA
9 BASIS. THE LOAN TERMS ARE GENERALLY FOR SIX OR TEN
10 YEARS WITH THE COMPANIES HAVING THE OPTION OF
11 CHOOSING WHICH TERM WORKS BEST FOR THEM. AND THEN
12 THERE ARE A VARIETY OF CIRCUMSTANCES RELATED TO
13 BUSINESS CONDITIONS THAT WOULD ACCELERATE THE
14 REPAYMENT OBLIGATION, BRING IT FORWARD. AND WHAT
15 THOSE TRIGGERS RECOGNIZE IS THAT THESE LOANS ARE
16 THERE, IN PART, TO MAKE IT POSSIBLE FOR COMPANIES TO
17 MOVE ON TO THE NEXT STAGE IN THEIR FINANCIAL
18 DEVELOPMENT AND THE POINT COMES WHEN THEY DON'T
19 REALLY NEED THE MONEY ANYMORE. WE HAVE OTHER USES
20 FOR IT.

21 AN IMPORTANT PART OF HOW THIS PROGRAM
22 WORKS IS THAT CIRM GETS STOCK WARRANTS AS PART OF
23 THE LOAN. A STOCK WARRANT IS BASICALLY A STOCK
24 OPTION. FOR A RECOURSE LOAN, WE RECEIVE 10 PERCENT.
25 THE WARRANT'S WORTH 10 PERCENT OF THE AMOUNT OF THE

BARRISTERS' REPORTING SERVICE

1 LOAN. FOR A NONRECOURSE LOAN, WE RECEIVE WARRANTS
2 EQUIVALENT TO A HUNDRED PERCENT OF THE VALUE OF THE
3 LOAN.

4 THE WAY IT'S BEEN PROPOSED IN THE POLICY,
5 WE THINK THIS IS WHAT WORKS BEST, FOR RFA'S WHERE
6 WE'RE TARGETING SMALLER AWARDS, BELOW \$3 MILLION, WE
7 BELIEVE IT'S BEST JUST TO PROCEED WITH GRANTS FOR
8 THOSE RFA'S. FOR LARGER AWARD RFA'S, IT'S SOMETHING
9 THAT WILL BE DECIDED FOR EACH RFA BY THE ICOC AT THE
10 TIME OF CONCEPT APPROVAL.

11 WE ALSO PROPOSE THAT LOANS NOT ALWAYS BE
12 OPTIONAL. IN FACT, THE FIRST OPTION UNDER THERE IS
13 THE ONE THAT WOULD PROBABLY BE THE MOST COMMON, ONE
14 IN WHICH NONPROFIT APPLICANTS GET GRANTS AND
15 FOR-PROFIT APPLICANTS GET LOANS. BUT THERE ARE
16 OTHER OPTIONS THAT YOU COULD ADOPT FOR ANY
17 PARTICULAR RFA. ONE WOULD BE GRANTS TO NONPROFITS,
18 AND FOR-PROFIT APPLICANTS COULD CHOOSE GRANTS OR
19 LOANS. FINALLY, EVEN FOR A LARGER RFA, YOU WOULD
20 RETAIN THE OPTION TO MAKE IT GRANTS ONLY.

21 WITH DISEASE TEAMS AND OTHERS, WE ARE
22 ENCOURAGING PARTNERSHIPS, COLLABORATIONS BETWEEN
23 FOR-PROFIT AND NONPROFIT INSTITUTIONS. IF A
24 NONPROFIT IS THE LEAD APPLICANT ORGANIZATION, WE'VE
25 WORKED OUT A WAY THAT THEY COULD STILL GET THEIR

BARRISTERS' REPORTING SERVICE

1 FUNDING IN THE FORM OF A LOAN. AND THE WAY THAT
2 WOULD WORK IS THAT THE FUNDING GOES TO THE NONPROFIT
3 AS THE LEAD INSTITUTION. THEY ADMINISTER IT. AND
4 FOR ALL INTENTS AND PURPOSES, FOR THE NONPROFIT, IT
5 WORKS JUST LIKE A GRANT. THE FOR-PROFIT PARTNER IN
6 THAT COLLABORATION AGREES TO ASSUME THE REPAYMENT
7 OBLIGATION AND TO PROVIDE THE WARRANTS.

8 SO THE FOR-PROFIT IS WHAT'S PROVIDING THE
9 REVENUE BACK TO CIRM. THE NONPROFIT ADMINISTERS THE
10 FUNDING JUST AS IT WOULD WITH AN ORDINARY GRANT.
11 ONE OPTION THAT EXISTS IN THE POLICY IS TO RECOGNIZE
12 THAT THERE MAY BE TIMES WHERE THE LEAD APPLICANT IS
13 A NONPROFIT ORGANIZATION, BUT THE FOR-PROFIT STILL
14 IS A VERY SUBSTANTIAL PARTICIPANT IN THAT PROJECT.
15 AND THE ICOC HAS THE OPTION IN AN RFA OF SAYING THAT
16 IF THE FOR-PROFIT RECEIVES MORE THAN A THRESHOLD
17 AMOUNT OF THE FUNDING, THEN THAT COLLABORATION
18 SHOULD BE REQUIRED TO APPLY FOR A LOAN.

19 AND WHAT WE ARE ASKING YOU TO DO TODAY IS
20 TO ADOPT THIS POLICY AS AN INTERIM REGULATION WITH
21 EFFECTIVE DATE OF JUNE 15, 2009, WHICH IS WHEN WE
22 NEED IT TO ACTUALLY TAKE EFFECT, AND TO AUTHORIZE
23 STAFF TO INITIATE A FORMAL RULEMAKING, WHICH WILL
24 ALLOW US TO TURN THIS INTO AN OFFICE OF
25 ADMINISTRATIVE LAW APPROVED LONG-TERM REGULATION.

BARRISTERS' REPORTING SERVICE

1 SO WITH THOSE BASICS OUT THERE, I'M HAPPY
2 TO ADDRESS ANY QUESTIONS YOU HAVE.

3 MR. GOLDBERG: BEFORE THERE ARE QUESTIONS,
4 I WANT TO THANK IAN FOR YEOMAN'S WORK IN CONNECTION
5 WITH THE LOAN ADMINISTRATION POLICY AND LYNN
6 HARWELL, WHO FACILITATED ALL THE INTERACTIONS OF THE
7 FINANCE SUBCOMMITTEE.

8 AND NOW TO DUANE ROTH, WHO CHAIRED THE
9 LOAN TASK FORCE AND SERVES ON THE FINANCE
10 SUBCOMMITTEE, WHO WOULD LIKE TO MAKE A COUPLE OF
11 MODIFICATIONS TO WHAT YOU HAVE IN YOUR BOOK.

12 MR. ROTH: SO I READ THROUGH THIS AGAIN,
13 AND WE'VE BEEN -- THIS HAS BEEN AN ITERATIVE PROCESS
14 TO MAKE SURE WE GET THE POLICY RIGHT. SO THE LAST
15 TWO ITERATIONS THAT I WOULD LIKE TO LOOK AT ARE ON
16 PAGE 11 AT THE TOP.

17 WE TALK ABOUT WHAT HAPPENS IF A PROGRAM IS
18 SUSPENDED AND THEN RESUMES. IN OTHER WORDS, IT'S A
19 NONRECOURSE LOAN. THEY NOTICED BY US THEY'VE
20 ABANDONED THE PROGRAM AND IT GOES INTO SUSPENSION,
21 BUT SOMETHING HAPPENS A YEAR OR TWO DOWN THE ROAD
22 AND THE PROGRAM GETS RESUMED EITHER BY THEM OR BY
23 ANYBODY ELSE THAT MIGHT BE INTERESTED IN IT. THE
24 QUESTION IS HOW DO WE HANDLE THAT.

25 SO IN THE TOP IT SAYS THE DEBTOR MUST ALSO

BARRISTERS' REPORTING SERVICE

1 AGREE TO TERMS FOR FULL OR PARTIAL REPAYMENT. AND I
2 SUGGEST THAT WE STAY WITH FULL REPAYMENT THERE AND
3 THEN MODIFY THREE OR FOUR SENTENCES DOWN, THAT THE
4 FINANCE SUBCOMMITTEE SHALL HAVE THE RIGHT TO MAKE
5 THOSE MODIFICATIONS. BUT I DON'T WANT TO GIVE THE
6 IMPRESSION THAT YOU COULD ABANDON AS A WAY TO COME
7 BACK AND ASK US TO MODIFY THE TERMS.

8 MR. SWEEDLER: DUANE AND I SPOKE ABOUT
9 THIS. SO HERE ARE THE ACTUAL DETAILS FOR THAT
10 AMENDMENT. IN THE FIRST LINE ON PAGE 11 WHERE IT
11 SAYS FULL OR PARTIAL REPAYMENT, STRIKE THE WORDS
12 "FULL OR PARTIAL." AND THEN ON THE FIFTH LINE NEAR
13 THE END OF THAT LINE, IT SAYS "TERMS FOR RESUMPTION
14 OF REPAYMENT." WE'D ADD THE WORDS "AND AMOUNT"
15 AFTER RESUMPTION. TERMS FOR RESUMPTION AND AMOUNT
16 OF REPAYMENT. SO IT PRESERVES THE SAME FLEXIBILITY
17 FOR THE FINANCE COMMITTEE AS IT WAS ORIGINALLY
18 DRAFTED, BUT THERE'S A SHIFT OF EMPHASIS SO THAT
19 THERE ISN'T AN INHERENT EXPECTATION THAT REPAYMENT
20 WOULD ONLY BE PARTIAL.

21 MR. ROTH: THANKS. I THINK THAT ADDRESSES
22 THAT.

23 AND THE SECOND DEALS WITH SUBHEADING H
24 RIGHT BELOW. AND I WOULD ASK, IAN, THAT WE TRY TO
25 FIND LANGUAGE THAT COVERS BOTH RECOURSE AND

BARRISTERS' REPORTING SERVICE

1 NONRECOURSE LOANS WHERE AN EXTENSION MAY BE NEEDED
2 AND GIVE THE SUBCOMMITTEE, AGAIN, THE FLEXIBILITY ON
3 EITHER. AND THE REASON I ASK FOR THAT IS I THINK
4 SOME SMALL COMPANIES MAY, IN FACT, TAKE A RECOURSE
5 LOAN, AND THEN THERE'S A LONG INTERRUPTION, A DELAY
6 WITH FDA OR SOMETHING LIKE THAT, WHERE WE'D LIKE TO
7 HAVE THE FLEXIBILITY, INSTEAD OF CALLING THE LOAN,
8 TO ADJUST THOSE TERMS. THAT WOULD JUST GIVE US THAT
9 FLEXIBILITY. SO IF YOU COULD FIND A WAY TO DO THAT,
10 OR IF YOU THINK IT'S ALREADY COVERED AND WE DON'T
11 NEED TO DO IT, BUT I WANT TO MAKE SURE WE HAVE THAT
12 FLEXIBILITY.

13 MR. SWEEDLER: I THINK THAT THERE'S A
14 BASIC LEVEL OF FLEXIBILITY BUILT INTO EVERYTHING
15 ABOUT HOW THESE LOANS WILL BE ADMINISTERED OVER THE
16 YEARS. AS WITH ANY CONTRACT, THERE'S ROOM FOR
17 RENEGOTIATION. THIS PROVISION ABOUT EXTENDING THE
18 LOAN PERIOD IF THERE'S A DELAY IN THE PROJECT TIES
19 IN WITH THE CONCEPT OF A NONRECOURSE LOAN AS BEING
20 SOMETHING TIED TO THE PROJECT. THERE'S NO INHERENT
21 PROBLEM WITH ADDING THAT OPTION IN THERE FOR
22 RECOURSE LOANS AS WELL IF THAT'S SOMETHING THAT THE
23 BOARD WANTS TO DO, BUT IT IS -- IT MAY CHANGE THE
24 EXPECTATIONS ABOUT WHAT A RECOURSE LOAN IS UNDER THE
25 PROGRAM.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: THAT'S WHY I'D LIKE THE WORDING
2 TO BE BROAD ENOUGH TO ALLOW THAT WITHOUT MAKING IT
3 APPEAR THERE IS AN EXPECTATION THAT CAN HAPPEN. BUT
4 WHAT WE DON'T WANT TO HAVE TO DO IS HAVE JAMES TELL
5 US THAT OUR POLICY REALLY DOESN'T ALLOW US TO MAKE
6 AN ADJUSTMENT THAT WE FEEL WE NEED TO MAKE SIX,
7 SEVEN YEARS FROM NOW.

8 CHAIRMAN KLEIN: I THINK THIS IS PRUDENT
9 IN THE CURRENT FINANCIAL ENVIRONMENT WE HAVE OUT
10 THERE, WHICH MAY EXTEND FOR SEVERAL YEARS, TO HAVE
11 THAT DISCRETION WITH A CLEAR MESSAGE THAT IT'S
12 RESERVED AS A TRUE EXCEPTION.

13 MR. SWEEDLER: SO THE WAY THAT WOULD BE
14 IMPLEMENTED, IF THAT'S SOMETHING THAT THE BOARD
15 WANTS TO DO, WOULD REALLY JUST BE A CHANGE IN THE
16 TITLE OF THAT SECTION ON PAGE 11, ADDING THE WORDS
17 "RECOURSE OR." SO EXTENSION OF LOAN PERIOD FOR
18 RECOURSE OR NONRECOURSE LOANS.

19 MR. ROTH: OR TAKE NONRECOURSE OUT OF THE
20 TITLE, THE HEADER.

21 MR. SWEEDLER: I THINK IT'S BETTER TO BE
22 EXPLICIT THAT IT'S AVAILABLE TO BOTH.

23 MR. GOLDBERG: CHAIRMAN KLEIN, YOU HAD A
24 POINT WITH REGARD TO THE WARRANT COVERAGE, IN
25 PARTICULAR FOR THE NONRECOURSE LOANS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: SINCE WE STARTED THIS
2 PROGRAM, STOCK PRICES HAVE FALLEN. THEY'VE
3 RECOVERED IN BIOTECH SECTORS IN SOME CASES, BUT IT'S
4 NOT CONSISTENT. IT'S VERY SPOTTY. SO I JUST
5 SUGGEST THAT WE MONITOR THIS SITUATION BECAUSE AT
6 THE CURRENT STOCK PRICES AND VALUATIONS OF THESE
7 COMPANIES, WE CAN HAVE A MUCH LARGER PERCENTAGE
8 OWNERSHIP THAN WAS INTENDED OUT OF THIS HUNDRED
9 PERCENT WARRANT COVERAGE.

10 DUANE PROPERLY INDICATES THAT WE CAP THIS
11 OUT A 20-PERCENT MAXIMUM VALUATION. I JUST BELIEVE
12 WE SHOULD KEEP OUR EARS OPEN, MONITOR IT, AND SEE IF
13 ON AN INDIVIDUAL RFA WE SHOULD TEST ANOTHER
14 PERCENTAGE. THIS IS A NEW PROGRAM. WE'RE GOING TO
15 NEED TO BE RESPONSIVE. WE'RE GOING TO NEED TO LOOK
16 AT THIS PROGRAM, WHICH HAS HAD A GREAT DEAL OF
17 THOUGHT IN IT, ON AN ORGANIC BASIS AS WE RESPOND
18 PARTICULARLY IN THE CONTEXT OF CURRENT ECONOMIC
19 CONDITIONS.

20 MR. ROTH: I AGREE WITH THAT. AND THAT'S
21 WHY WE PUT THE 20-PERCENT CAP IN. IF THERE'S
22 DILUTED FINANCING SUBSEQUENT TO OUR WARRANT ISSUE,
23 WE'RE GOING TO BE DILUTED WITH THAT. SO WE SHOULD
24 BE OKAY WITH A 20-PERCENT CAP.

25 MR. GOLDBERG: ARE THERE ANY QUESTIONS

BARRISTERS' REPORTING SERVICE

1 FROM MEMBERS OF THE BOARD?

2 MR. SHEEHY: I MAY HAVE MISSED THIS, BUT
3 WHEN WE WERE TALKING ABOUT THE LOAN FUNDING FOR
4 NONPROFIT APPLICANTS, DID WE TALK ABOUT ON PAGE 3,
5 NUMBER D, PART 4, WHERE WE COULD REQUIRE A NONPROFIT
6 APPLICANT TO TAKE A LOAN?

7 MR. SWEEDLER: RIGHT. THAT WAS THE SLIDE
8 ABOUT COLLABORATIONS. SO I CAN GO THROUGH THAT WITH
9 A LITTLE MORE DETAIL. IT WOULD BE -- LET'S SAY THAT
10 THERE'S AN RFA IN WHICH THE RULE IS THAT NONPROFIT
11 APPLICANTS GET GRANTS AND FOR-PROFIT APPLICANTS GET
12 LOANS. AND THAT REFLECTS A BASIC POLICY DECISION
13 THAT WHERE A SIGNIFICANT BENEFICIARY OF THAT FUNDING
14 IS A COMPANY, THAT WE THINK WE SHOULD GET OUR
15 REPAYMENT IN THE FORM OF THE LOAN REPAYMENT RATHER
16 THAN THE REVENUE SHARING PROVISIONS.

17 IT WOULD BE POSSIBLE FOR, IN THE CASE OF A
18 COLLABORATION, THEY CONTROL WHO THEY WANT TO BE THE
19 APPLICANT INSTITUTION AND WHICH WOULD BE THE CO-PI
20 INSTITUTION. AND WE WOULD RATHER SEE THAT DECISION
21 BE DRIVEN BY SCIENTIFICALLY WHO'S THE RIGHT PERSON
22 TO BE THE PI RATHER THAN AN ATTEMPT TO MANIPULATE
23 THE FUNDING MECHANISM.

24 SO AS IT'S WRITTEN IN THE POLICY, IF THE
25 ICOC ADOPTS THAT APPROACH, THEN IF THE FOR-PROFIT IS

BARRISTERS' REPORTING SERVICE

1 RECEIVING MORE THAN 40 PERCENT OF THE RESEARCH
2 FUNDING UNDER THAT PROPOSAL, THEN IT CAN ONLY BE
3 FUNDED IN THE FORM OF A LOAN.

