

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

LOCATION: 210 KING STREET  
SAN FRANCISCO, CALIFORNIA

DATE: THURSDAY, MARCH 30, 2006  
3:30 P.M.

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

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1 GOVERNANCE SUBCOMMITTEE TELECONFERENCE MEETING;  
2 THURSDAY, MARCH 30, 2006

3  
4 CHAIR LANSING: LET ME START. THIS IS SHERRY  
5 LANSING. LET ME WELCOME EVERYONE TO THIS MEETING OF  
6 THE GOVERNANCE SUBCOMMITTEE OF THE ICOC. WE WILL  
7 EVENTUALLY HAVE PARTICIPANTS IN EIGHT LOCATIONS ON THE  
8 CALL. SO I'M HERE IN LOS ANGELES SO FAR WITH ONE  
9 MEMBER OF THE PUBLIC, LAURA BROWN. AND IS THERE ANYONE  
10 AT CEDARS-SINAI YET?

11 UNIDENTIFIED SPEAKER: NO PUBLIC YET.

12 CHAIR LANSING: AT USC? AT IRVINE?

13 DR. STEWARD: OS STEWARD IS HERE. NO PUBLIC.

14 CHAIR LANSING: AT STANFORD?

15 DR. PIZZO: PHIL PIZZO IS HERE WITH BOB AND  
16 AMY.

17 CHAIR LANSING: AT UC DAVIS?

18 MS. AMANERO: CANDACE AMANERO. NO PUBLIC.

19 CHAIR LANSING: AT SAN DIEGO?

20 WELL, IF PEOPLE COME IN, WE WILL CONTINUE,  
21 BUT I THINK IN THE -- YOU KNOW, BECAUSE OF THE TIME  
22 CONSTRAINTS THAT SOME OF US HAVE, I THINK I WANT TO  
23 THANK EVERYBODY WHO'S HERE SO FAR FOR PARTICIPATING.

24 AMY, WHY DON'T YOU LEAD US IN A ROLL CALL.

25 MS. DU ROSS: SHERRY LANSING.

1 CHAIR LANSING: HERE.

2 MS. DU ROSS: KEITH BLACK. BRIAN HENDERSON.

3 BOB KLEIN.

4 MR. KLEIN: HERE.

5 MS. DU ROSS: CLAIRE POMEROY. OS STEWARD.

6 DR. STEWARD: HERE.

7 MS. DU ROSS: TINA NOVA. PHIL PIZZO.

8 DR. PIZZO: HERE.

9 MS. DU ROSS: JOHN REED. RICHARD MURPHY.

10 CHAIR LANSING: I DO BELIEVE THAT WE WILL

11 HAVE A COMFORTABLE QUORUM, AND I UNDERSTAND THAT ALL OF

12 OUR COMMITTEE WILL BE ATTENDING EXCEPT POSSIBLY KEITH

13 BLACK. BUT BEFORE WE GET INTO OUR AGENDA, ARE THERE

14 ANY QUESTIONS OR COMMENTS FROM SUBCOMMITTEE MEMBERS?

15 CEDARS-SINAI? THERE'S NO ONE THERE YET. USC? IRVINE?

16 DR. STEWARD: NO COMMENTS.

17 CHAIR LANSING: STANFORD? UC DAVIS? SAN

18 DIEGO?

19 ALL RIGHT. I'D LIKE TO INVITE THE PUBLIC TO

20 COMMENT. AND I WILL GO THROUGH AGAIN. PUBLIC AT

21 CEDARS-SINAI? USC? IRVINE?

22 DR. STEWARD: NO PUBLIC.

23 CHAIR LANSING: STANFORD? DAVIS? SAN DIEGO?

24 WHO'S JOINED US, PLEASE?

25 DR. NOVA: IT'S TINA IN SAN DIEGO.

1 CHAIR LANSING: TINA, WE WILL RECORD THAT YOU  
2 ARE HERE. WE'RE GLAD YOU'RE HERE. ARE THERE ANY  
3 MEMBERS OF THE PUBLIC THAT WISH TO COMMENT AT YOUR  
4 LOCATION?

5 DR. NOVA: THERE ARE NOT.

6 CHAIR LANSING: OKAY. THEN I THINK WE'VE  
7 GONE THROUGH THE BEGINNING. SO WE ARE NOW GOING TO  
8 ALTER OUR AGENDA SLIGHTLY. WE'RE GOING TO DEAL WITH  
9 AGENDA ITEM 5, THE CONSIDERATION OF THE ICOC BYLAWS.  
10 THIS IS BECAUSE DAN BEDFORD HAS TO LEAVE EARLY FOR A  
11 FAMILY OBLIGATION.

12 SO, BOB, WOULD YOU PLEASE INTRODUCE DAN, WHO  
13 WILL LEAD US THROUGH AGENDA ITEM 5, WHICH IS THE  
14 CONSIDERATION OF OUR BYLAWS.

15 MR. KLEIN: THANK YOU, SHERRY. DAN BEDFORD  
16 JUST JOINED. IS THAT DAN?

17 CHAIR LANSING: I JUST WANT TO SAY THAT DAN  
18 HAS A REALLY GOOD FAMILY OBLIGATION. HIS DAUGHTER IS  
19 GETTING MARRIED THIS WEEKEND, SO THAT'S WORTH ADOPTING  
20 OUR AGENDA.

21 MR. BEDFORD: I THOUGHT YOU'D NEVER SAY THAT,  
22 SHERRY.

23 MR. KLEIN: EVERYONE SHOULD KNOW THAT DAN  
24 BEDFORD HAS BEEN AT ORRICK, HERRINGTON AS A SENIOR  
25 PARTNER FOR YEARS IN THE CORPORATE AND FINANCE AREAS

1 PRINCIPALLY, BUT OPERATING ACROSS THE BROAD SPECTRUM OF  
2 SUBJECT AREAS. HE TOOK A LEAVE ABOUT SIX MONTHS AGO  
3 NOW AND CAME OVER TO THE CIRM AND SERVES AS A PUBLIC  
4 CONTRIBUTION PRO BONO ON OUR STAFF, HAS MADE VERY  
5 IMPORTANT CONTRIBUTIONS, INCLUDING THE ONE HE'S GOING  
6 TO INTRODUCE TODAY, WHICH IS BRINGING TOGETHER A  
7 PROFESSIONAL SET OF BYLAWS FOR CIRM.

8 SO, DAN, MAYBE YOU COULD -- I THINK, SHERRY,  
9 YOU WANT DAN TO LEAD US THROUGH THIS?

10 CHAIR LANSING: YES, I DO.

11 MR. BEDFORD: THANK YOU.

12 DR. HALL: WE'VE JUST BEEN JOINED BY A MEMBER  
13 OF THE PUBLIC.

14 MR. ELIAS: HI. I'M PAUL ELIAS, ASSOCIATED  
15 PRESS.

16 CHAIR LANSING: WELCOME. DID YOU HAVE ANY  
17 COMMENTS BEFORE WE START THIS AGENDA ITEM?

18 MR. ELIAS: NO, THANK YOU.

19 CHAIR LANSING: OKAY.

20 DR. HALL: HAS SOMEBODY ELSE JOINED IN?

21 MR. BARNES: I THINK SOMEBODY ELSE HAS JOINED  
22 US. WOULD THAT BE FROM USC?

23 MS. LAPA: YES, WE'RE HERE FROM USC.

24 MR. BARNES: AND WHO IS THAT?

25 MS. LAPA: I'M DIANE LAPA, THE STAFF

1       ASSISTANT, AND DR. HENDERSON IS ACTUALLY COMING UP THE  
2       ELEVATOR.

3                   MR. BEDFORD: ARE WE READY? I WANTED TO  
4       ANSWER THE FIRST QUESTION THAT'S IN EVERYBODY'S MIND,  
5       AND THAT IS THAT I DO LIKE MY FUTURE SON-IN-LAW.

6                   I WANTED TO TELL YOU THE BACKGROUND ON THE  
7       BYLAWS. I THINK IT WILL MAKE A LOT MORE SENSE WHAT  
8       YOU'RE LOOKING AT IF I GO THROUGH A FEW THINGS, WHAT I  
9       CALL THE BYLAW PHILOSOPHY.

10                   IN A SITUATION LIKE THIS, AS YOU'VE BEEN TOLD  
11       IN THE PAST, IT'S NOT UNCOMMON FOR AGENCIES NOT TO HAVE  
12       BYLAWS AT ALL. HOWEVER, IN THIS CASE WE HAVE A NUMBER  
13       OF REASONS FOR HAVING IT. THE FIRST THING IS THERE'S A  
14       LOT OF RULES THAT PROP 71 ACTUALLY ASKS THAT WE ADOPT  
15       TO RUN OURSELVES THAT ARE NOT COVERED BY PROP 71.  
16       SECONDLY, WE WANT TO CLARIFY THOSE AREAS IN PROP 71  
17       WHICH MAY HAVE EITHER AMBIGUITIES OR TWO DIFFERENT  
18       VIEWPOINTS JUST TO SET THE RECORD STRAIGHT. THE COURTS  
19       GIVE GREAT WEIGHT TO WHAT AN AGENCY DECIDES IS THE WAY  
20       ITS LAW IS MEANT TO BE READ. AND THEN THIRD IN THIS  
21       CASE WE HAVE ALSO TRIED TO BRING TOGETHER IN ONE PLACE  
22       THE RULES AND GUIDELINES OF PROP 71 THAT PERTAIN TO THE  
23       ICOC AND THAT ARE REPEATEDLY REFERRED TO OR CONVENIENT  
24       TO HAVE IN ONE PLACE.

25                   WHAT WE HAVEN'T DONE IS WE HAVEN'T BROUGHT IN

1 RULES AND GUIDELINES THAT APPLY TO OTHER STATE  
2 OFFICIALS, SO YOU WON'T SEE ANYTHING ABOUT THE FINANCE  
3 COMMITTEE IN THERE. AND THERE IS AN INTERNAL  
4 GOVERNANCE POLICY BEING DEVELOPED WHICH WILL BE  
5 PRESENTED AT SOME LATER DATE, SO THAT SORT OF THING,  
6 WHEN I SAY GOVERNANCE, I MEAN CIRM'S INTERNAL  
7 GOVERNANCE POLICY. THAT'S NOT ON THE TABLE TODAY.

8 THE WAY THAT CIRM GOT GOING AND THE ICOC GOT  
9 GOING, IT WAS A TRIP AND FALL IN MANY CASES EARLIER IN  
10 THE YEAR. A LOT OF THINGS WERE DONE, BUT NOT BROUGHT  
11 TOGETHER IN ONE PLACE. SOME OF THE SOURCE MATERIAL FOR  
12 THESE BYLAWS INCLUDE THE SET THAT JAMES HARRISON  
13 INTRODUCED SOME TIME AGO IN AUGUST TO THE ICOC -- I'M  
14 SORRY -- TO THE GOVERNANCE SUBCOMMITTEE, PROP 71  
15 ITSELF, OF COURSE, THE UNOFFICIAL TRANSCRIPTS OF SOME  
16 OF THE GOVERNANCE SUBCOMMITTEE MEETINGS, AND AGENDA  
17 ITEMS 10 FOR BOTH THE JULY AND AUGUST MEETINGS DEALING  
18 WITH POLICY ENHANCEMENTS.

19 SO, FINALLY, AS EVERYBODY ON THIS CALL  
20 PAINFULLY KNOWS, CIRM IS AT A POINT IN LIFE WHERE  
21 ADMINISTRATIVE MATTERS SUCH AS BYLAWS ARE ALWAYS  
22 UNFINISHED BUSINESS AND THAT WE CONTINUALLY ADD,  
23 REVISE, AND TAKE AWAY. I WANT TO TAKE YOU THROUGH A  
24 FEW ITEMS THAT HAVE ALREADY COME UP SINCE THE DRAFT WAS  
25 SENT TO YOU JUST A FEW DAYS AGO.



1                   THE FIRST ONE IS THAT THERE WAS A REQUIREMENT  
2                   THAT A 70-PERCENT VOTE OF THE ICOC IS NEEDED FOR  
3                   CHANGES TO THE POLICY ENHANCEMENTS. THAT RULE OF  
4                   VOTING WAS INADVERTENTLY DELETED IN THE PRESENT DRAFT  
5                   AND IT WILL SIMPLY GO BACK IN. WE HAVE ALSO HAD  
6                   SUGGESTIONS TO ADD TO ARTICLE VII, THE WORKING GROUP'S  
7                   ARTICLE, THREE ITEMS. ONE IS THE LIST OF FUNCTIONS  
8                   THAT ARE IN PROP 71 AS A REFERENCE FOR ICOC MEMBERS AND  
9                   OTHERS. THE SECOND ONE IS THE PROCEDURES FOR REMOVING  
10                  WORKING GROUP MEMBERS THAT WAS ADOPTED AT THE FEBRUARY  
11                  10 ICOC MEETING. AND THE THIRD ITEM ARE THE PROCEDURES  
12                  FOR APPOINTING WORKING GROUP MEMBERS WHEN THERE IS A  
13                  VACANCY. THESE ARE ALL ITEMS THAT CAME UP THROUGH  
14                  THE -- WHEN I WAS READING THE VARIOUS TRANSCRIPTS THAT  
15                  HAD NOT YET BEEN PUT IN THERE.

16                  THERE HAS BEEN A SUGGESTION MADE THAT ALL OR  
17                  PART OF THE CONFLICT OF INTEREST POLICY FOR ICOC  
18                  MEMBERS BE MADE A PART OF THE BYLAWS EITHER BY  
19                  INCORPORATION, ATTACHMENT, OR REFERENCE. AND WE CAN  
20                  RETURN TO THAT QUESTION IN A SECOND.

21                  THERE ARE A NUMBER OF OTHER LITTLE ITEMS THAT  
22                  CAN -- NOT LITTLE, BUT MORE EASILY DEALT WITH ON A PAGE  
23                  TURN THROUGH THE DOCUMENTS, WHICH I WON'T BRING UP AT  
24                  THIS TIME. BUT FIRST, THERE'S ONE ADDITION THAT REALLY  
25                  CONCERNS PROCEDURES FOR THE ICOC EXECUTIVE SESSIONS.

1 AND IT NEEDS A FURTHER EXPLANATION, WE BELIEVE, FROM  
2 JAMES HARRISON BECAUSE THERE'S A LOT OF MOTIVATION FOR  
3 WANTING TO INCLUDE THAT.

4 JAMES, YOU'RE ON THE LINE, RIGHT?

5 MR. HARRISON: I AM. THANKS, DAN. AS MANY  
6 OF YOU KNOW, ONE OF THE ARGUMENTS THAT THE PLAINTIFFS  
7 HAVE RAISED IN THE ONGOING LITIGATION CHALLENGING  
8 PROPOSITION 71 IS THAT THE WORKING GROUPS ARE THE REAL  
9 DECISION MAKERS UNDER PROPOSITION 71. AND THE BASIS  
10 FOR THE PLAINTIFFS' ARGUMENT IS THAT THE ICOC, BECAUSE  
11 IT MEETS IN PUBLIC SESSION, DOESN'T HAVE THE ABILITY TO  
12 ENGAGE IN A DETAILED REVIEW OF APPLICATIONS WITHOUT  
13 UNDERMINING THE CONFIDENTIAL NATURE OF PROPRIETARY  
14 INFORMATION CONTAINED IN THOSE APPLICATIONS. AND AS  
15 YOU ALSO KNOW, PROPOSITION 71 IS ITSELF CREATING  
16 CERTAIN EXCEPTIONS TO THE BAGLEY-KEENE OPEN MEETING  
17 ACT, INCLUDING AN EXCEPTION THAT PERMITS THE ICOC TO GO  
18 INTO CLOSED SESSION TO DISCUSS CONFIDENTIAL  
19 INTELLECTUAL PROPERTY, WORK PRODUCT, OR OTHER  
20 PROPRIETARY INFORMATION, AND ALSO TO DISCUSS  
21 CONFIDENTIAL SCIENTIFIC RESEARCH FOR DATA.

22 SO WE THINK IT'S VERY IMPORTANT TO BE  
23 EXPLICIT HERE IN THE BYLAWS AND TO RECONFIRM THE ICOC'S  
24 AUTHORITY TO GO INTO CLOSED SESSION TO CONDUCT THAT  
25 KIND OF DETAILED EVALUATION IF MEMBERS BELIEVE IT'S

1 NECESSARY TO DO SO.

2 DR. PIZZO: I THINK THAT'S A VERY IMPORTANT  
3 STEP IN THE RIGHT DIRECTION AND WILL HELP, I THINK, ALL  
4 OF US BE ABLE TO FEEL MORE RESPONSIBLE STEWARDS OF THE  
5 PROCESS.

6 MR. KLEIN: IT IS IMPORTANT. IT IS A RIGHT  
7 THAT WE'VE HAD, BUT TO MAKE IT EXPLICIT IN OUR BYLAWS  
8 MAKES IT EASIER FOR ANY MEMBER OF THE PUBLIC TO  
9 UNDERSTAND THE PURPOSES FOR AN EXECUTIVE SESSION THAT  
10 WOULD DISCUSS PREPUBLICATION PROPRIETARY SCIENTIFIC  
11 INFORMATION, FOR EXAMPLE.

12 DR. POMEROY: THIS IS CLAIRE POMEROY. I'VE  
13 JUST JOINED YOU. AND IT SEEMS LIKE A VERY REASONABLE  
14 APPROACH.

15 MR. KLEIN: JAMES, I THINK THAT COVERED THAT  
16 ITEM.

17 MR. HARRISON: I THINK THAT'S RIGHT. I THINK  
18 WHAT WE NEED TO DO IS SIMPLY AMEND THE BYLAWS TO MAKE  
19 EXPLICIT REFERENCE TO THE ICOC'S ABILITY TO RETIRE TO  
20 CLOSED SESSION FOR THOSE PURPOSES.

21 MR. KLEIN: SO THIS, JAMES, IS A QUESTION.  
22 IT WOULD BE INCORPORATED AS AN AMENDMENT -- AS PART OF  
23 THE AMENDMENTS THAT ARE BEING SUGGESTED TO US RIGHT  
24 NOW; IS THAT RIGHT?

25 MR. HARRISON: THAT'S CORRECT.

1 DR. PIZZO: WHERE DOES IT SHOW UP, JAMES, IN  
2 THE LIST OF ITEMS?

3 MR. HARRISON: IT WOULD ACTUALLY BE A NEW  
4 SECTION IN ARTICLE V OF MEETINGS. IT WOULD BE A NEW  
5 SECTION 3 THAT WOULD FOLLOW THE OPEN MEETING SECTION.

6 DR. PIZZO: VERY GOOD. THANK YOU.

7 MR. KLEIN: ARE WE BACK TO DAN?

8 MR. HARRISON: TURN THE FLOOR BACK TO DAN.

9 MR. BEDFORD: GOOD. SO LET'S GO THROUGH THE  
10 WORKING GROUP ITEM. I'D LIKE TO GET A SENSE OF THE  
11 GROUP ON WHETHER THERE'S ANY COMMENT ABOUT ADDING THE  
12 LIST. THESE ARE THINGS THAT REALLY HAVE ALREADY BEEN  
13 DRAFTED: THE LIST OF FUNCTIONS FOR THE WORKING GROUPS  
14 SET FORTH IN PROPOSITION 71, PROCEDURES FOR REMOVING  
15 WORKING GROUP MEMBERS THAT WAS ADOPTED AT THE FEBRUARY  
16 10 ICOC MEETING, AND THE PROCEDURES FOR APPOINTING  
17 WORKING GROUP MEMBERS WHEN THERE IS A VACANCY. I DON'T  
18 HAVE THE REFERENCE TO THAT, BUT APPARENTLY THAT WAS  
19 ADOPTED AS A MOTION AT ONE OF THE VERY EARLY MEETINGS.

20 MR. KLEIN: JAMES, THAT'S CORRECT, IS THAT  
21 NOT?

22 MR. HARRISON: IT IS.

23 MR. BEDFORD: WELL, I'LL TAKE THE ABSENCE OF  
24 A NAY AS BEING OKAY.

25 THEN THE CONFLICT OF INTEREST -- BOB, WE WERE

1 TALKING ABOUT THIS A LITTLE BIT EARLIER THIS MORNING,  
2 AND THE QUESTION IS WHETHER TO LITERALLY JUST MAYBE  
3 PERHAPS ATTACH THE CONFLICT OF INTEREST POLICY AS AN  
4 ATTACHMENT AND MAKE REFERENCE TO THE FACT THAT THE  
5 MEMBERS ARE BOUND BY THAT POLICY SO THAT IT'S ALL PART  
6 OF THE BYLAWS. IT MAY HAVE BEEN DR. PIZZO OR SOMEBODY  
7 HAD MADE A COMMENT THAT THEY WERE CONSTANTLY REFERRING  
8 TO THEIR BYLAWS WHEN IT CAME TO STICKY ITEMS. AND IT  
9 SEEMS TO ME THIS WOULD BE CONVENIENT TO HAVE AS PART OF  
10 OUR BYLAWS.

11 DR. PIZZO: I AGREE WITH THAT.

12 MR. KLEIN: SEEMS LIKE A GOOD IDEA.

13 MR. BEDFORD: THEN YOU'VE HAD -- YOU HAVE THE  
14 DRAFT IN FRONT OF YOU. WHY DON'T WE JUST TURN A FEW  
15 PAGES. I CAN TELL YOU SOME OF THE CHANGES, VERY MINOR  
16 CHANGES, BUT A COUPLE OF VERY IMPORTANT ONES. AND IF  
17 ANYBODY HAS ANY QUESTIONS OR COMMENTS AS WE GO THROUGH,  
18 JUST PLEASE SORT OF -- I CAN'T SEE YOUR HAND RAISED, SO  
19 JUST PIPE UP. ACTUALLY I CAN, BUT I DON'T LIKE TO  
20 ADMIT IT.

21 THE FIRST ONE IS ON PAGE 2, UNDER ARTICLE IV,  
22 MEMBERS, SECTION 2. THERE HAS BEEN SOME DISCUSSION FOR  
23 SOME TIME THAT THE PHRASE "FROM TIME TO TIME" THAT'S IN  
24 THE PROP 71 THAT REFERS TO ALLOWING CERTAIN MEMBERS TO  
25 HAVE ALTERNATES ATTEND ON THEIR BEHALF SHOULD HAVE SOME

1       PARAMETERS ABOUT IT.  IN A SORT OF CONFERENCE THIS  
2       MORNING AMONG SOME OF US HERE AT CIRM, THE CONSENSUS  
3       WAS TO JUST HAVE IT LIMITED TO NOT MORE THAN FOUR TIMES  
4       IN A 12-MONTH PERIOD.  BUT IF PEOPLE HAVE OTHER  
5       SUGGESTIONS AND FEEL STRONGLY, WE CAN CERTAINLY GO THAT  
6       WAY.

7                       MR. KLEIN:  THAT WAS JAMES HARRISON'S  
8       RECOMMENDATION; IS THAT CORRECT, DAN?

9                       MR. BEDFORD:  HE PICKED THE CALENDAR YEAR AND  
10      YOU PICKED 12 MONTHS, AND I ADDED TWICE IN A ROW.  SO  
11      IT WAS SORT OF A TEAM EFFORT TO BUILD THE CAMEL INSTEAD  
12      OF THE HORSE.

13                      DR. PIZZO:  I HAVE ONE QUESTION, WHICH IS  
14      CERTAINLY THAT SOUNDS REASONABLE, BUT I WANT TO  
15      QUESTION WHAT WE'RE ATTEMPTING TO ACCOMPLISH BECAUSE  
16      THE ALTERNATIVE, WHICH I THINK DOES HAPPEN, THAT  
17      SOMEONE DOESN'T HAVE A DELEGATE AND THERE'S NO  
18      INSTITUTIONAL REPRESENTATION.  AND SO THE QUESTION IS  
19      IS IT BETTER TO HAVE NO INSTITUTIONAL REPRESENTATION OR  
20      TO HAVE A DELEGATE WHO CAN PARTICIPATE IN THE PROCESS  
21      EVEN IF THAT VIOLATED THE CURRENT RECOMMENDATION THAT  
22      YOU HAVE OF TWO CONSECUTIVE TIMES OR FOUR IN A 12-MONTH  
23      OR YEAR-LONG PERIOD?

24                      MR. KLEIN:  FROM A LEGAL POINT OF VIEW, THE  
25      PURPOSE HERE IS TO GET INSTITUTIONAL REPRESENTATION IN

1 TERMS OF THE TYPE OF INSTITUTION AS THE CRITERIA SET  
2 FORTH. SO EVEN IF THERE IS ONE RESEARCH HOSPITAL THAT  
3 DOESN'T HAVE A DELEGATE THERE, THERE WOULD BE ANOTHER  
4 RESEARCH HOSPITAL THAT WOULD MEET THE CRITERIA BECAUSE,  
5 OF COURSE, WE DON'T HAVE ANY REPRESENTATION OF  
6 INSTITUTIONS PER SE.

7 WE'RE TRYING TO GET PEOPLE ON THE BOARD AND  
8 BE PRESENT WITH QUALIFICATIONS THAT FALL INTO CERTAIN  
9 CLASSES. BUT THE THOUGHT HERE IS THAT IT'S A BALANCING  
10 ACT SO THAT BY PERMITTING FOUR ALTERNATES IN A YEAR,  
11 THERE IS SIGNIFICANT FLEXIBILITY AND YET THE COURT  
12 KNOWS THAT THERE'S ALSO LIMITS ON THAT.

13 DR. PIZZO: OKAY. MY QUESTION IS ANSWERED.

14 CHAIR LANSING: ISN'T ALSO WHAT WE'RE TRYING  
15 IS IF FOR SOME REASON WE HAVE A MEMBER WHO MISSES --  
16 YOU KNOW, HE KEEPS TRYING TO SEND AN ALTERNATE, THEN  
17 THAT'S A PERSON WHO CAN'T DEVOTE THE NECESSARY AMOUNT  
18 OF TIME TO THE JOB.

19 MR. KLEIN: BUT, SHERRY, IN TERMS OF THAT,  
20 THE FOUR TIMES, MORE THAN FOUR TIMES A YEAR, THERE  
21 COULD BE SOMEONE WHO DURING ONE PARTICULAR YEAR HAS A  
22 DIFFICULT PERIOD, BUT I WOULD SUGGEST WE DON'T HAVE THE  
23 TWICE IN A ROW PROVISION BECAUSE EASILY SOMEONE CAN  
24 HAVE A TWO- OR THREE-MONTH INTENSE PERIOD WHERE THEY  
25 JUST CAN'T BE THERE.

1 CHAIR LANSING: I AGREE WITH YOU. SOMETIMES  
2 WE'RE MEETING IT'S TWO MONTHS BECAUSE WE ARE MEETING  
3 ONCE A MONTH NOW. I ACTUALLY THINK FOUR TIMES A YEAR,  
4 AND MAYBE WE NEED TO SAY THAT WE DID THIS WITH  
5 REMOVAL -- YOU KNOW, I'M JUST TRYING TO THINK OF SOME  
6 EXTREME SITUATION WHERE, GOD FORBID, SOMEONE WAS SICK  
7 OR SOMETHING, AND THEY WERE SENDING AN ALTERNATIVE, BUT  
8 WE KNEW THAT THEY WOULD BE WELL.

9 DR. HENDERSON: TAKE THEM ASIDE AND HAVE A  
10 HEART TO HEART WITH THEM.

11 MR. KLEIN: THAT'S THE RIGHT INDEX BECAUSE WE  
12 REALLY DON'T UNDER THE STATUTORY LANGUAGE HAVE AN  
13 ABILITY HERE TO REMOVE THEM FOR THAT ISSUE, BUT IT  
14 WOULD BE A VERY CLEAR BENCHMARK FOR THE MEMBER. AND AS  
15 CHAIRMAN, I COULD SIT DOWN WITH THE MEMBER AND TALK  
16 ABOUT IT AND SEE IF THEY HAD THE TIME. IT MAY BE THAT  
17 THEY MISS FIVE IN A YEAR, BUT IN THE PRIOR YEAR THEY  
18 MADE ALL THE MEETINGS.

