

BEFORE THE
SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

VOLUME II

LOCATION: THE WESTIN SAN FRANCISCO AIRPORT
1 OLD BAYSHORE HIGHWAY
MILLBRAE, CALIFORNIA

DATE: APRIL 5, 2008
9 A.M.

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

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; SATURDAY, APRIL 5, 2008

2 9 A.M.

3

4 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
5 MEETING TO ORDER. SO CAN WE CALL THE ROLL?

6 MR. TOCHER: MEMBER FEIT.

7 MS. FEIT: HERE.

8 MR. TOCHER: DEBORAH HYSEN.

9 MS. HYSEN: HERE.

10 MR. TOCHER: EDWARD KASHIAN.

11 MR. KASHIAN: HERE.

12 MR. TOCHER: ROBERT KLEIN.

13 MR. KLEIN: HERE.

14 MR. TOCHER: STUART LAFF.

15 MR. LAFF: HERE.

16 MR. TOCHER: DAVID LICHTENGER.

17 CHAIRMAN LICHTENGER: HERE.

18 MR. TOCHER: JOAN SAMUELSON. DAVID
19 SERRANO-SEWELL.

20 VICE CHAIRMAN SERRANO-SEWELL: HERE.

21 MR. TOCHER: JEFF SHEEHY.

22 MR. SHEEHY: HERE.

23 MR. TOCHER: JANET WRIGHT.

24 DR. WRIGHT: HERE.

25 MR. TOCHER: WE HAVE A QUORUM.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: THANK YOU. SO I'D FIRST
2 LIKE TO OPEN UP THE FLOOR FOR ANY PUBLIC COMMENTS. NO
3 PUBLIC COMMENT -- WE HAVE ONE INDIVIDUAL IN THE BACK OF
4 THE ROOM. PLEASE STEP FORWARD. STATE YOUR NAME AND
5 AFFILIATION.

6 MR. SIMPSON: JOHN SIMPSON WITH CONSUMER
7 WATCHDOG, WHICH WAS FORMERLY KNOWN AS THE FOUNDATION FOR
8 TAXPAYER AND CONSUMER RIGHTS. I JUST WANTED TO SAY THAT
9 IT WAS A VERY LATE NIGHT LAST NIGHT FOR EVERYONE, BUT WE
10 ALL THANK YOU FOR DOING THE HARD WORK THAT YOU'RE DOING.
11 AND I JUST WANTED TO GET THAT ON THE RECORD. THANK YOU.

12 CHAIRMAN LICHTENGER: THANK YOU. ANY OTHER
13 PUBLIC COMMENTS? OKAY.

14 MORNING, MR. VICE CHAIRMAN. SO, RICK, I'D LIKE
15 TO HAVE US PROCEED WITH THE NEXT APPLICATION FOR REVIEW.

16 MR. KELLER: OKAY.

17 CHAIRMAN LICHTENGER: I'M SORRY.

18 MR. KELLER: POINT OF ORDER. ON YOUR AGENDA WE
19 HAD PASSED ON AGENDA ITEM 5, WHICH WAS CONSIDERATION OF
20 THE GRANTS ADMINISTRATION POLICY PENDING YOUR FULL
21 COMMITTEE. AND SINCE YOU HAVE -- WELL, WE CAN STILL
22 WAIT. I SEE THAT JOAN IS NOT HERE. MAYBE WE SHOULD
23 WAIT. IT'S THE PLEASURE OF THE COMMITTEE WHAT YOU WANT
24 TO DO WITH THAT ITEM ON THE GRANTS ADMINISTRATION POLICY
25 THAT YOU PASSED ON YESTERDAY.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: SO I THINK WE CONTINUE TO
2 PASS IF IT'S OKAY.

3 MR. KELLER: WANT TO REMIND YOU WE STILL HAVE
4 THAT TO DO.

5 CHAIRMAN LICHTENGER: TRY TO DO THAT AFTER THESE
6 REVIEWS. AS A POINT OF JUST PUBLIC INFORMATION, BOB, WE
7 WANT TO TALK ABOUT THE UTILITY JUST PUBLICLY?