4 MR. SHEEHY: SO I JUST WANT PEOPLE TO BE
5 CLEAR. WE'RE TALKING ABOUT FOR DISEASE TEAMS, WE'RE
6 GOING TO REQUIRE COMPANIES TO TAKE LOANS. THEY
7 CANNOT APPLY FOR A GRANT. SO FOR INSTITUTIONS, THEY
8 COULD BE IN A POSITION WHERE THEY ARE REQUIRED TO
9 TAKE LOANS IF THEY HAVE A COMPANY COLLABORATOR WHO
10 HAS OVER 40 PERCENT. SO BEFORE WE PUT THIS INTO
11 STONE, I THINK EVERYONE SHOULD BE COMFORTABLE WITH
12 THE IDEA THAT THEY --

13 MR. SWEEDLER: BUT I DO WANT TO CLARIFY
14 SOMETHING THERE. THE FUNDING MECHANISM IN A
15 SITUATION LIKE THAT OVERALL IS A LOAN, BUT THE
16 NONPROFIT TAKES ON NO LOAN REPAYMENT OBLIGATIONS OR
17 ANY OBLIGATION THAT IS IN ANY WAY DIFFERENT FROM
18 WHAT THEY TAKE ON IN A GRANT CIRCUMSTANCE. THE
19 FOR-PROFIT IS TAKING ON THE REPAYMENT OBLIGATION AND
20 THE WARRANT.

21 SO YOU HAVE CORRECTLY SUMMARIZED THE
22 SITUATION, BUT I JUST WANT TO MAKE SURE PEOPLE
23 UNDERSTAND THAT WE'RE NOT SUGGESTING THAT NONPROFITS
24 TAKE ON DEBT OR AN OBLIGATION TO REPAY ANYTHING.

25 MR. SHEEHY: WE DID NOT DISCUSS -- THIS

BARRISTERS' REPORTING SERVICE

1 HAS NOT BEEN DISCUSSED -- THIS ACTUAL ITEM HAS NOT
2 BEEN HEARD AT FINANCE SUBCOMMITTEE.

3 MR. SWEEDLER: THAT'S RIGHT.

4 MR. SHEEHY: NOT TO THIS DEGREE OF DETAIL.
5 WE TALKED ABOUT THE ISSUE, BUT WE HAVE NOT HAD THIS
6 ACTUAL LANGUAGE BEFORE US.

7 CHAIRMAN KLEIN: I THINK HE'S RIGHT. I'D
8 LIKE TO EMPHASIZE HERE, SO THAT THE PUBLIC
9 UNDERSTANDS, THAT SCIENTIFICALLY WE WANT TO DRIVE
10 WHO THE PI IS. YOU CAN HAVE A NONPROFIT PI; AND MY
11 UNDERSTANDING UNDER OUR LANGUAGE NOW IS THAT, IF
12 THERE'S A NONPROFIT PI AND THE FOR-PROFIT HAS LESS
13 THAN 40 PERCENT, THEY CAN STILL ELECT FOR IT TO BE A
14 LOAN. AND THE LOAN IS PICKED UP NOT BY THE
15 NONPROFIT, BUT BY THE FOR-PROFIT BECAUSE THEY'RE
16 GETTING THE FULL BENEFIT OF THE PRODUCT THAT'S BEING
17 DEVELOPED WITH THIS RESEARCH. AND THAT LOAN IS
18 ONLY, IN FACT, IN EFFECT IF THAT PRODUCT IS
19 SUCCESSFUL. SO THE FOR-PROFIT IS NOT ASSUMING A
20 LOAN OBLIGATION FOR SOMETHING THAT FAILS.

21 NOW, IT'S ONLY IF IT'S SUCCESSFUL THAT
22 THIS ACTUALLY BECOMES AN ACTUAL FINANCIAL OBLIGATION
23 TO REPAY.

24 DR. HAWGOOD: ONE POINT OF CLARIFICATION
25 AND ONE QUESTION. IF THE FOR-PROFIT IS UNDER

BARRISTERS' REPORTING SERVICE

1 OBLIGATION FOR THE WARRANTIES AND THE PAYBACK OF THE
2 LOAN, IS IT JUST FOR THAT COMPONENT OF THE FUNDING
3 THAT WAS USED BY THE LOAN?

4 MR. SWEEDLER: THAT'S A GOOD QUESTION.
5 NO. IT'S FOR THE FULL AMOUNT, WHICH IS PREMISED ON
6 THE RATIONALE THAT CHAIRMAN KLEIN JUST GAVE, WHICH
7 IS THAT IT'S A UNIFIED PROJECT IN WHICH THE PARTIES
8 PRESUMABLY HAVE ARRANGED THE COMMERCIALIZATION PARTS
9 OF IT. THE BENEFITS OF THAT GO TO THE COMPANY. SO
10 IT'S APPROPRIATE FOR THEM TO BE REPAYING THE COST OF
11 THE PROJECT.

12 DR. HAWGOOD: MY QUESTION, HAS
13 PARTICULARLY THIS PARTICULAR CONCEPT BEEN VETTED
14 THROUGH ANY OF THE MAJOR INSTITUTIONAL COUNSELS,
15 UNIVERSITY OF CALIFORNIA OR ANY OF THE OTHER MAJOR
16 INSTITUTIONS THAT MAY BE TAKING ADVANTAGE OF THIS
17 CONCEPT, TO MAKE SURE IT'S CONSISTENT WITH REGENTIAL
18 POLICY OR OTHER?

19 MR. SWEEDLER: WE HAVEN'T HAD THOSE
20 CONVERSATIONS, BUT I WANT TO MAKE SOMETHING VERY
21 CLEAR. THE OBLIGATIONS, PROMISES, COMMITMENTS,
22 RIGHTS AND RESPONSIBILITIES OF THE NONPROFIT ARE TO
23 THE LETTER IDENTICAL TO A GRANT. SO IT CAN'T HAVE A
24 LEGAL IMPACT BECAUSE IT'S NOT ANY DIFFERENT. IT'S
25 ALMOST AS IF -- SO I UNDERSTAND YOUR CONCERN, BUT I

BARRISTERS' REPORTING SERVICE

1 JUST WANT TO MAKE SURE PEOPLE UNDERSTAND THAT AS FAR
2 AS THE NONPROFIT IS CONCERNED, THE RELATIONSHIP WITH
3 CIRM AND THE OBLIGATIONS ARE IDENTICAL TO THOSE OF A
4 GRANT.

5 DR. HAWGOOD: I GUESS I'M PARTICULARLY,
6 AND AGAIN THIS IS OUT OF MY AREA OF EXPERTISE, BUT
7 WOULD PARTICULARLY WANT TO BE SURE THAT WE WEREN'T
8 GETTING INTO ADDITIONAL DIFFICULTIES WITH
9 INTELLECTUAL PROPERTY AND OTHER ISSUES IF THE
10 FOR-PROFIT IS, IN FACT, RESPONSIBLE FOR PAYBACK OF
11 THE ENTIRE GRANT THAT WAS GOING TO THE
12 NOT-FOR-PROFIT, WHO OWNS WHAT.

13 MR. SWEEDLER: I DON'T THINK THAT WOULD BE
14 A PROBLEM.

15 MR. ROTH: JEFF, IF I COULD MAYBE JUST ON
16 THIS ITEM NO. 4, AND DON'T THINK ABOUT DISEASE TEAMS
17 HERE, THIS IS MORE IN TRANSLATIONAL WHERE YOU HAVE
18 PRODUCTS INVOLVED, AND SOMEBODY WOULD TRY TO USE A
19 UNIVERSITY AS A WAY TO AVOID A LOAN PAYMENT. AND SO
20 WE PUT THE WORD "MAY" IN HERE SO THAT IF WE SUSPECT
21 THAT THE ARRANGEMENT IS INAPPROPRIATE FOR A GRANT,
22 WE COULD ASK THEM TO TAKE IT AS A LOAN.

23 MR. SWEEDLER: ACTUALLY THE MAY IN THERE
24 REFERS TO AN ELECTION THAT YOU WOULD MAKE ON AN
25 RFA-BY-RFA BASIS AT THE ICOC.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: THE OTHER POINT I WAS GOING TO
2 MAKE IS THIS WILL BE COVERED IN THE RFA.

3 MR. SHEEHY: I GUESS WHAT I'M AFRAID OF IS
4 THAT A VERY INTERESTING SCIENCE PROJECT COULD BE --
5 WOULD NEVER COME TO US BECAUSE THE UNIVERSITIES OR
6 THE UNIVERSITY PI WOULD BE UNABLE TO NEGOTIATE WITH
7 THE COMPANY TO HAVE THIS. BASICALLY WE'RE TELLING
8 THE UNIVERSITY THAT YOU CAN ONLY COME IN FOR THIS
9 MONEY WITH SUBSTANTIAL --

10 CHAIRMAN KLEIN: DR. FRIEDMAN, I NEED YOU
11 TO HOLD ON FOR A COUPLE MINUTES.

12 DR. FRIEDMAN: I CAN'T.

13 CHAIRMAN KLEIN: COUPLE MINUTES.

14 DR. FRIEDMAN: NO. I'M SERIOUS. I'VE
15 GOT TO GO BECAUSE THE CONVERSATION IS GOING TO TAKE
16 LONGER THAN A COUPLE OF MINUTES, BOB.

17 CHAIRMAN KLEIN: CAN WE CALL THE QUESTION?
18 THIS IS AN INTERIM REG THAT'S GOING OUT FOR PUBLIC
19 COMMENT. IT'S GOING TO GO OUT FOR LOTS OF INPUT FOR
20 120 DAYS; IS THAT CORRECT?

21 MR. SWEEDLER: YES. THERE WILL BE
22 OPPORTUNITIES. THIS IS WHAT WILL TAKE EFFECT NOW,
23 BUT THERE WILL BE MANY OPPORTUNITIES TO MODIFY IT AS
24 THIS GOES ALONG.

25 MR. GOLDBERG: SO WE'E READY TO HAVE A

BARRISTERS' REPORTING SERVICE

1 MOTION ON ADOPTING THE LOAN ADMINISTRATION POLICY AS
2 AMENDED BY --

3 MR. SHEEHY: I'M SORRY. I HAVE TO OBJECT.
4 WE HAVE NEVER DISCUSSED EITHER IN SUBCOMMITTEE OR AT
5 THIS BOARD THIS ITEM, AND THIS IS INAPPROPRIATE TO
6 PUT THIS THROUGH.

7 DR. FRIEDMAN: I APOLOGIZE TO EVERYBODY.
8 I DON'T MEAN TO BE THE PERSON WHO RUINS THE QUORUM.

9 MR. SHEEHY: IF YOU WANT TO APPROVE IT
10 MINUS THIS SECTION AND WE CAN COME BACK TO THIS
11 SECTION, I WOULD BE HAPPY TO VOTE FOR THE REST OF IT
12 AND URGE DR. FRIEDMAN --

13 MR. GOLDBERG: JEFF, WE HAVE AN
14 OPPORTUNITY TO REVIEW THE WHOLE THING IN ITS
15 ENTIRETY BEFORE IT'S ADOPTED BY VIRTUE OF IT GOING
16 OUT AS AN INTERIM DOCUMENT. LET'S FIND OUT WHETHER
17 PEOPLE HAVE PROBLEMS WITH THIS.

18 MR. ROTH: THAT'S ALL RIGHT. LET'S SEE IF
19 IT'S AN ISSUE AND THEN WE'LL COME BACK TO IT.

20 CHAIRMAN KLEIN: VERY QUICKLY BECAUSE WE
21 NEED TO GET SOMETHING OUT THERE SO THAT THERE'S AN
22 UNDERSTANDING IN THE DISEASE TEAMS WHAT THEY'RE
23 GOING TO BE FACED WITH. I WOULD ASK IF WE COULD
24 HAVE -- IT'S THE 40-PERCENT ISSUE?

25 MR. SHEEHY: I DON'T THINK WE CAN REQUIRE

BARRISTERS' REPORTING SERVICE

1 A NONPROFIT TO TAKE A LOAN.

2 MR. SWEEDLER: LET ME JUST POINT OUT THIS
3 GIVES THE ICOC THE OPTION TO DO THAT. THERE WILL BE
4 ANOTHER AGENDA ITEM WHERE YOU DECIDE WHAT THE TERMS
5 WILL BE FOR THE DISEASE TEAMS IN PARTICULAR WHERE
6 THERE ARE VARIABLES IN HERE.

7 CHAIRMAN KLEIN: WHAT I'D LIKE TO DO HERE,
8 SINCE THIS IS AN INTERIM REG, AS THE CHAIRMAN OF THE
9 FINANCE COMMITTEE POINTS OUT, I SEE IF WE CAN GET A
10 MOTION WITHOUT THE 40-PERCENT VERSION, WHICH WE CAN
11 COME BACK AND ADD LATER BECAUSE THAT'S THE ONLY NEW
12 THING THAT I KNOW SPECIFICALLY THAT HAS BEEN ADDED.

13 MR. SHEEHY: NO. IT'S TO REQUIRE LOAN
14 FUNDING. THAT IS NEW. WE HAVE NOT EVER SAID THAT
15 WE WOULD REQUIRE LOAN FUNDING FOR AWARDS GIVEN TO A
16 NONPROFIT APPLICANT.

17 CHAIRMAN KLEIN: THIS IS ONLY IF THEY HAVE
18 MORE THAN 40 PERCENT GOING TO A FOR-PROFIT.

19 MR. SHEEHY: IT'S NOT A QUESTION OF
20 PERCENTAGE. IT'S A QUESTION OF THE REQUIREMENT, AND
21 I DON'T THINK WE SHOULD REQUIRE INSTITUTIONS.

22 DR. POMEROY: AS A CLARIFICATION OF THAT,
23 CAN THE FINANCE COMMITTEE TELL US IF THEY'VE CHECKED
24 WITH THE USUAL, THE LIKELY NONPROFITS TO FIND OUT
25 HOW THEY WOULD REACT?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THERE HAVE BEEN A NUMBER
2 OF DISCUSSIONS THAT HAVE OCCURRED. IT'S GOING TO BE
3 A CONTINUING PROCESS. WE'RE GOING TO LOSE DR.
4 FRIEDMAN. WE'RE GOING TO HAVE TO PUT OUT DISEASE
5 TEAM FOR THE ORIGINAL PRELIMINARY APPLICATION IF THE
6 BOARD SO DECIDES ON A LATER ITEM. I NEED TO KNOW IF
7 THERE'S A MOTION ELIMINATING THE REQUIREMENT FOR
8 NONPROFIT APPLICANTS TO BE A -- TO ACCEPT A LOAN
9 UNDER THIS PROGRAM, BUT ADOPTING EVERYTHING ELSE.

10 MR. SHEEHY: I WOULD MAKE A MOTION TO
11 ADOPT THIS AS WRITTEN STRIKING SECTION 4 (D)(4) ON
12 PAGE 3.

13 CHAIRMAN KLEIN: IS THERE A SECOND?

14 MR. ROTH: I'LL SECOND. JEFF, INCLUDE MY
15 AMENDMENTS EARLIER.

16 MR. SHEEHY: PLUS YOUR AMENDMENTS.

17 CHAIRMAN KLEIN: PLUS HIS AMENDMENTS. I'D
18 LIKE TO ASK THE PUBLIC, GIVEN TIME, GIVEN THAT THIS
19 IS INTERIM, CAN WE GO FORWARD WITHOUT ADDITIONAL
20 COMMENTS AT THIS MOMENT? I'D LIKE TO CALL THE
21 QUESTION. VOICE VOTE. ALL IN FAVOR? OPPOSED?
22 THANK YOU VERY MUCH.

23 MS. KING: CHAIRMAN KLEIN, IF I COULD MAKE
24 A POINT ABOUT THE QUORUM. I KNOW THAT THERE ARE
25 OTHERS THAT HAVE TO LEAVE IN THE 2:30 TIMEFRAME.

BARRISTERS' REPORTING SERVICE

1 I'D LIKE TO ASK THAT NOBODY ELSE LEAVE BEFORE THEN.
2 I'M TRYING TO GET DR. ROME BACK ON THE PHONE, AND
3 WE'RE HOPING THAT LEEZA WILL BE ABLE TO JOIN US.

4 MR. SWEEDLER: WE ALSO NEED ONE MORE VOTE
5 TO GET DISEASE TEAMS OUT, AND THAT IS WE NEED TO
6 APPLY THIS POLICY TO THE DISEASE TEAMS RFA BY
7 SETTING THE INTEREST RATE AND A COUPLE OF OTHER
8 ITEMS. WE DO NEED TO FIND A QUORUM BEFORE THE END
9 OF THE DAY TODAY.

10 CHAIRMAN KLEIN: I WANT YOU, PLEASE, TO
11 PROCEED WITH THAT DISCUSSION ON ITEM -- IS THIS ITEM
12 10? DR. OLSON, IF YOU COULD PROCEED, PLEASE.

13 DR. OLSON: SO WHAT I'D LIKE TO DO IS
14 ADDRESS, AS IAN STATED, AS MR. SWEEDLER --

15 CHAIRMAN KLEIN: WE NEED TO JUST FOCUS THE
16 DISCUSSION HERE IF WE COULD, PLEASE.

17 DR. OLSON: MR. CHAIRMAN, MEMBERS OF THE
18 BOARD AND THE PUBLIC, I'D LIKE TO ADDRESS THE
19 RFA-SPECIFIC ITEMS WITH RESPECT TO THE LOAN POLICY
20 INsofar AS THEY APPLY TO DISEASE TEAMS.

21 SO IF WE CAN -- NEXT. SO I THINK WE CAN
22 SKIP THIS SLIDE AS WELL. SO WHAT I WANT TO DO IS
23 JUST, AS WE SAID, THE SPECIFIC FEATURES THAT ARE
24 RELEVANT ON AN RFA-BY-RFA BASIS. SO FOR DISEASE
25 TEAMS, WHAT WE WOULD LIKE TO SAY IS A FOR-PROFIT

BARRISTERS' REPORTING SERVICE

1 APPLICANT ORGANIZATION, SO THIS IS WHEN THE PI IS
2 FROM A FOR-PROFIT ORGANIZATION, OUR RECOMMENDATION
3 WOULD BE THAT THE LOAN AWARD MECHANISM BE THE
4 OPERABLE MECHANISM IN THIS CASE.