19 CHAIR LANSING: SO WE'RE NOT REMOVING THEM.  
20 WE'RE JUST SAYING THEY CAN'T SEND AN ALTERNATIVE  
21 BECAUSE WE DON'T WANT THE ALTERNATIVE TO SUDDENLY  
22 BECOME THEM. I'M COMFORTABLE WITH THIS. I WOULD  
23 REMOVE THE TWO IN A ROW THOUGH.

24 DR. PIZZO: CAN I MAKE ONE FRIENDLY MODIFIER,  
25 WHICH MAY OR MAY NOT BE RELEVANT. BUT GOING FROM TIME



1 TO TIME, WHICH IS A VERY ABSTRUSE AND VAGUE CONCEPT, TO  
2 A SET OF DEFINITIVE NUMBERS CAN BE REASONABLE, BUT I  
3 WONDER AS WE'RE TRYING TO CONTINUE TO GET EXPERIENCE,  
4 MAYBE A SUGGESTION WOULD BE, RATHER THAN BEING SO  
5 EXPLICIT, TO HAVE A FOR EXAMPLE. YOU KNOW, TIME TO  
6 TIME AND THEN, FOR EXAMPLE, FOUR TIMES, MISSING FOUR  
7 TIMES A YEAR. THAT WAY WE'D HAVE A LITTLE BIT MORE  
8 FLEXIBILITY SHOULD THERE BE ONE OF THE EXCEPTIONS THAT  
9 BOB PUT FORTH AS COMPARED TO HAVING SOMETHING SO FIRMLY  
10 CODIFIED.

11 DR. POMEROY: I KIND OF HAVE SOME OF THE SAME  
12 QUESTIONS THAT ARE IMPLIED BY PHIL'S POINT. I WOULD  
13 JUST POINT OUT TWO THINGS. ONE, IF WE MEET EVERY OTHER  
14 MONTH AND SOMEONE MISSES FOUR TIMES IN A YEAR, THEN  
15 THEY HAVE ONLY ATTENDED ONE-THIRD OF THE MEETINGS. BY  
16 BEING SPECIFIC, WE NOW OPEN OURSELVES UP TO CRITICISM.  
17 SO YOU'RE SAYING IT'S FINE FOR SOMEONE TO COME ONLY TO  
18 ONE-THIRD OF THE MEETINGS. THAT'S ONE OF THE PROBLEMS  
19 WITH BEING SO SPECIFIC.

20 THE OTHER POINT I WOULD MAKE IS THAT WE HAVE  
21 A NUMBER OF INDIVIDUALS ON THE BOARD ON THE ICOC WHO  
22 HAVE MISSED FOUR TIMES IN THE LAST 12 MONTHS. AND  
23 WHAT'S THE POINT OF HAVING A SPECIFIC IF THERE IS, YOU  
24 KNOW, NO -- IF THAT HASN'T BEEN OUR PRACTICE AND THAT  
25 WASN'T SPECIFIC WHEN THEY SIGNED UP FOR THE DEAL?

1 DR. STEWARD: MAY I MAKE SORT OF AN ALTERNATE  
2 POINT HERE? WE'RE TALKING OBVIOUSLY ABOUT THE  
3 INSTITUTIONAL REPRESENTATIVES, BUT SKIRTING THE POINT  
4 THAT ACTUALLY AT THIS TIME THERE IS NO PROVISION FOR  
5 SUBSTITUTES FOR THE PATIENT ADVOCATES. AND I THINK  
6 THAT IT IS APPROPRIATE ACTUALLY TO BE HIGHLY SPECIFIC  
7 AND MAYBE TO LAY OUT THE EXPECTATIONS FOR THE  
8 INSTITUTIONAL REPRESENTATIVE'S ATTENDANCE A LITTLE BIT  
9 MORE CLEARLY.

10 ALSO I'D LIKE TO JUST REMIND EVERYONE OF  
11 BOB'S POINT, THAT WE'RE TALKING ABOUT REPRESENTATION IN  
12 GENERAL, NOT INSTITUTIONAL REPRESENTATION. SO IT  
13 REALLY WOULDN'T HURT FOR THE INSTITUTIONAL  
14 REPRESENTATIVES SIMPLY NOT TO BE THERE IF THEY CAN'T  
15 MAKE IT RATHER THAN SENDING AN ALTERNATE WHO REALLY  
16 ISN'T FULLY ENGAGED WITH THE HISTORY OF THE ICOC.

17 SO I WOULD PREFER ACTUALLY TO BE QUITE  
18 STRINGENT ON THE RULES AS FAR AS SENDING AN ALTERNATE  
19 REPRESENTATIVE. AND IF WE RAN INTO PROBLEMS WITH THE  
20 MEMBER NOT ACTUALLY BEING THERE, SO BE IT.

21 DR. POMEROY: OS, AS YOU KNOW, I HAVE NOT  
22 USED AN ALTERNATE. AND I DO HAVE SIGNIFICANT PROBLEMS  
23 WITH THE SORT OF CHANGING FACES ON THIS COMMITTEE. IT  
24 CAN MAKE IT VERY CHALLENGING WHEN YOU THINK YOU'VE  
25 WORKED OUT AN ISSUE OR SET A PRIORITY, AND THEN THERE'S

1 A WHOLE NEW SLATE OF FOLKS. SO I THINK THERE'S A REAL  
2 FUNDAMENTAL QUESTION HERE OF WHAT WE VIEW THE ROLES OF  
3 ALTERNATES AS. AND TO SAY YOU CAN USE THEM TWO-THIRDS  
4 OF THE MEETINGS IS A LITTLE BIT TRICKY FOR ME.

5 DR. STEWARD: I AGREE, CLAIRE. THIS IS OS  
6 AGAIN. IN FACT, WHAT I WOULD TRY TO DO IS ACTUALLY SET  
7 THE BAR FAIRLY HIGH FOR ALTERNATES. I DON'T KNOW QUITE  
8 HOW TO DO THAT. MAYBE YOU'RE RIGHT. MAYBE HAVING IT  
9 EXPLICITLY STATED AS BEING THIS FLEXIBLE ACTUALLY MAKES  
10 IT EASIER RATHER THAN HARDER.

11 DR. PIZZO: NOT TO DEBATE IT TOO LONG, I'M  
12 NOT SURE THAT I AGREE WITH THAT POINT. A POINT OF  
13 ORDER QUESTION IS ARE NOT THE ALTERNATES SOMETHING THAT  
14 ARE ALREADY PART OF THE EXPECTATION CODIFIED IN PROP  
15 71? I THOUGHT THAT THERE WAS A MECHANISM IN WHICH YOU  
16 COULD HAVE ALTERNATES, SO WE SHOULDN'T ALTER THAT IF  
17 THAT MECHANISM EXISTS. I THINK IT'S IMPORTANT TO HAVE,  
18 IF YOU DO HAVE AN ALTERNATE, TO HAVE SOMEBODY WHO IS  
19 THE SAME ALTERNATE EACH TIME RATHER THAN A CHANGING  
20 FACE. I THINK THAT HAS BEEN THE CASE MORE OFTEN THAN  
21 NOT, AT LEAST AS I LOOK AROUND THE ROOM. AND I THINK  
22 AS LONG AS THE ALTERNATE IS COMMUNICATING WITH THE  
23 MEMBER, I THINK IT DOES PROVIDE A WAY OF SUSTAINING  
24 EVERYTHING FROM THE QUORUM TO THE DIVERSITY OF THE  
25 DISCUSSION.

1                   AND THE REALITY IS AS WE DIG INTO THIS, EACH  
2 OF US KNOW THAT OUR LIVES ARE GOVERNED BY WHAT WE DO  
3 FOR THE ICOC, BUT ALSO OTHER THINGS AS WELL. AND I  
4 WOULD HATE TO THINK, BUT I CAN IMAGINE THAT THERE WOULD  
5 BE TIMES WHEN THERE MIGHT BE MULTIPLE PEOPLE AWAY, AND  
6 THAT, I THINK, WOULD NOT BE A GOOD THING.

7                   MR. BEDFORD: I'D LIKE TO POINT OUT IF YOU  
8 DON'T ALLOW THE ALTERNATE AND THEY SIMPLY ARE NOT  
9 THERE, THAT DOES AFFECT THE COUNTING OF THE QUORUM TOO.

10                  DR. PIZZO: THAT'S PARTLY WHAT I'M REFERRING  
11 TO WHEN I SAID ABOUT THE NUMBERS OF PEOPLE. SO IF  
12 ALTERNATES ARE SOMETHING THAT'S BUILT INTO THE SYSTEM,  
13 TO CONTINUE WITH ALTERNATES, NOT GET RID OF THEM, I  
14 THINK AS LONG AS -- AND THESE ALTERNATES ARE ALL SWORN  
15 IN, SO THEY'RE SERVING AS REPRESENTATIVES AND THEY DO  
16 ADD SOMETHING TO THE DISCUSSION. CERTAINLY THOSE  
17 COMING OUT OF REGULAR --

18                  CHAIR LANSING: THIS IS SHERRY AGAIN. THEN  
19 MAYBE WHAT I'M HEARING FROM EVERYBODY IS IT'S NOT  
20 BROKE, SO WE SHOULD LEAVE IT ALONE.

21                  DR. STEWARD: THIS IS OS AGAIN, AND I JUST  
22 WANTED TO MAKE THE POINT AGAIN AND MAKE IT CLEARLY,  
23 THAT AS FAR AS I KNOW, THERE IS NO PROVISION FOR  
24 ALTERNATES FOR THE PATIENT REPRESENTATIVES, WHICH DOES  
25 MAKE AN INTERESTING DIFFERENCE IN MEMBERSHIP ON THE

1 I COC.

2 MR. KLEIN: OKAY. WELL, IT SOUNDS LIKE WE'VE  
3 HAD A GOOD DISCUSSION ON THIS, SO WE CAN MOVE ON TO THE  
4 NEXT ITEM.

5 MR. BEDFORD: I DIDN'T HEAR A CONCLUSION.

6 DR. HENDERSON: LEAVE IT AS IT IS.

7 CHAIR LANSING: WE DON'T HAVE A CONCLUSION.  
8 ARE WE SAYING THAT WE WANT TO LEAVE THIS ALONE OR WHAT?

9 DR. HENDERSON: LEAVE IT ALONE.

10 DR. PIZZO: THAT'S WHAT I'M SAYING.

11 DR. HENDERSON: LEAVE IT ALONE. TRYING TO  
12 FIX IT WOULD MAKE IT WORSE.

13 DR. POMEROY: EXACTLY.

14 MR. BEDFORD: THAT'S FINE. SO IT WILL JUST  
15 SAY FROM TIME TO TIME, WHATEVER THAT MEANS, AND THAT'S  
16 FINE.

17 CHAIR LANSING: NOW, ON THE ROLE OF PATIENT  
18 ADVOCATES, I THINK IT'S NOT IN THE BYLAWS TO DO  
19 ANYTHING ABOUT IT. SO WITHOUT REALLY GOING IN, I DON'T  
20 THINK WE CAN CHANGE THAT.

21 MR. KLEIN: WE DON'T HAVE THE AUTHORITY UNDER  
22 THE INITIATIVE TO DO THAT. SO --

23 DR. POMEROY: DOES THE INITIATIVE PROHIBIT  
24 FOR THE PATIENT ADVOCATE REPRESENTATIVES?

25 MR. HARRISON: IT AUTHORIZES ONLY CERTAIN

1 MEMBERS, THOSE FROM UNIVERSITIES, RESEARCH  
2 INSTITUTIONS, OR NONPROFIT RESEARCH INSTITUTIONS TO  
3 APPOINT ALTERNATES.

4 DR. POMEROY: MY QUESTION IS IS IT SILENT  
5 ABOUT ALTERNATES?

6 MR. HARRISON: IT IS SILENT.

7 MR. KLEIN: IT IS SILENT, CLAIRE. PROBABLY  
8 WHAT WE SHOULD DO IS HAVE JAMES LOOK AT THE POSSIBILITY  
9 AT THE THREE-YEAR DATE OF HAVING LEGISLATIVE  
10 ENHANCEMENT THAT PERMITS PATIENT ADVOCATES TO HAVE  
11 ALTERNATES, IF THAT'S POSSIBLE. BUT MAYBE JAMES CAN  
12 COME BACK AT A LATER TIME WITH A LEGAL OPINION ON THAT.

13 CHAIR LANSING: I PERSONALLY THINK IT'S A  
14 VERY GOOD IDEA BECAUSE A LOT OF THE PATIENT ADVOCATES,  
15 NOT MYSELF, I'M COMFORTABLE ATTENDING, BUT I KNOW IT'S  
16 PUTTING A LOT OF BURDEN ON A LOT OF THEM AND THEY WISH  
17 SOMETIME THAT THEY HAD AN ALTERNATE THAT THEY COULD  
18 TRUST. SO I THINK WE SHOULD LOOK INTO THIS MATTER. I  
19 THINK THAT'S A VERY GOOD THING FOR US TO DO.

20 MR. KLEIN: I THINK, DAN, THAT MEANS WE ARE  
21 PREPARED TO GO TO THE NEXT ITEM.

22 DR. NOVA: DR. MURPHY HAS JOINED US IN SAN  
23 DIEGO.

24 DR. PIZZO: WE HEARD HIM.

25 DR. NOVA: HE'S NOISY.

1                   MR. BEDFORD: THE NEXT ONE IS ON PAGE 4, MY  
2 PAGE 4, BUT IT'S ARTICLE V, SECTION 6, IT CLASSIFIES  
3 WHAT A QUORUM IS FOR THE ICOC. AND IT DID NOT INCLUDE  
4 THE WORDS OUT OF PROP 71, WHICH ARE "AND ARE ELIGIBLE  
5 TO VOTE." I THINK WHAT WE'RE GOING TO PROPOSE IS THAT  
6 THE WORD "ELIGIBLE" IS NOT GOOD ENOUGH. WE'RE GOING TO  
7 PUT IN A SENTENCE THAT SAYS ELIGIBLE TO VOTE MEANS THAT  
8 THEY ARE NOT RECUSED OR OTHERWISE NOT AUTHORIZED TO  
9 VOTE FOR LEGAL OR -- I'LL MAKE UP SOMETHING ABOUT THE  
10 REASONS. BUT IF THERE'S A REASON THEY CANNOT VOTE,  
11 EITHER BY OUR BYLAWS, OUR LAWS, OR THE ACT, OR  
12 WHATEVER, THEN THEY ARE NOT -- THAT'S NOT PART OF THE  
13 QUORUM.

14                   MR. KLEIN: I THINK, DAN, THIS IS MY  
15 SUGGESTION OF PICKING UP THE LANGUAGE FROM THE  
16 INITIATIVE ITSELF. AND THE POINT IS THEY'RE NOT  
17 ELIGIBLE TO VOTE BECAUSE THEY RECUSE THEMSELVES OR AS  
18 DETERMINED BY COUNSEL BECAUSE THAT THEN COVERS THE  
19 WHOLE SPECTRUM OF OTHER REASONS. MIGHT BE A STATE LAW  
20 PROVISION OR SOMETHING ELSE WE DON'T HAVE BEFORE US  
21 RIGHT NOW. SO RATHER THAN TRYING TO CREATE AN  
22 INCLUSIVE LIST OF REASONS, WE SAY AS DETERMINED BY  
23 COUNSEL.

24                   MR. BEDFORD: OKAY. ANYBODY HAVE ANY  
25 ADDITIONS TO THAT?

1 DR. HENDERSON: NO. MOVE ON.

2 MR. BEDFORD: THEN THE NEXT ONE ZACH WANTED  
3 TO RAISE IN ARTICLE VI, SUBCOMMITTEES, SECTION 4,  
4 PARAGRAPH C, AS IN CHARLIE, ON MY PAGE 5, AND IT'S A  
5 SUGGESTION THAT WE DELETE THE PARAGRAPH AS REDUNDANT.

6 DR. HALL: THERE'S TWO ISSUES IN JUST READING  
7 IT. FIRST OF ALL, IT SEEMS REPETITIVE OF PARAGRAPH A.  
8 WITH A KEY WORDING CHANGE, WHICH PARAGRAPH C SAYS, THE  
9 GOVERNANCE SUBCOMMITTEE SHALL DEVELOP AND PRESENT TO  
10 THE ICOC FOR ITS CONSIDERATION FOR ADOPTION THE  
11 FOLLOWING: THE INSTITUTE MISSION STATEMENT, CORE  
12 PRINCIPLES, INSTITUTE ORGANIZATIONAL CHART AND  
13 STRATEGIC PLAN, COMPENSATION POLICY, AND MONITORING  
14 PROCESS, INSTITUTE BUDGET. ALL OF THESE ARE THINGS, I  
15 THINK, THAT THE INSTITUTE SHOULD DEVELOP AND PRESENT TO  
16 THE GOVERNANCE SUBCOMMITTEE FOR, AS IN SECTION A, FOR  
17 ITS REVIEW, COMMENT, AND THEN TO MAKE RECOMMENDATIONS  
18 ON TO THE ICOC.

19 DR. POMEROY: EXACTLY.

20 CHAIR LANSING: WE AGREE.

21 DR. HALL: IF THERE'S ANY OTHER COMMENTS.

22 MR. BEDFORD: THERE'S A QUESTION AT THE END  
23 OF THAT SAME ARTICLE SAYING ARE THERE ANY OTHER  
24 STANDING SUBCOMMITTEES, AND THERE IS A FINANCE SEARCH  
25 SUBCOMMITTEE, IF THAT'S THE CORRECT TITLE. WHATEVER IT



1 IS, SUBCOMMITTEE THAT TRIES TO FIND PEOPLE TO WORK ON  
2 THE GRANTS.

3 DR. HALL: THERE WERE THREE SUBCOMMITTEES  
4 EARLY. DAN, YOU WEREN'T WITH US THEN.

5 MR. BEDFORD: I'M NOT ASKING WHAT THEY WERE.  
6 I'M ASKING ABOUT WHICH ONES THAT ARE SEMIPERMANENT.

7 MR. KLEIN: WE DON'T NEED TO GO THROUGH AND  
8 SPECIFY WHAT ADDITIONAL COMMITTEES. FROM TIME TO TIME  
9 THOSE COMMITTEES WILL BE IN EFFECT AS APPROVED BY THE  
10 ICOC. SO I THINK ADDRESSING THE ONES YOU HAVE IS FINE.  
11 WE DON'T NEED THIS TO BE ENCYCLOPAEDIC.

12 DR. POMEROY: MANY BYLAWS UNDER THE  
13 SUBCOMMITTEE SECTION HAVE A SENTENCE THAT SAYS OTHER  
14 SUBCOMMITTEES MAY BE APPOINTED BY THE ICOC. JUST SO  
15 THAT THERE'S NO QUESTION ABOUT THE ABILITY TO DO WHAT  
16 YOU JUST SAID, BOB.

17 MR. KLEIN: YOU'RE ABSOLUTELY RIGHT. AND I  
18 THOUGHT THAT ARTICLE VI UNDER SECTION 1, ESTABLISHMENT,  
19 ADDRESSED THAT BECAUSE IT SAYS THE ICOC MAY ESTABLISH  
20 SUBCOMMITTEES TO FACILITATE THE WORK OF THE BOARD.

21 DR. POMEROY: OKAY.

22 MR. KLEIN: SO, SHERRY, DO YOU SEE A NEED TO  
23 PUT ADDITIONAL LANGUAGE IN THERE?

24 CHAIR LANSING: I'M COMFORTABLE EITHER WAY,  
25 TO BE HONEST WITH YOU.

1 DR. POMEROY: BOB, I ACCEPT YOUR SUGGESTION  
2 THAT IT'S COVERED BY SECTION 1.  
3 CHAIR LANSING: I'M FINE.  
4 MR. BEDFORD: THEN THAT REALLY LEAVES WHAT DO  
5 WE DO FOR A CONFLICT?  
6 MR. KLEIN: ON THE CONFLICT I THOUGHT YOU  
7 MADE THE SUGGESTION --  
8 MR. BEDFORD: OF ATTACHING IT.  
9 MR. KLEIN: -- OF ATTACHING IT.  
10 MR. BEDFORD: RIGHT. THANK YOU.  
11 DR. PIZZO: I AGREE.  
12 MR. BEDFORD: THAT'S THE LIST FROM THE STAFF.  
13 ARE THERE ANY QUESTIONS FROM THE MEMBERS OR FROM THE  
14 PUBLIC OR COMMENTS OR WHATEVER?  
15 CHAIR LANSING: YOU WANT TO DO PUBLIC COMMENT  
16 NOW, OR DO YOU WANT TO WAIT? LET'S GO AROUND THEN AND  
17 ASK FOR PUBLIC COMMENT. IN L.A. WE HAVE PUBLIC  
18 COMMENT.  
19 MR. SIMPSON: JOHN SIMPSON FROM THE  
20 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS HAS JOINED,  
21 AND EVERYTHING I HEARD SO FAR SOUNDS INTERESTING AND  
22 GOOD.  
23 CHAIR LANSING: GREAT. CEDARS-SINAI? USC,  
24 PUBLIC COMMENT?  
25 DR. HENDERSON: NONE.

1 CHAIR LANSING: IRVINE?  
2 DR. STEWARD: NO PUBLIC.  
3 CHAIR LANSING: STANFORD?  
4 DR. PIZZO: NO PUBLIC.  
5 CHAIR LANSING: DAVIS?  
6 DR. POMEROY: NO PUBLIC.  
7 CHAIR LANSING: SAN DIEGO?  
8 DR. NOVA: NO PUBLIC.  
9 MR. REED: THIS IS DON REED. I HAD A  
10 QUESTION EARLIER ABOUT THE CLOSED SESSION LANGUAGE. I  
11 WONDER, HAVING BEEN TO ALL THREE DAYS OF THE TRIAL AND  
12 HEARING AGAIN AND AGAIN THE ACCUSATION MADE THAT IT IS  
13 THE WORKING GROUP THAT ARE MAKING THE DECISIONS, THE  
14 ICOC KIND OF LIKE RUBBER-STAMPS THEM. THAT'S WHAT  
15 THEY'RE SAYING. I WONDER BEFORE WE MENTION THE WORDS  
16 "CLOSED SESSION" WE COULD PUT IN THERE THAT THE ICOC IN  
17 THEIR DECISION-MAKING CAPACITY MAY FIND IT NECESSARY TO  
18 RETIRE TO CLOSED SESSION, SO YOU PUT IMMEDIATELY  
19 SOMETHING TO THE EFFECT THAT THE ICOC IS THE  
20 DECISION-MAKING GROUP.  
21 DR. PIZZO: ISN'T THAT BY DEFINITION ALREADY,  
22 SO IF WE PUT IT THERE, WE'RE GOING TO WIND UP HAVING TO  
23 MODIFY IT EVERYWHERE?  
24 MR. REED: I'M NOT SURE. I JUST HEARD THIS  
25 ACCUSATION MADE.

1 MR. KLEIN: DON, WHY DON'T WE ASK JAMES.

2 MR. HARRISON: THE BYLAWS CONFIRM WHAT THE  
3 ACT ITSELF SAYS IN ARTICLE III IN FUNCTIONS,  
4 SUBDIVISION C, THAT THE ICOC'S FUNCTION IS TO MAKE  
5 FINAL DECISIONS ON RESEARCH STANDARDS AND GRANT AWARDS.  
6 SO I THINK THAT'S INHERENT IN THE ICOC'S AUTHORITY.

7 MR. REED: YOU THINK THE FACT THAT EVEN  
8 THOUGH IT'S ALREADY THERE AND STILL BEEN BROUGHT UP AS  
9 ARGUMENT AGAINST THE CIRM AGAIN AND AGAIN, EVEN IF IT'S  
10 REDUNDANT, I WONDER IF IT MIGHT NOT BE HELPFUL.

11 MR. HARRISON: I DON'T SEE ANY PARTICULAR  
12 DOWNSIDE IN INCLUDING IT. I THINK IT'S ALREADY  
13 EXPRESSED BY THE PLAIN TERMS OF THE ACT ITSELF.  
14 OBVIOUSLY ANY TIME THAT THE ICOC MEETS, IT'S MEETING TO  
15 PERFORM THE FUNCTIONS THAT ARE IMPOSED ON IT BY LAW.  
16 SO IT'S BY DEFINITION EXERCISING ITS DECISION-MAKING  
17 AUTHORITY.

18 MR. REED: I'M HAPPY TO BE IRRELEVANT.

19 CHAIR LANSING: IT'S OKAY. DAN, YOU WANT TO  
20 CONTINUE OR --

21 MR. BEDFORD: NO. THAT'S MY LIST UNLESS --

22 CHAIR LANSING: THAT'S YOUR LIST. WELL,  
23 GREAT. WELL, THEN YOU'RE FAR MORE EFFICIENT. YOU'RE  
24 GOING TO BE A GREAT FATHER OF THE BRIDE.

25 LET ME GO BACK THEN AND JUST MAKE SURE THAT

1       THERE' S NO MORE BOARD COMMENT FROM SAN FRANCISCO?  
2       CEDARS? USC?

3               DR. HENDERSON: NO.

4               CHAIR LANSING: IRVINE?

5               DR. STEWARD: NO.

6               CHAIR LANSING: STANFORD?

7               DR. PIZZO: NO.

8               CHAIR LANSING: DAVIS?

9               DR. POMEROY: NO.

10              CHAIR LANSING: SAN DIEGO?

11              DR. NOVA: NO.

12              CHAIR LANSING: THEN I THINK WE' VE HAD BOARD  
13       COMMENT AND PUBLIC COMMENT, SO IS THERE A MOTION TO  
14       APPROVE THESE ICOC BYLAWS?

15              MR. HARRISON: CAN I JUST ASK ONE QUESTION?  
16       DAN, THIS MORNING WE HAD TALKED ABOUT IN SECTIONS 5 AND  
17       6 OF ARTICLE VIII, WHICH REFERRED TO THE CHAIR' S POWER  
18       TO APPOINT A MEMBER OF THE CITIZENS FINANCIAL  
19       ACCOUNTABILITY OVERSIGHT COMMITTEE AND THE FINANCE  
20       COMMITTEE, BOTH OF THOSE APPOINTMENTS DO NOT HAVE FIXED  
21       TERMS. SO UNDER STATE LAW THEY' RE CONSIDERED TO BE  
22       AT-WILL APPOINTMENTS. DID WE WANT TO ADD A SENTENCE  
23       THERE TO MAKE THAT EXPLICIT?

24              MR. KLEIN: JAMES, IF IT' S YOUR SUGGESTION WE  
25       MAKE IT EXPLICIT, I WOULD MAKE THE SUGGESTION.

1                   MR. HARRISON: IN OTHER WORDS, WHAT YOU WOULD  
2 DO IN SECTION --  
3                   DR. PIZZO: WHAT SECTION IS IT AGAIN, JAMES?  
4                   MR. HARRISON: IF YOU LOOK AT ARTICLE VIII,  
5 SECTION 5, PAGE 8 OF 11, THE LAST SENTENCE SAYS THE  
6 CHAIRPERSON SHALL APPOINT A PUBLIC MEMBER OF THE  
7 COMMITTEE. AND WHAT I WOULD PROPOSE IS TO ADD THE  
8 PHRASE "WHO SHALL SERVE AT THE PLEASURE OF THE  
9 APPOINTING AUTHORITY."  
10                  MR. BEDFORD: YOU WOULD DO THAT IN 6 AS WELL?  
11                  MR. HARRISON: EXACTLY.  
12                  DR. PIZZO: OKAY. FINE WITH ME.  
13                  CHAIR LANSING: WITH THAT SAID --  
14                  DR. HENDERSON: I MOVE APPROVAL.  
15                  CHAIR LANSING: THE ICOC BYLAWS, I GUESS I  
16 SHOULD SAY WITH THE CHANGES SUGGESTED.  
17                  DR. HENDERSON: WITH THE CHANGES SUGGESTED.  
18                  CHAIR LANSING: IS THERE A SECOND?  
19                  DR. PIZZO: SECOND.  
20                  CHAIR LANSING: OKAY. IS THERE ANY  
21 DISCUSSION ON THE MOTION? AMY, WILL YOU PLEASE LEAD US  
22 IN A ROLL CALL VOTE.  
23                  MS. DU ROSS: SHERRY LANSING.  
24                  CHAIR LANSING: YES.  
25                  MS. DU ROSS: KEITH BLACK. BRIAN HENDERSON.