8 MR. KLEIN: SURE. FIRST OF ALL, WE SHOULD HAVE
9 TAKEN DAVID SERRANO-SEWELL'S ADVICE LAST NIGHT. BRAIN
10 PERFORMANCE FELL OFF TOWARDS THE END OF THE EVENING, AND
11 I WASN'T VERY HIGHLY ARTICULATE ON A PARTICULAR POINT AT
12 THE END OF THE NIGHT. BUT WE DID MAKE A DECISION RELATED
13 TO NOT ALLOWING LEVERAGE PRIOR INFRASTRUCTURE
14 EXPENDITURES. AND THAT HAS AN IMPLICATION FOR A DECISION
15 WE MADE EARLIER IN THE NIGHT, WHICH IS THE ISSUE THAT WAS
16 GIVING ME A GREAT DEAL OF TROUBLE AS TO CONSISTENCY.

17 RICK WILL PROBABLY BE PLEASED TO HEAR THIS.
18 EARLIER IN THE EVENING, WE HAD TALKED ABOUT LOOKING AT
19 INSTITUTIONS THAT WERE BENEFITING FROM CENTRAL PLANTS FOR
20 UTILITIES. THOSE CENTRAL PLANTS ARE INFRASTRUCTURE. AND
21 AS WE KNOW, MANY OF THE NUMBERS ON THE SCREEN WERE
22 INFRASTRUCTURE THAT WAS BUILT MANY YEARS BEFORE. SO ON A
23 CONSISTENCY BASIS, THE POINT WAS DO WE WANT TO RECONSIDER
24 THE INSTRUCTION WE GAVE EARLIER IN THE NIGHT AND JUST NOT
25 HAVE THE CENTRAL PLANT INFRASTRUCTURE COUNTED AS LEVERAGE

BARRISTERS' REPORTING SERVICE

1 BECAUSE IT WAS A PRIOR EXPENDITURE AND BECAUSE IT WAS AN
2 OFFSITE EXPENDITURE.

3 SO THE QUESTION IS, FOR CONSISTENCY, DO WE WANT
4 TO JUST LEAVE UTILITIES OUT OF THE LEVERAGE EQUATION,
5 GIVEN THE DECISION WE MADE LATER IN THE NIGHT AND GIVEN
6 THAT WE WANT CONSISTENCY BETWEEN OUR DECISIONS? DOES
7 THAT PROPERLY, DAVID, STATE THE POINT?

8 CHAIRMAN LICHTENGER: I THINK SO. I THINK WE
9 BASICALLY DECIDED THAT WE WANT TO WITHDRAW OUR --

10 MR. KLEIN: NO. WE NEED TO POLL THE MEMBERS.
11 THAT'S JUST A STATEMENT OF BRINGING SOMETHING TO THE
12 ATTENTION OF THE MEMBERS, SO WE NEED TO POLL THE MEMBERS.

13 CHAIRMAN LICHTENGER: SO WE WANT TO KEEP WHAT
14 OUR VOTE WAS AS THE PERSPECTIVE OF THE FACILITIES WORKING
15 GROUP MOVING FORWARD, CORRECT, ON THIS ISSUE? SO IN
16 OTHER WORDS, WE WOULD WITHDRAW OUR DIRECTION TO THE
17 PRESIDENT TO GATHER MORE INFORMATION ON THE UTILITIES.
18 SO IS THAT A MOTION? IT'S NOT REALLY A MOTION.

19 MR. KLEIN: SO I THINK IT'S IMPORTANT TO MAKE
20 SURE WE HAVE EVERYONE'S OPINION HERE. SO WE CAN EITHER
21 HAVE A MOTION OR JUST GO DOWN AND ASK EACH PERSON. I
22 THINK NOT TO PREJUDICE WITH A MOTION, IF WE COULD JUST GO
23 THROUGH AND ASK EACH PERSON.