5 I THINK, GIVEN THE PRECEDING DISCUSSION,
6 WE CAN DELETE, STRIKE THE NEXT ITEM BECAUSE WE'VE
7 TAKEN THAT OUT OF THE LOAN ADMINISTRATION POLICY.
8 SO IF WE COULD PLEASE GO TO THE NEXT SLIDE.

9 FOR THE LOAN TERM, WE WOULD LIKE TO MAKE
10 EITHER SIX OR TEN YEARS AN OPTION FOR THE DISEASE
11 TEAM. THE INTEREST RATE THAT WE ARE RECOMMENDING IS
12 FOR A SIX-YEAR LOAN, AND THIS WOULD APPLY TO BOTH
13 THE RECOURSE AND NONRECOURSE. AND I SHOULD MAKE THE
14 POINT THAT THE INTEREST RATE WAS DEVELOPED WITH
15 MEMBERS OF THE FINANCE COMMITTEE. SO IT WAS WITH
16 THEIR INPUT. AND WE'RE RECOMMENDING PRIME RATE PLUS
17 300 BASIS POINTS FOR THE SIX-YEAR LOAN, AND FOR THE
18 TEN-YEAR LOAN, PRIME RATE PLUS 500 BASIS POINTS.
19 THE RATE WOULD BE SET AT THE TIME THE ICOC APPROVES
20 THE AWARD.

21 NOW, I THINK WE'RE GOING TO HAVE TO
22 PERHAPS LOOK AT THAT LANGUAGE IN TERMS OF WHAT IT
23 MEANS TO APPROVE THE AWARD VERSUS APPROVE FUNDING.
24 BUT I THINK PROBABLY APPROVE FUNDING MAY BE THE MOST
25 RELEVANT THING, BUT I'LL LEAVE MR. GOLDBERG OR

BARRISTERS' REPORTING SERVICE

1 PERHAPS CHAIRMAN KLEIN TO COMMENT FURTHER ON THAT.

2 AND SO BASICALLY WE ARE REQUESTING THAT
3 THE ICOC APPROVE THE LOAN TERMS AS RECOMMENDED FOR
4 THE DISEASE TEAM RESEARCH WITH THE EXCEPTION OF THE
5 ESSENTIALLY LARGE MINORITY, THE ONE THAT YOU DELETED
6 FROM THE LOAN POLICY, AND THEN FOR CLARIFICATION, ON
7 WHEN THE INTEREST RATE WOULD BE SET UP, WHEN IT'S
8 AWARDED OR WHEN FUNDS ARE AWARDED.

9 MR. GOLDBERG: THANK YOU, DR. OLSON. JUST
10 AS A CLARIFICATION, WITH RESPECT TO THE INTEREST, IT
11 WILL ACCRUE OR BE CAPITALIZED AT THE ELECTION OF THE
12 SUBCOMMITTEE, FINANCE SUBCOMMITTEE.

13 DR. PIZZO: JUST FOR CLARIFICATION, I
14 APPRECIATE THE STRIKING OF SECTION 4 PREVIOUSLY, BUT
15 I JUST WANT TO BE SURE THAT I REALLY DO UNDERSTAND
16 IT BECAUSE THE WAY I HEARD IT WAS THAT WE WERE
17 REQUIRING IT. THE WAY IT'S SPECIFICALLY WRITTEN IS
18 THAT IT SAYS MAY REQUIRE. SO IT'S NOT AS IF IT'S A
19 MANDATE IN THIS IN ANY EVENT.

20 DR. PENHOET: WE'RE TALKING TWO DIFFERENT
21 THINGS NOW. THE FIRST WAS THE POLICY. WE ARE NOW
22 TALKING SPECIFICALLY ABOUT THE DISEASE TEAM RFA.

23 DR. OLSON: THAT'S RIGHT.

24 DR. PENHOET: SO THE MAY REQUIRE IS
25 TURNING OUT TO BE A REQUIRE. IT'S A DIFFERENT

BARRISTERS' REPORTING SERVICE

1 CONVERSATION.

2 CHAIRMAN KLEIN: ON THE POLICY, MAY
3 REQUIRE.

4 DR. PIZZO: IT'S STILL A MAY. YOU KNOW,
5 IT'S SOFTER THAN, I THINK, WE WERE THINKING.

6 DR. PENHOET: WITH RESPECT TO WHAT WE'RE
7 DISCUSSING NOW, WE ARE ACTING ON THE "MAY," SO TO
8 SPEAK.

9 CHAIRMAN KLEIN: WE DELETED THAT.

10 MR. SHEEHY: BUT WE ARE REQUIRING
11 FOR-PROFITS TO TAKE A LOAN.

12 DR. OLSON: FOR-PROFIT APPLICANTS.

13 MR. SHEEHY: AND WE COULD HAVE HAD A
14 DECISION POINT FOR NOT-FOR-PROFITS WHERE WE SAID IF
15 YOU WERE RECEIVING 40 PERCENT, YOU WOULD ALSO HAVE
16 TO APPLY FOR A LOAN.

17 DR. PIZZO: CAN YOU GO BACK TO THAT SLIDE?
18 NO, THE ONE BEFORE IT.

19 MR. SHEEHY: WE'VE STRICKEN --

20 DR. PIZZO: RIGHT THERE.

21 DR. OLSON: THAT'S THE ONE IT WAS, AS YOU
22 RIGHTLY POINTED OUT, DR. PIZZO, IT WAS ON A
23 RFA-BY-RFA BASIS. IT WAS A MAY. IN THIS CASE,
24 AGAIN, BECAUSE OF THE MAGNITUDE OF THESE AWARDS, AND
25 WERE THERE A FOR-PROFIT SIGNIFICANT BENEFICIARY, WE

BARRISTERS' REPORTING SERVICE

1 WERE RECOMMENDING TO THE BOARD THAT THAT AWARD BE
2 THE SUBJECT OF A LOAN MECHANISM.

3 MR. ROTH: WHAT IT REALLY SAYS IS IT CAN
4 BE 80 PERCENT GOING TO THE NONPROFIT. ANYTHING --
5 80 PERCENT OF THE MONEY COULD GO TO THE NONPROFIT,
6 BUT IT WILL NOT BE A LOAN.

7 MR. SHEEHY: AGAIN, THIS IS A
8 PHILOSOPHICAL QUESTION. WE DON'T KNOW THAT THE
9 UNIVERSITIES WILL BE ABLE TO NEGOTIATE THESE
10 ARRANGEMENTS. THE WHOLE POINT OF THESE DISEASE
11 TEAMS IS TO HAVE THESE COLLABORATIONS BETWEEN
12 UNIVERSITIES AND FOR-PROFITS. THERE ARE DIFFERENT
13 IP ARRANGEMENTS IN PLACE AND DIFFERENT BENEFICIARIES
14 FOR THOSE IP, AND THE UNIVERSITIES MIGHT ACTUALLY
15 HAVE TO SACRIFICE IP IN ORDER TO GET THE COMPANIES
16 TO TAKE THE LOAN EXPOSURE WITH THE WARRANTS THAT
17 THEN WOULD ACCRUE TO US. SO WE MAY BE TRANSFERRING
18 IP FROM THE UNIVERSITIES TO US, AND IP THAT ACTUALLY
19 ALSO COULD POTENTIALLY GO TO THE STATE AS A WHOLE TO
20 US BECAUSE THE PAYBACK REQUIREMENTS WITHIN OUR GRANT
21 ADMINISTRATION PROGRAM, IF YOU LICENSE THAT IP, 25
22 PERCENT OF THE LICENSING FEE COMES BACK TO THE
23 STATE.

24 SO IT'S NOT JUST -- IT'S A MORE COMPLEX
25 ISSUE THAT I THINK WE JUST NEED TO BE EXTREMELY

BARRISTERS' REPORTING SERVICE

1 THOUGHTFUL ABOUT AND UNDERSTAND THE IMPLICATIONS OF.
2 CHAIRMAN KLEIN: TO SUGGEST THAT COULD GO
3 THE OTHER WAY BECAUSE UNDER A LOAN PROGRAM WITH MORE
4 CERTAINTY, THE UNIVERSITIES OR RESEARCH INSTITUTIONS
5 MAY BE ABLE TO NEGOTIATE BETTER DEALS WITH THE
6 FOR-PROFIT ORGANIZATIONS. ECONOMIC CERTAINTY COMES
7 AT A PREMIUM IN THESE NEGOTIATIONS ON THE FOR-PROFIT
8 SIDE ON THEIR EXPOSURE. DR. HAWGOOD.

9 DR. HAWGOOD: JUST, AGAIN, A POINT OF
10 CLARIFICATION. IF UNDER SCENARIO 1 UP HERE WHERE
11 IT'S A FOR-PROFIT PI AND, THEREFORE, THE ENTIRE
12 THING IS A LOAN AND THE PIECE THAT'S IN THE
13 NOT-FOR-PROFIT IS A GRANT, ARE THE INDIRECT -- IT'S
14 MANAGED AS A GRANT.

15 DR. OLSON: THE INDIRECTS ARE SET BY THE
16 RESPECTIVE POLICIES, THE GRANTS ADMINISTRATION
17 POLICY FOR EITHER THE FOR-PROFIT OR THE NONPROFIT.
18 SO IF THE NONPROFIT ORGANIZATION IS THE PI, YOUR
19 INDIRECTS ARE SET PER YOUR NORMAL PROCEDURES. FOR
20 THE PI -- FOR THE CO-PI WHO IS A FOR-PROFIT, THE
21 INDIRECTS, YOU WILL RECALL, THAT WE ARE GOING TO SET
22 UP SEPARATE BUDGETS FOR CO-PI'S WITH THE INDIRECTS
23 DEPENDENT ON THE TYPE OF ORGANIZATION THEY ARE.

24 MR. SHEEHY: I JUST WANT TO RESPOND TO
25 BOB'S POINT. A NOT-FOR-PROFIT CAN STILL ELECT TO

BARRISTERS' REPORTING SERVICE

1 TAKE A LOAN, BUT THEY HAVE A CHOICE AS OPPOSED TO
2 BEING REQUIRED TO DO SO. SO IF THERE IS A SCENARIO
3 WHERE THE COMPANY WOULD PREFER TO HAVE THE CERTAINTY
4 OF THE IP POLICY FOR A LOAN, THEY CAN WORK WITH THE
5 NOT-FOR-PROFIT TO HAVE THAT BE THE CASE. I JUST
6 DON'T WANT US TO STRAIGHTJACKET THE NOT-FOR-PROFITS
7 AND TELL THEM THAT IF THEY HAVE SUBSTANTIAL COMPANY
8 INVOLVEMENT FOR DISEASE TEAMS, THAT THEY MUST TAKE A
9 LOAN WHEN WE DON'T KNOW THEY CAN NEGOTIATE THAT.

10 MR. SWEEDLER: CAN I MAKE A SUGGESTION,
11 WHICH IS THAT THIS IS A VALUABLE DISCUSSION, BUT
12 IT'S NOT SPECIFIC TO DISEASE TEAMS. AND IT LOOKS
13 LIKE WE VERY BRIEFLY HAVE A QUORUM. SO WE NEED THIS
14 VOTE TO MOVE AHEAD.

15 CHAIRMAN KLEIN: THAT'S RIGHT. SO, LEEZA,
16 THANK YOU VERY MUCH FOR BEING HERE. YOU ARE THE
17 QUORUM.

18 MS. GIBBONS: WE CAN ALL BE THE HERO IN
19 OUR OWN LIVES, CAN'T WE?

20 CHAIRMAN KLEIN: SO, JAMES, WE DO HAVE A
21 QUORUM.

22 MR. SHEEHY: CAN I MOVE TO ADOPT THIS?

23 CHAIRMAN KLEIN: WITH THE MODIFICATIONS
24 SUGGESTED. WE DELETED THAT SECTION.

25 MR. SHEEHY: WITH THAT DELETION OF THAT

BARRISTERS' REPORTING SERVICE

1 SECTION.

2 CHAIRMAN KLEIN: I'LL MAKE A SECOND.
3 DISCUSSION OF THE BOARD? FOR THE BENEFIT OF LEEZA
4 GIBBONS IN PARTICULAR AND THE PUBLIC, MR. HARRISON,
5 COULD YOU RESTATE THE SUBJECT OF THE MOTION?

6 MR. HARRISON: YES. THE SUBJECT OF THE
7 MOTION ARE THE LOAN TERMS FOR THE DISEASE TEAM
8 AWARDS, INCLUDING INTEREST RATE AND THE REQUIREMENT
9 THAT FOR-PROFIT APPLICANTS TAKE A LOAN.

10 CHAIRMAN KLEIN: IN ADDITION TO ANY OF THE
11 OTHER MATERIAL THAT THE STAFF HAS RECOMMENDED?

12 MR. HARRISON: YES.

13 CHAIRMAN KLEIN: WITH THE AMENDMENT THAT
14 WAS REFERENCED BY THE MAKER OF THE MOTION. SO ARE
15 THERE PUBLIC COMMENTS? SEEING NO PUBLIC COMMENTS,
16 I'D LIKE A VOICE VOTE. ALL IN FAVOR? OPPOSED?

17 VERY QUICKLY, I'D LIKE TO KNOW, SHERRY
18 LANSING, WE HAVE BEFORE US RECOMMENDATIONS OF
19 PERSONNEL FOR THE SCIENTIFIC AND MEDICAL RESEARCH
20 FUNDING WORKING GROUP. WE HAVE THE BIOS. I DON'T
21 THINK THERE IS A NEED TO DISCUSS THEM. THEY'RE
22 PUBLICLY AVAILABLE.

23 MS. LANSING: MOVE APPROVAL.

24 MR. GOLDBERG: SECOND.

25 CHAIRMAN KLEIN: SECOND? BOARD COMMENT?

BARRISTERS' REPORTING SERVICE

1 ASKING FOR PUBLIC COMMENT. SEEING NONE, ALL IN
2 FAVOR?

3 MS. KING: DR. ROME?

4 DR. ROME: YES, I'M HERE.

5 MS. KING: EXCELLENT. THANK YOU SO MUCH.
6 YOU ARE OUR QUORUM, AND SHERRY CAN WALK OUT THE DOOR
7 AND NOBODY ELSE.

8 CHAIRMAN KLEIN: COME BACK FOR A MOMENT IF
9 YOU CAN.

10 DR. ROME: I CAN HEAR YOU.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH. CAN
12 YOU HEAR US?

13 DR. ROME: I'M OKAY.

14 CHAIRMAN KLEIN: SO, STAFF, IF, STAFF, YOU
15 COULD ADVISE ME ON THE PRIORITIES OF THE REMAINING
16 ITEMS FOR THE STAFF.

17 ITEM 14 IS AN ITEM THAT WE PREVIOUSLY HAVE
18 DISCUSSED, BUT IT WAS NOT ADOPTED. THAT WAS THE
19 ITEM RELATED TO PRIOR NEW FACULTY I AND II GRANTS
20 WHERE WE SPECIFICALLY DISCUSSED THE ABILITY TO HAVE
21 LOAN REPAYMENT CONCESSIONS FOR, I BELIEVE IT'S,
22 MEDICAL FACULTY.

23 DR. OLSON: OR PHYSICIAN-SCIENTISTS THAT
24 WERE APPROVED IN NEW FACULTY I AND II AWARDS.

25 CHAIRMAN KLEIN: RIGHT. SO THIS IS AN

BARRISTERS' REPORTING SERVICE

1 ITEM THAT THERE SHOULD HAVE BEEN A SEPARATE
2 RESOLUTION ON. THE ITEM WAS PREVIOUSLY DISCUSSED.
3 DR. OLSON, COULD YOU SUMMARIZE IT?

4 DR. OLSON: JUST BRIEFLY, AT BOTH THE
5 CONCEPT APPROVAL FOR NEW FACULTY I AND NEW FACULTY
6 II, WE BROUGHT UP THE NOTION THAT IN ORDER TO
7 ENCOURAGE PHYSICIAN-SCIENTISTS TO MOVE INTO STEM
8 CELL RESEARCH, THAT WE WERE GOING TO OFFER THE
9 INCENTIVE OF A MEDICAL SCHOOL LOAN REPAYMENT
10 PROGRAM. AT OUR MOST RECENT CONCEPT APPROVAL FOR
11 THIS AT NEW FACULTY II, THIS BOARD DID, IN FACT,
12 APPROVE UP TO \$4 MILLION IN LOAN REPAYMENT FUNDS FOR
13 THIS PROGRAM.

14 WE ARE ACTUALLY GETTING AT THE FIRST YEAR
15 ANNIVERSARY OF OUR NEW FACULTY I. THIS PROGRAM,
16 UNLIKE THE GRANT PROGRAMS, IS PAID IN ARREARS. YOU
17 HAVE TO HAVE DONE EVERY YEAR BEFORE YOU APPLY FOR
18 IT. WE HAVE UP TO SIX PHYSICIAN-SCIENTISTS IN OUR
19 NEW FACULTY I PROGRAM WHO WOULD THEORETICALLY BE
20 ELIGIBLE FOR THIS. SO A MAXIMUM LIABILITY FOR US
21 THIS YEAR WOULD BE, IF ALL SIX OF THEM TOOK THE
22 MAXIMUM AMOUNT -- AND I WOULD REMIND YOU THE TERMS
23 OF THIS. IT'S UP TO 35,000 A YEAR.

24 LET ME REMIND YOU OF THE TERMS. THE TERMS
25 ARE THAT WE WOULD PAY DOWN A LOAN UP TO 35,000 A

BARRISTERS' REPORTING SERVICE

1 YEAR FOR EACH OF UP TO FIVE YEARS, WHICH IS THE TERM
2 OF THE NEW FACULTY AWARDS. SO THE MAXIMUM THAT ANY
3 ONE PHYSICIAN APPLICANT COULD COLLECT WOULD BE 35
4 TIMES FIVE, WHICH IS 175,000. BUT THIS YEAR IN
5 PARTICULAR, IF ALL SIX OF THE PHYSICIAN-SCIENTISTS
6 TOOK ADVANTAGE OF THE MAXIMUM AMOUNT, IT WOULD BE
7 210,000.

8 SO WHAT I'M ASKING IS WHAT WE ACTUALLY
9 NEED. SINCE THE BOARD HAS, IN FACT, APPROVED THE
10 NEW FACULTY, THEY APPROVED SPECIFIC AWARDS THAT
11 COVERED THE RESEARCH, BUT WHAT THEY HAVE NOT
12 APPROVED IS ESSENTIALLY THE AUGMENTATION OF THIS
13 MEDICAL SCHOOL LOAN REPAYMENT PROGRAM.