1 DR. HENDERSON: YES.

2 MS. DU ROSS: BOB KLEIN.

3 MR. KLEIN: YES.

4 MS. DU ROSS: CLAIRE POMEROY.

5 DR. POMEROY: YES.

6 MS. DU ROSS: OS STEWARD.

7 DR. STEWARD: YES.

8 MS. DU ROSS: TINA NOVA.

9 DR. NOVA: YES.

10 MS. DU ROSS: PHIL PIZZO.

11 DR. PIZZO: YES.

12 MS. DU ROSS: JOHN REED. RICHARD MURPHY.

13 DR. MURPHY: YES.

14 MS. DU ROSS: MOTION PASSES.

15 MR. KLEIN: SHERRY, IT MIGHT BE GOOD FOR THE

16 RECORD TO INDICATE WHO MADE THE MOTION, WHO MADE THE

17 SECOND. AND WE UNDERSTAND WE'VE HEARD THE VOICES AND

18 UNDERSTAND WHO THE PEOPLE ARE, BUT FOR THE RECORD, IT

19 MIGHT BE HELPFUL.

20 CHAIR LANSING: YOU WANT TO DO THAT. I KNOW

21 IT WAS BRIAN HENDERSON WHO MADE THE MOTION.

22 MS. DU ROSS: PHIL PIZZO MADE THE SECOND.

23 CHAIR LANSING: GREAT. GO HAVE A GOOD

24 WEDDING, DAN.

25 MR. BEDFORD: THANK YOU, SHERRY.

1 CHAIR LANSING: THANK YOU FOR A GREAT JOB.  
2 OUR NEXT ITEM OF BUSINESS IS AGENDA ITEM 3, WHICH IS  
3 APPROVAL OF THE MINUTES. IS THERE BOARD COMMENT ON  
4 MINUTES FROM SAN FRANCISCO? CEDARS? USC?  
5 DR. HENDERSON: NO.  
6 CHAIR LANSING: IRVINE?  
7 DR. STEWARD: NO.  
8 CHAIR LANSING: STANFORD?  
9 DR. PIZZO: NO.  
10 CHAIR LANSING: DAVIS?  
11 DR. POMEROY: ACTUALLY I HAVE ONE CORRECTION,  
12 BUT I DON'T HAVE PAGE NUMBERS ON MINE. BUT AT ONE  
13 POINT I SAID THAT THE PROCESS FOR DETERMINING A NAMING  
14 OPPORTUNITY FEELS QUITE BIG, AND IT WAS SUPPOSED TO BE  
15 QUITE VAGUE.  
16 MS. DU ROSS: OKAY. SORRY ABOUT THAT. WE'LL  
17 CHANGE THAT.  
18 CHAIR LANSING: DULY NOTED. SAN DIEGO?  
19 DR. NOVA: NO.  
20 CHAIR LANSING: I'M SORRY. I HAVE NO  
21 COMMENT. IS THERE PUBLIC COMMENT IN LOS ANGELES?  
22 MR. SIMPSON: NONE IN LOS ANGELES.  
23 CHAIR LANSING: SAN FRANCISCO? CEDARS? USC?  
24 DR. HENDERSON: NO.  
25 CHAIR LANSING: IRVINE?



1 DR. STEWARD: NO.

2 CHAIR LANSING: STANFORD?

3 DR. PIZZO: NO.

4 CHAIR LANSING: DAVIS?

5 DR. POMEROY: NO.

6 CHAIR LANSING: SAN DIEGO?

7 DR. NOVA: NO.

8 CHAIR LANSING: IS THERE A MOTION TO APPROVE

9 MINUTES AS AMENDED BY CLAIRE'S WORD?

10 DR. POMEROY: SO MOVED.

11 CHAIR LANSING: IS THERE A SECOND?

12 DR. PIZZO: SECOND.

13 CHAIR LANSING: SO CLAIRE MOVED THE MOTION,

14 AND PHIL PIZZO SECONDED. IS THERE ANY DISCUSSION ON

15 THE MOTION? AMY, WILL YOU PLEASE LEAD US IN A ROLL

16 CALL VOTE.

17 MS. DU ROSS: SHERRY LANSING.

18 CHAIR LANSING: YES.

19 MS. DU ROSS: BRIAN HENDERSON.

20 DR. HENDERSON: YES.

21 MS. DU ROSS: BOB KLEIN.

22 MR. KLEIN: YES.

23 MS. DU ROSS: CLAIRE POMEROY.

24 DR. POMEROY: YES.

25 MS. DU ROSS: OS STEWARD.

1 DR. STEWARD: YES.

2 MS. DU ROSS: TINA NOVA.

3 DR. NOVA: YES.

4 MS. DU ROSS: PHIL PIZZO.

5 DR. PIZZO: YES.

6 MS. DU ROSS: JOHN REED. RICHARD MURPHY.

7 DR. MURPHY: YES.

8 CHAIR LANSING: OKAY. NOW WE'RE GOING TO --  
9 THE MINUTES PASSED -- AGENDA ITEM 4, WHICH IS OUR  
10 PRESIDENT'S REPORT. AND ZACH HALL, WOULD YOU PLEASE  
11 LEAD US THROUGH THIS AGENDA.

12 DR. HALL: MOST OF THE ITEMS THAT WE HAVE, IN  
13 FACT, ARE THOSE UNDER THE RESPONSIBILITY OF WALTER  
14 BARNES, OUR CHIEF ADMINISTRATIVE FINANCE OFFICER, SO  
15 I'M GOING TO TURN THE MEETING OVER TO WALTER TO LEAD US  
16 THROUGH THESE ITEMS.

17 MR. BARNES: THE ONE ITEM THAT WE ACTUALLY  
18 HAVE, IT JUST SEEMS LIKE A LOT, HAS TO DO WITH EMPLOYEE  
19 COMPENSATION. TAKING A CUE FROM MY BOSS, I'M GOING TO  
20 PITCH THIS TO ALEXANDRA CAMPE, WHO IS OUR HUMAN  
21 RESOURCES OFFICER. MANY OF YOU MET HER AT THE LAST  
22 MEETING. SHE'S ACTUALLY BEEN ON BOARD GOING BACK TO, I  
23 THINK, MAY OF LAST YEAR EITHER UNDER LOAN THROUGH A  
24 CONTRACT WITH THE UNIVERSITY OF CALIFORNIA SAN  
25 FRANCISCO AND MORE RECENTLY AS AN EMPLOYEE OF CIRM.

1 SHE HAS DEVELOPED THE PROPOSAL FOR EMPLOYEE  
2 COMPENSATION WHICH THE ICOC IS GOING TO HAVE TO  
3 APPROVE. ALEXANDRA, I'M GOING TO TURN IT OVER TO YOU.

4 MS. CAMPE: HELLO, ALL.

5 CHAIR LANSING: HI.

6 MS. CAMPE: I'D LIKE TO FIRST START BY  
7 ENSURING YOU THAT YOU HAVE EVERYTHING THAT WILL BE  
8 VIEWED IN MY PRESENTATION. FIRST, I'VE PROVIDED A  
9 SUMMARY STATEMENT THAT GENERALLY GOES OVER THE  
10 BACKGROUND OF HOW THE SALARY STRUCTURE WAS CREATED.  
11 AND IN ADDITION TO THAT THREE ATTACHMENTS, THREE EXCEL  
12 ATTACHMENTS. ATTACHMENT A REFLECTED THE SURVEY SENT TO  
13 THE DESIGNATED ORGANIZATIONS. ATTACHMENT B IS THE  
14 COMPILATION OF ALL THE DATA THAT WE RECEIVED BACK FROM  
15 THE OUTSIDE CONSULTANT WE WORKED WITH ON THIS. AND  
16 THEN ATTACHMENT C IS THE CIRM'S PROPOSED SALARY  
17 STRUCTURE. THAT'S THE DOCUMENTS I'LL BE GOING THROUGH  
18 WITH YOU.

19 MR. SIMPSON: IS THIS ITEM AGENDA NO. 7 IN  
20 EFFECT?

21 MS. CAMPE: ITEM 4. AS YOU ALL KNOW, HEALTH  
22 AND SAFETY CODE 125290.45 DOES AUTHORIZE THE  
23 INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE TO SET  
24 COMPENSATION FOR THE CHAIRPERSON, VICE CHAIRPERSON, AND  
25 PRESIDENT AND OTHER OFFICERS AS FOR THE SCIENTIFIC,

1 MEDICAL, TECHNICAL, AND ADMINISTRATIVE STAFF OF THE  
2 INSTITUTE IN THE RANGE OF COMPENSATION LEVELS FOR  
3 EXECUTIVE OFFICERS AND SCIENTIFIC MEDICAL, TECHNICAL,  
4 AND ADMINISTRATIVE STAFF OF MEDICAL SCHOOLS WITHIN THE  
5 UNIVERSITY OF CALIFORNIA SYSTEM AND THE NONPROFIT  
6 ACADEMIC AND RESEARCH INSTITUTIONS DESCRIBED IN  
7 PARAGRAPH 2 OF SUBDIVISION A OF SECTION 125290.2.

8 IN LIGHT OF THAT, CIRM CONTRACTED WITH AN  
9 OUTSIDE CONSULTANT LAST YEAR, DEE DI PIETRO, TO CREATE  
10 AND IMPLEMENT A SALARY SURVEY, WHICH IS ATTACHMENT A.  
11 WE SOLICITED AND GATHERED DATA FROM APPLICABLE  
12 ORGANIZATIONS THAT WAS ADDRESSED IN PROPOSITION 71, AS  
13 I JUST MENTIONED. WE BASICALLY HAD TWO CATEGORIES OF  
14 ORGANIZATIONS THAT WE COMPILED THE DATA FOR. THE FIRST  
15 GROUP IS WHAT WE LISTED AS HE, WHICH STANDS FOR HIGHER  
16 EDUCATION. AND ON THE SURVEY ON ATTACHMENT B, THAT  
17 DATA IS -- THAT IS WHAT HE STANDS FOR, HIGHER  
18 EDUCATION, AND IT INCLUDED THE UC, THE FIVE UC MEDICAL  
19 SCHOOLS, SOME OF THE NONPROFIT ACADEMIC AND RESEARCH  
20 INSTITUTES, INCLUDING CEDARS-SINAI, STANFORD, USC, AND  
21 CALIFORNIA INSTITUTE OF TECHNOLOGY.

22 THE OTHER GROUPING OF DATA THAT WE RECEIVED  
23 WAS WHAT WE CALLED PRI, WHICH STOOD FOR PRIVATE  
24 RESEARCH INSTITUTE. AND THOSE INSTITUTES INCORPORATED  
25 BECKMAN RESEARCH INSTITUTE, CITY OF HOPE, SALK

1 INSTITUTE, BURNHAM INSTITUTE, AND ABOUT EIGHT OTHERS OR  
2 SO.

3 THE RESULTS OF ALL THE DATA THAT WE GATHERED  
4 IS PROVIDED ON ATTACHMENT B FOR YOU. AT THAT POINT  
5 WHAT WE DID IS WE TOOK THE DATA AND WE CREATED A SALARY  
6 STRUCTURE THAT YOU CAN SEE IN ATTACHMENT C. THIS IS A  
7 TYPICAL SALARY STRUCTURE FOR ORGANIZATIONS WITH  
8 NONREPRESENTED EMPLOYEES, MEANING NOT REPRESENTED BY A  
9 BARGAINING UNIT. IT IS SALARY RANGES THAT WERE 60  
10 PERCENT IN RANGE FROM THE MID TO THE MAXIMUM LEVEL, 50  
11 PERCENT DIFFERENCE BETWEEN THE MINIMUM LEVEL AND THE  
12 MAXIMUM LEVEL. WE CAME UP WITH NINE LEVELS, AND WE  
13 CATEGORIZED LEVELS -- WE CATEGORIZED JOBS WITHIN THOSE  
14 LEVELS, SPECIFICALLY CALLED SCIENTIFIC, BUSINESS, AND  
15 ADMINISTRATIVE. THE REASON WHY WE CATEGORIZED THEM WAS  
16 BECAUSE, DEPENDING ON THE LABOR MARKET AND DEPENDING ON  
17 WHAT'S GOING ON IN A SPECIFIC LABOR MARKET, SOME  
18 POSITIONS MIGHT BE MORE CHALLENGED WITH REGARDS TO THE  
19 OUTSIDE LABOR MARKET PAYWISE THAN OTHERS, SO IT WOULD  
20 ALLOW US TO MAKE ADJUSTMENTS TO CERTAIN CATEGORIES  
21 WITHIN A LEVEL RATHER THAN ADJUSTING THE WHOLE ENTIRE  
22 LEVEL DOWN THE ROAD IF WE NEEDED TO TO ADDRESS ANY TYPE  
23 OF RECRUITMENT DIFFICULTIES WE MAY FACE.

24 OKAY. SO I WANT TO PROVIDE A FEW EXAMPLES OF  
25 HOW WE CREATE THIS STRUCTURE BESIDES OBVIOUSLY

1 REVIEWING ALL THE DATA. WE CAN BEGIN WITH THE GRANTS  
2 TECHNICAL ASSISTANT. WE DID HIRE A GRANTS TECHNICAL  
3 ASSISTANT LAST NOVEMBER. AND IF YOU LOOK ON ATTACHMENT  
4 C ON PAGE 3, YOU WILL SEE THAT THE DATA -- THE AVERAGE  
5 DATA THAT'S PROVIDED RANGES FROM 37,823 TO 52,793. WE  
6 CHOSE TO FOCUS IN ON THE 25TH PERCENTILE BECAUSE THAT'S  
7 AN AVERAGE RANGE FOR THE POSITIONS AND FOR THE --

8 DR. HENDERSON: WHERE ARE YOU? I'M SORRY.

9 MS. CAMPE: ATTACHMENT B ON PAGE 3.

10 DR. PIZZO: I DON'T FIND ATTACHMENT B. I  
11 HAVE ATTACHMENT A AND --

12 DR. HENDERSON: I HAVE B. WHAT IS THIS  
13 DESIGNATION YOU ARE TALKING ABOUT? WHERE ON B?

14 MS. CAMPE: PAGE 3. IT'S THE LAST CATEGORY.

15 DR. HENDERSON: OKAY. GOTCHA.

16 MS. CAMPE: ALL THE ATTACHMENTS ACTUALLY WERE  
17 ON THE WEB AND E-MAILED. IF WE LOOK AT ATTACHMENT B,  
18 YOU WILL SEE, LIKE I MENTIONED, THE AVERAGE FOR THE HE  
19 AND THE PRI DATA RANGED FROM 37,823 TO 52,793. BASED  
20 ON THAT, WE CREATED A RANGE THAT STARTED AT 40,000 FOR  
21 A MINIMUM, MEANING THAT THAT WAS GOING TO BE THE LOWEST  
22 END WE WOULD PAY SOMEBODY IN THAT PARTICULAR POSITION  
23 CATEGORY AND A MAXIMUM OF 64,000. THIS IS A 60-PERCENT  
24 RANGE, AS I MENTIONED EARLIER. WHAT WE DID IS ALL THE  
25 LEVELS WE HAD THE SAME RANGE. FOR OPEN-RANGE PROGRAMS,

1 THEY CAN RANGE ANYWHERE FROM 50 PERCENT RANGES ALL THE  
2 WAY UP TO A HUNDRED PERCENT. WE FELT THAT 60 PERCENT  
3 WOULD SUFFICE FOR THE NEEDS AND SUFFICIENT FOR THE  
4 NEEDS THAT WE WOULD HAVE HERE AT THE INSTITUTE. MANY  
5 OF THE OTHER LARGER ORGANIZATIONS MIGHT HAVE AS MUCH AS  
6 AN 80 OR A HUNDRED PERCENT RANGE, BUT WE THOUGHT 60  
7 PERCENT WOULD SUFFICE FOR THE DATA AND FOR NUMBER OF  
8 POSITIONS THAT WE WOULD HAVE IN THE SPECIFIC LEVELS  
9 THAT WE'RE CREATING HERE AT THE INSTITUTE.

10 SO IN THAT PARTICULAR -- FOR THAT PARTICULAR  
11 ROLE, WE ACTUALLY HIRED IN AT A \$45,000 SALARY. OUR  
12 GOAL, IN GENERAL, IS TO HIRE IN AT THE LOW TO MIDDLE  
13 OF THE SALARY RANGES AND ALLOW PEOPLE TO MOVE UP OVER  
14 THE COURSE OF TIME WITH MERITS AND SUCH TO BE ABLE TO  
15 ENHANCE THEIR SALARY, BUT STILL BE WITHIN THE RANGES  
16 THAT WE'VE SUBMITTED AND PROVIDED FOR YOU TODAY.

17 I'LL PROVIDE ANOTHER EXAMPLE AS WELL. IF WE  
18 LOOK TO THE SCIENTIFIC REVIEW OFFICER, WE HIRED A  
19 SCIENTIFIC REVIEW OFFICER LAST FALL, AND WE HIRED IN AT  
20 \$105,000. IF WE LOOK AT THE DATA FOR THIS, WE ACTUALLY  
21 CREATED TWO LEVELS FOR SCIENTIFIC PROGRAM OFFICERS AND  
22 REVIEW OFFICERS. AND THAT DATA, IF YOU LOOK ON, AGAIN,  
23 ON ATTACHMENT B, WHICH IS THE ATTACHMENT WITH ALL THE  
24 DATA THAT WAS COMPILED BY OUR OUTSIDE CONSULTANT, IF WE  
25 LOOK DOWN ON PAGE 2 ON THE LEFT-HAND SIDE, SAYS SENIOR

1 RESEARCH SCIENTIST. IS EVERYBODY WITH ME?

2 DR. HENDERSON: YES.

3 DR. PIZZO: YES.

4 MR. SIMPSON: SAY AGAIN WHERE YOU ARE,  
5 PLEASE.

6 MS. CAMPE: PAGE 2, SECOND FROM THE BOTTOM,  
7 ATTACHMENT B, IT SAYS SENIOR RESEARCH SCIENTISTS. THE  
8 25TH PERCENTILE NOTED FOR THE AVERAGE OF BOTH THE  
9 PRIVATE INSTITUTES AND THE HIGHER EDUCATION  
10 ORGANIZATIONS, 93,097 SALARY TO 122,886 FOR THE 75TH  
11 PERCENTILE. SO WITH THAT DATA AND ALSO THE DATA THAT  
12 WE RECEIVED WITH ONE RIGHT BELOW THAT, WHICH WAS THE  
13 RESEARCH SCIENTIST III, THAT DATA ACTUALLY, I BELIEVE,  
14 FROM YOUR HANDOUTS GOES ONTO PAGE 3. AND THAT DATA  
15 RANGE FROM 72,107 OF THE 25TH PERCENTILE TO 96,507 FOR  
16 THE 75TH PERCENTILE.

17 WE TOOK BOTH GROUPINGS AND FELT THAT AN  
18 APPROPRIATE SALARY RANGE TO ENCOMPASS THAT LEVEL IN THE  
19 ORGANIZATION WOULD BE A MINIMUM OF 80,000 TO A MAXIMUM  
20 OF 128,000. AGAIN, BASED ON THE 60-PERCENT RANGE. SO  
21 THE PERSON HIRED LAST SPRING OR LAST SUMMER WAS SLOTTED  
22 INTO THAT LEVEL, 105,000. ANY QUESTIONS?

23 CHAIR LANSING: SO I HAVE SOME QUESTIONS.  
24 I'LL START IN LOS ANGELES, SHERRY LANSING. I JUST WANT  
25 TO UNDERSTAND AGAIN WHETHER THE SALARY RANGE IS RIGHT.



1 I'M LOOKING NOW AT THE WEB BECAUSE I DON'T HAVE THE  
2 PAPER OF THE ATTACHMENT C, AND IT'S THE CHIEF  
3 COMMUNICATIONS OFFICER. I'D LIKE TO ASK YOU ABOUT  
4 THAT, HOW YOU REACH THAT ONE. IS IT TOO HIGH? JUST  
5 TALK TO ME ABOUT THAT ONE AND THE GENERAL COUNSEL.

6 MS. CAMPE: THE CHIEF COMMUNICATIONS OFFICER,  
7 THE SURVEY THAT WE SUBMITTED, WE ACTUALLY DID NOT  
8 RECEIVE ANY SALARY DATA BACK FOR THAT PARTICULAR  
9 POSITION. SO WITH ANY SALARY SURVEY IN ANY  
10 ORGANIZATION, YOU DON'T ALWAYS HAVE A MATCH FOR EVERY  
11 JOB. SOMETIMES BECAUSE IT'S A HIGH-PRICED JOB AND YOUR  
12 ORGANIZATION HAS DIFFERENT DUTIES THAN WHAT OTHER  
13 ORGANIZATIONS MIGHT HAVE FOR THAT PARTICULAR POSITION  
14 AND OTHER TIMES YOU JUST DON'T GET THE DATA BACK.

15 WHAT YOU DO AS AN ORGANIZATION IS YOU LOOK AT  
16 YOUR OVERALL JOBS AND WHERE YOU'VE LEVELED THEM, AND  
17 WHEN YOU HAVE POSITIONS THAT DON'T NECESSARILY HAVE ANY  
18 DATA, YOU TRY TO SLOT THEM OR PLACE THEM INTO LEVELS  
19 THAT ARE CONSISTENT WITH THE ORGANIZATIONS BASED ON THE  
20 JOB DUTIES AND RESPONSIBILITIES OF THE POSITION AS WELL  
21 AS THE REPORTING RELATIONSHIP WITH THAT POSITION.

22 SO IF YOU LOOK AT THE CHIEF COMMUNICATIONS  
23 OFFICER, WE KNOW THAT THIS POSITION WAS GOING TO REPORT  
24 INTO THE PRESIDENT. SO WE KNEW IT WAS A HIGHER LEVEL  
25 POSITION. WE HAD GOTTEN DATA, AS YOU CAN TELL, FROM

1 ATTACHMENT C FOR THE DIRECTOR OF SCIENTIFIC ACTIVITIES,  
2 THE DEPUTY VICE CHAIR, GENERAL COUNSEL, AND CHIEF  
3 ADMINISTRATIVE OFFICER, AND SOME DATA FOR THE CHIEF OF  
4 STAFF. WE FELT THAT THE CHIEF COMMUNICATIONS OFFICER  
5 WAS CONSISTENT AND SHOULD BE AT THAT SAME LEVEL IN THE  
6 ORGANIZATION. SO WE FELT IT WAS APPROPRIATE TO MAKE IT  
7 AT ELEVEN SEVEN.

8 IN ADDITION TO THAT, WE DID CONFIDENTIALLY  
9 GET SOME FEEDBACK FROM TWO INDIVIDUALS WHO WORK IN  
10 ORGANIZATIONS THAT ARE REPRESENTED ON PROPOSITION 71 OR  
11 IN AN ORGANIZATION THAT IS DEFINED WITHIN PROPOSITION  
12 71. AND I SHARED WITH THEM THE SALARY RANGE WE WOULD  
13 HAVE AND ASKED THEM IF WE WOULD BE COMPETITIVE IN THE  
14 MARKETPLACE FOR THE TYPE OF ORGANIZATION WE ARE AND  
15 WITH THAT SALARY RANGE. AND I RECEIVED POSITIVE  
16 FEEDBACK THAT IT WAS AN APPROPRIATE SALARY RANGE BASED  
17 ON THE DUTIES AND RESPONSIBILITIES OF THE POSITION.

18 DOES THAT ANSWER YOUR QUESTION, SHERRY?

19 CHAIR LANSING: IT DOES, BUT AGAIN, SINCE  
20 WE'RE UNDER -- OBVIOUSLY TRYING TO ACT CORRECTLY,  
21 SHOULD WE TRY AND DO MORE RESEARCH ON THIS? I'M REALLY  
22 ASKING MY FELLOWS MEMBERS OF THE COMMITTEE ABOUT THIS  
23 BECAUSE IT DID SHOW THAT THERE WAS NO SURVEY. I'M  
24 ASKING WHAT EVERYONE FEELS.

25 MR. KLEIN: THIS IS BOB KLEIN. MY

1 UNDERSTANDING IS THAT, EVEN THOUGH I WASN'T INVOLVED IN  
2 THIS PROCESS, MY UNDERSTANDING IS THAT IRONICALLY  
3 COMMUNICATIONS OFFICERS ARE SENSITIVE ABOUT DISCLOSING  
4 THEIR OWN SALARIES. AND THAT WE ACTUALLY KNOW  
5 COMMUNICATION SALARIES ON SOME OF THESE INSTITUTIONS ON  
6 THE REQUIRED LIST, BUT THEY ASKED -- THEY WOULD ONLY  
7 DISCLOSE THEM TO US IF THEY WERE DISCLOSING THEM  
8 CONFIDENTIALLY, WHICH MEANS WE CAN'T PUBLISH THEM. SO  
9 MY UNDERSTANDING IS THAT, ALEX, IF IT'S CORRECT, IS  
10 THAT YOU LOOKED AT THE LEVEL OF RESPONSIBILITY AND  
11 COMPARED TO A NUMBER OF OTHER POSITIONS FOR WHICH YOU  
12 DO HAVE DATA AND CROSS-CALIBRATED OR VALIDATED IT  
13 THROUGH THOSE OTHER POSITIONS IN ADDITION TO HAVING THE  
14 VERBAL CONFIRMATION, AS YOU SAID, OF WHAT THE SALARY  
15 RANGES ARE, INCLUDING SALARIES THAT ARE ABOVE THE  
16 MEDIAN OF THE SALARY RANGE THAT'S BEEN SUGGESTED.

17 MS. CAMPE: CORRECT.

18 DR. PIZZO: I'D JUST LIKE A COMMENT ON THIS  
19 POSITION BECAUSE IT'S AN INTERESTING ONE, AND IT'S  
20 MAYBE WHY SHERRY PICKED IT OUT. THE QUESTION THAT I  
21 HAVE AS I LOOK AT THIS AND, IN FACT, OTHERS IS WHAT'S  
22 THE RIGHT COMPARATOR ORGANIZATION?

23 CHAIR LANSING: THAT'S REALLY WHAT I'M TRYING  
24 TO GET AT.

25 DR. PIZZO: I THINK THAT COMES UP IN OTHER

1 SITUATIONS AS WELL ON THIS, WHICH I'LL COME TO IN A  
2 MOMENT. IF YOU THINK ABOUT THE ORGANIZATION, IS THE  
3 EQUIVALENT ORGANIZATION REALLY A MEDICAL SCHOOL OR  
4 UNIVERSITY, OR IS IT ANOTHER NONPROFIT GRANTING  
5 ORGANIZATION? BECAUSE THOSE MAY HAVE VERY DIFFERENT  
6 SALARY SCALES. AND THEN YOU COUPLE THAT AGAINST THE  
7 FACT THAT THE CIRM AS HAS A HUGE COMMUNICATION  
8 CHALLENGE, WHICH IS ACTUALLY BIGGER THAN MOST NONPROFIT  
9 ORGANIZATIONS, AND, IN FACT, IS NOT UNEQUIVALENT IF YOU  
10 JUST LOOK AT THE AMOUNT OF PRESS TO A LOT OF  
11 UNIVERSITIES. THAT ONE SORT OF STANDS OUT TO ME AS ONE  
12 WHERE, IF YOU ARE JUST LOOKING AT ANOTHER NONPROFIT,  
13 YOU MIGHT SAY IT'S A LOWER LEVEL JOB, BUT IN FACT THE  
14 NATURE OF WHAT'S GOING ON IS ACTUALLY AT A HIGHER  
15 LEVEL.

16 NOT TO PUT ANYONE ON THE DEFENSIVE, WHEN I  
17 LOOK AT THE COMPARATOR FOR THE PRESIDENT -- ZACH IS ON  
18 THE LINE. DON'T MISUNDERSTAND WHAT I'M ABOUT TO SAY.  
19 I THINK THERE'S A DIFFERENCE IN THE SCOPE AND NATURE OF  
20 BEING THE PRESIDENT OF CIRM THAN THERE IS TO BEING THE  
21 CHIEF EXECUTIVE OFFICER OR DEAN OR PRESIDENT OF A LARGE  
22 RESEARCH FOUNDATION OR SCHOOL OF MEDICINE JUST IN TERMS  
23 OF THE SCOPE OF RESPONSIBILITIES, NUMBER OF REPORTS,  
24 AND ALL THE REST OF THAT.