14 IF YOU WILL JUST GO TO THE LAST SLIDE.
15 WHAT WE ARE ASKING OF YOU IS THAT THE ICOC VOTE TO
16 AUGMENT THE FOLLOWING AWARDS TO MAKE MEDICAL SCHOOL
17 LOAN REPAYMENT WITHIN THE TERMS PROPOSED. AND SO
18 THAT'S THE UP TO 35,000 A YEAR FOR UP TO FIVE YEARS.
19 BY THE WAY, I SHOULD SAY THAT WE HAVE ACTUALLY
20 CALCULATED NOW, GIVEN THAT WE HAVE 17
21 PHYSICIAN-SCIENTISTS, ASSUMING THEY ALL QUALIFIED
22 FOR THE FULL 35,000 A YEAR FOR THE FULL FIVE YEARS,
23 THE MAXIMUM LIABILITY WOULD BE \$2.98 MILLION OVER
24 THE COURSE OF FIVE YEARS. RECOGNIZE THIS IS FIVE
25 YEARS.

BARRISTERS' REPORTING SERVICE

1 AS I'VE ALREADY INDICATED, IT'S 210,000
2 MAXIMUM THIS YEAR. THESE ARE THE AWARDS, THE 17
3 AWARDS. SO WE WOULD LIKE TO REQUEST YOUR APPROVAL
4 FOR SUPPLEMENTAL UP TO 170,000 PER AWARD FOR THESE
5 ONES.

6 CHAIRMAN KLEIN: DR. OLSON, THIS WHOLE
7 CONCEPT WAS PART OF THE CONCEPT ORIGINALLY PRESENTED
8 TO US; IS THAT CORRECT?

9 DR. OLSON: IT WAS ORIGINALLY PRESENTED TO
10 YOU AT BOTH THE NEW FACULTY II AND THE NEW FACULTY
11 II, AND, IN FACT, UP TO 4 MILLION WAS AUTHORIZED FOR
12 THE JOINT PROGRAM FOR BOTH AT THE NEW FACULTY II
13 CONCEPT.

14 CHAIRMAN KLEIN: SO THIS IS AN
15 IMPLEMENTATION OF A PRIOR AGREED PROGRAM. AND DR.
16 ROBSON, MY UNDERSTANDING IS THAT THESE DOLLARS ARE
17 IN OUR EXISTING OBLIGATIONS CASH FLOW WE PREVIOUSLY
18 PRESENTED; IS THAT CORRECT?

19 DR. ROBSON: (DR. ROBSON NODS.)

20 DR. PIZZO: I THINK WITHOUT QUESTION
21 ANYTHING THAT WE CAN DO TO ENRICH OUR SUPPLY OF
22 PHYSICIAN-SCIENTISTS IS CRITICALLY IMPORTANT, SO I
23 CLEARLY SUPPORT THAT. BUT I JUST WONDER, JUST
24 REMIND ME BECAUSE I DON'T REMEMBER THIS ASPECT OF
25 IT, WHAT ARE THE HOOKS THAT WE HAVE TO KEEP PEOPLE

BARRISTERS' REPORTING SERVICE

1 WHO -- KEEP INDIVIDUALS WHO BENEFITED FROM THIS IN,
2 IF YOU WILL, THE ROLE OF PHYSICIAN-SCIENTISTS.

3 CHAIRMAN KLEIN: IN THE RESEARCH FIELD.

4 DR. PIZZO: THAT'S RIGHT.

5 CHAIRMAN KLEIN: DR. OLSON.

6 DR. OLSON: I DO NOT -- I MEAN ASIDE FROM
7 THE FACT THAT WE MONITOR, WE HAVE THE PROGRESS
8 REPORTS EVERY YEAR, BUT WE DO NOT MONITOR --

9 DR. PIZZO: I DON'T KNOW WHETHER WE
10 HAVE --

11 CHAIRMAN KLEIN: WE HAVE A FIVE-YEAR
12 PROGRAM --

13 DR. OLSON: WE HAVE A FIVE-YEAR PROGRAM.

14 CHAIRMAN KLEIN: -- THAT THEY ARE
15 OBLIGATED TO, BUT WHAT YOU ARE ASKING IS BEYOND THE
16 FIVE-YEAR PROGRAM.

17 DR. PIZZO: YEAH. I THINK THIS IS JUST
18 GIVEN WHERE WE ARE IN LIFE, I THINK THIS IS JUST
19 SOMETHING THAT WE SHOULD DO OR AT LEAST LOOK AT
20 DOING TO HAVE SOME EXPECTATION THAT IF YOU RECEIVE
21 THIS MONEY, YOU'RE ACTUALLY GOING TO DO WHAT YOU
22 SAID WERE GOING TO DO; AND IF PEOPLE OPT OUT, THEY
23 HAVE THE OPPORTUNITY TO PAY BACK OR NOT ACCEPT IT.
24 BUT JUST MAKING IT A FREEBIE AND THEN HAVING PEOPLE
25 GO OFF AND DO OTHER THINGS IS NOT TO ME A GOOD USE,

BARRISTERS' REPORTING SERVICE

1 IN THIS CASE, OF THE TAXPAYERS' MONEY.

2 DR. TROUNSON: DO YOU MEAN DURING THE
3 PERIOD OF TIME OF THEIR GRANT OR AFTER THAT?

4 DR. PIZZO: I MEAN AFTER THAT. I WOULD
5 HAVE SOME EXPECTATION. OF COURSE, THEY'RE GOING TO
6 DO IT DURING THEIR GRANT, OTHERWISE THEY WOULDN'T BE
7 THERE. BUT I'M TALKING ABOUT SOME EXPECTATION THAT
8 FOR X YEARS AFTER THIS YOU ACTUALLY DO IT.

9 DR. TROUNSON: WE WOULD -- BECAUSE THE
10 GRANTS ARE TO THE UNIVERSITY, WE WOULD HAVE TO HAVE
11 A LOOK AT WHETHER WE REALLY HAVE ANY PARTICULAR --

12 DR. PIZZO: SO IT MAY BE A BROADER
13 DISCUSSION, AND MAYBE WE DON'T WANT TO HAVE THAT
14 DISCUSSION TODAY, BUT I WOULD ARGUE THAT WE TAKE A
15 LOOK AT THIS AND MAYBE YOU COME FORWARD AT SOME
16 POINT WITH SOME DEFINED CRITERIA.

17 DR. TROUNSON: RIGHT.

18 DR. PRIETO: JUST RESPOND TO THAT. A
19 LITTLE BIT OF INFORMATION ON PRECEDENT. FOR WHAT
20 IT'S WORTH, I FUNDED MY MEDICAL EDUCATION THROUGH
21 THE NATIONAL HEALTH SERVICE CORPS. AND THE TERMS AT
22 THE TIME WERE IF I DID NOT FULFILL MY SERVICE YEAR
23 FOR YEAR AS ONE YEAR FOR EVERY YEAR I WAS PAID IN
24 PRIMARY CARE, THAT I WOULD HAVE HAD TRIPLE PAYBACK
25 OF THE AMOUNT SPENT ON MY BEHALF.

BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: THERE ARE THINGS LIKE THAT.
2 THOSE WHO TAKE MILITARY PATHS HAVE TO DO PAYBACKS.
3 SO I THINK WE SHOULD HAVE SOME ACCOUNTABILITY THAT
4 PEOPLE ARE ACTUALLY ACHIEVING WHAT WE SAY.

5 MR. ROTH: MR. CHAIRMAN, COULD I MAKE A
6 QUESTION. IF WE WERE TO GO AHEAD AND JUST FUND THIS
7 YEAR AS OPPOSED TO THE FIVE-YEAR COMMITMENT, COULD
8 WE REVISIT THIS AND THEN MAKE SURE THE POLICY'S
9 WHERE WE WANT IT TO BE? THIS IS A VOTE ON FIVE
10 YEARS.

11 CHAIRMAN KLEIN: I WANT TO ASK DR. OLSON
12 WHAT WE REPRESENTED TO THE FACULTY I AND FACULTY II
13 RECIPIENTS. WHAT DID THEY REPRESENT TO THE FACULTY
14 I AND FACULTY II RECIPIENTS RELATED TO THIS PROGRAM?

15 DR. OLSON: WE REPRESENTED -- WELL, WHAT
16 WE HAVE SAID, THAT WE WOULD REPAY OUTSTANDING
17 MEDICAL SCHOOL LOANS, THAT ELIGIBLE AND ELIGIBILITY
18 IS DEFINED BY BEING A PHYSICIAN-SCIENTIST RECIPIENT
19 OF THE NEW FACULTY I OR II AWARD. WE DID NOT GO
20 INTO SPECIFICS, SO THAT I THINK WE WOULD HAVE THE
21 OPTION, AT THE BOARD'S DISCRETION, OF REQUIRING SOME
22 SORT OF REPAYMENT OBLIGATION.

23 I WOULD STATE THAT THIS IS MODELED ON AN
24 NIH PROGRAM THAT I DO NOT BELIEVE REQUIRES ANY
25 REPAYMENT OBLIGATION OR ANY SERVICE OBLIGATION, BUT

BARRISTERS' REPORTING SERVICE

1 THAT DOESN'T MEAN WE DON'T HAVE THAT OPTION.

2 CHAIRMAN KLEIN: ALL RIGHT.

3 DR. REED: I'D JUST LIKE TO AT LEAST ONE
4 OF THE VOICES OF THE OPINION THAT I DON'T THINK THIS
5 IS THE WISEST OR HIGHEST PRIORITY USE OF OUR LIMITED
6 FUNDS. AND I WOULD SUGGEST WE HOLD IT ABEYANCE AT
7 LEAST UNTIL WE KNOW A LITTLE BIT MORE ABOUT HOW
8 THINGS ARE GOING TO SHAKE OUT FOR US AND WOULD EVEN
9 SUGGEST -- OF COURSE, I WASN'T HERE TO BENEFIT FROM
10 THE DISCUSSION THAT WENT AROUND ON THIS BEFORE, BUT
11 I THINK IT'S SOMETHING THAT OUGHT TO BE REEVALUATED.

12 CHAIRMAN KLEIN: CERTAINLY IF IT WERE A
13 NEW PROGRAM. OUR PROBLEM IN THIS CASE IS WE MADE
14 REPRESENTATIONS TO THE FACULTY I AND FACULTY II. IT
15 WAS PRESENTED CONCEPTUALLY TO THE BOARD AS A PART OF
16 THOSE PROGRAMS, AND THERE'S BEEN REPRESENTATIONS TO
17 THE RECIPIENTS. SO DR. PIZZO.

18 DR. PIZZO: WITH ALL DUE RESPECT, JOHN,
19 I'D LIKE TO OFFER AN ALTERNATIVE POSITION BECAUSE IF
20 YOU LOOK AT THE DATA, THE AVERAGE DEGREE OF
21 INDEBTEDNESS OF GRADUATES OF MEDICAL SCHOOLS TODAY
22 IS ABOUT \$150,000. AND IF YOU LOOK AT DETRACTORS
23 THAT IMPACT ON CAREER CHOICE, THE DEGREE OF
24 INDEBTEDNESS IS ONE OF THE SIGNIFICANT VARIABLES
25 THAT DRIVES PEOPLE TO CHOOSE AREAS LIKE DERMATOLOGY

BARRISTERS' REPORTING SERVICE

1 OR ANESTHESIA, NOT THAT THERE'S ANYTHING WRONG WITH
2 THOSE, CERTAINLY NOT ANESTHESIA, BUT IT DOES IMPACT
3 ON PEOPLE'S CHOICE ABOUT GOING INTO WHAT MAY BE
4 LOWER REVENUE PRODUCING AREAS.

5 AND BEING A PHYSICIAN-SCIENTIST IS REALLY,
6 YOU KNOW, IT IS -- WE TALK ABOUT THE SHORTAGE OF
7 PEOPLE IN PRIMARY CARE. WELL, I WOULD PUT
8 PHYSICIAN-SCIENTISTS IN THE SAME CATEGORY, AND I
9 WOULD PUT MEDICAL SCHOOL INDEBTEDNESS AS A
10 SIGNIFICANT FACTOR THAT CONTRIBUTES TO THAT.

11 DR. TROUNSON: I THINK WE CAN COME BACK TO
12 YOU WITH SOME KIND OF REASSURANCE IF WE LOOK AT WHAT
13 OUR LEGAL POSITION IS. BUT I THINK THE COMMITMENT
14 TO THESE YOUNG PEOPLE, HAVING MADE THE DECISION TO
15 APPLY, HAVING WORKED INTO THE PROGRAM WITH THOSE
16 EXPECTATIONS, I THINK WE NEED TO UNDERTAKE THAT
17 COMMITMENT; BUT WE WILL COME BACK TO YOU ON WHAT IS
18 WHAT IS A REASONABLE OPTION IN ENSURING THAT THEY
19 REMAIN IN THE RESEARCH AREA.

20 CHAIRMAN KLEIN: LET ME ASK. MY
21 UNDERSTANDING OF THE STATEMENT YOU JUST MADE, DR.
22 TROUNSON, IS THAT IF WE HAD A MOTION TO APPROVE
23 THIS, THAT THE STAFF WOULD BE DIRECTED TO SEE WHAT
24 REASONABLE PROVISIONS WE COULD PUT INTO THESE TERMS
25 TO ACCOMPLISH THE CONCEPTUAL GOAL DR. PIZZO OUTLINED

BARRISTERS' REPORTING SERVICE

1 AND REPORT BACK TO US ON THAT, BUT WE WOULD PROCEED
2 TO APPROVE THIS ITEM AT THIS TIME. DR. PIZZO, DOES
3 IT MAKE SENSE TO YOU?

4 DR. PIZZO: YES.

5 CHAIRMAN KLEIN: I'D LIKE TO GET DR. GILL
6 AND DR. AZZIZ.

7 DR. GILL: WELL, AS A FEW OF YOU KNOW, THE
8 PHYSICIAN-SCIENTIST AS AN ENDANGERED SPECIES HAS
9 BEEN A PASSION OF MINE FOR MORE THAN 30 YEARS.

10 DR. PIZZO: AND YOU'RE STILL AROUND.

11 DR. GILL: UNFORTUNATELY, IT'S STILL QUITE
12 AN ENDANGERED SPECIES, MAYBE MORE SO THAN WHEN I
13 STARTED. SO I THINK ANYTHING WE CAN DO TO ENCOURAGE
14 CAREERS OF PHYSICIAN-SCIENTISTS, PARTICULARLY WHEN
15 WE'RE LOOKING TO TRANSLATE DISCOVERIES INTO THE
16 CLINIC, IS ABSOLUTELY ESSENTIAL. AND SO I WOULD
17 STRONGLY URGE APPROVAL OF THIS MOTION AS THE STAFF
18 PRESENTS IT.

19 IN RESPONSE TO PHIL, I WOULD SORT OF BEG
20 TO DISAGREE THAT WE PUT ANY HOOKS BEYOND THE
21 CONTRACTUAL TIME OF THE GRANT BECAUSE THE BIG
22 CRITICISMS OF THE NIH REPAYMENT PROGRAMS WERE THAT
23 THIS WAS THE LAST VESTIGES OF INDENTURED SERVITUDE.
24 I THINK THAT IS SOMETHING WE WANT TO AVOID. I MEAN
25 IF THEY CHOOSE TO LEAVE AFTER FIVE YEARS BECAUSE

BARRISTERS' REPORTING SERVICE

1 THEY' RE UNSUCCESSFUL, SO BE IT. IF WE SUPPORT THEM
2 FOR FIVE YEARS, THAT GIVES THEM A WONDERFUL SHOT.
3 IF THEY' RE NOT INTERESTED AFTER THAT, LET' S DON' T
4 PUNISH THIS.

5 DR. PIZZO: JUST I WOULD SAY LET' S HAVE
6 FURTHER DISCUSSIONS ABOUT THAT. WE DON' T NEED TO DO
7 IT NOW, BUT I' M HAPPY TO HAVE THAT DIALOGUE.

8 MR. SWEEDLER: I WOULD APPRECIATE JUST A
9 LITTLE CLARIFICATION, CHAIRMAN KLEIN. ARE YOU
10 PROPOSING THAT THE BOARD APPROVE THIS AND THAT STAFF
11 BE ABLE TO THEN GO AHEAD AND IMPLEMENT IT, AT THE
12 SAME TIME COME BACK TO YOU FOR AN ITEM TO TALK ABOUT
13 HOW WE MIGHT IMPLEMENT ANOTHER PROGRAM FOR FUTURE
14 RFA' S THAT WOULD BE DIFFERENT? IS THAT YOUR INTENT?

15 CHAIRMAN KLEIN: I THINK -- WELL, I THINK
16 THAT THE INTENT WAS TO REPORT BACK ON HOW, WITH THIS
17 ITEM, LEGALLY HOW YOU MAY BE ABLE TO HAVE INCENTIVES
18 OR HOW YOU MAY ENCOURAGE PEOPLE TO REMAIN IN THE
19 FIELD, BUT --

20 MR. SWEEDLER: IF I COULD PROVIDE A LITTLE
21 BIT OF CONTEXT. THIS VERSION OF THE APPROACH IS
22 WHAT WAS PRESENTED TO THE ICOC TWICE AS PART OF
23 CONCEPT APPROVAL. AND THEN FOLLOWING THAT, ALTHOUGH
24 WE DIDN' T PROVIDE DETAILS, WE MADE THIS PROMISE TO
25 THE PEOPLE WHO APPLIED. AND THE WAY THE PROGRAM

BARRISTERS' REPORTING SERVICE

1 WORKS IS THAT IT MAKES LOAN REPAYMENTS ON BEHALF OF
2 THESE INDIVIDUALS. IT DOESN'T REIMBURSE PRIOR
3 STUDENT LOANS, WHICH MEANS THAT EACH MONTH THAT WE
4 DELAY BEING ABLE TO IMPLEMENT THIS MEANS A CERTAIN
5 AMOUNT OF REPAYMENT THAT THESE PHYSICIAN-SCIENTISTS
6 WILL SIMPLY MISS OUT ON FOREVER.

7 DR. TROUNSON: LOOK, MR. CHAIRMAN, I
8 RESPECTFULLY DISAGREE WITH MY COLLEAGUE HERE. I
9 THINK WE CAN ACTUALLY COME BACK TO YOU WITH A RANGE
10 OF OPTIONS. I DON'T THINK WE HAVE TO HAVE THE
11 PROGRAM START BEFORE THE NEXT MEETING. BUT CLEARLY
12 WE'D WANT THAT TO HAPPEN AS SOON AS POSSIBLE FOR
13 THESE PEOPLE. THAT WOULD BE THE REASONABLE THING.
14 BUT I THINK WE SHOULD BE ABLE TO EXPLORE FOR YOU
15 WHAT THE OPTIONS ARE.

16 I THINK IT WOULD BE IMPORTANT FOR US TO
17 INDICATE WE'RE IN SUPPORT OF THESE YOUNG PEOPLE AS
18 GORDON HAS PUT. AND IN A WAY, I'M VERY MUCH WITH
19 HIM IN THAT RESPECT. IF YOU FORCE SOMEBODY TO WANT
20 TO DO SOMETHING AFTER THEY'RE FINISHED THAT THEY
21 DON'T WANT TO DO, THEY'RE NOT LIKELY TO BE A VERY
22 USEFUL PERSON. BUT NEVERTHELESS, LET US EXPLORE
23 WHAT IS POSSIBLE AND REASONABLE.

24 CHAIRMAN KLEIN: I THINK LEEZA HAD A
25 POINT.

BARRISTERS' REPORTING SERVICE

1 MS. GIBBONS: I ACTUALLY JUST HAD A
2 QUESTION THAT YOU HAD BROUGHT UP EARLIER. IS IT THE
3 UNDERSTANDING THAT THIS AUGMENTATION, THIS MONEY,
4 WAS SET ASIDE WHEN WE HAD THIS COME BEFORE US
5 EARLIER?

6 CHAIRMAN KLEIN: IT WAS DESCRIBED AND IT
7 WAS REPRESENTED TO THE RECIPIENTS, BUT THE MOTION
8 DID NOT CAPTURE THE ACTUAL APPROPRIATION OF FUNDS TO
9 MATCH THE DESCRIPTION OF THE PROGRAM. THIS IS NOT A
10 NEW ITEM.

11 MR. SWEEDLER: ACTUALLY THE NATURE OF THE
12 CONCEPT APPROVAL WAS SUCH THAT IN RETROSPECT WHAT WE
13 SHOULD HAVE DONE WAS SIMPLY INCLUDED THIS IN THE
14 APPLICATION BUDGET, AND IT WOULD HAVE BEEN PART OF
15 THE AWARD. SO --

16 CHAIRMAN KLEIN: WE'RE NOT DISAGREEING.

17 MR. SWEEDLER: WHAT I'M SAYING IS IT WAS
18 NOT ANTICIPATED THAT WE WOULD BE COMING BACK TO YOU
19 FOR ADDITIONAL APPROVAL; BUT BECAUSE THE AWARDS HAVE
20 BEEN MADE, WE NEED TO SUPPLEMENT THEM TO IMPLEMENT
21 THEM. THAT'S ALL.

22 CHAIRMAN KLEIN: WE UNDERSTAND THAT. SO
23 WE HAVE SOME LIMITED TIME HERE.

24 DR. AZZIZ: I'D LIKE TO EITHER -- WE DON'T
25 ACTUALLY HAVE A MOTION ON THE TABLE TO APPROVE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I'M ASKING IF THERE IS A
2 MOTION.

3 DR. AZZIZ: I DON'T KNOW IF I HAVE A
4 CONFLICT TO MAKE A MOTION. OTHERWISE, I'D LIKE TO
5 MAKE A MOTION TO APPROVE THIS PROGRAM AS PRESENTED.
6 I'LL SIMPLY ADD THAT I FULLY AGREE WITH PHIL THAT WE
7 NEED TO MAKE ACCOUNTABILITY, BUT THIS IS PROBABLY
8 NOT THE TIME TO MAKE THIS MORE ACCOUNTABLE THAN WHAT
9 IS CURRENTLY AVAILABLE THROUGH THE NIH. IT WILL
10 TAKE SOME DEEP THOUGHT.

11 DR. PIZZO: I AGREE WITH THAT. I WAS NOT
12 SUGGESTING WE DO IT TODAY.

13 DR. AZZIZ: WHAT I DON'T ALSO THINK WE
14 SHOULD DO IS DELAY THIS APPROVAL, WHICH IS A
15 RELATIVELY SMALL ITEM.

16 DR. PIZZO: I AGREE WITH THAT. I WASN'T
17 SUGGESTING WE DO THAT.

18 DR. AZZIZ: TO GIVE FURTHER THOUGHT. IN
19 THE FUTURE WE SHOULD THINK ABOUT THAT; BUT AS YOU
20 ALL KNOW, MAKING YOUNG SCIENTISTS ACCOUNTABLE AND
21 MAKING THEM STAY IN THE FIELD IS PROBABLY ONE OF THE
22 MORE COMPLEX ITEMS THAT WE'LL EVER DEAL WITH. I
23 WOULD LIKE TO MOTION.

24 CHAIRMAN KLEIN: LET ME ASK. CAN HE MAKE
25 THE MOTION?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: HE CAN. THESE PAYMENTS
2 WOULD BE MADE DIRECTLY TO THE LENDERS, NOT TO ANY OF
3 THE INSTITUTIONS, SO THERE ARE NO CONFLICTS.

4 DR. AZZIZ: I MAKE THE MOTION.

5 DR. PIZZO: SECOND THE MOTION.

6 CHAIRMAN KLEIN: SO DR. GILL AND DR. PIZZO
7 ARE SECONDS. PUBLIC COMMENT? SEEING NO, I'D LIKE A
8 VOICE VOTE. ALL IN FAVOR? OPPOSED?

9 DR. REED: NO.

10 CHAIRMAN KLEIN: MOTION PASSES. THANK
11 YOU.

12 SO I WOULD LIKE SOME -- AGAIN, IN TERMS OF
13 WHAT WE HAVE TO DO TODAY, I'D LIKE TO GO TO THE
14 STRATEGIC PLAN.

15 MR. HARRISON: MR. CHAIR, COULD I MAKE ONE
16 REQUEST? WE DO NOW HAVE LEEZA GIBBONS PRESENT.

17 CHAIRMAN KLEIN: VERY FAIR. LEEZA, WHEN
18 YOU WERE OUT, THERE WERE SOME ITEMS THAT PASSED
19 EXCEPT FOR SUBCATEGORY GRANTS WITHIN THOSE ITEMS
20 THAT THEY'RE SHORT A VOTE FOR A QUORUM. SO I'D LIKE
21 MR. HARRISON TO WALK THROUGH EACH OF THOSE, EXPLAIN
22 THE MOTION, EXPLAIN THE GRANT THAT IS AT ISSUE, AND
23 THEN ON THE RECORD ASK WHAT YOUR VOTE WOULD BE.

24 MR. HARRISON: I'LL ASK GIL SAMBRANO TO
25 PULL UP THE CHART SO YOU CAN SEE IT. BUT THIS IS

BARRISTERS' REPORTING SERVICE

1 WITH RESPECT TO THE BRIDGES PROGRAM, AND THERE WERE
2 TWO APPLICATIONS IN THE FUNDING CATEGORY THAT HAVE
3 BEEN APPROVED BY THE BOARD, BUT WE DIDN'T HAVE A
4 SUFFICIENT QUORUM IN YOUR ABSENCE TO PASS THEM. AND
5 THEY ARE APPLICATIONS 1190 AND 1194. AND THEN WE
6 HAVE ONE APPLICATION THAT WAS THE SUBJECT OF AN
7 OMNIBUS MOTION NOT TO FUND FOR WHICH WE DIDN'T HAVE
8 A SUFFICIENT QUORUM. AND THAT'S APPLICATION 1187.

9 AND WE'LL PULL UP THE DISTRIBUTION SO YOU
10 CAN SEE WHERE THESE APPLICATIONS FALL. AGAIN, IN
11 THE TO FUND, WE'RE REFERRING TO APPLICATIONS 1190
12 AND 1194.

13 CHAIRMAN KLEIN: AGAIN, THESE ARE IN THE
14 BRIDGES TO STEM CELL PROGRAM.

15 MR. SHEEHY: CAN I ASK A QUESTION, JAMES?
16 FOR PURPOSES OF QUORUM, A YES, NO, OR ABSTENTION ARE
17 OPTIONS FOR LEEZA?

18 MR. HARRISON: YES.

19 MR. SHEEHY: WOULD A YES OR NO MATERIALLY
20 AFFECT THE OUTCOME OF THE VOTE?

21 MR. HARRISON: NO, IT WOULD NOT.

22 CHAIRMAN KLEIN: OKAY. AN ABSTENTION IS
23 AN OPTION, DOESN'T AFFECT OUR QUORUM?

24 MR. HARRISON: CORRECT. IN OTHER WORDS,
25 WE HAVE A SUFFICIENT NUMBER OF YES VOTES FOR BOTH

BARRISTERS' REPORTING SERVICE

1 MOTIONS SO THAT AN EXTENSION WOULD NOT MAKE A
2 DIFFERENCE.

3 MS. GIBBONS: SO YOU ASKING ME ABOUT THEM
4 TOGETHER?

5 CHAIRMAN KLEIN: IDENTIFY THE NUMBERS
6 AGAIN FOR HER, PLEASE.

7 MR. HARRISON: YES. THEY ARE APPLICATIONS
8 1190 AND 1194, AND THE MOTION WAS TO APPROVE THE
9 FUNDING OF THOSE TWO APPLICATIONS AS PART OF THE
10 BRIDGES PROGRAM.

11 MS. GIBBONS: YES. I VOTE IN FAVOR.

12 MR. HARRISON: AND THE OTHER MOTION WAS
13 WITH RESPECT TO APPLICATION 1187, AND THE MOTION WAS
14 NOT TO FUND THAT APPLICATION AS PART OF THE BRIDGES
15 PROGRAM.

16 CHAIRMAN KLEIN: COULD YOU SHOW HER THE
17 SCORE ON THAT, PLEASE.

18 MS. GIBBONS: THAT ONE I'M NOT PREPARED TO
19 VOTE ON RIGHT NOW.

20 DR. YAFFE: 1187 HAD A SCORE OF 43.

21 MS. GIBBONS: AND THE MOTION WAS NOT TO
22 VOTE FOR FUNDING?

23 MR. HARRISON: YES, NOT TO FUND.

24 MS. GIBBONS: I AGREE.

25 MR. HARRISON: THANK YOU, MR. CHAIR.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU. STRATEGIC
2 PLAN, ITEM NO. 12, DR. TROUNSON.

3 DR. TROUNSON: I'LL BE BRIEF, IF I MAY,
4 CHAIR, BECAUSE WE'VE HAD BERNIE LO WAITING ALL DAY
5 TO MAKE A PRESENTATION TO YOU. SO I WON'T USE ALL
6 THE SLIDES. MELISSA, IF YOU GO TO THE NEXT ONE.

7 WHAT WE WERE ASKED TO BRING BACK IS A
8 PROCEDURE FOR THE PUBLIC TO BE INVOLVED WITH LOOKING
9 AT THE REVISIONS OF THE 2006 STRATEGIC PLAN. THESE
10 ARE THE ISSUES THAT WE WANT TO PROPOSE TO YOU, THAT
11 THERE BE TWO INDUSTRY INPUTS, AND THEY WOULD -- WE
12 HAVE SUGGESTED THAT THEY COULD BE AT SOUTH SAN
13 FRANCISCO ON THE 3D OF FEBRUARY AND IN SOUTHERN
14 CALIFORNIA AT CARLSBAD, I UNDERSTAND, ON THE 20TH OF
15 FEBRUARY. BUT INDEPENDENTLY OF THAT, THERE WOULD BE
16 TWO COMMUNITY INPUTS, TWO FORUMS IN LATE FEBRUARY,
17 EARLY MARCH IN LOS ANGELES AND SAN FRANCISCO.

18 I HAVE SPOKEN TO ED PENHOET, WHO AGREED TO
19 CHAIR THE INDUSTRY SESSIONS, AND WE HAVE TED LOVE,
20 DUANE ROTH, AND BOB KLEIN INVOLVED IN THOSE INDUSTRY
21 MEETINGS. THERE'S A VERY STRONG DESIRE BY INDUSTRY,
22 AS INDICATED, THAT WOULD LOVE TO COME TO THOSE
23 MEETINGS IN LARGE NUMBERS. AND I'VE ALSO TALKED TO
24 SEVERAL OF THE BOARD MEMBERS ABOUT CHAIRING ONE OF
25 THE SESSIONS IN SAN FRANCISCO AND ONE IN LOS

BARRISTERS' REPORTING SERVICE

1 ANGELES.

2 IF I JUST SHOW YOU THE NEXT SLIDE, WE WERE
3 SET TO REVIEW BY OUTSIDE PANEL IN OUR 2006 STRATEGIC
4 PLAN AT YEAR THREE AND AT YEAR SEVEN. SO IF YOU SET
5 YEAR ONE TO BEGIN 2007, SO THAT THREE-YEAR REVIEW
6 WOULD BE IN 2010. WE'RE AT THE HALFWAY POINT TO THE
7 THREE-YEAR REVIEW. AS I SHOWED YOU A SLIDE IN MY
8 PRESIDENT'S PRESENTATION, YOU ACTUALLY AGREED IN
9 CONCEPT AT LEAST TO A BILLION DOLLARS ALREADY. SO I
10 THINK IT'S TIME FOR US TO HAVE A GOOD, HARD LOOK TO
11 SEE IF THE DIRECTIONS WE'RE GOING ARE REALLY THE
12 ONES THAT OPTIMIZE, SHOULD I SAY OPTIMIZE. IT IS
13 ALSO STATED THAT THE STRATEGIC PLAN IS A LIVING
14 DOCUMENT TO BE REVISED BY CIRM PERIODICALLY.

15 THE GOALS OF THE UPDATE THAT WE WILL SET,
16 AND PART OF THOSE DOCUMENTS WHICH WILL BE REVISED
17 THAT YOU SAW LAST TIME, IS TO ASSESS PROGRESS TO
18 DATE, ACKNOWLEDGE OPERATIONAL CHANGES FROM THE '06
19 PLAN BECAUSE THERE HAVE BEEN THOSE MADE SINCE THE
20 BEGINNING, ASSESS THE STATE OF THE FIELD, WHICH HAS
21 CHANGED DRAMATICALLY IN SOME PLACES; BUT,
22 IMPORTANTLY, THESE PUBLIC MEETINGS WILL CONSIDER
23 STRATEGIC ADJUSTMENTS.

24 I THINK THAT'S PROBABLY ALL YOU NEED AT
25 THE MOMENT. I CAN GO INTO SOME OF THE AREAS THAT WE

BARRISTERS' REPORTING SERVICE

1 THINK ARE WORTHY OF DISCUSSION IF YOU WISH, BUT I
2 THINK THAT WAS THE INTENT OF WHAT YOU REQUIRED FROM
3 US AT THIS MEETING.

4 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU
5 VERY MUCH. THANK YOU FOR THE REAL SUBSTANTIVE
6 PUBLIC INPUT YOU'VE MADE AN OPPORTUNITY FOR IN THIS
7 PROCESS. ANY BOARD COMMENT? ANY PUBLIC COMMENT?

8 MR. SIMPSON: JOHN SIMPSON FROM CONSUMER
9 WATCHDOG. AT THE LAST MEETING WHEN THIS WAS
10 DISCUSSED, THERE WAS A FEELING, I THINK, ON SOME
11 PEOPLE'S PART THAT THERE DIDN'T AT THAT POINT SEEM
12 TO BE GOOD PROVISIONS FOR PUBLIC INPUT AND INDUSTRY
13 INPUT. AND BASED ON WHAT WE SEE HERE AND SO ON, IT
14 SEEMS TO BE EXACTLY ON THE RIGHT TRACK. AND THANK
15 YOU VERY MUCH, DR. TROUNSON.

16 CHAIRMAN KLEIN: OKAY. ANY ADDITIONAL
17 BOARD DISCUSSION? VOICE VOTE. ALL IN FAVOR?
18 OPPOSED? WE'VE LOST A QUORUM. THE SENSE OF THE
19 GROUP IS APPROPRIATE.

20 I'D LIKE TO CALL ON DR. BERNIE LO.

21 DR. LO: I'M GOING TO ASK FOR PASSAGE OF
22 SEVERAL ITEMS, SO IF YOU HAVE NO QUORUM, PERHAPS YOU
23 SHOULD MOVE ON TO OTHER THINGS.

24 CHAIRMAN KLEIN: I THINK WE SHOULD PRESENT
25 THE ITEM. I'M GOING TO, WHILE WE TRY AND FIGURE OUT

BARRISTERS' REPORTING SERVICE

1 HOW WE'RE GOING TO GET A QUORUM -- NOTHING IS
2 IMPOSSIBLE, JAMES -- WHILE WE TRY AND FIGURE OUT HOW
3 WE'RE GOING TO GET A QUORUM, I THINK IT IS IMPORTANT
4 THAT WE CREATE THE PUBLIC RECORD AND PROVIDE
5 OPPORTUNITY HERE FOR DISCUSSION.

6 DR. LO: THANK YOU FOR GIVING ME THE
7 CHANCE TO PRESENT ON BEHALF OF THE STANDARDS WORKING
8 GROUP. FIRST, I WANT TO SAY YOU CAN ALL TAKE A DEEP
9 BREATH. THIS SHOULD BE RELATIVELY EASY FOR YOU, I
10 THINK. THIS IS PROBABLY NONCONTROVERSIAL AND IT
11 WON'T COST YOU A PENNY. JUST LISTENING IN THE BACK,
12 I KNOW THERE'S BEEN SOME VERY TOUGH DECISIONS YOU'VE
13 BEEN FACING.