25 SO I THINK THE COMPARATOR TO ME IS STILL AN

1       ISSUE BECAUSE CIRM IS UNIQUE IN A NUMBER OF WAYS, AND  
2       IT'S HARD TO FIND EXACTLY THE RIGHT COMPARATOR.

3                 MR. KLEIN:   IN TERMS OF DR. PIZZO'S COMMENT,  
4       IN THE LITIGATION I THINK WE PRODUCED 5600 ARTICLES,  
5       5600 ARTICLES IN THE YEAR WE'VE BEEN IN EXISTENCE.

6                 DR. POMEROY:  I WANT TO JOIN MY VOICE TO THE  
7       PEOPLE WHO MAYBE ARE EXPRESSING SOME CONCERN ABOUT THE  
8       COMPARATORS.  ACTUALLY I THINK THE CHIEF COMMUNICATIONS  
9       OFFICER IS MORE COMPLEX THAN THE COMPARATORS, BUT I  
10      HAVE SOME CONCERNS ABOUT SOME OF THE OTHERS.

11                PERHAPS THE RESEARCH BUDGET IS SOMEWHAT AKIN  
12      TO THE RESEARCH BUDGET AT A MEDICAL SCHOOL, BUT ON THE  
13      OTHER HAND, THIS PERSON DOES NOT HAVE THE  
14      RESPONSIBILITY FOR, YOU KNOW, ALL OF THE COMPLIANCE  
15      OVERSIGHT, ETC., ETC. AS A MEDICAL SCHOOL.  AND I WOULD  
16      EXPRESS THIS CONCERN EVEN MORE FOR SOME OF THE OTHER  
17      POSITIONS, CHIEF OF STAFF, CIO.  IF YOU LOOK AT MY  
18      ORGANIZATION, THE PEOPLE WITH THOSE TITLES OVERSEE  
19      8,000 EMPLOYEES AND A \$1 BILLION OPERATIONAL BUDGET.  
20      AND SO I'M NOT SURE THAT MY JOB TITLE AT UC DAVIS  
21      HEALTH SYSTEM WOULD BE COMPARABLE TO THOSE AT CIRM.

22                AND I SAY THIS BECAUSE I THINK THAT SOME, BUT  
23      NOT ALL, OF THESE SALARY RANGES WILL BE PERCEIVED AS  
24      PERHAPS HIGHER THAN SOME PEOPLE WILL BE COMFORTABLE  
25      WITH.

1 DR. PIZZO: BASICALLY, CLAIRE, I'M MAKING A  
2 SIMILAR POINT, WHICH IS THAT WE HAVE TO BE SURE THAT  
3 WE'RE TESTING THIS AGAINST WHAT OTHERS WOULD LOOK AT AS  
4 A COMPARATOR. AND I ECHOED EARLIER, I THINK, SOME  
5 COMMUNICATION OFFICER IS A VERY SIGNIFICANT JOB, AND  
6 IT'S NOT TO SAY THAT THE OTHER JOBS AREN'T VERY  
7 SIGNIFICANT. I DON'T WANT TO PARSE EACH ONE OF THEM,  
8 BUT I THINK THEY'RE DIFFERENT THAN WHEN YOU'RE  
9 OVERSEEING HUNDREDS OR THOUSANDS OF PEOPLE AND LARGER  
10 BUDGETS THAT ARE MORE COMPLEX AND THEY'RE MULTISOURCED.

11 MR. KLEIN: YOU KNOW, TALKING ABOUT MORE  
12 COMPLEX POSITIONS, ANOTHER ONE, SHERRY, THAT YOU RAISED  
13 IS THE LEGAL COUNSEL. AND VERY FEW -- WELL, THE LEVELS  
14 OF LITIGATION CHALLENGES AND THE COMPLEXITY OF THE  
15 LITIGATION CHALLENGES WE FACE ARE CERTAINLY RIGHT UP  
16 THERE WITH THE MEDICAL SCHOOLS.

17 DR. PIZZO: I MUST SAY I SPEND MORE TIME WITH  
18 MY LEGAL FOLKS THAN ALMOST ANYONE ELSE, SO WE MAY BE  
19 RELATIVELY EQUIVALENT.

20 CHAIR LANSING: I THINK WHAT WE'RE GETTING  
21 AT, I THINK WHAT PHIL AND CLAIRE AND I'M ACTUALLY JUST  
22 QUESTIONING IT IS ARE THE COMPARISONS -- I TAKE THE  
23 POINT. I THINK IT'S VERY WELL TAKEN, THAT OUR  
24 COMMUNICATIONS, OUR EDUCATIONAL OUTREACH IS A HUGE PART  
25 OF MAKING THE PUBLIC UNDERSTAND WHAT'S GOING ON. I

1 TAKE THE POINT THAT OUR LEGAL COUNSEL RIGHT NOW IS  
2 UNBELIEVABLE, AND EVERYBODY'S JOB IS UNBELIEVABLY  
3 DIFFERENT. I GUESS WHAT IN THIS SARBANES OXLEY WORLD  
4 AND THE WORLD THAT WE'RE ALL LIVING IN, DO WE HAVE THE  
5 RIGHT COMPARISONS TO JUSTIFY WHAT WE ARE RECOMMENDING?  
6 I THINK THAT'S THE QUESTION WE'RE ALL ASKING.

7 MR. KLEIN: ONE OF THE THINGS WE'RE DOING IS  
8 THAT, ALEX, HOW MANY YEARS WERE YOU IN HUMAN RESOURCES?

9 MS. CAMPE: TWENTY TOTAL, TEN AT UCSF.

10 MR. KLEIN: WE'RE DEALING WITH A HUMAN  
11 RESOURCE STAFF PERSON WITH 20 YEARS EXPERIENCE, TEN  
12 YEARS IN ONE OF OUR LEADING INSTITUTIONS, WHO HAS A  
13 BACKGROUND THAT WOULD DEFINITELY QUALIFY HER TO LOOK AT  
14 THE COMPARABLES AND BENCHMARKS IN THE SYSTEM.

15 DR. HENDERSON: COULD I ASK WHETHER THERE'S  
16 INFORMATION ON STATE POSITIONS, STATE-FUNDED POSITIONS,  
17 THAT MORE OR LESS FALL INTO STATE OF CALIFORNIA  
18 POSITIONS THAT FALL INTO THESE CATEGORIES THAT WE COULD  
19 LOOK AT BY COMPARISON? ONE STANDARD MIGHT BE TO AT  
20 LEAST TRY TO BE IN LINE WITH STATE SALARIES WHERE  
21 THEY'RE APPROPRIATE. AND THERE ARE POSITIONS AT THE  
22 STATE LEVEL THAT, YOU KNOW, THROUGHOUT THAT  
23 ORGANIZATION THAT MIGHT BE RELEVANT TO SOME OF THESE  
24 THAT WOULD GIVE US ANOTHER DEFENSE.

25 MR. KLEIN: THE INITIATIVE VERY SPECIFICALLY,

1 BRIAN, SETS THE STANDARD AND THE BENCHMARKS OF THE  
2 INSTITUTIONS WE'RE SUPPOSED TO USE AS THE INDEX,  
3 INCLUDING THE RESEARCH HOSPITALS, THE INDEPENDENT  
4 RESEARCH INSTITUTIONS, THE UNIVERSITIES, AND THE UC  
5 SYSTEM SCHOOLS. SO IT SPECIFIES THE INDEX, BUT WITHIN  
6 THE STATE SYSTEM ITSELF, YOU HAVE GROUPS THAT ARE  
7 FUNDAMENTALLY HOUSED PRINCIPALLY IN SACRAMENTO WITH A  
8 LOWER COST OF LIVING AND IN A DIFFERENT FUNCTIONAL AREA  
9 OF RESPONSIBILITY, THOUGH THE OTHER STATE POSITIONS  
10 DON'T COMPARE VERY WELL, WHICH IS WHY THE INDEX WAS  
11 SPECIFIED IN THE INITIATIVE.

12 CHAIR LANSING: THIS IS HELPFUL TO ME, AND I  
13 APOLOGIZE FOR MY IGNORANCE. IN THE INITIATIVE, AND  
14 THIS IS ACTUALLY -- THAT'S THERE, IT SAYS WHAT  
15 INSTITUTIONS WE'RE SUPPOSED TO COMPARE TO.

16 DR. HENDERSON: OH, YES.

17 CHAIR LANSING: WELL, THEN, WE'RE IN  
18 COMPLIANCE. THAT'S ALL I THINK WE'RE ALL ASKING IS THE  
19 QUESTION.

20 DR. PIZZO: CAN I OFFER A SLIGHT CAVEAT TO  
21 THAT? I THINK THAT IS HELPFUL INFORMATION.

22 CHAIR LANSING: I APOLOGIZE FOR NOT KNOWING  
23 IT.

24 DR. PIZZO: I THINK -- NO APOLOGY. I THINK  
25 THE QUESTION IS WHETHER IT'S A BLANKET ACROSS THE BOARD



1       COMPARISON OR WHETHER YOU WOULD SEGREGATE ROLES IF YOU  
2       WERE WITHIN THAT MENU DIFFERENT KIND OF COMPARISONS.  
3       LET ME JUST GO BACK TO BOB'S TWO ILLUSTRATIONS. ONE  
4       TALKED ABOUT THE COMMUNICATION OFFICERS AND WE ALSO  
5       TALKED ABOUT GENERAL COUNSELS, THEN YOU WENT ON TO HR  
6       AND SAID THAT HR IS YEARS OF EXPERIENCE IN AN  
7       INSTITUTION. I ACCEPT THAT THERE'S A YEARS OF  
8       EXPERIENCE ISSUE, BUT THE SCOPE OF HR RESPONSIBILITIES  
9       FOR CIRM IS, I WOULD IMAGINE, MUCH DIFFERENT THAN THE  
10      SCOPE OF HR RESPONSIBILITIES IN OTHER -- IN ANY OF OUR  
11      OTHER SETTINGS.

12                 MR. KLEIN: I WAS MERELY SAYING THAT ALEX,  
13      WHO IS OUR HR REPRESENTATIVE, PUT THIS TOGETHER, HAS A  
14      LOT OF EXPERIENCE. I WASN'T COMMENTING ABOUT HER  
15      SALARY. SHE'S GOT 20 YEARS OF EXPERIENCE IN WHICH TO  
16      MAKE SUBJECTIVE ADJUSTMENTS AS AGAINST THE BENCHMARKS  
17      SPECIFIED IN THE INITIATIVE. SO I WASN'T TRYING TO GO  
18      TO A THIRD POSITION.

19                 DR. PIZZO: THAT'S HELPFUL.

20                 DR. MURPHY: WE JUST DID THIS AT THE SALK,  
21      AND IT TURNS OUT FOR ACADEMIC POSITIONS, IT'S QUITE  
22      EASY BECAUSE YOU'VE GOT A FAIRLY PRESCRIBED PEER GROUP,  
23      AS SHERRY WAS MENTIONING. FROM THE NONACADEMIC  
24      POSITIONS, IS A DOG'S BREAKFAST. AND THE WAY WE DID IT  
25      IS WE USED A NUMBER OF INDICES THAT ARE OUT THERE THAT

1 WERE PULLED TOGETHER BY MERCER & COMPANY. AND THEY  
2 HAVE BIOTECH GROUPS, THEY HAVE PROFIT, NONPROFIT. AND  
3 I GUESS I WOULD ASK IS THERE A PUBLISHED INDEX OR IS  
4 THERE A DATABASE WITH SOMEONE LIKE MERCER THAT COVERS  
5 THESE KINDS OF ORGANIZATIONS IN CALIFORNIA, COMPARES  
6 THEM TO NON-CALIFORNIA GROUPS, PUTS IN THERE THE  
7 CALIFORNIA PREMIUM, WHICH IS ANYWHERE FROM 5 TO 10  
8 PERCENT DEPENDING UPON WHERE YOU LIVE. I GUESS I SHARE  
9 THE DISCOMFORT WITH THE FACT THAT FOR SOME POSITIONS  
10 THERE WERE NO COMPARATORS.

11 AND I GUESS WITH ALL THE PRESSURE THAT THE UC  
12 SYSTEM IS UNDER NOW THROUGH BOB DYNES' OFFICE, I THINK  
13 WE HAVE TO BE QUITE METICULOUS HERE IN BEING ABLE TO  
14 JUSTIFY WHATEVER SALARIES WE COME UP WITH.

15 AND SO THE BOTTOM LINE IS ARE THERE INDICES  
16 OUT THERE THAT WE CAN GO TO AS BACKUP FOR THESE  
17 SALARIES THAT WE'RE RECOMMENDING?

18 MS. CAMPE: WE ACTUALLY DID GATHER DATA FROM  
19 RADFORD SURVEYS, WHICH I'M SURE YOU'RE FAMILIAR WITH.  
20 IT'S ACTUALLY FOR BIOTECH ORGANIZATIONS. AND I DON'T  
21 HAVE IT READILY HANDY RIGHT NOW, BUT IT DID, IN  
22 GENERAL, SUPPORT THE RANGES THAT WE CREATED. WE DIDN'T  
23 PROVIDE THAT IN THE SALARY ATTACHMENTS BECAUSE IT  
24 WASN'T DEFINED IN PROPOSITION 71. SO WE USE THAT AS  
25 BACKGROUND INFORMATION AND SURVEY DATA, BUT WE DIDN'T

1 SPECIFICALLY ADD IT TO THE DOCUMENTS THAT WE'VE  
2 PROVIDED YOU BECAUSE, AGAIN, IT DIDN'T MEET THE  
3 DEFINITION THAT'S UNDER PROPOSITION 71.

4 CHAIR LANSING: CAN YOU PLEASE READ US  
5 EXACTLY WHAT PROP 71 SAYS?

6 MS. CAMPE: I READ THAT EARLIER. IT'S ON THE  
7 PAGE OF THE OVERALL GENERAL NOTES.

8 CHAIR LANSING: I HAVE IT. YOU DON'T NEED TO  
9 READ IT. I'LL FIND IT.

10 DR. HENDERSON: MY CONCERN IS THAT NOT -- YOU  
11 KNOW, YOU CERTAINLY ADHERED TO THE SPIRIT AND THE  
12 LETTER OF PROP 71, BUT MY CONCERN IS WHEN THIS BECOMES  
13 PUBLIC INFORMATION, WHAT OTHER PEOPLE WILL USE AS  
14 COMPARISONS RATHER THAN JUST READING THE PROP 71 AND  
15 SAYING, OH, YEAH. WELL, THAT'S FINE. SO DO WE HAVE  
16 ANY OTHER BENCHMARK THAT WE CAN USE THAT'S MORE GENERAL  
17 THAN JUST SORT OF WHAT SOUNDS LIKE IT'S SUPPORTING  
18 OURSELVES?

19 MR. KLEIN: CAN YOU DESCRIBE THE BRADFORD  
20 INDEX THAT YOU WERE TALKING ABOUT, ALEXANDRA? I  
21 APOLOGIZE FOR REFERRING TO YOU IN SHORT AS ALEX. I  
22 SHOULD HAVE SAID ALEXANDRA. I'M SORRY.

23 DR. HENDERSON: WE DON'T HAVE THE BRADFORD  
24 INFORMATION IN FRONT OF US. SO AS A GENERAL STATEMENT  
25 THAT IT'S MORE OR LESS IN LINE IS NOT THE SAME AS

1 HAVING THE NUMBERS.

2 MS. CAMPE: THAT'S CORRECT. IT'S ACTUALLY  
3 RADFORD SURVEY DATA THAT ENCOMPASSES DATA FROM  
4 BIOTECHNOLOGY ORGANIZATIONS IN CALIFORNIA. AND OUR  
5 OUTSIDE CONSULTANTS THAT WE WORKED WITH LAST YEAR DID  
6 COMPILE THAT DATA FOR US, AND WE DO HAVE THAT DATA  
7 AVAILABLE. WE JUST DID NOT PROVIDE IT HERE AGAIN  
8 BECAUSE OF THE PROPOSITION LANGUAGE, BUT WE CAN  
9 CERTAINLY CONSIDER -- HOWEVER YOU'D LIKE TO DO IT, WE  
10 CAN BRING IT BACK INTO THE DATA THAT'S BEEN PROVIDED  
11 HERE ALREADY.

12 DR. STEWARD: I WONDER IF THE PROBLEM ISN'T  
13 MORE RELATED TO THE COMPARATORS THAN ANYTHING ELSE.  
14 AND SO, FOR EXAMPLE, TO ME IT SEEMS THAT THE CATEGORIES  
15 OF CHIEF COMMUNICATIONS OFFICER, FOR WHICH WE HAVE NO  
16 COMPARATORS, AND THE CHIEF INFORMATION OFFICER MIGHT  
17 ALMOST FALL INTO THE CATEGORY OF ADVANCEMENT IF YOU  
18 WERE TALKING ABOUT A UNIVERSITY. SO MAYBE VICE  
19 CHANCELLOR FOR ADVANCEMENT WOULD BE THE CHIEF  
20 COMMUNICATIONS OFFICER. WOULD THAT HELP?

21 DR. PIZZO: WELL, THE PLACE WHERE IT BREAKS  
22 DOWN, I THINK, ALTHOUGH I THINK IT'S A GOOD SUGGESTION,  
23 IS JUST THAT COMPARATIVE SIZE AND SCOPE OF  
24 RESPONSIBILITIES WHEN YOU SAY THAT. CHIEF INFORMATION  
25 OFFICER FOR CIRM, THE SIZE AND SCOPE OF THE

1 RESPONSIBILITIES IS DIFFERENT THAN CHIEF INFORMATION  
2 OFFICER IN A TEACHING HOSPITAL OR MEDICAL SCHOOL, JUST  
3 THINKING ABOUT THE NUMBERS OF THINGS THAT HAVE TO BE  
4 SERVICED.

5 MR. KLEIN: I WOULD PROVIDE AN ALTERNATIVE  
6 VIEW, WHICH IS WHILE THE SCOPE IS DIFFERENT, CLEARLY,  
7 AS DEAN PIZZO SUGGESTS, IF YOU LOOK AT THE PRESIDENT'S  
8 JOB, FOR EXAMPLE, ZACH IS CREATING AN AGENCY FROM THE  
9 GROUND UP. IT'S NOT SUSTAINING AN EXISTING ENTITY.  
10 AND IT IS A VERY GREAT CHALLENGE TO CREATE AN ENTITY  
11 FROM THE GROUND UP, PUT ALL THE RULES IN PLACE.

12 DR. PIZZO: I DON'T DISAGREE WITH THAT AT  
13 ALL, AND I THINK NONE OF US ARE IN STABLE  
14 ORGANIZATIONS. SO I DON'T KNOW OF ANY ORGANIZATION --

15 DR. HENDERSON: I CAN ATTEST TO THAT.

16 DR. PIZZO: THEY'RE ALL CHANGING RAPIDLY, I  
17 CAN ASSURE YOU, BUT I THINK IT'S JUST A MATTER OF  
18 COMPARISON. IT'S A COMPARISON TO A RESEARCH INSTITUTE  
19 OR A NONPROFIT THAT MAKES GRANTS AS COMPARED TO, AS  
20 WE'VE DONE HERE, TO THE DEAN OF A MEDICAL SCHOOL.  
21 THAT'S AN ISSUE THAT I THINK SOME WILL CHALLENGE,  
22 RIGHT? I THINK IT'S OUR JOB THAT WE CLEARLY WANT  
23 EVERYONE TO BE COMPENSATED AT THE HIGHEST JUSTIFIABLE  
24 LEVEL THAT WE CAN DO, BUT WE ALSO WANTED TO WITHSTAND  
25 THE TEST, SO IT DOESN'T APPEAR LIKE THE UC STUFF OUT IN

1 THE PRESS AND EMBARRASS US.

2 MR. KLEIN: I THINK I WAS JUST GOING TO SAY  
3 THAT CERTAINLY WE NEED TO RECOGNIZE THOSE COMPARISONS;  
4 BUT IN SETTING THE STAFF AT 50 PEOPLE INSTEAD OF A  
5 HUNDRED, IN STUDYING THE OVERHEAD AT A LITTLE LESS THAN  
6 6 PERCENT, WHICH IS ABOUT HALF WHAT MAJOR NONPROFITS  
7 RUN IN ADMINISTRATIVE OVERHEAD, WE WERE ATTEMPTING TO  
8 ATTRACT PEOPLE, A VERY SMALL GROUP OF PEOPLE SO WE HAVE  
9 94 CENTS ON THE DOLLAR GO TO RESEARCH, WE WOULD CARRY  
10 IMMENSE LOADS, AND THEY HAVE TO CREATE AN IP POLICY  
11 THAT'S NEVER BEEN CREATED AND MEDICAL AND ETHICAL MODEL  
12 STANDARDS THAT'S GOING TO BE USED AS A MODEL FOR THE  
13 COUNTRY. THESE PEOPLE HAVE TREMENDOUS RESPONSIBILITIES  
14 OF A DIFFERENT TYPE CERTAINLY.

15 AND SINCE WE HAVE SUCH A SMALL GROUP TO CARRY  
16 OUT THESE RESPONSIBILITIES, THE INTENT WAS TO ATTRACT  
17 THE BEST AND THE BRIGHTEST PEOPLE TO CARRY OUT THESE  
18 FUNCTIONS. AND CERTAINLY DOING IT WHILE WE'RE UNDER  
19 LITIGATION ATTACK AND WHILE THERE'S UNCERTAINTY IN OUR  
20 FUNDING STREAMS REQUIRES A TREMENDOUS AMOUNT OF  
21 DEDICATION IN ADDITION BECAUSE PEOPLE ARE NOT AT  
22 INSTITUTIONS WHICH I CONSIDER TO BE STABLE, AT LEAST IN  
23 TERMS OF MAKING PAYROLL.

24 DR. HENDERSON: BOB, YOU'RE PREACHING TO THE  
25 CHOIR. WE'RE NOT CONCERNED ABOUT EACH OTHER. WE'RE

1 CONCERNED ABOUT PEOPLE WE DON'T HAVE THE CHANCE TO SIT  
2 DOWN AND HAVE THIS SORT OF DISCUSSION WITH. AND SO HOW  
3 CAN WE DO THIS IN A WAY THAT WE MINIMIZE MISPERCEPTION  
4 NO MATTER HOW WELL-JUSTIFIED AND HOW NOBLE THE PURPOSE?  
5 AND SO I WANT TO -- I JUST WANT TO BE ASSURED THAT  
6 WE'VE REALLY THOUGHT CAREFULLY ABOUT HOW THIS WILL  
7 IMPACT AND SO THAT WE DON'T END UP HAVING THE SAME  
8 PEOPLE WE'RE TRYING TO PROTECT AND HIRE ATTACKED IN THE  
9 PRESS.

10 DR. PIZZO: RIGHT. I AGREE WITH THAT. I  
11 WOULD JUST ADD TWO OTHER THINGS. ONE OF THEM IS AS I  
12 LOOK AT SECTION C, WHICH ACTUALLY LISTS, I'M NOT REALLY  
13 CONCERNED ABOUT THOSE. I THINK WE CAN JUSTIFY THOSE  
14 NUMBERS BASED UPON AT LEAST WHAT I THINK OF THE SIZE  
15 AND SCOPE OF THEIR RESPONSIBILITY.

16 BUT TO BOB'S POINT EARLIER, I RECOGNIZE THAT  
17 WE'RE IN A BUILDING PHASE, AND THAT'S A HARDER EFFORT.  
18 BUT WE ARE SETTING COMPENSATION WHICH WE SHOULD  
19 CERTAINLY THINK ABOUT THAT WILL HAVE CARRY-OVER EFFECTS  
20 WHEN THE BUILDING IS DONE AND THEN BRINGING IN OTHER  
21 PEOPLE, SO IT WON'T NECESSARILY BE THE SAME. ONCE THE  
22 JOB DESCRIPTION AND THE PAY BANDS ARE DEFINED, THEY'LL  
23 HAVE SUSTAINABILITY OVER TIME, AND I THINK WE WANT TO  
24 JUST BE COGNIZANT OF THAT AS WELL.

25 DR. MURPHY: I'VE GOT TO GO BACK TO WHAT

1 BRIAN SAID BECAUSE I AGREE WITH IT. WE JUST NEED TO BE  
2 ABLE TO DEFEND THIS WHEN IT HITS THE PUBLIC.  
3 ALEXANDRA, THE RADFORD BIOTECH, I THINK THE CRITICISM  
4 OF THAT IS THAT BIOTECH GENERALLY PAYS HIGHER THAN THE  
5 NONPROFIT SECTOR BECAUSE OF THE UNCERTAINTIES OF THE  
6 BIOTECH INDUSTRY, ETC., ETC. I GUESS THE QUESTION I  
7 WOULD HAVE IS I WOULD BE MORE COMFORTABLE IF, IN  
8 ADDITION TO RADFORD, YOU HAD OTHER INDICES THERE THAT  
9 ARE MORE BALANCED THAT WE COULD POINT TO IN ADDITION TO  
10 THE ACADEMIC INFORMATION YOU HAVE BECAUSE I THINK WE  
11 JUST NEED TO BE ABLE TO DEFEND THE SALARIES THAT WE'VE  
12 COMMITTED HERE BECAUSE IT WILL BE QUESTIONED. THERE'S  
13 NO QUESTION ABOUT IT.

14 MR. KLEIN: AND THE BEAUTY OF THIS  
15 DISCUSSION, DR. MURPHY, IS THAT THIS IS IN THE PUBLIC.  
16 AND PAUL ELIAS WITH ASSOCIATED PRESS IS AT CIRM  
17 HEADQUARTERS SO THAT THIS IS A VERY INFORMED DISCUSSION  
18 WITHIN THE PUBLIC SPECTRUM THAT HAS LOTS OF HEALTHY  
19 VIEWS BEING EXPRESSED.

20 DR. MURPHY: I CONGRATULATE YOU FOR THAT,  
21 BOB.

22 DR. HALL: LET ME MAKE ONE TECHNICAL POINT.  
23 AS I RECALL, ONE OF THE DIFFICULTIES WITH THE CHIEF  
24 COMMUNICATIONS OFFICER AND HAVING IT PEGGED TO MEDICAL  
25 SCHOOLS, IN MANY CASES MEDICAL SCHOOLS THEMSELVES DON'T



1 HAVE A CHIEF COMMUNICATIONS OFFICER. IT TURNS OUT TO  
2 BE SOMEBODY ASSOCIATED WITH THE UNIVERSITY OR WITH THE  
3 CAMPUS OR A LARGER GROUP, AND I THINK THAT IN SOME  
4 CASES WAS THE PROBLEM. I THINK IT'S SORT OF CERTAINLY  
5 ACCIDENTAL THAT WE DON'T HAVE DATA FOR THAT, BOTH  
6 BECAUSE OF THE REASON THAT BOB MENTIONED EARLIER. SOME  
7 PEOPLE JUST DIDN'T WANT TO DIVULGE. ALSO THE FACT IN  
8 THE STATE SCHOOLS WHERE IT'S A MATTER OF PUBLIC RECORD,  
9 THEY OFTEN ARE NOT -- CLAIRE, I DON'T KNOW IF YOU HAVE  
10 A COMMUNICATIONS OFFICE DEDICATED TO YOUR MEDICAL  
11 SCHOOL OR NOT.

12 DR. POMEROY: TO OUR HEALTH SYSTEM, YES.

13 DR. PIZZO: WE HAVE A WHOLE OFFICE, ZACH, AT  
14 STANFORD THAT IS JUST COMMUNICATIONS FOR THE MEDICAL  
15 SCHOOL.

16 DR. HALL: I KNOW YOU DO. AT UCSF, AS FAR AS  
17 I KNOW, COMMUNICATIONS IS WITH THE CHANCELLOR'S OFFICE.  
18 THERE IS NO SPECIFIC COMMUNICATIONS FUNCTION WITH THE  
19 MEDICAL SCHOOL. I DON'T KNOW ABOUT OTHER PLACES. I DO  
20 KNOW THAT.

21 DR. MURPHY: I GUESS I'D ALSO LIKE TO ADD IF  
22 YOU'RE A 501(C)(3), YOU'RE ON THE WEB. ALL SENIOR  
23 POSITION SALARIES ARE ON THE WEB, SO THEY ARE  
24 ACCESSIBLE WHETHER PEOPLE LIKE IT OR NOT.