14 SO WHAT I'M GOING TO PROPOSE TO YOU ARE
15 TWO THINGS. FIRST, NEW RECOMMENDATIONS TO, FIRST,
16 CLARIFY THE CIRM REQUIREMENTS FOR OVERSIGHT OF
17 RESEARCH WITH INDUCED PLURIPOTENTIAL CELLS, IPS
18 CELLS, IN TERMS OF WHAT KIND OF OVERSIGHT DOES THE
19 INSTITUTIONAL SCRO, STEM CELL RESEARCH OVERSIGHT
20 COMMITTEE, HAVE TO DO? AND SECONDLY, TO SUGGEST
21 SOME MEASURES THAT WOULD FACILITATE THE COLLECTION
22 AND USE OF SOMATIC CELLS FOR IPS RESEARCH TO DERIVE
23 NEW CELL LINES.

24 WE'VE HAD A LOT OF COMMENTS FROM
25 UNIVERSITIES AND INVESTIGATORS WHO ARE VERY

BARRISTERS' REPORTING SERVICE

1 INTERESTED IN PURSUING THIS VERY PROMISING LINE OF
2 STEM CELL RESEARCH TO CLARIFY SEVERAL AMBIGUITIES IN
3 OUR CIRM REGULATIONS.

4 AND SECONDLY, WE'RE ASKING YOU TO MAKE TWO
5 INTERIM REGULATIONS WHICH WERE PREVIOUSLY DISCUSSED
6 AND APPROVED ON EMBRYONIC STEM CELL RESEARCH
7 DERIVATION USING, QUOTE, GRANDFATHERED,
8 GRANDPARENTED EMBRYOS, MAKE THOSE PERMANENT
9 REGULATIONS AND PUT THEM THROUGH THE REGULATORY
10 PROCESS.

11 OUR CURRENT CIRM GUIDELINES FOR IPS
12 DERIVATION ARE MORE RESTRICTIVE THAN THE NATIONAL
13 ACADEMY OF SCIENCE 2008 RECOMMENDATIONS AND FOR
14 FEDERAL REGULATIONS, THE COMMON RULE THAT GOVERNS
15 HUMAN SUBJECTS RESEARCH. SO INVESTIGATORS WHO WANT
16 TO ENTER THIS EXCITING FIELD TO DERIVE NEW IPS LINES
17 ARE CAUGHT BETWEEN HAVING TO LIVE WITH MORE
18 RESTRICTIVE CIRM GUIDELINES. AS YOU KNOW, MANY
19 CALIFORNIA INSTITUTIONS ARE APPLYING OUR CIRM
20 GUIDELINES TO ALL STEM CELL RESEARCH AT THEIR
21 INSTITUTION.

22 THE STANDARDS WORKING GROUP MET AND
23 SUGGESTED THAT THERE IS NO ETHICAL CONCERN REGARDING
24 IPS CELLS THAT WARRANTS A MORE RESTRICTIVE APPROACH
25 IN THE CIRM GUIDELINES. SO WE THINK THIS IS AN

BARRISTERS' REPORTING SERVICE

1 AMBIGUITY, A HISTORICAL SORT OF ANACHRONISM, BUT IT
2 IS CAUSING SOME CONCERNS AMONG INSTITUTIONS AND
3 RESEARCHERS. SO WE'RE ASKING YOU TO CLARIFY AND
4 REMOVE THOSE AMBIGUITIES.

5 SPECIFICALLY, THE ISSUES ARE HOW MUCH
6 OVERSIGHT DOES THE INSTITUTIONAL SCRO HAVE TO DO FOR
7 A DERIVATION PROJECT OF NEW IPS CELLS AND, SECONDLY,
8 THE CONSENT TO DONATE SOMATIC CELLS. OUR GUIDELINES
9 ACTUALLY EXCLUDE SOME SOMATIC CELLS THAT WOULD BE
10 PERMITTED UNDER IRB APPROVED PROTOCOLS AND THE
11 FEDERAL COMMON RULE.

12 NEXT SLIDE. I'LL TRY AND SHOW THIS
13 GRAPHICALLY. ON THE ISSUE OF OVERSIGHT, WE'RE
14 SUGGESTING THAT IF A RESEARCHER WANTS TO DERIVE A
15 NEW IPS LINE, THEY MERELY NEED TO NOTIFY THE SCRO
16 THAT THIS IS HAPPENING. THEY WOULD STILL BE SUBJECT
17 TO ANY IRB REQUIREMENTS FOR DONATION OF CELLS, BUT
18 WE DON'T WANT TO PUT THEM THROUGH A FULL SCRO
19 REVIEW. AND, INDEED, THE NAS GUIDELINES DO NOT
20 REQUIRE FULL SCRO REVIEW.

21 SECOND ISSUE IS CONSENT FROM THE SOMATIC
22 CELL DONOR, THAT WE'RE ASKING THAT GENERAL CONSENT
23 FOR RESEARCH OR A WAIVER OF CONSENT FROM THE IRB
24 WOULD SUFFICE FOR IPS DERIVATION. OUR REASONING IS
25 THIS IS NOT -- OBTAINING THESE CELLS IS NOT

BARRISTERS' REPORTING SERVICE

1 MEDICALLY OR PHYSICALLY DANGEROUS. IT DOESN'T RAISE
2 THE KINDS OF ETHICAL CONCERN THAT COLLECTING OOCYTES
3 OR EMBRYOS DOES. AND THE RESEARCHERS IN OTHER
4 FIELDS ARE COLLECTING MATERIALS WITHOUT SPECIAL
5 SPECIFIC CONSENT.

6 WE DO, HOWEVER, SAY THAT, AS OPPOSED TO
7 THE DERIVATIONAL LINES, IF YOU ARE GOING TO HAVE A
8 PROTOCOL ACTUALLY TRANSPLANTING IPS CELLS INTO
9 HUMANS, YOU NEED CONSENT FOR THAT TRANSPLANTATION
10 FROM THE DONORS.

11 SO SWITCHING TO THE -- DO YOU WANT TO DO
12 THEM ONE AT A TIME, CHAIRMAN KLEIN? SO LET'S GO
13 BACK TO THE LAST SLIDE. SO FOR IPS RESEARCH, WE'RE
14 ASKING YOU TO CLARIFY IN INTERIM REGULATIONS THAT
15 THE SCRO ONLY NEEDS TO BE NOTIFIED FOR IPS
16 DERIVATION, AND THE GENERAL CONSENT FOR RESEARCH,
17 UNSPECIFIED RESEARCH, OR WAIVER OF CONSENT SUFFICES
18 FOR IPS DERIVATION. THESE CHANGES WOULD MAKE US
19 CONSISTENT WITH THE COMMON RULE AS IS ENFORCED BY
20 IRB'S THROUGHOUT CALIFORNIA AND WITH THE NAS
21 STANDARDS AS AMENDED IN MAY 2008.

22 CHAIRMAN KLEIN: SO WITH THAT, AND THIS
23 HAS GONE THROUGH THE STANDARDS COMMITTEE?

24 DR. LO: YES. WE UNANIMOUSLY SUGGEST YOUR
25 APPROVAL.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: SO WHAT I WOULD ASK HERE,
2 UNLESS THERE -- FIRST OF ALL, IF THERE'S ANY
3 DISCUSSION OF THIS; BUT ALSO IN YOUR DISCUSSION, I'D
4 ASK THAT IF THERE IS NO OBJECTION, I WOULD LIKE TO
5 PUT THIS ON THE CONSENT CALENDAR FOR THE MARCH
6 MEETING AFTER TAKING THE SENSE OF THIS GROUP TO SEE
7 IF THERE'S GENERAL CONSENT -- GENERAL SUPPORT FOR
8 THIS.

9 IS THERE ANY OBJECTION TO PUTTING THIS ON
10 THE CONSENT CALENDAR FOR THE MARCH MEETING?

11 DR. HAWGOOD: I HAVE JUST ONE QUESTION
12 THAT MAYBE BERNIE OR MAYBE ALAN. THE COMMON CELL
13 FOR THIS IS A FIBROBLAST AND THAT'S EASY. YOU
14 PRESENTED A OR SHOWED US A PAPER WHERE KERATINOCYTES
15 WERE BECOMING A TARGET PERHAPS PREFERRED. DO YOU
16 SUSPECT THAT ANY MORE DIFFICULT TO OBTAIN CELL MAY
17 BECOME A TARGET FOR IPS, AND DOES IT INFLUENCE WHAT
18 WE'RE THINKING HERE?

19 DR. TROUNSON: YES. AND ALSO I THINK WE
20 EXPLORED THAT WITH THE COMMITTEE. BUT, FOR EXAMPLE,
21 THERE ARE PUBLICATIONS SAYING THAT LIVER CELLS ARE
22 MUCH MORE EFFECTIVE AS CANDIDATE CELLS FOR COMPLETE
23 REPROGRAMMING. SO IT IS POSSIBLE, SAM, THAT A LIVER
24 CELL MAY BE A PREFERRED CELL OR MAYBE ANOTHER CELL
25 COULD BE PREFERRED IN THE LONGER TERM. SO WE

BARRISTERS' REPORTING SERVICE

1 COULDN'T BE CERTAIN ABOUT THAT. BUT LET'S IMAGINE
2 THAT A LIVER CELL MIGHT BE PREFERRED, ALTHOUGH I
3 DON'T THINK THAT IS THE SENSE OF THE FIELD RIGHT AT
4 THE MOMENT.

5 DR. LO: IF I COULD SORT OF TAKE THE
6 ETHICAL TWISTS ON THAT QUESTION. THAT PROTOCOL
7 WOULD BE REVIEWED BY THE IRB FOR DONATION OF HUMAN
8 MATERIALS. THEY, I ASSUME, WOULD LOOK VERY CLOSELY
9 AT THE MEDICAL RISK AND THE CONSENT PROCESS. WE'RE
10 JUST SAYING WE DON'T WANT TO ADD ON ANY ADDITIONAL
11 SPECIAL REVIEW BECAUSE IT'S GOING TO BE USED FOR IPS
12 RESEARCH AS OPPOSED TO CANCER RESEARCH OR GENETICS
13 RESEARCH. SO WE'RE NOT TAKING AWAY OVERSIGHT.
14 WE'RE JUST NOT ADDING TO WHAT IS IN PLACE AND WHICH
15 WE FEEL AND THE NAS FELT WAS ADEQUATE FOR THIS KIND
16 OF RESEARCH.

17 DR. AZZIZ: JUST A PROCESS QUESTION, AND I
18 MAY HAVE LOST TRACK. DO WE OR DO WE NOT HAVE A
19 QUORUM?

20 CHAIRMAN KLEIN: WE DO NOT HAVE A QUORUM.
21 THE QUESTION IS IF THERE'S ANY OBJECTION, IT WOULD
22 NOT GO ON THE CONSENT CALENDAR. IF THERE'S NO
23 OBJECTION, AND THERE APPEARS TO BE GENERAL OVERSIGHT
24 GIVEN IT UNANIMOUSLY WENT THROUGH STANDARDS, AND IF
25 THERE'S NO PUBLIC OBJECTION, I'M GOING TO ASK FOR

BARRISTERS' REPORTING SERVICE

1 PUBLIC COMMENT, WE' D THEN PUT IT ON THE CONSENT
2 CALENDAR FOR MARCH, THEREFORE, SAVING TIME IN MARCH
3 SINCE IT' S BEEN REVIEWED THOROUGHLY AT THE STANDARDS
4 LEVEL AND THERE DOESN' T APPEAR TO BE OBJECTION.

5 DR. LO: CHAIRMAN KLEIN, COULD I MAKE A
6 CORRECTION? I MISSPOKE. THAT IT WAS UNANIMOUS, BUT
7 WE DID NOT HAVE A QUORUM AT THE SWG, BUT IT WAS THE
8 UNANIMOUS SENSE OF OUR COMMITTEE.

9 CHAIRMAN KLEIN: WE LOVE THE SPIRIT OF
10 DISCLOSURE. THANK YOU. ANY PUBLIC COMMENT ON THIS
11 ITEM? SEEING NO PUBLIC COMMENTS AND NO OBJECTION, I
12 THINK THE QUESTION HAS BEEN ANSWERED. AND THANK
13 YOU, DR. LOMAX, FOR ALL THE WORK THAT GOES IN BEHIND
14 THE STANDARDS MEETINGS AND WORKING THROUGH THE VERY
15 TECHNICAL ISSUES IN THIS SUBAREA.

16 DR. LOMAX: COULD I JUST STATE FOR THE
17 RECORD, MR. CHAIRMAN, THAT IT WAS A SENSE OF THE
18 ICOC THAT ALL THE RECOMMENDED LANGUAGE PERTAINING TO
19 THE REGULATIONS THAT DR. LO DESCRIBED IN SECTIONS
20 100070 AND 100090 WAS THE SENSE THAT WE SHOULD MOVE
21 FORWARD. THOSE WERE WHAT YOU APPROVED. I JUST
22 WANTED TO MAKE CLEAR THAT WE' RE DEALING WITH TWO
23 SETS OF REGULATIONS AND HAVE THAT IN THE RECORD.
24 AND YOU HAVE THAT LANGUAGE BEFORE YOU.

25 CHAIRMAN KLEIN: DOES ANYONE OBJECT TO

BARRISTERS' REPORTING SERVICE

1 THAT WORDING? SEEING NO OBJECTION, THAT APPEARS TO
2 BE THE PROPER COURSE.

3 DR. LOMAX: THANK YOU.

4 DR. LO: SO IF I COULD GO TO THE SLIDE,
5 THE ONE AFTER THE ARROW DIAGRAM. SO THE SECOND ITEM
6 IS THAT WE'RE ASKING YOU TO TAKE ITEMS THAT YOU HAD
7 PREVIOUSLY APPROVED AS INTERIM REGULATIONS AT THE
8 MARCH MEETING, MOVE THEM INTO THE REGULATORY PROCESS
9 AS PROPOSED PERMANENT REGULATIONS. AND THESE
10 REGULATIONS PERTAIN TO EMBRYOS THAT A CIRM
11 RESEARCHER PROPOSES TO USE IN CIRM-FUNDED RESEARCH,
12 BUT THEY WERE ORIGINALLY CREATED FOR IVF PURPOSES,
13 FOR REPRODUCTIVE PURPOSES, BEFORE A CUTOFF DATE,
14 WHICH I'LL SHOW YOU ON A TIMELINE ON THE NEXT SLIDE.

15 THE TWO SPECIFIC ISSUES IS, FIRST, TO
16 AUTHORIZE THE USE OF EMBRYOS CREATED FROM A GAMETE
17 FOR WHICH THE DONOR WAS PAID IN AN IVF CONTEXT. SO
18 THAT THE GAMETE DONOR GAVE AN EGG OR AN OOCYTE IN AN
19 IVF CONTEXT, SUBSEQUENTLY AN EMBRYO THAT WAS FROZEN
20 WAS DEEMED NOT NECESSARY FOR REPRODUCTIVE PURPOSES
21 BY THE WOMAN OR COUPLE IN IVF, AND THEY WANTED TO
22 GIVE IT TO RESEARCH. THE IDEA WAS THAT BECAUSE THE
23 PAYMENT HAD TAKEN PLACE IN AN IVF CONTEXT AND WAS
24 NOT A PAYMENT FOR DONATION IN A RESEARCH CONTEXT,
25 THAT THE LEGAL OPINION WAS THAT THAT DID NOT

BARRISTERS' REPORTING SERVICE

1 CONTRAVENE PROP 71. AND IT WAS THE DECISION OF THE
2 ICOC, ACTING ON THE RECOMMENDATION OF THE SWG, THAT
3 THIS BE PERMITTED AS AN INTERIM REGULATION.

4 THE SECOND ISSUE WAS, AS YOU RECALL, WE
5 PUT IN VERY STRINGENT AND CAREFUL REGULATIONS FOR
6 OOCYTE DONATION SPECIFICALLY FOR THE PURPOSE OF
7 RESEARCH. AND, AGAIN, WE WANT TO DRAW A DISTINCTION
8 BETWEEN THAT SITUATION AND THE SITUATION OF DONATING
9 OOCYTES FOR IVF, BUT LATER, USUALLY YEARS LATER, THE
10 EMBRYO THAT WAS CREATED, NOT BEING NEEDED FOR
11 REPRODUCTIVE PURPOSES AND THE COUPLE WANTING TO
12 DONATE IT TO RESEARCH, THAT WE NOT REQUIRE THE
13 HEIGHTENED CIRM CONSENT REQUIREMENTS FOR OOCYTE
14 DONATION IN THAT CONTEXT BECAUSE IT OCCURRED NOT IN
15 A REPRODUCTIVE CONTEXT.

16 SO IN THE NEXT SLIDE, I'LL SHOW YOU THE
17 TIMELINE. SO WE'RE SAYING THAT BEFORE THE CUTOFF
18 DATE ESTABLISHED AT THE LAST MEETING, 8/13/08, IVF
19 EMBRYOS FROM PAID DONORS MAY BE USED FOR RESEARCH.
20 BECAUSE THE PAYMENT WAS IN THE REPRODUCTIVE CONTEXT,
21 IT COULD NOT HAVE BEEN AN UNDUE INDUCEMENT, IT COULD
22 NOT HAVE LED TO ANY ADVERSE OUTCOMES FOR THE DONOR,
23 PRESUMABLY IN THE IVF CONTEXT THAT CONSENT WAS FULLY
24 OBTAINED. SO THAT'S ONE TIME, 8/13/08, YOUR LAST
25 MEETING, WHEN THAT WAS AN INTERIM REGULATION.

BARRISTERS' REPORTING SERVICE

1 ON THE NEXT SLIDE, FOR THE CONSENT, WE
2 ACTUALLY HAVE TWO DIFFERENT GRANDFATHER TIME
3 DEADLINES. UP UNTIL THE ACCEPTANCE OF THE NAS
4 REGULATIONS AS CIRM INTERIM GUIDELINES, WE SAY ANY
5 EMBRYOS CREATED BEFORE THAT TIME, IF A DONOR EGG OR
6 SPERM WAS USED, THAT DONOR ONLY NEEDED TO HAVE
7 CONSENTED TO RESEARCH IN GENERAL. THEY DID NOT
8 SPECIFICALLY NEED TO CONSENT TO EMBRYO RESEARCH OR
9 EMBRYONIC STEM CELL RESEARCH BECAUSE THAT REALLY
10 WASN'T, WE BELIEVE, THE STANDARD OF CARE AT THE
11 TIME.

12 NOW, GOING FORWARD -- THE SAME TIMELINE
13 WITH THE GREEN ARROWS. SHOULD BE MY VERY LAST
14 SLIDE. THE TIME PERIOD BETWEEN THAT DEADLINE AND
15 THE 8/13/08 DEADLINE, WE DO REQUIRE THAT THERE BE
16 CIRM-SPECIFIC RESEARCH CONSENT BECAUSE AT THAT TIME
17 OUR GUIDELINES HAD ALREADY BEEN ADOPTED. NOW, THIS,
18 AGAIN, CAME THROUGH SWG. IT WAS PRESENTED TO ICOC.
19 YOU APPROVED THIS WITH PUBLIC INPUT AS INTERIM
20 REGULATION. WE'RE NOW PROPOSING, ASKING YOU AT YOUR
21 MARCH MEETING TO MOVE THIS THROUGH AS A PERMANENT
22 REGULATION, AND THEN START THE REGULATORY PROCESS
23 WITH PUBLIC COMMENT AND FURTHER APPROVAL.

24 CHAIRMAN KLEIN: OKAY. LET ME CLARIFY THE
25 STATEMENT YOU JUST MADE. YOU'RE ASKING US TO

BARRISTERS' REPORTING SERVICE

1 APPROVE IT AS A PERMANENT REGULATION?

2 DR. LO: RIGHT. WHAT YOU APPROVED AS AN
3 INTERIM REGULATION AT THE LAST MEETING.

4 CHAIRMAN KLEIN: AND START THE COMMENT
5 PERIOD.

6 DR. LO: RIGHT. START THE PUBLIC COMMENT
7 PERIOD.

8 CHAIRMAN KLEIN: OKAY.

9 DR. LO: SO, AGAIN, YOU'LL HAVE A CHANCE
10 TO COME BACK TO THIS IN THE CONTEXT.

11 CHAIRMAN KLEIN: SO WITHOUT OBJECTION, I'D
12 LIKE TO PUT THIS ON THE CONSENT CALENDAR FOR MARCH.
13 ANY PUBLIC OBJECTION? WE KNOW THIS IS A TREMENDOUS
14 AMOUNT OF EFFORT TO PROCESS THESE VERY IMPORTANT
15 RULES.

16 WE DO HAVE ONE MORE ITEM AFTER THIS THAT'S
17 VERY IMPORTANT AS A DISCUSSION ITEM, BUT I'D LIKE TO
18 THANK REALLY DR. BERNIE LO AND GEOFF LOMAX FOR ALL
19 THE WORK THEY PUT INTO THIS. THANK YOU.

20 (APPLAUSE.)

21 DR. LO: I WANT TO AGAIN THANK THE SWG
22 MEMBERS, SEVERAL OF WHOM ARE MEMBERS OF THE ICOC,
23 AND PARTICULARLY TO SHERRY LANSING, MY CO-CHAIR.
24 THANK YOU.

25 CHAIRMAN KLEIN: SO THE LAST ITEM FOR

BARRISTERS' REPORTING SERVICE

1 DISCUSSION, WHICH IS REALLY CRITICAL TO OUR MISSION,
2 IS THERE'S BEEN A -- WE HAVE AN RFA TO BE POSTED ON
3 DISEASE TEAMS. NOW, IT'S IMPORTANT TO BE ABLE ON
4 THIS RFA TO MAKE SURE THAT THE BOARD, IN THE CONTEXT
5 OF THE FINANCIAL SITUATION, THAT I THINK WE MAKE A
6 DECISION THAT THE STAFF CAN GO FORWARD WITH THAT
7 POSTING. THIS IS A DISCUSSION. THIS IS NOT AN
8 ACTION ITEM, BUT IT'S IMPORTANT FOR THEM TO
9 UNDERSTAND THE SENSE OF THE BOARD, THAT WE'RE IN
10 BUSINESS.

11 AS YOU RECALL, THIS IS GOING THROUGH
12 TRIAGE, SO THERE IS A LIMITED APPLICATION UP FRONT;
13 BUT IF WE DON'T HAVE THAT PIPELINE IN DEVELOPMENT,
14 WE WILL NOT BE IN A POSITION TO, IF WE HAVE THE
15 FUNDS, TO FUND DISEASE TEAMS. IN ADDITION, HAVING
16 THAT PIPELINE IN PROCESS, IF THERE IS A STRONG
17 PARTICIPATION IN CALIFORNIA IN THE DISEASE TEAMS
18 PRELIMINARY SCREENING PROGRAM, IT GIVES US A
19 TREMENDOUS ARGUMENT FOR URGENCY ON THE PRIVATE
20 PLACEMENT OF TAXABLE BONDS.

21 SO IT'S A MISSION CRITICAL ISSUE,
22 IMPORTANT TO PROVIDE FEEDBACK. DR. CSETE, WOULD YOU
23 LIKE TO ADDRESS THIS ITEM?

24 MS. KING: CAN I JUST CLARIFY? WHAT
25 AGENDA ITEM ARE WE REFERRING TO?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THIS IS A DISCUSSION.

2 MS. KING: I UNDERSTAND. SO IT'S NO. 8.

3 CHAIRMAN KLEIN: THIS IS A DISCUSSION

4 WITHIN THE CONTEXT OF NO. 8.

5 DR. CSETE: MR. CHAIRMAN, MEMBERS OF THE
6 BOARD, I REALLY DO WANT TO GET YOUR ATTENTION. I
7 KNOW EVERYBODY IS TIRED AND DRAINED, BUT THIS IS A
8 VERY IMPORTANT ISSUE FOR US TO BE UPDATED ABOUT.
9 AND IT WAS REQUESTED BY SEVERAL MEMBERS OF THE BOARD
10 AT THE LAST MEETING THAT WE UPDATE THEM ON OUR
11 COLLABORATIVE FUNDING PARTNERSHIPS.

12 I WANT TO REPORT THAT WE HAVE MADE GREAT
13 STRIDES IN EXECUTING ONE OF THE GOALS OF THE
14 STRATEGIC PLAN, WHICH WAS GOAL 10, TO ESTABLISH
15 NATIONAL AND INTERNATIONAL COLLABORATIONS IN STEM
16 CELL RESEARCH THAT ALLOW US TO LEVERAGE OUR
17 COMPARATIVE ADVANTAGE IN CALIFORNIA AND ADVANCE
18 TOWARDS THERAPIES.

19 SO THESE COLLABORATIONS ARE, FIRST AND
20 FOREMOST, FOR THE SCIENCE. CALIFORNIA IS NOW, AS A
21 CONSEQUENCE OF YOUR INCREDIBLE EFFORTS AND THE
22 EFFORTS OF THE SCIENCE STAFF AND/OR GRANTEES, A
23 CENTER OF STEM CELL RESEARCH. AND ESPECIALLY WITH
24 TRANSLATIONAL PROGRAMS OUTSIDE THE UNITED STATES,
25 WE'RE GOING TO HAVE TO USE THAT TO REACH OUT TO

BARRISTERS' REPORTING SERVICE

1 MAJOR STRENGTHS OUTSIDE OF CALIFORNIA BECAUSE STEM
2 CELL RESEARCH IS NOW BEING SEEN IN THE LARGER
3 CONTEXT OF REGENERATIVE MEDICINE.

4 AND MEDICINE IS SUCH THAT DISEASES DO NOT
5 STOP AT BOUNDARIES. AS WE GET INTO MORE AND MORE
6 CLINICAL, TRANSLATIONAL KINDS OF RESEARCH PROJECTS
7 AND TRIALS, WE HAVE TO HAVE MULTICENTER,
8 MULTIMEDICAL CULTURE TRIALS TO REALLY STRENGTHEN
9 THEM. AND THE CAPACITY FOR CLINICAL TRIALS IN
10 CALIFORNIA MAY, IN FACT, LIMIT SOME OF THE
11 APPLICATIONS THAT WE'LL LIKELY SEE COMING TO US IN
12 THIS NEXT YEAR.

13 IN ADDITION, IF WE LOOK PAST -- LOOK TO
14 THE PAST, OUR VISTA HAS REALLY CHANGED. IN ADDITION
15 TO ALL THE ECONOMIC CHANGES THAT WE'VE TALKED ABOUT
16 IN THE LAST COUPLE OF YEARS, IF WE THINK BACK TO THE
17 TIME OF THE ORIGINAL PASSAGE OF PROP 71 WHEN REALLY
18 WHAT WE WERE TALKING ABOUT WERE USING HUMAN
19 EMBRYONIC STEM CELL-DERIVED CELL THERAPIES TO CREATE
20 PRODUCTS FOR THE CLINIC, THE SCIENCE HAS NOW
21 EXPANDED. AND CIRM HAS REALLY EMBRACED THE NEW
22 SCIENCE AS A WAY TO GET TO THE END GAME. BUT WITH
23 THIS LARGER OPPORTUNITY ALSO COMES THE NEED FOR
24 LARGER RESOURCES. AND THIS IS EXACTLY WHERE THESE
25 KINDS OF COLLABORATIONS WILL BE IMPORTANT TO DRIVE

BARRISTERS' REPORTING SERVICE

1 THE KIND OF RESEARCH WE' D LIKE TO SEE.

2 SO HOW HAVE WE DONE THIS? THIS WAS THE
3 QUESTION THAT WAS RAISED BY THE BOARD. IT' S A VERY
4 DELIBERATE PROCESS. USUALLY AGENCIES HAVE COME TO
5 US RATHER THAN US GOING TO THEM. BUT WITH THE
6 ASSISTANCE OF NANCY KOCH, WE FIRST SIGNED AN
7 AGREEMENT AT A VERY HIGH LEVEL, A MEMORANDUM OF
8 UNDERSTANDING, JUST TO TALK TO EACH OTHER, TO OPEN
9 OUR PROCESSES TO EACH OTHER SO THAT WE CAN FIGURE
10 OUT HOW TO INTEGRATE THEM WELL, ALWAYS KEEPING IN
11 MIND THAT WE KEEP COMPLETE COMPLIANCE WITH THE CIRM
12 STATUTORY AND POLICY FRAMEWORK, AND ALL FUNDS WILL
13 STAY IN CALIFORNIA WITH THESE RELATIONSHIPS.

14 THEN WE GO ABOUT THE DETAILS. AND NANCY
15 WORKS WITH THE COLLABORATIVE FUNDING PARTNERS LEGAL
16 SYSTEMS TO INTEGRATE OUR PROCESSES ON OUR VARIOUS
17 LEGISLATIVE CONSTRAINTS. AND IMPORTANTLY, THESE
18 MEMORANDA OF UNDERSTANDING ALLOW THE SCIENTISTS AT
19 THE GROUND LEVEL TO START WORKING WITH EACH OTHER
20 AND TALKING TO EACH OTHER ABOUT WHERE THE SCIENTIFIC
21 SYNERGIES ARE. AND WE' VE DONE THAT THROUGH A
22 VARIETY OF MECHANISMS, INCLUDING WORKSHOPS AND VIDEO
23 CONFERENCING WITH THE AUSTRALIANS, WHERE IT' S
24 PARTICULARLY HARD TO GET TO.

25 AND THEN WE HAVE ALSO MADE IT VERY, VERY

BARRISTERS' REPORTING SERVICE

1 CLEAR TO OUR PARTNERS THAT BECAUSE OF THE WAY THE
2 LEGISLATION IS WRITTEN, WE CANNOT CHANGE OUR BASIC
3 PROCESSES. WE WRITE THE RFA'S AND, OF COURSE, WE
4 CONSULT WITH AND GET IDEAS FROM OUR COLLABORATIVE
5 FUNDING PARTNERS, BUT THESE ARE THE RFA'S THAT WE
6 HAVE INTERNALLY DECIDED ARE THE BEST SCIENTIFIC
7 PROGRAMS TO GET TO OUR GOALS. OUR REVIEW PROCESS IS
8 ALSO NOT CHANGED.

9 AND IT'S IMPORTANT TO KNOW THAT THE
10 REVIEWERS WILL BE AGNOSTIC WHEN THEY REVIEW
11 APPLICATIONS IN ANY CYCLE AS TO WHETHER THE TEAMS
12 ARE ALL CALIFORNIA OR IF THEY ARE HYBRID TEAMS OF
13 CALIFORNIA AND NON-CALIFORNIA SCIENTISTS.

14 SO WHAT I'M GOING TO DESCRIBE TO YOU ARE
15 THE DETAILS OF SOME OF OUR ARRANGEMENTS WITH OTHER
16 JURISDICTIONS. BUT, IN GENERAL, WHO ARE THESE
17 PEOPLE? THESE ARE THE MAJOR PLAYERS IN REGENERATIVE
18 MEDICINE FROM AROUND THE WORLD. WE'VE BEEN
19 SELECTIVE BECAUSE WE REALLY ARE REACHING OUT AND
20 EXTENDING OUR CONVERSATIONS ONLY WITH PEOPLE WHO CAN
21 HELP OUR CALIFORNIA SCIENTISTS WITH EXTRA
22 INTELLECTUAL RESOURCES, FINANCIAL RESOURCES,
23 INFRASTRUCTURE.

24 AND IT'S BEEN IMPORTANT IN GOING THROUGH
25 THESE CONVERSATIONS WITH OTHER COLLABORATIVE

BARRISTERS' REPORTING SERVICE

1 PARTNERS THAT WE'VE ALSO BEGUN TO UNDERSTAND HOW IT
2 IS -- WHAT KIND OF DETAILS ARE NECESSARY FOR US TO
3 INTEGRATE OUR VARIOUS PROCESSES.

4 ONE OF THE THINGS THAT DOESN'T APPEAR ON
5 THE LIST FOR DISEASE TEAMS AS A PARTNER IS A
6 DISEASE-SPECIFIC FOUNDATION. HOWEVER, WE HAVE
7 SIGNED AN AGREEMENT WITH THE JUVENILE DIABETES
8 RESEARCH FOUNDATION. AND THEY WILL BE WORKING WITH
9 US IN THE FUTURE; BUT, AS YOU KNOW, FOUNDATIONS ARE
10 VERY, VERY SHORT OF FUNDS RIGHT NOW. WE ALSO THINK
11 THAT THESE COLLABORATION WILL SET THE GROUNDWORK FOR
12 US TO CONTINUE OUR DIALOGUE WITH THE NIH AS THE
13 POLICIES AND LEADERSHIP AT NIH CHANGE. AND WE FULLY
14 EXPECT TO BE WORKING WITH NIH DOWN THE ROAD.

15 SO OUR PARTNERSHIPS NOW INCLUDE, FIRST,
16 THE STATE OF VICTORIA IN AUSTRALIA. THIS WAS
17 INITIATED WHEN NANCY KOCH AND I MET WITH GOVERNMENT
18 REPRESENTATIVES AT THE BIO MEETING HERE IN JUNE OF
19 2008. AND THERE'S MANY, MANY REASONS TO COLLABORATE
20 WITH VICTORIA. AS WE ALL KNOW THROUGH ALAN, THEY
21 BRING ENORMOUS STRENGTHS IN STEM CELL BIOLOGY; BUT
22 FOR MY PARTICULAR BIAS, I THINK THEY BRING IMPORTANT
23 STRENGTHS IN TRANSPLANT IMMUNOLOGY.

24 SO THEY HAVE PARTICIPATED IN THE EARLY
25 TRANSLATION REVIEW GRANTS WHICH ARE UNDER REVIEW

BARRISTERS' REPORTING SERVICE

1 RIGHT NOW, AND NINE OF THE 71 TEAMS WERE HYBRID
2 TEAMS BETWEEN CALIFORNIA AND VICTORIA. I THINK THE
3 VICTORIAN GOVERNMENT WAS ACTUALLY SURPRISED AT THE
4 ENTHUSIASM OF THEIR SCIENTISTS FOR THIS. AND WE'RE
5 REALLY LOOKING FORWARD TO AN ONGOING RELATIONSHIP
6 WITH THEM. THEY HAVE COMMITTED A TOTAL OF \$5
7 MILLION SO FAR TO THIS COLLABORATION.

8 THE CANADIAN STEM CELL CONSORTIUM HAS MADE
9 AN ENORMOUS CONTRIBUTION TO OUR ONGOING
10 COLLABORATION IN THAT IN TOTAL THEY HAVE A SET ASIDE
11 OF \$200 MILLION SPECIFICALLY FOR CALIFORNIANS AND
12 CANADIANS TO WORK ON CANCER STEM CELLS. THIS
13 COLLABORATION BUILT ON, FIRST, A VISIT MADE BY THE
14 GOVERNOR AND OUR CHAIRMAN IN CANADA, FOLLOWED BY
15 WORKSHOPS AND, AGAIN, INTERACTIONS BETWEEN THE
16 SCIENTISTS, ONCE THE ANNOUNCEMENT WAS MADE IN JUNE,
17 THAT WE WERE GOING TO PROCEED WITH THIS
18 COLLABORATION. IN AUGUST WE CALLED TOGETHER THE
19 THOUGHT LEADERS IN CALIFORNIA TO HELP US TRY TO
20 DECIDE HOW WE SHOULD PROCEED WITH THIS
21 COLLABORATION.

22 AND IN THAT WORKSHOP, ONE OF THE THINGS
23 THAT FELL OUT WAS THIS VERY IMPORTANT LEVERAGE THAT
24 THE CANADIANS BRING TO US BECAUSE THEIR MEDICAL
25 SYSTEM IS NETWORKED IN A WAY THAT OURS ISN'T. AND

BARRISTERS' REPORTING SERVICE

1 IN THE AREA OF CANCER STEM CELLS, THE CANADIANS HAVE
2 MUCH GREATER ACCESS TO FRESH SURGICAL MATERIAL FOR
3 THE ISOLATION OF STEM CELLS FROM FRESH MATERIAL THAN
4 WE CAN EVER POSSIBLY HAVE IN CALIFORNIA.

5 SO THERE ARE LOTS OF UNEXPECTED BENEFITS
6 OF THIS COLLABORATION. AND I THINK IT'S ALSO BEEN
7 GREAT FOR THE SCIENCE OFFICE BECAUSE AN EXPERIENCED
8 SCIENCE OFFICER ON THE OTHER SIDE, ESPECIALLY IN THE
9 CANADIAN CONTEXT WHERE THEY'RE USED TO MANAGING VERY
10 LARGE-SCALE INTERNATIONAL COLLABORATIONS, HAS
11 ALLOWED US TO LEARN FROM THEIR EXPERIENCE. AND THEY
12 HAVE COMMITTED FOR THIS ROUND OF DISEASE TEAMS A
13 TOTAL OF \$40 MILLION IN FUNDS, AND THEY WOULD
14 IDEALLY LIKE THAT DISTRIBUTED TO TWO DISEASE TEAM
15 GRANTS FOCUSED ON CANCER.