25 CHAIR LANSING: RATHER THAN -- I BROUGHT THIS

1 UP BY FOCUSING IN ON ONE SALARY, BUT REALLY I THINK  
2 WHAT A GROUP OF US ARE CONCERNED ABOUT IS BEING -- WE  
3 WANT THE BEST PEOPLE, WE WANT TO ATTRACT THE BEST  
4 PEOPLE, AND WE WANT TO BE SURE THAT WE ARE FULFILLING  
5 OUR FIDUCIARY RESPONSIBILITIES BY DOING IT AT THE FAIR  
6 MARKET VALUE, AND WE'RE CONCERNED WITH THE COMPARISON  
7 CHART. I KNOW THE COMPARISON CHART IS WHAT IT SAYS IN  
8 PROP 71.

9 SO THE QUESTION IS WHAT DO WE DO NEXT? I  
10 GUESS WHAT I'D LIKE TO DO, SINCE WE'VE BEEN TALKING  
11 ABOUT IT QUITE BIT, IS HEAR FROM THE MEMBERS OF THE  
12 PUBLIC FOR A SECOND AND THEN GO BACK TO OUR DISCUSSION  
13 BECAUSE I KNOW THAT THE PUBLIC IN L.A. HAS BEEN  
14 PATIENTLY WAITING TO SPEAK.

15 MR. SIMPSON: THANK YOU VERY MUCH. JOHN  
16 SIMPSON FROM THE FOUNDATION FOR TAXPAYER AND CONSUMER  
17 RIGHTS AND THE FORMER DEPUTY EDITOR OF USA TODAY. I  
18 UNDERSTAND THE PROP 71 NOTION THAT YOU HAVE TO HAVE  
19 COMPARISON TO MEDICAL SCHOOLS AND UC. IT COULD BE  
20 POSSIBLE THAT SOME OF THOSE SCALES ARE OUT OF WHACK AND  
21 ARE TOO HIGH NOW ANYWAY, SO YOU MAY BE COMPARING TO  
22 SOMETHING THAT'S HIGH AND HIGHER THAN IT SHOULD BE, AND  
23 I SUSPECT THAT MANY IN THE PUBLIC MIGHT SENSE THAT.

24 BUT SPECIFICALLY TO THE POSITION OF CHIEF  
25 COMMUNICATIONS OFFICER, THAT AT FIRST BLUSH TROUBLES ME

1 THAT YOU AREN'T ABLE TO PROVIDE COMPARABLE DATA, BUT  
2 BEYOND THAT, THAT THAT RANGE SEEMS EXCESSIVE TO ME.  
3 AND I WONDER WHETHER THERE HAVE BEEN COMPARISONS MADE  
4 PERHAPS TO SUCH POSITIONS AS THE CHIEF OF  
5 COMMUNICATIONS FOR THE GOVERNOR OF THE STATE OR THE  
6 CHIEF OF COMMUNICATIONS FOR OTHER PUBLIC AGENCIES. IT  
7 JUST SEEMS A RANGE THAT IS QUITE HIGH, PARTICULARLY  
8 WHEN YOU MIGHT TAKE INTO CONSIDERATION THAT THERE ARE  
9 MANY, MANY TALENTED COMMUNICATIONS PEOPLE WHO ARE  
10 FINDING THEMSELVES LOOKING FOR NEW POSITIONS PRECISELY  
11 BECAUSE THE NEWSPAPER INDUSTRY IS SHRINKING. SO YOU  
12 MIGHT FIND A VERY GOOD MARKET FOR PEOPLE.

13 I JUST RAISE THAT. AND IT DOES SEEM TO ME  
14 THAT YOU NEED TO HAVE FURTHER REFINED COMPARISONS HERE  
15 TO MAKE PEOPLE UNDERSTAND WHAT YOU'RE TRYING TO DO.  
16 THANK YOU.

17 CHAIR LANSING: I THINK IN L.A. WHAT WE'RE  
18 SENSING IS PERHAPS WE NEED TO HAVE SOME STATE  
19 COMPARISONS TO JUSTIFY WHAT WE'RE TALKING ABOUT.

20 DR. HALL: WE HAVE A COMMENT FROM THE PUBLIC  
21 HERE, AND I HAVE A SUGGESTION.

22 CHAIR LANSING: LET'S HEAR FROM THE PUBLIC IN  
23 SAN FRANCISCO.

24 MR. REED: I FEEL THE COMPARATORS ARE GOOD,  
25 AND IT'S A WRESTLING MATCH BETWEEN THE PUBLIC --

1 CERTAIN ASPECTS OF THE PUBLIC'S NEED TO MAKE SURE EVERY  
2 PENNY IS SPENT WISELY IS VALUABLE, BUT I THINK THIS IS  
3 A UNIQUE SITUATION. WE'RE NOT COMING INTO AN  
4 ESTABLISHED SITUATION WHERE YOU SHOW UP MONDAY MORNING  
5 AND YOUR WORK IS ALL NEATLY LAID OUT FOR YOU, YOU GO  
6 HOME AND YOU DON'T TAKE YOUR WORK HOME WITH YOU. THIS  
7 COMBINES WHAT SEEMS TO ME LIKE THE STRESS OF A WAR ZONE  
8 WITH THE OPPORTUNITIES OF A MOON WALK. I THINK THIS IS  
9 SOMETHING UNIQUE AND NEW. WE DON'T WANT TO PAY PEOPLE  
10 ADEQUATELY. WE WANT TO PAY THEM WELL BECAUSE OF THE  
11 IMPORTANCE OF THE JOB. THOSE ARE MY THOUGHTS.

12 CHAIR LANSING: THANK YOU. I JUST DO THIS A  
13 LITTLE BIT OUT OF ORDER IF THAT THAT'S OKAY. ZACH, DO  
14 YOU WANT TO CALL AND I'LL GO AROUND TO PUBLIC AND  
15 PRIVATE.

16 DR. HALL: GO AHEAD.

17 CHAIR LANSING: ANY OTHER PUBLIC IN SAN  
18 FRANCISCO? ANY PUBLIC AT CEDARS? USC?

19 DR. HENDERSON: NO.

20 CHAIR LANSING: IRVINE?

21 DR. STEWARD: NOPE.

22 CHAIR LANSING: STANFORD?

23 DR. PIZZO: NO.

24 CHAIR LANSING: DAVIS?

25 DR. POMEROY: NO.

1 CHAIR LANSING: SAN DIEGO?

2 DR. NOVA: NO.

3 CHAIR LANSING: THEN LET ME GO BACK BECAUSE I  
4 THINK WE'VE ISOLATED OUR CONCERNS, BUT NOW, YOU KNOW,  
5 WE'RE SCHEDULED TO VOTE ON THIS, SO I'M WONDERING IF  
6 THERE'S SOME WAY WE CAN MOVE THIS AGENDA ITEM FORWARD  
7 OR COME UP WITH ANOTHER RESOLUTION. ZACH, YOU SAID YOU  
8 HAD A SUGGESTION?

9 DR. HALL: YES, I DO. I THINK IT IS A TIME  
10 WHEN THERE'S A LOT OF SENSITIVITY ABOUT THESE ISSUES,  
11 AND WE CERTAINLY KNOW, AS RICH SAID, THAT THE SITUATION  
12 WITH UC MAKES IT A DELICATE TIME. WE ALSO KNOW THAT  
13 THE PROPOSITION REQUIRES THAT IT BE INDEXED TO THAT,  
14 BUT I THINK WE COULD PRESENT THE SCALES THAT WE HAVE  
15 HERE. AND I THINK WHAT DRAWS THE FIRE ARE PARTICULARLY  
16 THE TOP END. WHEN YOU LOOK AND SEE THAT SOMEBODY MIGHT  
17 GET \$240,000 TO BE A CHIEF COMMUNICATIONS OFFICER,  
18 PEOPLE SAY, WOW, THAT'S A LOT OF MONEY. ONE  
19 POSSIBILITY WOULD BE TO USE THE SAME MINIMUMS OR  
20 SIMILAR; AND THEN RATHER THAN HAVING A 60-PERCENT  
21 RANGE, TO CUT THAT RANGE DOWN A LITTLE BIT.

22 MS. CAMPE: TO THE HIGHER LEVELS, YOU MEAN?

23 DR. HALL: SO THAT -- I HAVEN'T -- OFF THE  
24 TOP OF MY HEAD I HAVE TO DO IT, BUT LET'S JUST SAY THAT  
25 THE 150 TO 240 RANGE, IF YOU DID IT AT 50 PERCENT

1 INSTEAD OF 60, IT WOULD GO TO 225 AT THE TOP. THAT'S  
2 JUST A SUGGESTION OFF THE TOP.

3 AND I THINK IF ONE ACTUALLY SAW THAT WE HAVE  
4 IT INDEXED TO THE MEDICAL SCHOOLS HERE AND THAT WE WERE  
5 ABLE TO SAY THAT WE HAD TAKEN A VERY CONSERVATIVE  
6 STANCE WITHIN THAT INDEX, THAT IS, WE WEREN'T GOING TO  
7 THE VERY TOP OF THE RANGE, BUT WE WERE PULLING BACK ON  
8 IT A LITTLE BIT, IT MIGHT HELP US.

9 CHAIR LANSING: CAN I ASK FOR SOMETHING, AND,  
10 AGAIN, I'M PARTICULARLY SENSITIVE AS A REGENT OF THE  
11 UNIVERSITY OF CALIFORNIA, AND I THINK ALL OF US  
12 REALLY -- I HEAR YOU ABOUT THE TOP END. I GUESS IS  
13 THERE ANY WAY THAT I CAN GET SOME, YOU KNOW, KIND OF  
14 COMPARISONS AS TO WHAT'S THE GOVERNOR'S CHIEF OF STAFF  
15 GET, WHAT THE GENERAL COUNSEL GET, WHAT THE CHIEF  
16 COMMUNICATIONS OFFICER, JUST SO I CAN KNOW. IT MAY  
17 TURN OUT THAT IT'S VERY CLOSE TO THIS, AND THEN I THINK  
18 I WOULD SLEEP FINE KNOWING THAT. I WOULD JUST LIKE  
19 SOME COMPARISONS.

20 I KNOW I'M VERY COMFORTED BY THE FACT THAT WE  
21 ARE IN COMPLIANCE WITH PROP 71. AND I SUSPECT, YOU  
22 KNOW, THAT THE UC SYSTEM HOPEFULLY WAS IN COMPLIANCE  
23 ALSO, BUT THAT DOESN'T MEAN THAT THE PERCEPTION IS  
24 GOING TO BE EASY. SO WHAT I'M CONCERNED ABOUT IS THAT  
25 WE HANDLE THE PERCEPTION AS MUCH THE REALITY. AND I

1 GUESS, AS MUCH AS I KNOW WE WANT TO VOTE ON THIS TODAY,  
2 IS IT POSSIBLE TO GET SOME COMPARISONS TO THE STATE,  
3 SOME STATE OFFICES?

4 MR. KLEIN: WE CAN CERTAINLY GET THOSE, AND  
5 ZACH AND ALEXANDRA NEED TO REALLY COMMENT ON THAT.  
6 THIS IS BOB. THE COMPARISON IS GOING TO BE MUCH LOWER.  
7 I SAT ON THE CALIFORNIA HOUSING FINANCE AGENCY BOARD  
8 FOR SIX YEARS, AND WE CONSTANTLY WERE LOSING STAFF  
9 BECAUSE WE COULDN'T PAY AT THE LEVEL NECESSARY TO  
10 CREATE INNOVATIVE PROGRAMS.

11 CHAIR LANSING: BUT THEN, BOB, EVEN IF IT'S  
12 LOWER, THEN WE CAN SEE HOW MUCH HIGHER WE ARE. AT  
13 LEAST WE'LL KNOW WHY WE'RE DOING WHAT WE'RE DOING. I  
14 DON'T HAVE ANY IDEA WHAT THE NUMBERS ARE. MAYBE  
15 THEY'RE SUPPLEMENTING THEM.

16 MR. KLEIN: I THINK IT'S A GOOD IDEA, FOR  
17 EXAMPLE, TO LOOK AT THE RADFORD BIOTECH INDEX. THAT  
18 SOUNDS LIKE AN INDEX THAT COULD BE VERY INFORMATIVE.  
19 SO IT MAY BE VERY APPROPRIATE TO PUT THIS OVER, BUT I'D  
20 LIKE TO HEAR WHAT ZACH'S VIEW IS OF IT.

21 DR. HALL: I THINK I SHARE THE CONCERN OF THE  
22 BOARD MEMBERS THAT THIS IS GOING TO, I THINK, BE  
23 DIFFICULT TO DEFEND. AND YET I ALSO SHARE THE CONCERN  
24 THAT WE WANT THE BEST POSSIBLE PEOPLE. I SUGGEST THAT  
25 WE DO SOME MORE RESEARCH ON THIS, THAT WE LOOK AT THE

1 RADFORD NUMBERS WITH THE AWARENESS THAT RICH SAID, THAT  
2 THESE MAY BE HIGHER THAN THOSE AT THE MEDICAL SCHOOL  
3 NUMBERS THAT WE HAVE. SHERRY, IF YOU THINK WE OUGHT TO  
4 LOOK AT THE STATE NUMBERS --

5 CHAIR LANSING: I DO BECAUSE I FEEL VERY MUCH  
6 BECAUSE THAT'S WHAT THE LEGISLATURE IS GOING TO LOOK AT  
7 TOO.

8 DR. HALL: WE'VE ALREADY HEARD SOME OF THAT.

9 CHAIR LANSING: I WANT TO BE ABLE TO SAY,  
10 OKAY. I JUST WANT THE FACTS. THAT'S ALL I CAN ASK,  
11 AND THEN WE CAN MAKE AN INFORMED DECISION. I DON'T  
12 HAVE ENOUGH OF THE FACTS.

13 DR. HALL: I THINK BOTH THE THINGS WE'VE  
14 HEARD MADE SOME ANECDOTAL INFORMATION THAT I HAVE ARE  
15 TRUE; THAT IS, THESE NUMBERS ARE GOING TO COME IN  
16 LOWER. WHENEVER WE TALK TO THE STATE PEOPLE, THEY SAY  
17 YES, BUT SO-AND-SO, SO-AND-SO ONLY GETS, AND I'M SURE  
18 THEY WILL COME IN LOWER. AND YET WE DO HAVE A CONCERN  
19 THAT BOB HAS, THAT WE NEED THE VERY BEST PEOPLE TO  
20 CARRY THIS PROJECT OUT.

21 I THINK THE OTHER THING I WOULD SUGGEST IS  
22 THAT WE DO MORE RESEARCH, GIVE YOU SOME MORE NUMBERS,  
23 INCLUDING THE RADFORD NUMBERS, AND THAT WE ALSO MAKE  
24 SOME SUGGESTIONS ABOUT RESTRUCTURING THE FORMULA BY  
25 WHICH WE CONSTRUCT THESE RANGES. AND I THINK WE CAN



1 COME UP WITH SOMETHING THAT STILL MAY BE -- THAT WILL  
2 GIVE US THE RANGES THAT WE NEED TO GET REALLY GOOD  
3 PEOPLE, BUT WILL BE A BIT MORE PALATABLE IN TERMS OF  
4 APPEARANCE BECAUSE THAT'S WHAT SOMEBODY SAID. IT'S NO  
5 GOOD TO SAY, WELL, THIS IS WHAT THE PROPOSITION 71  
6 CALLS FOR. WHAT PEOPLE ARE CONCERNED ABOUT ARE THE  
7 APPEARANCE.

8 AND THE SAME THING WILL HAPPEN TO US AS UC;  
9 THAT IS, NUMBERS WILL BE ON THE FRONT PAGE IF WE DON'T  
10 WATCH OUT.

11 CHAIR LANSING: THERE'S NO NEED FOR THAT.  
12 AGAIN, LET ME SAY, ZACH, I HAVE TWO QUESTIONS TO ASK  
13 YOU, ZACH. FIRST OF ALL, DOES THIS INHIBIT YOUR  
14 ABILITY TO MOVE FORWARD IN ANY WAY?

15 DR. HALL: WHAT I'M SAYING IS I THINK WE CAN  
16 COME UP WITH A MORE MODEST SALARY SCALE THAT WILL  
17 NOT -- THAT WE CAN WORK WITH.

18 CHAIR LANSING: AND NOT MOVING THIS AGENDA  
19 ITEM FORWARD TODAY UNTIL WE GET THAT ADDITIONAL  
20 INFORMATION, IS THERE ANYBODY THAT YOU'RE TRYING TO  
21 HIRE THAT YOU NEEDED THIS DONE FOR?

22 DR. HALL: I DON'T THINK AT THE MOMENT.

23 CHAIR LANSING: OKAY. THAT COMFORTS ME  
24 BECAUSE I DON'T WANT TO IN ANY WAY, AND I SPEAK FOR ALL  
25 OF US, INHIBIT YOUR ABILITY TO HIRE AND RUN THIS

1       INSTITUTION.   AND, BOB, I SAY THAT AS WELL.   I JUST  
2       THINK --

3                 DR. STEWARD:   JUST TO BUILD UPON WHAT ZACH  
4       HAS PROPOSED HERE, AND I WANTED TO GO BACK TO AN  
5       EARLIER SUGGESTION, I THINK MAYBE PART OF OUR PROBLEM  
6       HERE IS IT IS HARD TO FIND THE COMPARATORS HERE.   AND  
7       TO ME, IN THINKING ABOUT WHAT IS LIKELY TO GO ON IN THE  
8       CHIEF COMMUNICATIONS OFFICER'S REALM, IT REALLY DOES  
9       STRIKE ME AS MORE OF AN ADVANCEMENT POSITION  
10      EQUIVALENCY AS FAR AS THE UNIVERSITY GOES.   I MEAN  
11      ADVANCEMENT HERE, NOT DEVELOPMENT, SOMEBODY WHO'S  
12      REALLY PUTTING FORWARD THE ACTIVITIES OF CIRM, AND SO I  
13      WOULD RECOMMEND TRYING TO GET SOME COMPARATORS THERE.

14                SIMILARLY, IT SEEMS TO ME THAT THE GRANTS  
15      MANAGEMENT OFFICER THAT'S DESCRIBED HERE MIGHT BE MORE  
16      COMPARABLE TO SOMEONE IN THE VICE CHANCELLOR FOR  
17      RESEARCH'S OFFICE IN A UNIVERSITY SETTING.   MAYBE THE  
18      ASSISTANT OR ASSOCIATE VICE CHANCELLOR FOR RESEARCH,  
19      SOMETHING ALONG THOSE LINES.

20                I THINK WHAT WE REALLY WANT TO SEE, THOUGH,  
21      IS ALL BLOCKS FILLED IN AND NO ASTERISKS THERE TO THE  
22      EXTENT THAT WE CAN TRY TO GET REAL COMPARABLE SURVEY  
23      DATA IN SOME WAY.

24                DR. POMEROY:   LIKE THE GENERAL SENTIMENT, I'M  
25      NOT READY TO SUPPORT THESE TODAY AND NEED SOME MORE

1 DATA. BUT I WOULD ALSO ASK, IT WOULD BE VERY HELPFUL  
2 FOR ME IF THE TYPE OF EDUCATIONAL BACKGROUND, YEARS OF  
3 EXPERIENCE, AND THE FUNCTIONS OF THE POSITIONS WOULD BE  
4 LISTED OUT ON THE SPREADSHEET BECAUSE I THINK THERE ARE  
5 POTENTIALLY SOME OF THESE SALARIES THAT ARE TOO LOW AND  
6 SOME THAT ARE TOO HIGH. AND JUST ON A FIRST GLANCE,  
7 SOME OF THE ONES OF PEOPLE WITH RESEARCH BACKGROUNDS  
8 SEEM DISPROPORTIONATELY A BIT LOW TO ME AND SOME OF THE  
9 ONES WITH ADMINISTRATIVE BACKGROUND MIGHT, ON THE OTHER  
10 HAND, BE HIGHER THAN I EXPECTED. HAVING THAT  
11 INFORMATION OF THEIR EDUCATIONAL BACKGROUND, EXPECTED  
12 ACTIVITIES, AND YEARS OF EXPERIENCE WOULD BE HELPFUL.

13 DR. NOVA: I AGREE WITH CLAIRE ON THAT. WHEN  
14 WE LOOK AT HIRING SOMEONE NEW, THE FIRST PLACE WE  
15 START, WE HAVE THE RADFORD AND SAN DIEGO AND ALL THOSE  
16 SURVEYS AS WELL, BUT WE START BY SAYING WHAT IS YOUR  
17 CURRENT SALARY AT YOUR JOB AND USE THAT A BASE. SO IF  
18 THEY'RE MAKING 60,000 AT SOME LEVEL, AND WE LOOK AT THE  
19 SURVEY AND IT SAYS THEY SHOULD BE MAKING 80,000, WE  
20 DON'T TAKE THEM TO \$80,000. WE TAKE THEM UP A LITTLE  
21 BIT OVER WHERE THEY WERE, SO IT'S REALLY THE  
22 COMBINATION OF THE SURVEYS AND THEIR YEARS EXPERIENCE  
23 AND WHERE THEY CURRENTLY ARE AND WHAT THEIR CURRENT  
24 SALARY IS.

25 DR. MURPHY: SHERRY, I WOULD ADD ONE MORE

1 THING. I THINK IN ADDITION TO RADFORD, I THINK WE NEED  
2 OTHER SURVEYS. I'LL TELL YOU THE CRITICISM OF RADFORD,  
3 IT'S GOING TO BE IT IS TOO HIGH. THE OTHER -- RELATIVE  
4 TO NON-PROFITS. THE OTHER THING I THINK ALEXANDRA  
5 SHOULD LOOK AT IS TOTAL COMPENSATION. IT'S NOT ONLY  
6 SALARY, BUT IT'S BENEFITS AS WELL. I DON'T KNOW HOW  
7 THAT PLAYS OUT, BUT AT LEAST WE NEED TO BE AWARE OF  
8 THAT AS WE SET THE --

9 CHAIR LANSING: VERY GOOD POINT. THAT'S WHAT  
10 THE UC SYSTEM IS ACTUALLY --

11 MS. CAMPE: THIS IS ALEXANDRA, AND I  
12 APPRECIATE ALL THE THOUGHTS RIGHT NOW. I WANT TO ADD,  
13 FIRST, ATTACHMENT A DOES ACTUALLY IN THE SURVEY THAT  
14 WAS SENT OUT, IT SPECIFIES THE EDUCATION AND THE  
15 GENERAL DUTIES OF THAT PARTICULAR JOB. SO THAT WAS  
16 WHAT WAS GIVEN TO THE SURVEY UNIT WHEN WE ASKED FOR  
17 THIS DATA. I JUST WANTED TO SHARE THAT.

18 I WILL ADD, JUST GENERALLY SPEAKING, I'VE  
19 DONE SALARY SURVEYS FOR MANY, MANY YEARS. IT'S A HUGE  
20 CHALLENGE BECAUSE EVEN WITHIN UC WHEN WE TRY TO COMPARE  
21 JOBS WITHIN UCSF WITH SOME OTHER CAMPUS, THE  
22 COMPARATORS WERE NOT ALWAYS GOOD BECAUSE JOBS MIGHT BE  
23 IN DIFFERENT DEPARTMENTS, THEY MIGHT HAVE THREE PEOPLE  
24 REPORTING UP THROUGH THEM, THEY MIGHT HAVE A BIGGER  
25 SCOPE OF RESPONSIBILITY THAN THE SAME POSITION ON

1 ANOTHER CAMPUS. THIS IS A CHALLENGE FOR ALL  
2 ORGANIZATIONS TO TAKE THE DATA AND, YOU KNOW, HAVE ALL  
3 THE T'S AND I'S DOTTED AND SUCH. BUT MORE DATA IS  
4 OBVIOUSLY BETTER.

5 SO WHAT WE CAN DO IS DEFINITELY PULL IN THE  
6 RADFORD DATA AGAIN. WE DID GET SOME DATA FROM THE  
7 MOORE FOUNDATION FOR NONPROFIT ORGANIZATIONS  
8 NATIONALLY. SOME OF THE CHALLENGE WITH THAT DATA LIKE  
9 THAT IS THAT IT'S A NATIONAL AVERAGE, SO IT DOESN'T  
10 TAKE INTO CONSIDERATION VARIOUS COST OF LIVING ISSUES,  
11 SO THEN YOU KIND OF START KIND OF PUTTING IN APPLES AND  
12 ORANGES. SO I'M JUST KIND OF BRINGING THOSE THINGS UP,  
13 BUT I'M HAPPY TO GO BACK AND ADD MORE OF THE RADFORD  
14 DATA, LOOK AT ANY OTHER SURVEY DATA THAT WE CAN COME UP  
15 WITH.

16 CHAIR LANSING: I DESPERATELY NEED SOME OF  
17 THE STATE DATA. I KNOW IT'S GOING TO BE LOWER, JUST I  
18 JUST WANT TO KNOW WHAT IT IS.

19 DR. HENDERSON: SAME HERE. I ECHO THAT.

20 MR. BARNES: I THINK WE CAN GET THAT. WE CAN  
21 ALSO PUT IT IN ITS PROPER PERSPECTIVE IN TERMS OF THE  
22 DUTIES AND RESPONSIBILITIES.

23 CHAIR LANSING: ABSOLUTELY. I'M NOT --

24 DR. HENDERSON: WE'RE NOT TRYING TO PEG  
25 THERE. WE'RE JUST TRYING TO KNOW WHAT IT IS.

1 MR. BARNES: I AGREE. I THINK THAT WOULD BE  
2 GOOD DATA FOR YOU.

3 DR. POMEROY: THERE ARE OTHER ORGANIZATIONS  
4 THAT MIGHT BE INTERESTING TO LOOK AT.

5 DR. PIZZO: CAN I ASK ONE OTHER QUESTION?  
6 THIS DISCUSSION IS HELPFUL. HOW DOES THIS IMPACT  
7 IMMEDIATELY ON THE STAFF CURRENTLY WORKING BECAUSE  
8 THEY'RE PRESUMABLY BEING COMPENSATED AT CERTAIN RATES.  
9 WE DON'T WANT TO CREATE A MORALE ISSUE WHILE WE'RE  
10 GOING THROUGH THE CONTINUATION OF DATA GATHERING. WHEN  
11 WOULD THE CHANGES OR WHATEVER GO INTO EFFECT?

12 MS. CAMPE: WELL, I WILL SAY THE CURRENT  
13 RANGES THAT WE'RE PROPOSING, ALL STAFF ARE WITHIN THOSE  
14 RANGES, AND ALL STAFF ARE WELL WITHIN THE MEDIAN RANGE  
15 OF THOSE RANGES. IF WE POTENTIALLY MADE SOMETHING A  
16 LITTLE BIT SMALLER, I DON'T THINK IT WOULD IMPACT  
17 ANYONE. POTENTIALLY ONE PERSON, BUT I DON'T THINK, IN  
18 GENERAL, IT WOULD AFFECT ANYONE.

19 DR. PIZZO: OKAY. THANK YOU.

20 MR. BARNES: PLUS, IN ADDITION, IN OUR  
21 RECOMMENDATION WE'RE CLARIFYING THAT ALL WE'RE DEALING  
22 WITH IS THE INITIAL RANGES. THERE IS ANOTHER STEP THAT  
23 WE'RE WORKING ON WHICH WOULD HAVE TO DO WITH REGARD TO  
24 RAISES AND PROMOTIONS AND EVALUATIONS THAT WE'RE  
25 WORKING ON THAT WILL COME BACK TO YOU. SO UNTIL THAT

1     PIECE COMES TO YOU, NOBODY WHO IS -- THE SALARIES THAT  
2     PEOPLE ARE ACTUALLY GETTING PAID WILL BE THE SALARIES  
3     THAT THEY WILL CONTINUE TO HAVE UNTIL SUCH TIME AS YOU  
4     HAVE A CHANCE TO APPROVE THAT AS WELL.

5             CHAIR LANSING: WELL, I THINK THERE'S A REAL  
6     SENSE OF THE GROUP THAT WE ARE EXTRAORDINARILY  
7     APPRECIATIVE OF ALL THE WORK THAT YOU DID, ALEXANDRA.  
8     AND WE'RE NOT IN ANY WAY SAYING THAT IT ISN'T CORRECT;  
9     BUT JUST SO THAT WE CAN UNDERSTAND IT BETTER, WE WOULD  
10    LIKE SOME MORE INFORMATION. I REALLY APPRECIATED, YOU  
11    KNOW, JUST BECAUSE OF THE, YOU KNOW, OF WANTING JUST TO  
12    BE FULLY, FULLY INFORMED SO THAT WE CAN  
13    ENTHUSIASTICALLY RECOMMEND THE SALARIES WHEN WE HAVE  
14    THE MOST INFORMATION.