16 WE HAD OFFICIAL WORD JUST THIS MORNING
17 THAT THE MRC, THE NIH EQUIVALENT IN THE UK, HAS
18 SIGNED ON FOR DISEASE TEAMS AS WELL WITH A
19 COMMITMENT OF \$5 MILLION. THIS DECISION FOLLOWS
20 CLOSELY ON A JANUARY WORKSHOP IN WHICH THERE WAS A
21 LOT OF TEAM FORMATION GOING ON BY THE SCIENTISTS ON
22 THE GROUND. AND YOU SHOULD NOTE THAT THE UK HAS THE
23 LARGEST EUROPEAN STEM CELL PORTFOLIO.

24 THE SPANISH HAVE BEEN VERY INVOLVED --
25 DR. PENHOET: MARIE, IF I COULD, WE WERE

BARRISTERS' REPORTING SERVICE

1 EXPECTING TO DISCUSS THE DISEASE TEAM RFA, AND THIS
2 IS A VERY INTERESTING PRESENTATION, BUT ARE YOU
3 NEARING THE END OF THIS PRESENTATION?

4 DR. CSETE: ABSOLUTELY. THE SPANISH HAVE
5 BEEN VERY INVOLVED IN STEM CELL RESEARCH FOR A LONG
6 TIME, AND THEIR GOVERNMENT JUST THIS YEAR MADE
7 REGENERATIVE MEDICINE A MAJOR PRIORITY. AS A
8 CONSEQUENCE OF THEIR INTEREST IN WORKING WITH
9 CALIFORNIA SCIENTISTS, THEY ALSO ARE COMMITTED TO
10 PARTICIPATING IN DISEASE TEAMS WITH A COMMITMENT OF
11 13 MILLION EURO.

12 DR. PIZZO: CAN I ASK ONE QUESTION? BOTH
13 WITH THE UK AND THE FIRST ONE, ARE THEY CONTINGENT
14 UPON ACTUALLY GETTING THE GRANT?

15 DR. CSETE: ABSOLUTELY.

16 DR. PIZZO: SO IT'S NOT THAT THEY'RE
17 GIVING YOU 5 OR 13. IT'S IF THEY GET THE GRANT.

18 DR. CSETE: RIGHT. THEY GET THE GRANT.

19 SO THE JAPANESE RECENTLY CAME TO US. THEY
20 ARE THE CLEAR LEADERS IN IPS TECHNOLOGIES AND ALSO
21 IN SYSTEMS BIOLOGY WORLDWIDE. AND THEY WANTED TO
22 MAKE IT A BALANCED PORTFOLIO IN THEIR GOVERNMENT
23 THAT NECESSARY HUMAN EMBRYONIC STEM CELL AND IPS
24 WORK WENT ON IN PARALLEL. AND WE'RE REALLY LOOKING
25 FORWARD TO WORKING OUT THE DETAILS. WE HAVE SIGNED

BARRISTERS' REPORTING SERVICE

1 AN MOU WITH THEM, AND THE DETAILS OF HOW OUR
2 SCIENTISTS WILL GET TOGETHER ARE BEING WORKED OUT
3 THIS MONTH.

4 SO OVERALL, THE MAJOR POINTS I WANTED TO
5 BRING HOME, BECAUSE THEY SEEM TO BE THE MAJOR
6 CONCERN OF THE BOARD, IS THAT WE ARE SELECTIVE. WE
7 ARE RESPONDING TO REQUESTS FROM PEOPLE WHO ARE
8 COMING FROM A POSITION OF STRENGTH TO BRING US
9 ENORMOUS INTELLECTUAL RESOURCES AND SYNERGIES TO OUR
10 SCIENTIFIC PROGRAMS. OUR SCIENTISTS ARE UNIVERSALLY
11 ENTHUSIASTIC ABOUT THIS, AND WE WILL CONTINUE TO, OF
12 COURSE, HAVE ONGOING EVALUATION THROUGH OUR USUAL
13 PROGRESS AND MILESTONE REPORTING. AGAIN, IT'S
14 CRITICALLY IMPORTANT AS WE GO INTO MORE
15 TRANSLATIONAL AND CLINICAL PROGRAMS THAT THESE KINDS
16 OF COLLABORATIONS HAPPEN BECAUSE CLINICAL PROJECTS
17 THAT ARE DEFINED IN TWO PLACES THAT ARE VERY
18 DIFFERENT ARE MUCH STRONGER IN ACCELERATING
19 THERAPIES TO THE CLINIC.

20 AND, FINALLY, THIS GIVES US AN OPPORTUNITY
21 FOR KEEPING OUR LEADERSHIP POSITION IN STEM CELL
22 BIOLOGY AND HARMONIZING REGENERATIVE MEDICINE
23 APPROACHES AROUND THE WORLD.

24 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
25 THIS IS A VERY IMPORTANT PROGRAM. DR. PIZZO, COULD

BARRISTERS' REPORTING SERVICE

1 WE DO SOME -- AN ITEM VERY QUICKLY AND THEN HAVE
2 SOME GENERAL COMMENTS ON THIS?

3 DR. PIZZO: CAN YOU DO SOMETHING VERY
4 QUICKLY?

5 CHAIRMAN KLEIN: YES.

6 DR. PIZZO: SURE.

7 CHAIRMAN KLEIN: WHAT I'D LIKE TO DO IS
8 THIS IS A -- THIS COLLABORATIVE PROGRAM I AM A GREAT
9 BELIEVER IN. THERE'S A TREMENDOUS AMOUNT OF EFFORT
10 IN IT. I WANT TO HOLD THE COMMENTS ON IT BEFORE WE
11 LOSE SOME MEMBERS HERE VERY QUICKLY BECAUSE I WANT
12 DR. OLSON TO ADDRESS THE FACT THAT WE'RE ABOUT TO
13 PUT OUT THE RFA FOR DISEASE TEAMS. AND WHAT'S
14 CRITICAL HERE IS THAT THIS IS GOING THROUGH TRIAGE.
15 THIS IS A SHORT-FORM APPLICATION, BUT WE HAVE TO
16 MAINTAIN THIS MOMENTUM TO HAVE THE PIPELINE FOR
17 MISSION CRITICAL PROGRAMS. THIS IS THE MOTIVATION,
18 IN FACT, FOR PLACING MAJOR PRIVATE PLACEMENT. THIS
19 IS A MAJOR MOTIVATION FOR ANY FUNDS FROM THE FEDERAL
20 GOVERNMENT. IT IS A MAJOR POINT. AND I'D LIKE TO
21 ASK DR. OLSON, GIVEN THIS CONDITIONS, GIVEN WE HAVE
22 TRANSPARENCY, DO WE FEEL THAT WE CAN MOVE FORWARD
23 AND MAINTAIN THIS PIPELINE? AND I'D LIKE TO MAKE
24 SURE THAT WE HAVE THE BOARD'S SUPPORT FOR THIS AS A
25 VITAL PROGRAM.

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: I DON'T HAVE TO SAY A WORD.

2 CHAIRMAN KLEIN: FOR THE RECORD, DR.

3 OLSON, BECAUSE THIS TRANSCRIPT IS GOING TO BE LOOKED
4 AT BY A LOT OF PEOPLE.

5 DR. OLSON: I THINK I JUST WANT TO GET A
6 SENSE FROM THE BOARD THAT THE BOARD WANTS US TO
7 CONTINUE ON THE TIMELINE WE CURRENTLY HAVE
8 CONTEMPLATED FOR THE DISEASE TEAM RFA; THAT IS,
9 RELEASE OF THE RFA WITHIN THE NEXT COUPLE OF WEEKS.
10 WE WOULD DO PREAPPLICATION AND REVIEW OF SCREENING.
11 SO THIS WOULD BE A SHORT FOUR TO FIVE PAGES, I THINK
12 YOU'VE HEARD. AND THAT THE INVITATION FOR FULL
13 APPLICATIONS WOULD NOT HAPPEN UNTIL LATE APRIL,
14 EARLY MAY. SO THAT'S WHEN THE SIGNIFICANT AMOUNT OF
15 EFFORT WOULD GO IN ON THE PART OF THOSE APPLICANTS
16 WHO ARE INVITED TO APPLY.

17 CHAIRMAN KLEIN: DUANE AND DR. REED --

18 DR. OLSON: DO WE HAVE A SENSE?

19 CHAIRMAN KLEIN: -- ARE YOU SUPPORTIVE OF
20 THIS? DR. REED.

21 DR. REED: YES.

22 CHAIRMAN KLEIN: DR. AZZIZ?

23 DR. AZZIZ: YES.

24 CHAIRMAN KLEIN: THANK YOU.

25 DR. OLSON: THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DR. PIZZO.

2 DR. PIZZO: SO CLEARLY I'M ALSO SUPPORTIVE
3 TO THIS. I WANT TO MAKE TWO COMMENTS BOTH WITH
4 REGARD TO THIS AND THE AFOREMENTIONED PRESENTATION.

5 IS THERE AN INTENT WHEN WE GO FORWARD TO
6 MAKE IT CLEAR IN THE RFA THAT THE FUNDING ISSUES ARE
7 ALSO NOT FULLY DETERMINED? I REALIZE EVERYBODY IS
8 APPLYING.

9 CHAIRMAN KLEIN: THERE ARE CHALLENGES.

10 DR. PIZZO: THERE MAY NOT BE FUNDING. WE
11 SHOULD MAKE IT CLEAR ALONG THE LINES OF WHERE WE ARE
12 TODAY.

13 CHAIRMAN KLEIN: I THINK WE SHOULD POST A
14 GENERAL STATEMENT.

15 DR. PIZZO: A GENERAL STATEMENT. THAT
16 WOULD BE FINE. I'M PERFECTLY FINE WITH THAT. I
17 THINK THAT'S GOOD.

18 SO THE SECOND STATEMENT THAT I WANTED TO
19 MAKE IS I WAS ONE OF THE PEOPLE WHO RAISED THE
20 CONCERNS ABOUT THE INTERNATIONAL COLLABORATIONS AT
21 OUR LAST MEETING. AND THANKS TO SOME ADDITIONAL
22 DISCUSSIONS AND I THINK THE PRESENTATION THAT MARIE
23 GAVE TODAY, I WANT TO SAY THAT MY CONCERNS HAVE BEEN
24 FULLY MET. I THINK THAT THIS IS A GOOD PLAN,
25 PARTICULARLY BECAUSE OF THE WAY IT'S BEEN

BARRISTERS' REPORTING SERVICE

1 FORMULATED.

2 WHAT WAS NOT CLEAR TO ME EARLIER WAS
3 WHETHER THIS WAS HAPPENING IN A HAPHAZARD WAY,
4 WHETHER IT WAS A LITTLE BIT OF JUST COINCIDENTAL,
5 MAYBE EVEN SOME PREDATORY, BUT IT IS SOMETHING THAT
6 IS STARTING FROM THE GROUND UP TO A GREAT DEGREE,
7 NOT SIMPLY BECAUSE A COUNTRY SAYS, GEE, I'D LIKE TO
8 JOIN THIS, AND THAT IT'S BASED ON GOOD -- ULTIMATELY
9 WILL BE BASED ON GOOD SCIENCE THAT'S PEER REVIEWED
10 AND DOESN'T HAVE A LIEN BASED UPON THE INTERNATIONAL
11 COLLABORATION OR THE MONEY, BUT RATHER ON WHAT'S THE
12 BEST QUALITY.

13 THAT'S WHAT I HEARD FROM YOU TODAY. SO IF
14 I HAD RESERVATIONS THAT WERE EXPRESSED LAST TIME,
15 I'D LIKE IT TO BE CLEAR THAT I DON'T HAVE THOSE AT
16 THIS POINT.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AS
18 TO COMMENTS FROM THE OTHER MEMBERS OF THE BOARD ON
19 PROCEEDING ON THE DISEASE TEAM RFA, IS IT CONSISTENT
20 WITH THE REST OF THE BOARD THAT WE FEEL THIS IS A
21 CRITICAL PROGRAM WE NEED TO MOVE FORWARD ON THROUGH
22 THIS PRESCREENING PROCESS? SEEING GENERAL AGREEMENT
23 THROUGHOUT THE BOARD. THIS IS MISSION CRITICAL. WE
24 APPRECIATE THE STAFF'S WORK ON IT. WE KNOW IT WILL
25 BE VERY CHALLENGING.

BARRISTERS' REPORTING SERVICE

1 AND, DR. PIZZO, I WOULD ASSUME THAT WHEN
2 WE POST A STATEMENT ON OUR WEBSITE, WE SHOULD STATE
3 THE CHALLENGE AND STATE THE THINGS WE' RE DOING TO
4 WORK ON ADDRESSING THE CHALLENGE.

5 DR. PIZZO: ABSOLUTELY. YOU COULD HAVE IT
6 FLASHING.

7 CHAIRMAN KLEIN: OKAY. DR. TROUNSON,
8 ADDITIONAL ITEMS YOU' D LIKE TO HAVE ADDRESSED?

9 DR. TROUNSON: NO. LOOK, I THINK YOU' VE
10 DONE A MARVELOUS JOB, CHAIR AND BOARD. AND WE
11 REALLY DO THANK YOU. WE COULD BRING ANOTHER TWO
12 DOZEN MATTERS IF YOU REALLY WANT IT NEXT TIME, BUT I
13 THINK YOU' VE BEEN THROUGH SOME REALLY DIFFICULT
14 DISCUSSIONS, AND PARTICULARLY THE FINANCES. AND
15 WHILE THEY HAVE BEEN AN ISSUE FOR US FOR QUITE SOME
16 TIME, I THINK YOU' VE GOT THE ENTIRE MESSAGE. AND
17 WE' RE VERY HAPPY TO RESPOND TO ANY MEMBER OF THE
18 BOARD WHO WANTS ANY PARTICULAR INFORMATION THAT THEY
19 THOUGHT WASN' T TOTALLY CLEAR OR THEY WANTED TO REASK
20 THE QUESTION AGAIN.

21 I WOULD SAY WE WOULD THANK THE BOARD FOR
22 THE CONFIDENCE THAT YOU PLACE IN THE WHOLE AREA OF
23 RESEARCH. AND FOR THE SCIENTISTS OUT THERE AND
24 THOSE PEOPLE WHO NOW ARE PLOWING IN TRANSLATION
25 TOWARDS THE CLINIC OR HEADING INTO THE CLINIC, THIS

BARRISTERS' REPORTING SERVICE

1 IS A VERY GOOD TIME FOR THEM. AND I THINK YOU'VE
2 DONE THE ABSOLUTE VERY BEST ON THEIR BEHALF. AND I
3 THINK IT WILL BE RECORDED HISTORICALLY THAT THE ICOC
4 AND CIRM DIDN'T TAKE A BACKWARD STEP, BUT KEPT THE
5 MOMENTUM GOING FORWARD. I THINK THAT'S A VERY
6 IMPORTANT MESSAGE TO GO TO THE WHOLE WIDE WORLD.
7 AND THANK YOU, BOARD, VERY, VERY MUCH FOR YOUR
8 SUPPORT OF EVERYTHING THAT WE'VE PUT TO YOU OVER
9 THESE LAST TWO DAYS.

10 CHAIRMAN KLEIN: OKAY. THANK YOU. THANK
11 ALL THE BOARD MEMBERS. AND, YOU KNOW, LET IT BE
12 SAID THAT EVEN SICKNESS DOES NOT KEEP AWAY DEDICATED
13 BOARD MEMBERS. THANK YOU, LEEZA, FOR RALLYING FOR
14 OUR QUORUM. IT IS DEEPLY APPRECIATED.

15 DR. PIZZO: THANK YOU, LEEZA. I'M GLAD NO
16 ONE IS SITTING AROUND YOU THOUGH.

17 (APPLAUSE.)

18 CHAIRMAN KLEIN: THANK YOU FOR THE STAFF
19 FOR THEIR TREMENDOUS EFFORT AS ALWAYS. HUGE
20 DEDICATION. I'D LIKE TO SAY IN THE FIRST -- TWO
21 WEEKS AGO IN THE FIRST, COUNTING SUNDAY, IN THE
22 FIRST FIVE DAYS OF THE WEEK, STARTING WITH SUNDAY, I
23 THINK MELISSA PUT IN ABOUT 85 HOURS. BY THE END OF
24 THE WEEK, I THINK SHE WAS AT A HUNDRED HOURS. SO
25 WE'RE TALKING ABOUT EXTRAORDINARY COMMITMENT. IN

BARRISTERS' REPORTING SERVICE

1 WASHINGTON, D. C. , SHE WAS WORKING TILL ELEVEN OR
2 MIDNIGHT EVERY NIGHT WITH STAFF AT THE CAPITOL GOING
3 BACK AND FORTH CONSTANTLY. SO, MELISSA, THANK YOU
4 FOR YOUR EXTRAORDINARY CONTRIBUTION.

5 (APPLAUSE.)

6 DR. PIZZO: WE'RE GOING TO PAY YOU ON AN
7 HOURLY BASIS.

8 CHAIRMAN KLEIN: OKAY. THANK YOU ALL.
9 THANK THE SCIENTIFIC STAFF. IT IS AN EXTRAORDINARY,
10 EXCITING PERIOD. WE'RE LOOKING FORWARD TO
11 TRANSLATION AND DISEASE TEAMS, AND WE'RE LOOKING
12 FORWARD TO FINDING UNIQUE, CREATIVE, AND DYNAMIC
13 WAYS TO MEETING THE FINANCIAL CHALLENGES WE HAVE
14 BEFORE US. THANK YOU. WE ARE ADJOURNED.

15 (THE MEETING WAS THEN ADJOURNED AT
16 03:09 P.M.)

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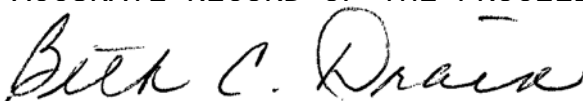
BARRISTERS' REPORTING SERVICE

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 PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

CROWNE PLAZA HOTEL SFO
1177 AIRPORT BOULEVARD
BURLINGAME, CALIFORNIA
ON
FRIDAY, JANUARY 30, 2009

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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