15            SO I DON'T THINK -- LET ME ASK. IS THERE ANY  
16    MORE BOARD COMMENT FROM LOS ANGELES? NO. FROM CEDARS?  
17    NO. USC?

18            DR. HENDERSON: NO.

19            CHAIR LANSING: IRVINE?

20            DR. STEWARD: NO.

21            CHAIR LANSING: STANFORD?

22            DR. PIZZO: NO.

23            CHAIR LANSING: DAVIS?

24            DR. POMEROY: NO.

25            CHAIR LANSING: SAN DIEGO?

1 DR. NOVA: NO.

2 CHAIR LANSING: ANY COMMENT FROM THE PUBLIC  
3 IN LOS ANGELES?

4 MR. SIMPSON: JUST THAT I'D LIKE TO  
5 UNEMPHASIZE THE NEED TO GATHER MORE DATA. IT SEEMS TO  
6 ME THAT YOU'RE TAKING THE RIGHT STEP HERE, AND IT'S AN  
7 IMPORTANT ONE TO MAKE SURE YOU HAVE THAT DATA.

8 CHAIR LANSING: THANK YOU, JOHN. ANY FROM  
9 SAN FRANCISCO? CEDARS? USC?

10 DR. HENDERSON: NO.

11 CHAIR LANSING: IRVINE?

12 DR. STEWARD: NO.

13 CHAIR LANSING: STANFORD?

14 DR. PIZZO: NO.

15 CHAIR LANSING: DAVIS?

16 DR. POMEROY: NO.

17 CHAIR LANSING: SAN DIEGO?

18 DR. NOVA: NO.

19 CHAIR LANSING: WE'RE GETTING MORE  
20 INFORMATION. WE'RE GOING TO MEET AGAIN WHEN WE HAVE  
21 MORE INFORMATION AND CONTINUE WITH THIS DISCUSSION,  
22 WHICH I HAVE TO SAY I THINK IT'S AN INCREDIBLY HEALTHY  
23 DISCUSSION. AND, AGAIN, I WANT TO EMPHASIZE. WE WANT  
24 TO GET THE BEST AND WE WILL DO EVERYTHING TO GET THE  
25 BEST, BUT WE JUST NEED MORE INFORMATION BEFORE WE CAN



1 ENTHUSIASTICALLY RECOMMEND THE SALARIES.

2 DR. PIZZO: SHERRY, CAN I JUST ASK THAT YOU  
3 CONSIDER SETTING A TIMELINE FOR GETTING THE INFORMATION  
4 SO THAT --

5 CHAIR LANSING: SURE. I ASK YOU, ALEXANDRA,  
6 WHEN WE WOULD HAVE THAT, AND THEN WE CAN SET UP. WE  
7 NEED TEN DAYS TO NOTICE ANOTHER CONFERENCE CALL. IT'S  
8 POSSIBLE --

9 DR. HALL: WE CERTAINLY KEY IT TO WE WON'T  
10 MAKE THIS ICOC MEETING. LET'S KEY IT TO THE NEXT ICOC  
11 MEETING, WHICH WILL BE FIRST OF JUNE. WE'LL TRY TO  
12 HAVE SOMETHING FOR THAT GOVERNANCE. YOU ALL RIGHT WITH  
13 THAT, ALEXANDRA?

14 MS. CAMPE: YES.

15 MS. DU ROSS: OUR NEXT GOVERNANCE  
16 SUBCOMMITTEE MEETING IS MAY 19TH.

17 CHAIR LANSING: SO I THINK THAT'S FAIR. DOES  
18 ANYONE HAVE PROBLEMS WITH THAT? AND, AGAIN, IT DOESN'T  
19 HINDER YOUR ABILITY TO DO YOUR JOB. OKAY.

20 WALTER, NOW I'M GOING TO GO ON TO AGENDA ITEM  
21 6, WHICH IS THE CONSIDERATION OF GIFT POLICY. AND,  
22 WALTER, WOULD YOU PLEASE LEAD US THROUGH THAT AGENDA  
23 ITEM?

24 MR. BARNES: SURE. YOU SHOULD HAVE A  
25 PRESENTATION ON THIS. THERE ARE THREE PARTS TO IT.

1 THERE' S A BACKGROUND NARRATIVE AND RECOMMENDATION, A  
2 PROPOSED POLICY AND PROCEDURE, AND THERE' S ALSO A  
3 PROPOSED COMMITMENT LETTER FORMAT THAT WOULD BE USED IN  
4 CONNECTION WITH ACCEPTING REAL AND PERSONAL PROPERTY.

5 AND PROPOSITION 71 DOES AUTHORIZE THE ICOC TO  
6 ACCEPT REAL AND PERSONAL PROPERTY INCLUDING GIFTS,  
7 ROYALTIES, AND INTEREST, AND OTHER THINGS TO SUPPLEMENT  
8 FUNDING FOR GRANTS AND ADMINISTRATIVE OPERATIONS. NOW,  
9 THE BACKGROUND PAPER TRACES THE HISTORY OF THE ICOC' S  
10 EFFORTS TO IMPLEMENT THIS PROVISION, INCLUDING THE  
11 ACCEPTANCE OF THE \$5 MILLION GRANT FROM THE DOLBY  
12 FOUNDATION AND THE MORE RECENT ACTION THAT WAS TAKEN AT  
13 THE FEBRUARY 10TH MEETING REGARDING AN OPPORTUNITY FOR  
14 NAMING AND FUNDING.

15 (INTERRUPTION IN PROCEEDINGS.)

16 DR. PIZZO: WE MISSED ABOUT A SENTENCE.

17 MR. BARNES: BASICALLY THAT IT ENDED WITH THE  
18 FEBRUARY 10TH MEETING AT WHICH THE MEMBERS CONSIDERED  
19 THE FOLLOWING PROCESS FOR A NAMING OPPORTUNITY OR A  
20 SPECIFIC NAMING OPPORTUNITY.

21 AND SO, ANYWAY, WHAT WE HAVE DONE, AND WHEN I  
22 SAY WE, I WANT TO GIVE SOME CREDIT HERE TO JAMES  
23 HARRISON AND SCOTT TOCHER, WHO HELPED ME IMMENSELY IN  
24 PUTTING TOGETHER THIS PROPOSED POLICY, WE RESEARCHED  
25 THE GIFT AND NAMING POLICIES AND PROCEDURES UNDER THREE

1       GROUPS OF STATE AGENCIES. WE LOOKED AT THE UNIVERSITY  
2       OF CALIFORNIA SYSTEM AND THE CALIFORNIA STATE  
3       UNIVERSITY SYSTEM, AND WE LOOKED AT ALL OTHER STATE  
4       AGENCIES. AND OUR NARRATIVE DOES SUMMARIZE SOME OF THE  
5       UNIQUENESSES OF EACH ONE OF THOSE GROUPS OF AGENCIES.

6                BUT GENERALLY WHAT WE FOUND WAS THAT EACH  
7       AGENCY, EACH OF THE VARIOUS POLICIES AND PROCEDURES  
8       THAT ARE ASSOCIATED WITH GIFTING IN THESE THREE GROUPS  
9       ARE ALWAYS WRITTEN DOWN, THEY'RE ALWAYS APPROVED BY A  
10      GOVERNING BODY, AND GENERALLY THEY INCLUDE FOUR  
11      SPECIFIC ELEMENTS. ONE IS THE STATEMENT OF GOALS FOR  
12      BOTH THE RECEIPT OF REAL AND PERSONAL PROPERTY AND  
13      NAMING, A DELEGATION FROM THE HIGHEST AUTHORITY TO A  
14      LOWER LEVEL FOR AUTHORIZATION TO ACCEPT CERTAIN REAL OR  
15      PERSONAL PROPERTY AND/OR TO MAKE SOME NAMING DECISIONS.  
16      THERE'S A PREFERENCE FOR GIFTS THAT DO NOT REQUIRE  
17      EITHER ADDITIONAL EXPENDITURE OR A SIGNIFICANT DELAY IN  
18      THE AVAILABILITY FOR USE. AND MORE SPECIFICALLY, REAL  
19      ESTATE IS GENERALLY SUBJECTED TO A PRETTY SIGNIFICANT  
20      REVIEW. AND THEN BASICALLY THERE'S USUALLY A STRICT  
21      LIMIT ON NAMING THAT IS NOT LINKED TO GIFTS.

22               SO WHAT WE HAVE DONE IS THAT WE'VE TRIED TO  
23      INCORPORATE ALL OF THESE ELEMENTS. GENERALLY I WOULD  
24      SAY THAT THE MOST DEVELOPED ARE THE UC SYSTEM AND THE  
25      CALIFORNIA STATE UNIVERSITY SYSTEM. SO THOSE OF YOU

1 THAT ARE AFFILIATED WITH ANY OF THOSE SYSTEMS WILL  
2 PROBABLY RECOGNIZE SOME OF THESE AS YOU GO THROUGH THIS  
3 PROPOSAL. AND IN ADDITION, WE TRIED TO ENSURE THAT IT  
4 WAS BUILT ON THE ACTIONS THAT WE INCLUDED IN THE  
5 BACKGROUND STATEMENT THAT THE IC HAS ALREADY TAKEN.

6 SO WITH THAT, IF YOU GO TO ATTACHMENT 1,  
7 WHICH IS ON PAGE 4, THIS IS THE PROPOSED POLICY AND  
8 PROCEDURE FOR RECEIPT OF GIFTS AND FOR NAMING. AND  
9 ESSENTIALLY THE POLICY THAT WE'VE LAID OUT HERE IS THE  
10 POLICY OF ICOC TO ACCEPT THE OFFER OF ADDITIONAL  
11 REVENUE OF REAL AND PERSONAL PROPERTY AS AUTHORIZED TO  
12 SUPPORT OPERATIONS OF CIRM AND TO FURTHER THE GOALS OF  
13 PROPOSITION 71. IN ADDITION, IT'S A POLICY TO  
14 ENCOURAGE THE OFFER OF ADDITIONAL REVENUE AND REAL  
15 PROPERTY THROUGH NAMING. NAMING CAN BE GIVEN TO BOTH  
16 REAL OBJECTS. NOW, WE DON'T HAVE A LOT OF REAL OBJECTS  
17 WITH CIRM, BUT WE DO HAVE THINGS LIKE ROOMS AND  
18 CONFERENCE ROOMS AND THAT KIND OF THING, AND INANIMATE  
19 OBJECTS, SUCH AS BOB'S SUGGESTION PREVIOUSLY, TO NAME  
20 CERTAIN GRANT PROGRAMS.

21 SO THAT WOULD BE THE POLICY UNDER WHICH GIFTS  
22 AND REAL AND PERSONAL PROPERTY WOULD BE ACCEPTED.  
23 WE'VE LAID OUT SOME LIMITS IN TERMS OF WHAT GIFTS WE  
24 WON'T ACCEPT. NO NAMING WILL BE -- AND BASICALLY OUR  
25 FEELING IS THAT NO NAMING WILL BE CONSIDERED WITHOUT A

1 GIFT OF SUBSTANTIAL VALUE TO CIRM AND ITS PROGRAMS.

2 DR. PIZZO: DOES THAT NEED TO BE FURTHER  
3 CLARIFIED OR SUBSTANTIATED WHAT YOU MEAN BY  
4 SUBSTANTIAL?

5 MR. BARNES: YOU KNOW, NONE OF THE OTHER  
6 THREE AGENCIES, THREE GROUPS OF AGENCIES, YOU KNOW, HAD  
7 ANYTHING SPECIFIC ABOUT THAT. THEY JUST -- AND, IN  
8 FACT, I BELIEVE SUBSTANTIAL VALUE IS THE TERM THAT THEY  
9 USED. SO I THINK WHAT IT'S -- IT'S SORT OF LEFT OPEN  
10 FOR US THAT NAMING WOULDN'T BE SOMETHING THAT WE WOULD  
11 TAKE LIGHTLY.

12 MR. KLEIN: NAMING DECISIONS NEED TO COME  
13 BACK TO THE ICOC SO THAT WE WILL HAVE A CHANCE TO  
14 DECIDE WHETHER IT'S SUBSTANTIAL ENOUGH. WALTER, ON B  
15 HERE, THE LIMITS UNDER B -- THIS IS BOB -- I DON'T  
16 UNDERSTAND BECAUSE IT'S INCONSISTENT WITH ANY GIFT  
17 POLICY THAT I'M AWARE OF. IF YOU HAVE -- I MEAN --

18 DR. HENDERSON: BRIAN HENDERSON HERE. I HAVE  
19 TO CHECK OUT. APOLOGIZE.

20 MR. KLEIN: OKAY. ELI BROAD JUST GAVE 25  
21 MILLION TO A \$200 MILLION BUILDING THAT KECK SCHOOL OF  
22 MEDICINE IS DOING TO BE NAMED AFTER HIS FAMILY FOR THE  
23 LEAD GIFT. SO OUR NAMING THAT WE APPROVED AT THE BOARD  
24 LEVEL OF 10 MILLION FOR THE FELLOWSHIP PROGRAM DOES NOT  
25 PAY FOR THE FULL FELLOWSHIP PROGRAM, BUT IT'S A VERY

1 SUBSTANTIAL PORTION OF IT. SO THE OTHER ITEMS I  
2 UNDERSTAND, BUT B, I DON'T UNDERSTAND THAT PROVISION,  
3 AND I WOULD NOT BE SUPPORTIVE OF IT.

4 MR. BARNES: TWO THINGS. FIRST OFF, WITH  
5 REGARD TO SUBSTANTIAL VALUE, THAT'S ANOTHER REASON  
6 SPECIFICALLY WHY WE TRIED NOT TO MAKE A SPECIFIC  
7 DETERMINATION BECAUSE THE 10 TO 15 MILLION THAT WE  
8 MIGHT GET IMMEDIATELY TO HELP US OUT IN GETTING OUR  
9 GRANTS PROGRAM GOING WOULD BE OF SUBSTANTIAL VALUE TO  
10 US AND PERHAPS EVEN MORE THAN WHAT WE MIGHT GET FIVE OR  
11 SIX YEARS DOWN THE ROAD. SO THAT'S WHY WE WANTED TO  
12 LEAVE THAT OPEN.

13 IN PART B WHAT WE'RE SAYING IS THAT IF A GIFT  
14 COMES WITH INITIAL AND/OR ONGOING EXPENDITURES, IN  
15 ORDER TO MAINTAIN THAT GIFT, KEEP IN MIND THAT THIS IS  
16 NOT ONLY CASH, BUT IT COULD BE, YOU KNOW, ANY REAL OR  
17 PERSONAL PROPERTY, IF, IN FACT, IT REQUIRES INITIAL OR  
18 ONGOING EXPENDITURES THAT WILL LIKELY EXCEED OR EQUAL  
19 THE VALUE OF THE GIFT, THEN IT SEEMS TO US THAT WE  
20 REALLY SHOULD NOT ACCEPT THOSE TYPES OF GIFTS.

21 MR. KLEIN: SO YOU'RE SAYING THE ONGOING  
22 EXPENDITURES OF THE GIFT, NOT OF THE PROGRAM THAT --

23 MR. BARNES: NO. NO. NO. IT'S THE  
24 EXPENDITURE OF THE GIFT.

25 MR. KLEIN: MAYBE YOU COULD JUST ADD SOME

1 WORDING THERE TO CLARIFY IT BECAUSE THE OTHER PEOPLE  
2 THAT HAVE SEEN THIS DID NOT UNDERSTAND THAT LANGUAGE.

3 MR. BARNES: HAPPY TO DO SO. OKAY. AND THEN  
4 BASICALLY THE OTHER TWO ITEMS, ONE IS OUR USUAL DEALING  
5 WITH INSTITUTIONS OR ENTITIES OR INDIVIDUALS THAT HAVE  
6 APPLIED FOR CIRM FUNDING OR THAT INTEND TO APPLY. WE  
7 HAVE ONE SMALL CAVEAT TO THIS, AND IT RELATES TO THE  
8 FACT THAT WE ARE ACCEPTING GIFTS SOMETIMES FROM  
9 AGENCIES FOR OUR WORKING GROUP OR OUR ICOC MEETINGS OR  
10 SCIENTIFIC MEETINGS WHERE WE MAY GET CONFERENCE  
11 FACILITIES THAT ARE EITHER REDUCED COST OR NO COST.  
12 AND OUR FEELING IS THAT THOSE THINGS SHOULD NOT BE  
13 COUNTED IN THIS PROHIBITION. WE'RE FEELING THAT IT'S A  
14 SMALL AMOUNT, AND IT DOESN'T HAVE THE SAME ISSUE AS  
15 LARGER GRANTS.

16 AND THEN FINALLY, THE NO GIFT FOR A  
17 BIOTECHNOLOGY COMPANY THAT DEVOTES (INAUDIBLE) PERCENT  
18 OR MORE. THIS IS BASICALLY A LIFT OUT OF THE CIRM COI,  
19 CONFLICT OF INTEREST, REQUIREMENT RELATED TO  
20 DIVESTITURE. SO OUR FEELING WAS THAT THESE WERE THE  
21 LIMITS THAT WE SHOULD ADOPT UNDER THIS POLICY AND WITH  
22 THAT CLARIFICATION ON B.

23 WITH REGARD TO THE PROCEDURE, THERE'S TWO  
24 PARTS TO IT. IT'S WHO GETS TO MAKE THE DECISION AND  
25 HOW IS THAT DECISION IMPLEMENTED. AND PART A TALKS

1 ABOUT THE DECISION-MAKING AUTHORITY ON REAL AND  
2 PERSONAL PROPERTY AND NAMING. WHAT WE'RE RECOMMENDING  
3 IS THAT ALL NAMING DECISIONS BE APPROVED BY THE ICOC.  
4 IN ADDITION, WE'RE RECOMMENDING THAT ALL GIFTS OF REAL  
5 AND PERSONAL PROPERTY BE APPROVED BY THE ICOC WITH  
6 CERTAIN EXCEPTIONS.

7 AND THE FIRST EXCEPTION, WHICH IS RELATED,  
8 AGAIN, BACK TO THE RECOMMENDATION THAT WAS INCLUDED IN  
9 THE FEBRUARY MEETING, GIFTS OF CASH, STOCK, BONDS,  
10 PERSONAL PROPERTY WITH A VALUE OF UP TO FIVE MILLION  
11 CAN BE APPROVED BY THE ANIMUS AGREEMENT OF AN EXECUTIVE  
12 COMMITTEE, WHICH WOULD BE COMPOSED OF THE CHAIR AND THE  
13 VICE CHAIR OF THE ICOC AND THE PRESIDENT OF CIRM,  
14 PROVIDED THE TERMS OF THE GIFT ARE CONSISTENT WITH ALL  
15 THE POLICIES UP ABOVE.

16 WE ALSO HAVE SOME CLARIFICATIONS IN HERE IN  
17 CASE ONE OF THE EXECUTIVE COMMITTEE MEMBERS EITHER  
18 CAN'T VOTE OR IF THERE'S A VACANCY OR ANY OF THAT KIND  
19 OF STUFF, THAT BASICALLY IF WE CAN'T GET A UNANIMOUS OF  
20 ALL THREE MEMBERS, THEN ESSENTIALLY THAT WOULD GO TO  
21 THE ICOC TOO EVEN IF THE VALUE IS LESS THAN FIVE  
22 MILLION.

23 WE HAVE TWO CAVEATS TO THAT WHICH DEALS WITH  
24 DIRECT PAYMENT REIMBURSEMENT MY THIRD PARTIES FOR COSTS  
25 OF GENERAL OPERATION OR GRANT MANAGEMENT CAN BE



1 ACCEPTED BY THE PRESIDENT. AND BASICALLY THIS MIGHT  
2 INCLUDE THINGS LIKE PEOPLE AGREEING TO PAY FOR AN  
3 ACTIVITY AT A CONFERENCE THAT'S SPONSORED BY CIRM.

4 IN ADDITION, WE'RE SAYING THAT THE PRESIDENT  
5 AND THE CHAIR ARE AUTHORIZED TO ACCEPT THE FREE OR  
6 REDUCED COST FOR THE USE OF THE GOVERNMENT FACILITIES  
7 THAT WE EXEMPTED FROM OUR LIMITS IN THE FIRST PART OF  
8 THIS PACKAGE. AND THEN BASICALLY WE'RE SAYING THAT  
9 DIRECT PAYMENTS AND REIMBURSEMENTS CANNOT USED TO  
10 SUPPLEMENT THE ICOC APPROVED COMPENSATION. THIS  
11 DOESN'T MEAN IT CAN'T BE USED TO PAY FOR THE  
12 COMPENSATION, BUT YOU CAN'T INCREASE THE COMPENSATION  
13 ABOVE THE LEVELS THAT THE ICOC EVENTUALLY APPROVES.

14 AND THEN FINALLY, WE HAVE GIFTS OF A DE  
15 MINIMUM AMOUNT. WE'VE SET IT AT 5,000, THAT THESE MAY  
16 BE ACCEPTED BY THE PRESIDENT WITHOUT THE APPROVAL OF  
17 THE EXECUTIVE COMMITTEE OR THE ICOC. AND IT IS  
18 INTERESTING THROUGH OUR WEBSITE WE HAVE GOTTEN  
19 INQUIRIES FROM PEOPLE ABOUT DONATING \$50 HERE OR A  
20 HUNDRED DOLLARS OR SOMETHING LIKE THAT, SO THERE IS THE  
21 POTENTIAL THAT WE'LL HAVE A LOT OF THESE THINGS THAT WE  
22 DON'T THINK NEED TO HAVE EITHER THE ICOC OR THE  
23 EXECUTIVE COMMITTEE TIED UP WITH.

24 BUT THOSE ARE OUR RECOMMENDATIONS WITH REGARD  
25 TO APPROVALS. WHAT IT WOULD MEAN IS THAT ALL REAL

1 PROPERTY WOULD COME TO THE ICOC REGARDLESS OF VALUE.  
2 ALL NAMING DECISIONS APPROVED BY THE ICOC, AND THEN  
3 BASICALLY ANYTHING THAT'S ABOVE THE FIVE MILLION FOR  
4 PERSONAL PROPERTY WOULD BE APPROVED BY THE ICOC.

5 THE SECOND PART OF THIS DEALS WITH THE  
6 PRESENTATION OF GIFTS TO THE ICOC. AND WE'RE KIND OF  
7 TAKING A LEAD FROM THE CONTRACTS PRESENTATION THAT WE  
8 GIVE YOU EACH MONTH. WE GIVE YOU INFORMATION ABOUT  
9 THOSE CONTRACTS THAT THE PRESIDENT HAS THE AUTHORITY TO  
10 APPROVE, AND THEN WE LAY OUT FOR YOU THE INFORMATION ON  
11 CONTRACTS THAT YOU HAVE THE RESPONSIBILITY TO APPROVE  
12 EITHER AT THE GOVERNANCE LEVEL OR AT THE ICOC LEVEL.

13 AND SO WHAT WE'RE SAYING IS THAT FOR GIFTS  
14 THAT REQUIRE ICOC APPROVAL, THERE'S A LIST OF PROPOSED  
15 INFORMATION THAT WE WOULD PROVIDE TO YOU. AND, AGAIN,  
16 THOSE OF YOU THAT WORK IN THE UC AND SCU SYSTEM  
17 PROBABLY RECOGNIZE MOST OF THIS INFORMATION. AND THAT  
18 BASICALLY ONCE THE ICOC APPROVES THIS GIFT BY A  
19 MAJORITY OF MEMBERS PRESENT AND ELIGIBLE, THEN THE  
20 PRESIDENT WOULD BE AUTHORIZED TO INITIATE ACTION TO  
21 ACCEPT THE GIFT AND IMPLEMENT ANY CONDITIONS THAT WOULD  
22 BE IMPOSED. AND SOME OF THE CONDITIONS SOMETIMES MIGHT  
23 BE THAT THEY WOULD WANT IT ONLY TO BE USED FOR  
24 SCIENTIFIC ACTIVITIES OR ONLY TO BE USED FOR THIS OR  
25 THAT KIND OF THING. SO WE HAVE TO LAY THOSE CONDITIONS

1       OUT FOR YOU.   GIFTS THAT DO NOT REQUIRE ICOC APPROVAL  
2       WOULD STILL BE REPORTED TO YOU, AND WE WOULD GIVE YOU  
3       THE LIST OF DATA THAT IS LISTED AT THE TOP OF PAGE 6.  
4       AND THEN FINALLY GIFTS OF A DE MINIMIS AMOUNT, WHAT  
5       WE'RE SUGGESTING IS THAT WE SUMMARIZE THOSE AND REPORT  
6       IN TOTAL WITHOUT ALL OF THE INFORMATION.

7               THE FINAL PIECE HAS TO DO WITH IMPLEMENTING  
8       THE DECISION TO ACCEPT THE GIFT AND ITS TERMS AND  
9       CONDITIONS, INCLUDING NAMING.   AND BASICALLY ONCE A  
10       GIFT HAS BEEN APPROVED BY THE EXECUTIVE COMMITTEE, THE  
11       PRESIDENT, OR THE ICOC, WE WOULD HAVE A COMMITMENT  
12       LETTER DEVELOPED AND SIGNED BY THE DONOR AND THE  
13       PRESIDENT OF CIRM.

14               NOW, WE GAVE YOU A SAMPLE FORMAT WITH THE  
15       MINIMUM REQUIRED TERMS FOR CIRM.   THAT'S ATTACHMENT 2.  
16       THIS IS BASED ON THE COMMITMENT LETTER THAT WE  
17       DEVELOPED IN CONNECTION WITH THE DOLBY GRANT, AND IT'S  
18       ALSO BEING USED IN CONNECTION WITH DISCUSSIONS WITH  
19       OTHER PEOPLE WHO ARE INTERESTED IN GIVING US A GIFT NOW  
20       AS WELL.   ONCE THE COMMITMENT LETTER IS SIGNED, THEN  
21       THE OFFICE OF ADMINISTRATION WOULD RECEIVE THE FUNDS,  
22       DEPOSIT THEM IN A STATE ACCOUNT AS SOON AS POSSIBLE; IF  
23       IT'S PROPERTY, WE WOULD LIQUIDATE IT AS QUICKLY AS  
24       POSSIBLE AND DEPOSIT THAT MONEY IN THE ACCOUNT.   WE'D  
25       ESTABLISH A FILE FOR EACH GIFT, INCLUDING RECORDS THAT

1 SUPPORT COMPLIANCE WITH ALL THE STATED TERMS AND ANY  
2 ACTIONS TAKEN TO IMPLEMENT THE NAMING DECISIONS.

3 AND THAT'S BASICALLY WHAT OUR RECOMMENDATION  
4 IS WITH REGARD TO AN ONGOING POLICY FOR REAL AND  
5 PERSONAL PROPERTY AND NAMING. ANY QUESTIONS?

6 DR. POMEROY: WALTER, AT MY INSTITUTION AND  
7 WHAT I'M USED TO IS IN REGARDS TO NAMING, THAT THERE'S  
8 A NAMING COMMITTEE THAT, BEFORE SOLICITING GIFTS, SETS  
9 A MINIMUM AMOUNT FOR ANY NAMING OPPORTUNITY. THE  
10 ADVANTAGE OF THAT IS THAT, YOU KNOW, OUR  
11 REPRESENTATIVES AREN'T GOING OUT AND SORT OF COMING TO  
12 AN UNDERSTANDING OF NAMING THAT'S THEN TURNED DOWN  
13 BECAUSE THAT HAS A VERY NEGATIVE IMPACT ON DONORS. SO,  
14 FOR INSTANCE, FOR AN ENDOWED CHAIR, IT TAKES X AMOUNT  
15 OR TO NAME A ROOM IT TAKES X AMOUNT, AND THAT'S KNOWN  
16 UP FRONT.

17 I'M WONDERING IF YOU CONSIDERED THE  
18 POSSIBILITY OF HAVING A NAMING COMMITTEE THAT SET THESE  
19 SORT OF FLOORS FOR THE MAJOR NAMING OPPORTUNITIES IN  
20 ADVANCE OF SOLICITING THEM.

21 MR. BARNES: ACTUALLY I THINK THAT'S A GOOD  
22 IDEA. AND I MEAN TO A CERTAIN EXTENT IT GETS US TO  
23 BEING ABLE TO COME UP WITH A DEFINITION FOR SUBSTANTIAL  
24 VALUE.

25 DR. POMEROY: EXACTLY.

1                   MR. BARNES:  IF YOU WANT TO LEAVE SUBSTANTIAL  
2  VALUE THERE RIGHT NOW AND THEN COME BACK -- HAVE US  
3  COME BACK WITH A RECOMMENDATION FOR HOW WE DEFINE THAT  
4  AT A SUBSEQUENT MEETING, THAT WOULD BE, I THINK, A VERY  
5  GOOD IDEA.

6                   DR. PIZZO:  I THINK CLAIRE MAKES A GOOD  
7  POINT.  WE HAVE A SIMILAR APPROACH.  I SUSPECT THAT IT  
8  VARIES A LOT FROM PLACE TO PLACE IN TERMS OF THE  
9  AMOUNTS FOR DIFFERENT THINGS.  A NAMING GIFT FOR ANY  
10 PHYSICAL FACILITY, IT'S ACTUALLY NOW SET AT HALF THE  
11 COST OF THE FACILITY.  AND AT LEAST THAT SERVES AS A  
12 BENCHMARK THAT YOU COULD USE.  I'M SURE THERE ARE OTHER  
13 BENCHMARKS, BUT SOME GUIDEPST IS USEFUL.  BUT I THINK  
14 WE SHOULD DO THAT THROUGH THIS COMMITTEE, NOT HAVE  
15 ANOTHER COMMITTEE TO DO IT.

16                  MR. BARNES:  AS I SAID, I'D BE HAPPY TO GO  
17 AHEAD AND PREPARE SOME SUGGESTIONS FOR YOUR  
18 CONSIDERATION AT THE NEXT GOVERNANCE COMMITTEE.

19                  MR. KLEIN:  THAT'S, CLAIRE, CONSISTENT.  
20 REMEMBER, ON THE NAMING OPPORTUNITY WE BROUGHT TO THE  
21 BOARD PREVIOUSLY, WE FIRST CAME TO THIS COMMITTEE, THE  
22 GOVERNANCE COMMITTEE, RAISED THE IDEA, GOT AN  
23 ENDORSEMENT FROM THIS COMMITTEE, AND THEN WENT TO  
24 RESEARCH INDIVIDUALS WHO WOULD BE WILLING TO MEET THOSE  
25 CRITERIA.  SO HAVING THIS COMMITTEE SERVE THAT FUNCTION

1 RATHER THAN HAVING A SEPARATE BOARD COMMITTEE WOULD  
2 SEEM TO BE A GOOD IDEA.

3 DR. POMEROY: I'D BE VERY COMFORTABLE WITH  
4 THAT COMMITTEE TAKING THAT RESPONSIBILITY.

5 DR. PIZZO: GOOD.

6 CHAIR LANSING: WALTER, THANK YOU FOR THIS  
7 TERRIFIC PRESENTATION. IS THERE BOARD COMMENT FROM LOS  
8 ANGELES? NO. FROM CEDARS? USC? IRVINE?

9 DR. STEWARD: A QUESTION, I GUESS. I REALIZE  
10 THAT WHAT WE'RE REALLY TRYING TO DO HERE IS WORK  
11 PRIMARILY ON BRIDGE FUNDING. BUT IS CIRM IN A POSITION  
12 TO ACCEPT, FOR EXAMPLE, GIFTS OF REAL PROPERTY THAT  
13 WOULD BE DELIVERABLE UPON A PERSON'S DEATH; IN OTHER  
14 WORDS, IN A WILL, OR ARE WE EXCLUDING THAT AS POSSIBLE  
15 FUTURE SOURCE OF REVENUE?

16 MR. BARNES: NO. THAT WOULD BE INCLUDED  
17 WITHIN THE DEFINITION OF REAL AND PERSONAL PROPERTY.  
18 SO IT COULD -- BEQUESTS ARE ONE THING THAT WE'VE  
19 ACTUALLY ALREADY GOT SOME INQUIRIES ON, AND SO THIS  
20 POLICY THAT WE'VE LAID OUT HERE WOULD BE USED TO ACCEPT  
21 THOSE KINDS OF GIFTS AS WELL.

22 DR. STEWARD: SO I'M REALLY ASKING ABOUT,  
23 THEN, SITUATIONS WHERE THE BEQUEST IS MADE WELL IN  
24 ADVANCE OF THE PERSON'S DEATH. AND I JUST WONDER IF  
25 THERE NEEDS TO BE ADDITIONAL LANGUAGE IN THERE IN TERMS

1 OF THE DISPOSAL OF THE REAL PROPERTY AND SO FORTH. I  
2 DON'T KNOW. I'M JUST ASKING.

3 MR. BARNES: I THINK THAT IN THE  
4 IMPLEMENTATION PART, WE DO HAVE UNDER ONCE THE  
5 COMMITMENT LETTER IS SIGNED, THAT IF THE GIFT IS  
6 PROPERTY OTHER THAN CASH OR REAL PROPERTY, WE'LL TAKE  
7 ACTION TO LIQUIDATE THESE ASSETS AS SOON AS POSSIBLE  
8 AND DEPOSIT THE RESULTING FUNDS. SO THE IDEA HERE IS  
9 THAT WE WOULD NOT BE IN THE BUSINESS OF HOLDING ONTO  
10 THESE THINGS. WE WOULD BASICALLY BE CONVERTING THEM TO  
11 CASH AND USING THEM AS QUICKLY AS POSSIBLE.

12 CHAIR LANSING: OKAY. STANFORD, ANY COMMENTS  
13 FROM THE BOARD?

14 DR. PIZZO: WELL DONE.

15 CHAIR LANSING: UC DAVIS?

16 DR. POMEROY: NO.

17 CHAIR LANSING: SAN DIEGO?

18 DR. NOVA: NO. SOUNDS GOOD.

19 CHAIR LANSING: OKAY. PUBLIC COMMENT ON THE  
20 GIFT POLICY, LOS ANGELES?

21 MR. SIMPSON: JOHN SIMPSON FROM THE  
22 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. I  
23 UNDERSTAND, I THINK, VERY CLEARLY THE DESIRE AND THE  
24 NEED TO TAKE IN MONEY FROM THE PUBLIC AND GIFTS AND  
25 THAT SORT OF THING. I JUST AM SOMEWHAT UNCOMFORTABLE

1 WITH THE WHOLE CONCEPT OF NAMING. I REALIZE THAT  
2 THAT'S A CONVENTION, BUT I JUST WANT TO STRESS THAT IT  
3 SEEMS TO ME THAT IT DOES OPEN OPPORTUNITIES FOR THE  
4 APPEARANCE OF CONFLICT. I JUST WOULD HOPE THAT THE  
5 ICOC WOULD VERY COGNIZANT OF THAT FACT, SPELL OUT  
6 EVERYTHING IN TERMS OF LEVELS AS WERE JUST SUGGESTED,  
7 AND BE VERY, VERY, VERY AWARE OF THE POTENTIAL OF  
8 LOOKING LIKE CIRM IS FOR SALE, WHICH IS SOMETHING THAT  
9 I DON'T THINK ANYONE WOULD WANT TO HAVE. SO I THINK  
10 YOU NEED TO ENTER INTO THIS WITH A MAXIMUM AMOUNT OF  
11 TRANSPARENCY AND THE RECOGNITION THAT THERE IS THE  
12 POTENTIAL HERE FOR CREATING IMAGES THAT YOU DON'T WANT.

13 I'M FREQUENTLY REMINDED OF SOME FORMER  
14 FOOTBALL BOWL THAT NOW IS KNOWN, I THINK, AS THE WEED  
15 WHACKER FIESTA BOWL. SOMEHOW I DON'T THINK THAT SORT  
16 OF THING WANTS TO HAPPEN WITH CIRM. THANK YOU.

17 CHAIR LANSING: THANK YOU FOR YOUR COMMENTS.  
18 VERY WISE. I'M SORRY. SAN FRANCISCO?

19 MR. REED: I WOULD LIKE -- ONE GIFT I WOULD  
20 LIKE TO SEE US ASK FOR IS A VISUAL REPRESENTATION OF  
21 THE HOPE EMBODIED BY THE CALIFORNIA INSTITUTE OF  
22 REGENERATIVE MEDICINE, SOMETHING CENTRALLY LOCATED IN  
23 THE CITY. MAYBE GAVIN NEWSOM COULD ORGANIZE A  
24 STATEWIDE ARTISTIC SEARCH, A CONTEST. IT WOULD BE  
25 SOMETHING, I THINK, THAT NEWS COULD PICK UP, SOMETHING



1 POSITIVE, SOME WAY TO DO SOMETHING VISUAL PEOPLE COULD  
2 SEE AND TAKE PRIDE IN. AT ONE TIME I THOUGHT ABOUT  
3 MAYBE LIKE A STATUTE OF CHRISTOPHER REEVE AS SUPERMAN.  
4 THAT'D PROBABLY BE TOO COMPLICATED WITH TRADEMARK  
5 RIGHTS, BUT SOMETHING WHICH SHOWS THE HOPE AND THE JOY  
6 WE'RE HOPING, THE STRUGGLE THAT IT'S GOING THROUGH,  
7 SOMETHING OF PRIDE PEOPLE COULD BE PHOTOGRAPHED NEXT  
8 TO, A VISUAL REPRESENTATION OF WHAT WE'RE TRYING TO DO.

9 CHAIR LANSING: THANK YOU. GOOD IDEA. USC?  
10 THERE'S NO ONE AT CEDARS. IRVINE? ANY PUBLIC?  
11 STANFORD?

12 DR. PIZZO: NO PUBLIC.  
13 CHAIR LANSING: DAVIS?  
14 DR. POMEROY: NO PUBLIC.  
15 CHAIR LANSING: SAN DIEGO?  
16 DR. NOVA: NO PUBLIC.  
17 CHAIR LANSING: WITH THAT SAID THEN, THERE'S  
18 NO ONE ELSE WITH ANY COMMENTS? THEN IS THERE A MOTION  
19 TO APPROVE THIS GIFT POLICY?

20 DR. PIZZO: SO MOVED.  
21 CHAIR LANSING: THAT WAS PHIL PIZZO. IS  
22 THERE A SECOND?  
23 DR. POMEROY: SECOND.  
24 CHAIR LANSING: CLAIRE POMEROY. ANY  
25 DISCUSSION ON THE MOTION?

1                   MR. KLEIN: THIS IS BOB KLEIN. I'D JUST LIKE  
2 TO SAY THAT FOR JOHN SIMPSON AND FOR BENEFIT OF THE  
3 PUBLIC, THAT MAINTAINING IN THIS POLICY THE REQUIREMENT  
4 THAT EVERY GIFT NAMING COME BACK TO THE FULL BOARD, SO  
5 IT HAPPENS BEFORE THE FULL BOARD AND THE SENSITIVITIES  
6 THAT JOHN SIMPSON SO WELL DESCRIBED WOULD CERTAINLY BE  
7 DISCUSSED AND PUBLIC COMMENT WOULD BE RECEIVED BEFORE  
8 ANY NAMING COULD OCCUR. AND I THINK THAT'S A GOOD  
9 SAFEGUARD.

10                  MR. SIMPSON: I APPRECIATE THAT.

11                  CHAIR LANSING: THANK YOU, BOB. AMY, THEN,  
12 WOULD YOU LEAD US IN A ROLL CALL VOTE.

13                  MS. DU ROSS: SHERRY LANSING.

14                  CHAIR LANSING: YES.

15                  MS. DU ROSS: KEITH BLACK. BRIAN HENDERSON.  
16 BOB KLEIN.

17                  MR. KLEIN: YES.

18                  MS. DU ROSS: CLAIRE POMEROY.

19                  DR. POMEROY: YES.

20                  MS. DU ROSS: OS STEWARD.

21                  DR. STEWARD: YES.

22                  MS. DU ROSS: TINA NOVA.

23                  DR. NOVA: YES.

24                  MS. DU ROSS: PHIL PIZZO.

25                  DR. PIZZO: YES.

1 MS. DU ROSS: JOHN REED. RICHARD MURPHY.

2 DR. NOVA: HE HAD TO LEAVE.

3 CHAIR LANSING: DO WE HAVE A QUORUM?

4 MS. DU ROSS: THAT IS ONE SHORT OF A QUORUM.

5 CHAIR LANSING: WELL, IT HAS TO GO BACK TO  
6 THE FULL ICOC ANYWAY, SO I THINK WE CAN DULY NOTE THAT  
7 THE PEOPLE THAT WERE IN ATTENDANCE UNANIMOUSLY VOTED  
8 YES FOR IT. AND WE HAVE TO BRING IT BACK TO THE FULL  
9 BOARD ANYWAY, SO THAT IS HOW WE WILL EXPLAIN IT AT THAT  
10 TIME.

11 NOW, WE'RE GOING TO MOVE ON TO AGENDA ITEM 7.  
12 TINA, I HAVE A REQUEST. I HAVE TO STEP OUT FOR ABOUT  
13 FIVE MINUTES, SO I'M GOING TO ASK ALEXANDRA TO LEAD US  
14 THROUGH THIS AGENDA ITEM. AND SHOULD I NOT BE BACK,  
15 TINA, WILL YOU CONTINUE FOR ME FOR A SECOND?

16 DR. NOVA: NOT A PROBLEM.

17 MS. CAMPE: THIS IS ALEXANDRA, AND I'M JUST  
18 GOING TO DISCUSS THE CURRENT CONTRACTS AND INTERAGENCY  
19 AGREEMENTS. WE HAVE ATTACHED AN EXCEL SPREADSHEET TO  
20 GIVE YOU A CURRENT STATUS OF ALL OF OUR CONTRACTS  
21 CURRENTLY. AND NOW I'M GOING TO GO THROUGH THE CURRENT  
22 STATUS AND WHAT WE WOULD LIKE TO PRESENT TO YOU.

23 FOR NEW AND AMENDED INTERAGENCY AGREEMENTS  
24 WHICH ARE SUBJECT TO APPROVAL BY THE PRESIDENT, WE DO  
25 NOT HAVE ANY TO PRESENT TO YOU TODAY.

1                   FOR NEW OR AMENDED THIRD-PARTY CONTRACTS LESS  
2                   THAN 100,000 WHICH ARE SUBJECT TO APPROVAL BY THE  
3                   PRESIDENT AND HAVE BEEN APPROVED, THERE ARE THREE. ONE  
4                   IS LITIGATION SUPPORT, A CATEGORY OF LITIGATION  
5                   SUPPORT. ONE OF THEM IS THE DEPARTMENT OF JUSTICE  
6                   THROUGH THE DEPARTMENT OF JUSTICE. ANOTHER THIRD-PARTY  
7                   AGREEMENT WITH SPIEGEL, LIAO & KAGAY TO OBTAIN THEIR  
8                   EXPERTISE AND ASSISTANCE IN PREPARING FOR THE TRIAL  
9                   SCHEDULED, AS WE KNOW, BACK IN FEBRUARY AND BEYOND.  
10                  THE TERM OF THIS CONTRACT IS FEBRUARY 1ST, 2006,  
11                  THROUGH JUNE 30TH AT A MAXIMUM AMOUNT OF \$75,000.

12                  IN ADDITION, THERE WAS ANOTHER THIRD-PARTY  
13                  AGREEMENT THROUGH THE DEPARTMENT OF JUSTICE THAT WE  
14                  ENTERED INTO WITH ORRICK, HERRINGTON & SUTCLIFFE. WE  
15                  MENTIONED THIS IN THE LAST GOVERNANCE COMMITTEE  
16                  MEETING. THEIR LEGAL COUNSEL AND THEIR EXPERTISE IS  
17                  WHAT WE'VE REQUESTED FROM THEM. THE TERM OF THE  
18                  CONTRACT IS JANUARY 1ST, 2006, THROUGH JUNE 30TH AT A  
19                  MAXIMUM AMOUNT OF \$25,000.

20                  AS YOU KNOW, WE ALSO WENT OUT TO BID FOR A  
21                  CPA AUDITOR. WE DID AWARD THAT CONTRACT TO GILBERT &  
22                  ASSOCIATES. IT'S A TWO-YEAR CONTRACT. THEY ARE  
23                  CURRENTLY AND HAVE BEEN REVIEWING CIRM'S FINANCIAL  
24                  STATEMENTS, WHICH IS, AS YOU KNOW, REQUIRED BY SECTION  
25                  125290.30(B) OF THE HEALTH AND SAFETY CODE, WHICH YOU

1 ARE AWARE OF, WHICH STATES, OF COURSE, THAT ANNUALLY  
2 CIRM MUST COMMISSION AN INDEPENDENT FINANCIAL AUDIT OF  
3 ITS ACTIVITIES FROM A CERTIFIED PUBLIC ACCOUNTING FIRM.  
4 THE TERM OF THIS CONTRACT IS FEBRUARY 14TH, 2006,  
5 THROUGH JUNE 30, 2007. THE AMOUNT BUDGETED IS \$45,000.

6 IN REGARDS TO THIRD-PARTY AGREEMENTS OR  
7 CONTRACTS EXCEEDING 100,000 SUBJECT TO APPROVAL BY THE  
8 GOVERNANCE COMMITTEE, THERE ARE NONE TO PRESENT.

9 WE DO HAVE A STRATEGIC PLAN CONTRACT THAT WE  
10 ARE SUBMITTING FOR APPROVAL BY THE ICOC, AND I'M GOING  
11 TO PASS THIS OVER TO ZACH HALL TO PRESENT TO YOU.

12 MR. BARNES: THIS IS WALTER. I'M GOING TO DO  
13 THAT. YOU RECEIVED TODAY A TWO-PAGE FORM CALLED THE  
14 CIRM CONTRACT. I'D LIKE TO PREFACE THIS BY SAYING THAT  
15 THIS APPROVAL FORM IS SOMETHING THAT WE DESIGNED AT THE  
16 SUGGESTION OF TWO OF THE ICOC MEMBERS, JEFF SHEEHY AND  
17 JONATHAN SHESTACK. THEIR SUGGESTION WAS FOR THOSE  
18 CONTRACTS THAT REQUIRE GOVERNANCE OR ICOC APPROVAL, TRY  
19 TO PROVIDE A MORE EXTENDED DESCRIPTION OF WHAT THE  
20 CONTRACT IS AND HOW WE CAME TO IT AND WHAT WE'RE  
21 PLANNING TO DO AND THINGS LIKE THAT.

22 SO WE HOPE THIS WILL HELP YOU, NOT ONLY WITH  
23 THIS PARTICULAR CONTRACT, BUT ALSO FUTURE CONTRACTS  
24 THAT YOU HAVE TO APPROVE IN THE FUTURE. THESE ARE THE  
25 SPECIFIC ITEMS THAT WE HAVE INCLUDED IN THIS PARTICULAR

1 FORM; BUT IF ANYBODY WANTS ADDITIONAL ITEMS IN THE  
2 FUTURE, JUST LET US KNOW AND WE'LL BE HAPPY TO INCLUDE  
3 IT.

4 THIS IS A PROPOSAL TO ENTER INTO NEGOTIATIONS  
5 WITH A COMPANY CALLED PRICEWATERHOUSECOOPERS. THE  
6 SERVICE IS THAT PRICEWATERHOUSECOOPERS WOULD ASSIST US  
7 WITH THE DEVELOPMENT OF THE PROPOSED 10-YEAR SCIENTIFIC  
8 STRATEGIC PLAN. SPECIFICALLY, THE CONTRACTOR WOULD  
9 DESIGN AN INFORMATION GATHERING PROGRAM THAT WOULD  
10 INVOLVE EXPERTS AND STAKEHOLDERS, IMPLEMENT THE DATA  
11 GATHERING PLAN THROUGH GROUP AND INDIVIDUAL MEETINGS,  
12 AND ASSIST CIRM STAFF TO DEVELOP RECOMMENDATIONS FOR  
13 THEMES AND IDEAS TO BE INCORPORATED INTO A DRAFT  
14 STRATEGIC PLAN BEFORE PRESENTING IT TO THE ICOC FOR  
15 MODIFICATION, REVISION, AND APPROVAL.

16 WE SHOULD NOTE THAT PRICEWATERHOUSECOOPER HAS  
17 PROPOSED TO DEVOTE 20 PERCENT OF A SENIOR PARTNER'S  
18 TIME TO THIS PROJECT AND UP TO THREE EXPERIENCED STAFF  
19 THAT WOULD BE ON-SITE DURING THE PERIOD OF THE PROJECT,  
20 WHICH WOULD, WE BELIEVE, ENSURE SUFFICIENT  
21 COLLABORATION WITH AND OVERSIGHT BY THE CIRM  
22 ORGANIZATION.

23 WE'RE DOING THIS THROUGH A CONTRACT. WE'VE  
24 CONSIDERED THE POSSIBILITY OF HIRING SOMEBODY AS A  
25 STATE EMPLOYEE WITH CIRM; BUT, FIRST OFF, WE HAVE

1 LIMITED DIRECT STAFFING THAT CAN BE DEVOTED TO THIS  
2 EFFORT. IN ADDITION, IT'S GOING TO BE VERY DIFFICULT,  
3 WE FEEL, FOR CIRM TO RECRUIT AND HIRE ANYBODY WITH THE  
4 SPECIALIZED SKILLS NEEDED TO PERFORM THE WORK OF  
5 STRATEGIC PLANNING, ESPECIALLY FOR A PROJECT THAT'S OF  
6 SHORT DURATION. AND WE'RE EXPECTING THE LENGTH OF TIME  
7 FOR THIS SERVICE TO BE PERFORMED OF APPROXIMATELY SIX  
8 MONTHS. SO THAT'S WHY WE'VE DECIDED TO GO THROUGH A  
9 CONTRACT.

10 PRICEWATERHOUSECOOPER HAS OFFERED TO  
11 NEGOTIATE TERMS THAT WOULD DEFER A SUBSTANTIAL PORTION  
12 OF THEIR FEES AND COSTS UNTIL AFTER THE COMPLETION OF  
13 THE PROJECT, WHICH WOULD BE A HELP TO US GIVEN OUR CASH  
14 FLOWS AND WHERE WE ARE AT THIS TIME.

15 WITH REGARD TO TOTAL EXPENDITURES, WE'VE  
16 ESTIMATED THAT THE TOTAL COST OF THE PROJECT, INCLUDING  
17 THE COST OF THE CONTRACT, WILL BE NO MORE THAN  
18 \$500,000. SO THE CONTRACT WITH PRICEWATERHOUSECOOPERS  
19 WOULD BE WITHIN THIS BUDGET, BUT WOULD NOT CONSTITUTE  
20 THE ENTIRE BUDGET. IT'S GOING TO BE EXPENSES  
21 ASSOCIATED WITH SETTING UP MEETINGS AND GETTING  
22 CONFERENCES AND, YOU KNOW, TRAVEL, AND ALL THAT KIND OF  
23 STUFF. SO IF THE ICOC AGREES TO ALLOW US TO MOVE  
24 FORWARD, WE WILL NEGOTIATE WITH PRICEWATERHOUSECOOPER  
25 TO OBTAIN THE LOWEST POSSIBLE PRICE AND THE MOST

1 FAVORABLE TERMS.

2 NOW, IN SOME OF THE PREVIOUS BUDGET  
3 PRESENTATIONS THAT I'VE MADE TO ALL OF YOU, WE'VE  
4 ESTIMATED THAT A CONTRACT FOR THIS TYPE OF SERVICE  
5 MIGHT BE UP TO ABOUT \$250,000, WHICH IS WHY WE'RE  
6 REQUESTING THE FULL ICOC APPROVAL OF GOING FORWARD WITH  
7 THIS.

8 I SHOULD TELL YOU A LITTLE BIT ABOUT THE  
9 SELECTION PROCESS. WE ACTUALLY TALKED TO TWO FIRMS  
10 WITH PREVIOUS EXPERIENCE IN THIS AREA. THEY WERE  
11 REQUESTED TO DESIGN A PROPOSAL ON HOW THEY COULD HELP  
12 US DEVELOP A STRATEGIC PLAN. EACH OF THEM DID SO AND  
13 MADE A PRESENTATION DURING THE FIRST WEEK IN JANUARY TO  
14 A PANEL THAT WAS MADE UP OF ZACH HALL, ARLENE CHIU, GIL  
15 SAMBRANO, ROBERT KLEIN, ED PENHOET, MARY MAXON, AMY  
16 DUROSS, AMY LEWIS, AND MYSELF. AFTER THE MEETINGS EACH  
17 OF THE PANEL MEMBERS WAS ASKED FOR THEIR OPINIONS ABOUT  
18 THE TWO FIRMS, WHICH WERE GIVEN TO ZACH.

19 GENERALLY THERE WAS A CONSENSUS THAT WHILE  
20 BOTH WERE CAPABLE OF DOING THE JOB, THERE WAS A FEELING  
21 THAT PRICEWATERHOUSECOOPER MIGHT HAVE SOME MORE  
22 RELEVANT EXPERIENCE IN WORKING WITH PUBLIC PROJECTS  
23 WITH A VERY COMPLEX CONSTITUENCY, WHICH IS WHAT CIRM IS  
24 FACED WITH.

25 SO FINALLY, EACH WAS REQUESTED TO GIVE US AN



1 ESTIMATE OF COST AND TO OFFER SOME PAYMENT ALTERNATIVES  
2 THAT WOULD ADDRESS CIRM' S CASH FLOW ISSUES. BOTH  
3 AGREED TO PROVIDE PAYMENT DEFERRALS, BUT  
4 PRICEWATERHOUSECOOPER' S ESTIMATES OF COST WAS LESS THAN  
5 THAT OF THE OTHER FIRM. BASED ON ALL OF THESE FACTORS,  
6 WE' RE RECOMMENDING THAT THE GOVERNANCE COMMITTEE  
7 RECOMMEND TO THE ICOC THAT WE BE ALLOWED TO NEGOTIATE A  
8 CONTRACT WITH PRICEWATERHOUSECOOPER TO PROVIDE THESE  
9 SERVICES RELATED TO THE STRATEGIC PLAN.

10 ANY QUESTIONS?

11 CHAIR LANSING: I' M BACK. THANK YOU, TINA,  
12 FOR YOUR HELP.

13 DR. NOVA: THANK YOU.

14 CHAIR LANSING: I GET CONFUSED. IT SAYS HERE  
15 THAT WE CAN NEGOTIATE A CONTRACT, BUT IT CAN' T BE MORE  
16 THAN A CERTAIN AMOUNT; IS THAT CORRECT?

17 DR. HALL: LET ME JUST SAY A WORD ABOUT THAT,  
18 SHERRY. WE SAID TO THEM THAT WE WISH TO ALLOCATE NO  
19 MORE THAN \$500,000 FOR THE PROJECT. AND THAT INCLUDES,  
20 FOR EXAMPLE, EACH ICOC MEETING COSTS US NOW ABOUT  
21 \$20,000. SO IF WE WERE TO HAVE TWO SPECIAL MEETINGS,  
22 LET' S SAY, OF ICOC MEMBERS TO TALK ABOUT THE PLAN, AND  
23 WE DON' T KNOW EXACTLY WHAT THAT WOULD COST, BUT THAT  
24 WOULD (INAUDIBLE) EXPENSE. WE MAY HAVE SOME TRAVEL IN  
25 TERMS OF GOING PLACES TO INTERVIEW WITH PEOPLE. WE MAY

1 HAVE FOCUS MEETINGS BESIDES.

2 SO WHAT WE HAVE SAID TO THEM IS THAT OUR  
3 ENTIRE PROJECT COST FOR THIS, INCLUDING ALL EXPENSES,  
4 WE WOULD LIKE TO KEEP UNDER \$500,000. AND SO WE WILL  
5 THEN NEGOTIATE WITH THEM SOME AMOUNT THAT WOULD INCLUDE  
6 BOTH THEIR PROFESSIONAL FEES AND THEIR EXPENSES WITHIN  
7 THAT RANGE.

8 AND LET ME SAY THAT THE INITIAL OFFER,  
9 ESTIMATE THEY MADE TO US, WHICH WAS ABOVE THE NUMBER  
10 THEY WILL HAVE TO SETTLE WITH ON THIS, IS SIGNIFICANTLY  
11 MORE THAN TWOFOLD LOWER THAN THE OTHER ESTIMATES WE  
12 GOT.

13 CHAIR LANSING: LET ME ASK FOR QUESTIONS,  
14 THEN, FROM THE BOARD. FROM SAN FRANCISCO? FROM  
15 CEDARS? FROM USC? FROM IRVINE?

16 DR. STEWARD: NO QUESTIONS.

17 CHAIR LANSING: FROM STANFORD? FROM DAVIS?

18 DR. POMEROY: YES, I DO HAVE A QUESTION. I  
19 GUESS I'M A LITTLE CONFUSED ABOUT WHAT WE'RE DISCUSSING  
20 HERE BECAUSE I USUALLY, IF I'M AUTHORIZING SOMEBODY TO  
21 GO OUT AND NEGOTIATE A CONTRACT, I USUALLY HAVE SOME  
22 CONCEPT OF THE AMOUNT OF THE CONTRACT, NOT JUST THE  
23 AMOUNT OF THE TOTAL PROJECT. THEY'VE PROVIDED  
24 ESTIMATES. AND I GUESS I'M FEELING A LITTLE IN THE  
25 DARK ABOUT THE SIZE OF THE CONTRACT WE'RE BEING ASKED

1 TO AUTHORIZE.

2 DR. HALL: WELL, WE HAVE NOT UNDERGONE THE  
3 HARD NEGOTIATION WITH THEM. AND I WANTED, BEFORE I DID  
4 THAT, PERHAPS MISTAKENLY, I WANTED TO GET THE  
5 AUTHORIZATION FROM THE BOARD THAT IT WAS ALL RIGHT TO  
6 DO THIS.

7 DR. POMEROY: I GUESS THAT'S WHAT I'M ASKING,  
8 ZACH, BECAUSE THERE'S SOME CONFUSION HERE. WHEN DO WE  
9 PROVIDE GUIDELINES? HOW FAR DO YOU GO BEFORE WE  
10 PROVIDE GUIDELINES, ETC., ETC.? I'M NOT SURE WE  
11 DEFINED THAT YET.

12 DR. HALL: WHAT WE HAVE SAID, WHAT I'VE DONE  
13 IS TO GIVE OUR ESTIMATE OF THE COST FOR THE ENTIRE  
14 PROJECT.

15 CHAIR LANSING: THE COST OF THE CONTRACT  
16 WITHIN THE ENTIRE PROJECT. SO THAT'S WHAT I UNDERSTOOD  
17 IT TO BE. SO IN OTHER WORDS, THE WHOLE PROJECT,  
18 CLAIRE, INCLUDING THE CONTRACT, INCLUDING EVERYTHING,  
19 CAN'T EXCEED \$500,000.

20 DR. POMEROY: BUT I DON'T UNDERSTAND --

21 DR. HALL: LET ME JUST SAY, CLAIRE, THAT IT'S  
22 A LITTLE COMPLICATED HERE BECAUSE WE HAVE TO WORK WITH  
23 THEM TO DESIGN EXACTLY HOW THIS IS GOING TO WORK.  
24 OKAY? AND SO THE NUMBER OF MEETINGS, HOW WE'RE GOING  
25 TO DO IT IS ALL NOT COMPLETELY PLAYED OUT, AND IT WILL

1 TAKE SOME TIME OF US WORKING WITH THEM. WE HAVE SOME  
2 GENERAL IDEAS. WE ACTUALLY HAVE ALREADY MET WITH THEM  
3 AND DISCUSSED, AS YOU WILL HEAR, SOME OF THESE IDEAS  
4 WILL BE PRESENTED AT THE NEXT ICOC MEETING, BUT WE HAVE  
5 NOT SAT DOWN AND COME UP WITH A FIGURE.

6 WE HAVE TOLD THEM THAT THIS IS OUR TOTAL  
7 PROJECT COST. SO THERE IS, THEN, AN UNDERSTANDING THAT  
8 THE MORE MEETINGS WE HAVE, THE LESS MONEY THEY WILL  
9 GET, AND WE WILL HAVE TO WORK THIS OUT.

10 CHAIR LANSING: LET ME ASK YOU, CLAIRE, I  
11 HEAR WHERE YOU ARE GOING. LET ME ASK YOU IF THIS HELPS  
12 IN ANY WAY. CAN WE HAVE A MOTION, HOWEVER WE PUT THIS,  
13 TO ALLOW YOU TO TAKE THE FIRST STEP AND THEN TO REPORT  
14 BACK TO US WITHOUT CLOSING THE CONTRACT? DO YOU KNOW  
15 WHAT I'M SAYING?

16 DR. HALL: WELL, YOU KNOW --

17 CHAIR LANSING: IS THAT GOING TO TIE YOU UP  
18 TOO MUCH?

19 DR. HALL: I FEEL A LITTLE FRUSTRATED HERE, I  
20 MUST SAY. WE'RE TRYING TO GET THIS OFF THE GROUND.  
21 AND I FEEL THAT THE BOARD NEEDS TO GIVE ME SOME  
22 LATITUDE TO NEGOTIATE AND DO THIS. SO I PRESENTED TO  
23 YOU THE OUTER ENVELOPE OF THIS.

24 CHAIR LANSING: I HEAR YOU. YOU'RE SAYING  
25 THAT YOU'LL ALLOCATE THE FUNDS WITHIN THAT RIGHT

1 AMOUNT.

2 DR. HALL: I THINK FOR US TO GO AND NEGOTIATE  
3 A CONTRACT WITH THEM AND THEN WAIT AND COME BACK TO  
4 YOU, AND NOW WE'RE IN JUNE, AND WE HAVEN'T STARTED YET.

5 CHAIR LANSING: I HEAR YOU. OKAY.

6 DR. POMEROY: ZACH, YOU KNOW THAT I'VE BEEN A  
7 VERY BIG SUPPORTER OF THIS STRATEGIC PLAN PROCESS. AND  
8 I PERSONALLY WANTED TO AUTHORIZE YOU TO DO IT AT OUR  
9 LAST MEETING. I HAVE THE SAME SENSE OF URGENCY THAT  
10 YOU'VE JUST EXPRESSED.

11 I GUESS MY SPECIFIC QUESTION IS IT'S YOUR  
12 ADVICE THAT IT'S INAPPROPRIATE TO SHARE WITH US AT THIS  
13 TIME THE ESTIMATE THAT YOU HAVE ALREADY RECEIVED FROM  
14 THEM.

15 DR. HALL: I DON'T GUESS THERE'S ANY HARM IN  
16 DOING THAT. THEY SAID THEIR ORIGINAL ESTIMATE WAS 450  
17 TO 550, THEY THOUGHT WOULD BE THEIR PROFESSIONAL FEES,  
18 NOT INCLUDING EXPENSES, AS WE UNDERSTOOD IT. SO WE  
19 CAME BACK AND SAID THAT -- I SAID I DON'T BELIEVE I CAN  
20 GO TO THE BOARD AND GET MORE THAN \$500,000 FOR THIS  
21 ENTIRE PROJECT.

22 DR. POMEROY: FOR THE ENTIRE PROJECT. THAT'S  
23 VERY HELPFUL.

24 DR. HALL: YOU HAVE TO UNDERSTAND THAT. AND  
25 IF YOU WANT TO CONTINUE TO TALK TO US, YOU HAVE TO BE

1 WILLING TO ACCEPT THAT CONCEPT, AND THEY SAID YES.

2 CHAIR LANSING: YOU'RE DOING A REALLY GOOD  
3 JOB.

4 DR. POMEROY: THANK YOU.

5 CHAIR LANSING: I THINK THAT'S VERY HELPFUL  
6 BECAUSE THEN WE KNOW THAT CLEARLY THEY'RE GOING TO BE  
7 CONSIDERABLY LESS THAN WHAT THEY CAME TO YOU WITH.

8 DR. HALL: WELL, LET ME POINT OUT  
9 CONSIDERABLY LESS THAN THE OTHER FIRM. IF YOU DO THE  
10 ARITHMETIC, I THINK YOU'LL SEE WHAT WE'RE TALKING  
11 ABOUT.

12 CHAIR LANSING: OKAY. I THINK THAT'S GOOD  
13 WORK. ALL RIGHT. SAN DIEGO, ANY COMMENTS?

14 DR. NOVA: NO.

15 CHAIR LANSING: I HOPE I HAVEN'T LEFT ANYBODY  
16 OUT. NOW, LET ME GO TO THE PUBLIC. SO LOS ANGELES?

17 MR. SIMPSON: THANK YOU VERY MUCH. I'M A  
18 LITTLE CONCERNED THAT THE HORSE IS BEHIND THE CART ON  
19 THIS. I THINK THE STRATEGIC PLAN IS PROBABLY THE MOST  
20 IMPORTANT THING THAT'S GOING TO BE DONE. IT'S A \$3  
21 BILLION ROAD MAP TO WHAT ALL OF CIRM IS ABOUT. AND MY  
22 BIGGEST CONCERN IS THAT IT BE ABSOLUTELY OPEN AND  
23 TRANSPARENT, MUCH LIKE THE PROCESS THAT WAS FOLLOWED  
24 WITH THE DEVELOPING OF IP AND ALSO THE WORKING GROUP ON  
25 MEDICAL AND ETHICAL STANDARDS.

1                   IT'S DIFFICULT RIGHT NOW TO SEE HOW THAT'S  
2 HAPPENING, SO IT WOULD HAVE BEEN, I THINK, HELPFUL TO  
3 HAVE MORE UNDERSTANDING OF THE PLAN. I HAPPEN TO HAVE  
4 GREAT FAITH IN CIRM AND ITS STAFF AND EVEN WONDER  
5 WHETHER A CONSULTANT IS NECESSARY. I'VE BEEN TOLD THAT  
6 YOU ARE OVERBURDENED AND THAT IT IS, BUT WHAT'S THEN  
7 TROUBLESOME TO ME IS THAT I WOULD THINK THAT THE WAY  
8 YOU WOULD GO ABOUT THIS IS A DRAW UP THE SPECIFICATIONS  
9 OF WHAT YOU WANT AND THEN ESSENTIALLY ADVERTISE IT AND  
10 PUT IT OUT TO PUBLIC BID.

11                   IT'S GOOD THAT YOU'VE BEEN ABLE TO NARROW  
12 THINGS WITH ONE PARTICULAR CONTRACTOR OR POTENTIAL  
13 CONTRACTOR, BUT IT'S POSSIBLE THAT SOMEONE OUT THERE IS  
14 EVEN BETTER AND WOULD HAVE A BETTER DEAL IF THEY AT  
15 LEAST KNEW ABOUT IT. SO IT WOULD SEEM TO ME THAT THIS  
16 REALLY CRIES OUT FOR A PUBLIC BID. BUT, AGAIN, I JUST  
17 WANT TO REITERATE THAT I THINK THIS IS ONE OF THE MOST  
18 IMPORTANT THINGS THAT'S BEFORE THE ICOC AND CIRM NOW.  
19 IT LITERALLY IS THE ROAD MAP FOR WHAT'S GOING TO BE  
20 ACCOMPLISHED OVER THE NEXT TEN YEARS, AND THAT IS  
21 TERRIBLY IMPORTANT.

22                   DR. HALL: JOHN, TWO COMMENTS. WALTER IS  
23 GOING TO COMMENT IN PART OF WHAT YOU JUST SAID, BUT I  
24 JUST WANTED TO SAY THAT YOU'RE EXACTLY RIGHT. THIS IS  
25 A HUGE PROJECT. IT IS TREMENDOUSLY IMPORTANT. IT'S

1       IMPORTANT THAT WE GET IT RIGHT.   AND AS THE NEW YORK  
2       TIMES POINTED OUT IN AN ARTICLE EARLIER, OUR SUCCESS  
3       WILL DEPEND ON HOW WE LAY OUR BETS.   THAT'S ESSENTIALLY  
4       WHAT WE'RE GOING TO BE TALKING ABOUT WITH THE STRATEGIC  
5       PLAN.

6                   WALTER WANTS TO COMMENT ON THE PROCESS.

7                   MR. BARNES:   ONLY TO SAY THAT I THINK THAT  
8       THE PROCESS THAT WE WENT THROUGH WITH THE TWO  
9       ORGANIZATIONS GAVE US A PRETTY CLEAR INDICATION OF WHAT  
10      THE COMPETITIVENESS WOULD BE OUT THERE ANYWAY.   BUT IN  
11      ADDITION, I ALSO THINK THAT IT'S IMPORTANT TO REMEMBER  
12      THAT THE CONTRACT IS ONE PIECE, YOU KNOW, THAT FITS  
13      UNDER A PLAN THAT HAS TO BE APPROVED BY THE ICOC.

14                  DR. HALL:   NO.   NO.   NO.

15                  MR. BARNES:   BASICALLY IT'S THE IMPLEMENTING  
16      ARM THAT HELPS US IMPLEMENT THE PLAN FOR A PLAN.

17                  DR. HALL:   RIGHT.

18                  MR. BARNES:   SO DEPENDING UPON WHAT PLAN, HOW  
19      IT LAYS OUT AND ALL THE WORK THAT GOES WITH IT, THAT  
20      WILL DETERMINE HOW WE ARE ABLE TO NEGOTIATE AND HOW  
21      MUCH WE'RE ABLE TO NEGOTIATE WITH THEM.   I THINK THAT I  
22      UNDERSTAND YOUR CONCERN ABOUT A LITTLE BIT OF THE  
23      VAGUENESS OF IT, BUT IT'S THE CIRCUMSTANCES THAT  
24      REQUIRE THAT.

25                  DR. HALL:   I ASKED VERY CAREFULLY, JOHN, WHEN



1 WE BEGAN THIS, I SAID THAT I WANTED TO FOLLOW THE  
2 CORRECT STATE PROCEDURES ON THIS AND WAS ASSURED BY  
3 WALTER THAT THIS WAS ENTIRELY IN COMPLIANCE WITH STATE  
4 PROCEDURES FOR GETTING A CONTRACT OF THIS SORT.

5 CHAIR LANSING: SO YOU DON'T PUT IT OUT FOR  
6 PUBLIC BID? NO. EVERYBODY IS SHAKING THEIR HEAD.

7 MR. BARNES: KEEP IN MIND THAT OUR  
8 CONTRACTING PROCEDURES ARE BASED ON THE UC SYSTEM AND,  
9 YOU KNOW, IT'S NOT ON THE ONE THAT IS IMPLEMENTED BY  
10 GENERAL SERVICES. AND YOU ADOPTED A CONTRACTS POLICY  
11 THAT WAS BASED ON THAT. SO THE GUIDING PRINCIPLE HERE  
12 IS TO OBTAIN THE BEST POSSIBLE SERVICE THAT WE CAN FOR  
13 THE LEAST AMOUNT OF COST, AND WE BELIEVE THAT WE'VE  
14 SATISFIED THAT IN THIS PARTICULAR CASE.

15 MR. SIMPSON: I FULLY APPRECIATE THAT. I'M  
16 JUST RAISING THE POINT, THAT IF IT HAD BEEN AND STILL  
17 COULD BE MADE MORE PUBLIC THAT YOU ARE INTERESTED IN  
18 THIS, YOU MIGHT GET AN EVEN BETTER DEAL. YOU WOULD  
19 ALSO BE IN THE POSITION OF APPEARING TO BE TRANSPARENT,  
20 WHICH IS VERY, VERY, VERY USEFUL.

21 CHAIR LANSING: LET ME -- SUSAN HAS A  
22 COMMENT.

23 MS. DELAURENTIS: THIS IS SUSAN DELAURENTIS  
24 FROM THE ALLIANCE FOR STEM CELL RESEARCH. I WANT TO  
25 SAY A COUPLE OF THINGS. AND I AGREE THAT THIS IS THE

1 MOST IMPORTANT THING THAT THE CIRM WILL UNDERTAKE, BUT  
2 I COMPLETELY SUPPORT HIRING CONSULTANTS. AND I THINK  
3 THAT ZACH LAID OUT THE EXPERIENCE AT THE LAST MEETING  
4 THAT THIS PARTICULAR COMPANY HAS, THAT THEY SOUND LIKE  
5 THE RIGHT COMPANY TO BE CONTRACTING WITH. AND I  
6 UNDERSTAND THAT YOU DON'T HAVE TO PUT THIS OUT FOR  
7 PUBLIC BID. AND WITH THE LAWSUITS HOLDING UP BEING  
8 ABLE TO HIRE ADDITIONAL STAFF, I THINK THAT THAT --  
9 THEY FULFILL ONE OF THOSE -- THAT THAT PARTLY FULFILLS  
10 THE STAFFING ISSUE, BUT ALSO YOU NEED SOMEONE WHO HAS  
11 EXPERIENCE AT THIS AND EXPERTISE AT THIS. SO I THINK  
12 THAT THAT'S THE RIGHT WAY TO GO.

13 HAVING SAID THAT, THIS IS THE LARGEST  
14 CONTRACT, I THINK, THAT HAS COME BEFORE THIS GROUP.  
15 AND MY CONCERN IS THAT IN ORDER TO GET THE BEST  
16 POSSIBLE OUTCOME, ARE WE LIMITING THE AMOUNT OF MONEY?  
17 I FEEL -- I'M CONCERNED THAT YOU ARE NOT BUILDING IN  
18 ENOUGH MEETINGS BECAUSE YOU'RE LIMITING THE AMOUNT TO  
19 \$500,000. AND THIS IS ABOUT GETTING THE BEST POSSIBLE  
20 OUTCOME, AND SO HOW DO YOU DO THAT? IF THEY CAME TO  
21 YOU FIRST WITH AN AMOUNT OF 450 TO \$550,000, HOW MUCH  
22 MORE ARE -- HOW MUCH LOWER WILL THEY GO THAT WILL STILL  
23 LEAVE ENOUGH ROOM TO HAVE ENOUGH MEETINGS AND ENOUGH OF  
24 THE ADMINISTRATIVE SUPPORT TO GET THE BEST POSSIBLE  
25 OUTCOME?

1 DR. HALL: SUSAN, IF YOU WANT TO PROPOSE A  
2 HIGHER LIMIT, I'M QUITE HAPPY TO HAVE YOU DO SO.

3 MS. DELAURENTIS: I'M JUST CONCERNED ABOUT  
4 THE STRUCTURE OF THE PLAN AND HOW ALL OF THE ELEMENTS  
5 COME TOGETHER. AND BASED ON WHAT THEIR FEE -- WHAT  
6 THEY THINK THEIR FEE SHOULD BE, I'M CONCERNED THAT  
7 THERE WON'T BE ENOUGH MONEY, BELIEVE IT OR NOT.

8 DR. HALL: WELL, IF THAT TURNS OUT TO BE A  
9 PROBLEM, WE WOULD COME BACK TO THE SUBCOMMITTEE AND  
10 MAKE OUR CASE.

11 MR. BARNES: THIS IS THE BEST ESTIMATE THAT  
12 WE HAVE AT THIS POINT. IF IT TURNS OUT THAT WE NEED  
13 MORE, THEN WE'LL HAVE TO COME BACK. THAT'S THE WHOLE  
14 POINT OF GETTING THE APPROVAL. BY THE WAY, WE HAVE  
15 ACTUALLY HAD CONTRACTS THAT ARE MORE THAN THIS THAT  
16 HAVE COME BEFORE THE COMMITTEE.

17 DR. STEWARD: I JUST WANT TO FOLLOW UP ON  
18 SUSAN'S COMMENT, AND WONDER WHETHER IT MIGHT MAKE MORE  
19 SENSE NOT TO TRY TO WRAP THIS AROUND THE ENTIRE  
20 PROJECT, BUT RATHER TO SAY GO THEE FORTH AND NEGOTIATE  
21 A CONTRACT WITH THIS AS THE CEILING. I'M ACTUALLY A  
22 LITTLE BIT CONCERNED TOO THAT SOMEWHERE DOWN THE ROAD,  
23 WE'RE GOING TO WANT TO DO MORE IN TERMS OF MEETINGS AND  
24 SO FORTH. AND IT WOULD BE INCONVENIENT, TO SAY THE  
25 LEAST, TO HAVE TO COME BACK TO, FIRST, THE GOVERNANCE

1 SUBCOMMITTEE AND THEN TO THE FULL ICOC TO AUTHORIZE  
2 SPENDING MORE MONEY THAT WE ALL FELT NEEDED TO BE  
3 SPENT. WHEREAS, IF WE JUST SAID THIS IS THE LIMIT FOR  
4 THE CONTRACT FOR NOW, TRY TO NEGOTIATE THAT, WE MIGHT  
5 BE BETTER OFF.

6 DR. HALL: LET ME JUST SAY THIS IS WHAT WE'RE  
7 ASKING FOR AT THIS POINT. WE ARE TRYING TO -- WE ARE  
8 SHORT OF MONEY. LET ME POINT THAT OUT. WE WILL HAVE  
9 TO RAISE SOME OF THE MONEY TO PAY FOR THIS. IT IS  
10 IMPORTANT. IT'S EXTREMELY IMPORTANT, SO WE TRIED TO  
11 BALANCE ALL THESE THINGS AND SAY, YOU KNOW, HOW CAN WE  
12 CARRY THIS OUT UNDER THESE CIRCUMSTANCES? AND IT  
13 SEEMED TO ME THERE MAY HAVE BEEN OTHER WAYS TO GO ABOUT  
14 IT, BUT IT SEEMED TO ME THAT THE SENSIBLE THING WAS TO  
15 TRY TO ESTIMATE THE COST OF THE STRATEGIC PLANNING AT  
16 THIS POINT, TO MAKE THAT CLEAR TO OUR CONSULTANTS THAT  
17 THE ENTIRE PROJECT HAD A CEILING TO IT. IF WE GO DOWN  
18 THE LINE AND IT TURNS OUT WE NEED MONEY FOR ANOTHER  
19 PURPOSE, THIS WILL BE A SIX-MONTH PROJECT, WE WILL COME  
20 BACK AND ASK FOR MORE. I THINK THAT ALSO WILL DEPEND  
21 ON WHAT OUR FINANCIAL SITUATION IS AT THAT TIME.

22 AND I JUST WILL SAY THAT, GIVEN THE  
23 EXPERIENCE AND DISCUSSION ON THE BOARD, THERE'S ALSO  
24 BEEN, I THINK, A DIFFERENCE OF OPINION. SOME PEOPLE  
25 HAVE FELT THIS WAS TOO MUCH MONEY, OTHERS HAVE FELT

1 MAYBE IT WASN'T ENOUGH. THAT TOLD US THAT MAYBE IT WAS  
2 ABOUT RIGHT FOR THIS STAGE OF THE PROCESS. I THINK  
3 THIS IS ENOUGH. WE WILL GET STARTED. I THINK WE CAN  
4 GO AHEAD WITH THIS.

5 THEY HAVE ACCEPTED THIS PARAMETER, THIS  
6 BOUNDARY. AND I THINK THAT ALSO WAS A GOOD SIGN TO US,  
7 THAT THEY REALLY ARE ENTHUSIASTIC ABOUT DOING THIS,  
8 WANT TO DO THE JOB, AND I THINK IT ALSO HELPS US IN  
9 SPENDING THE STATE'S MONEY AS WISELY AS POSSIBLE ON  
10 THIS CONTRACT. SO I THINK IT GIVES US ENOUGH TO GET  
11 STARTED. AND IF WE NEED MORE, WE WILL, I CAN ASSURE  
12 YOU, COME BACK. AND ALSO, WE'RE GOING TO HAVE TO SEE  
13 WHERE THIS MONEY COMES FROM AND SEE WHAT OUR OWN  
14 FINANCIAL SITUATION IS LIKE. I DON'T THINK WE COULD  
15 RESPONSIBLY BUDGET A MILLION DOLLARS FOR THIS AT THIS  
16 POINT. I JUST DON'T THINK WE COULD DO IT. SO THIS  
17 SEEMED TO ME TO BE THE RIGHT COMPROMISE BETWEEN ENOUGH  
18 TO DO THE JOB, AN ADEQUATE JOB, AND GET STARTED. IF WE  
19 NEED MORE, WE CAN COME BACK, BUT I THINK WE CAN COME  
20 CLOSE TO THIS AND AT THE SAME TIME BE PRUDENT.

21 SO THAT'S THE -- THAT'S WHERE THE NUMBER  
22 COMES FROM. AND AS I SAY, MY APPROACH IN DOING IT WAS  
23 TO SET A PROJECT COST, AND THEN TO FIT THEM INTO IT AND  
24 EVEN GIVE THEM SOME RESPONSIBILITY AS WE DO OUR  
25 PLANNING.

1 CHAIR LANSING: I TOTALLY AGREE WITH YOUR  
2 POINT OF VIEW. I SHARE THE POSSIBLE CONCERNS, BUT I  
3 THINK SETTING THE PARAMETERS GIVEN WHERE WE ARE TODAY  
4 IS ABSOLUTELY THE RIGHT THING TO DO. LET ME CONTINUE  
5 WITH PUBLIC COMMENT. I'VE ONLY DONE LOS ANGELES. SO  
6 ANY COMMENT IN SAN FRANCISCO? CEDARS? USC? IRVINE?

7 DR. STEWARD: NO PUBLIC.

8 CHAIR LANSING: STANFORD?

9 MS. DUROSS: NO PUBLIC.

10 CHAIR LANSING: DAVIS?

11 DR. POMEROY: NONE.

12 CHAIR LANSING: SAN DIEGO?

13 DR. NOVA: NO PUBLIC.

14 CHAIR LANSING: THEN IS THERE ANY MORE  
15 COMMENT FROM THE BOARD? AND HAVING SAID THAT, IS THERE  
16 A MOTION TO APPROVE THIS CONTRACT?

17 MR. HARRISON: SHERRY, IT'S JAMES HARRISON.  
18 I'M NOT SURE THAT WE HAVE A QUORUM AT THIS POINT.

19 MS. DU ROSS: WE DON'T.

20 CHAIR LANSING: I'D LIKE TO DO WHAT WE DID  
21 LAST TIME AT LEAST FOR THE RECORD. I JUST THINK AT  
22 LEAST FOR THE RECORD FOR THOSE OF US THAT HUNG IN, WE  
23 CAN GET THEIR VOTES.

24 MR. SIMPSON: IF YOU STAY PAST A CERTAIN  
25 HOUR, YOU SHOULD BE ABLE TO COUNT AS A VOTE AND A HALF.

1 CHAIR LANSING: I AGREE. VERY ASTUTE. CAN I  
2 HAVE APPROVAL FOR THIS CONTRACT?  
3 DR. STEWARD: I SO MOVE.  
4 CHAIR LANSING: AND A SECOND?  
5 DR. POMEROY: SECOND.  
6 CHAIR LANSING: OKAY. THERE'S NO MORE  
7 DISCUSSION. AMY, WOULD YOU LEAD A ROLL CALL VOTE?  
8 MS. DU ROSS: SHERRY LANSING.  
9 CHAIR LANSING: YES.  
10 MS. DU ROSS: CLAIRE POMEROY.  
11 DR. POMEROY: YES.  
12 MS. DU ROSS: OS STEWARD.  
13 DR. STEWARD: YES.  
14 MS. DU ROSS: TINA NOVA.  
15 DR. NOVA: YES.  
16 MS. DU ROSS: DID I MISS ANY OTHER COC  
17 MEMBERS ON THE CALL?  
18 CHAIR LANSING: WELL, WE'RE THE HEARTY ONES  
19 THAT HUNG AROUND. AND SO I JUST WANT TO THANK  
20 EVERYBODY FOR THEIR TIME. IT'S VERY GLOOMY OUT HERE IN  
21 LOS ANGELES. IT'S GOING TO POUR AND RAIN, BUT WE ARE  
22 HAPPY THAT YOU ALL HUNG BACK. AND THANK YOU FOR YOUR  
23 TIME AND THANK YOU FOR YOUR INSIGHT. AND THANK YOU,  
24 THE MEMBERS OF THE PUBLIC, FOR BEING WITH US HERE TO  
25 TODAY AND FOR ALL OF YOUR GOOD THOUGHTS AND

1 INTELLIGENCE AS WELL. EVERYBODY, THE MEETING IS  
2 ADJOURNED.

3 (THE MEETING WAS THEN ADJOURNED AT 6:00  
4 P. M. )

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE GOVERNANCE SUBCOMMITTEE 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 ON MARCH 30, 2006, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.



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