24 CHAIRMAN LICHTENGER: JANET.

25 DR. WRIGHT: I NEED A LITTLE BIT MORE CLARITY

BARRISTERS' REPORTING SERVICE

1 BECAUSE I DON'T UNDERSTAND -- BOB, CAN YOU --

2 MR. KLEIN: SURE. AT THE END OF THE EVENING, WE
3 MADE A DECISION THAT OFFSITE INFRASTRUCTURE THAT WAS
4 EXPENDED YEARS EARLIER WOULD NOT COUNT TOWARDS LEVERAGE.
5 EARLIER IN THE EVENING WE'D GIVEN THE PRESIDENT A
6 DIRECTION TO GO BACK AND DO A COST ALLOCATION OF THE
7 CENTRAL PLANT UTILITIES, WHICH ARE OFFSITE
8 INFRASTRUCTURE. SO THOSE TWO POSITIONS ARE INCONSISTENT,
9 WHICH WAS GIVING ME A GREAT DEAL OF TROUBLE, BUT I DIDN'T
10 EXPRESS IT CLEARLY LAST NIGHT.

11 THE ISSUE IS I THINK THE SIMPLEST WAY TO DO IT,
12 SINCE WE HAVEN'T COUNTED IN OUR POINT SYSTEM ANYTHING
13 DEALING WITH THE OFFSITE UTILITIES, IS TO BE CONSISTENT
14 WITH OUR LATER VOTE, JUST NOT TO CONSIDER OFFSITE UTILITY
15 CORE COST.

16 DR. WRIGHT: I THINK THAT IS THE MOST -- THAT'S
17 THE MOST DIRECT PATH TO CLARITY.

18 CHAIRMAN LICHTENGER: I WANT TO ADD THAT
19 ACTUALLY BOB AND I ACTUALLY BOTH CONCUR ON THIS ISSUE.

20 DR. WRIGHT: GETTING BACK TO THE WISDOM OF DAVID
21 SERRANO-SEWELL AND OUR HAVING STOPPED A LITTLE SOONER.

22 CHAIRMAN LICHTENGER: ED KASHIAN.

23 MR. KASHIAN: I CONCUR.

24 MS. HYSEN: I CONCUR. AND FOR ME, I'D STILL
25 LIKE TO CONSIDER IT IN THE VALUE PORTION BECAUSE I THINK

BARRISTERS' REPORTING SERVICE

1 THERE' S A VALUE TO THESE OFFSITE IMPROVEMENTS AND THE
2 CENTRAL PLANT TIE-INS.

3 MR. SHEEHY: I' M GOING TO ABSTAIN FROM THIS
4 DISCUSSION. I MISSED THIS PART.

5 CHAIRMAN LICHTENGER: DAVID.

6 VICE CHAIRMAN SERRANO-SEWELL: I AGREE.

7 MS. FEIT: YES, I AGREE. I THINK WE NEED TO BE
8 CONSISTENT IN WHAT WE DO FOR EVERYONE.

9 MR. LAFF: I AGREE.

10 CHAIRMAN LICHTENGER: EXCELLENT. ALL RIGHT.
11 GREAT. THANKS, BOB.

12 SO NOW WE CAN PROCEED WITH THE NEXT APPLICATION,
13 WHICH WOULD BE UC MERCED, 00614-1.

14 MR. KELLER: MR. CHAIRMAN, THIS IS THE FIRST ONE
15 IN THE CATEGORY OF SPECIAL PROGRAMS, AND SO WE DO HAVE
16 THE SAME SET OF CHARTS THAT YOU LOOKED AT YESTERDAY
17 RELATIVE TO LEVERAGE, COST PER SQUARE FOOT, COST PER PI.
18 SO WE HAVE THAT INFORMATION AVAILABLE, AND I' LL PUT UP
19 THE PERTINENT CHART HERE.

20 MR. GROOM IS GOING TO BE PROVIDING THE SUMMARY
21 OF THE STAFF ANALYSIS BEFORE YOUR WORKING GROUP
22 DISCUSSION.

23 MR. GROOM: NO. 614, THIS IS A REMODEL OF AN
24 EXISTING LEASED FACILITY FOR STEM CELL INSTRUMENTATION
25 FOUNDRY TO PROVIDE CUSTOMIZED MICROSYSTEMS FOR

BARRISTERS' REPORTING SERVICE

1 QUANTITATIVE ANALYSIS OF INDIVIDUAL STEM CELLS. IT HAS
2 5,420 ASSIGNABLE SQUARE FEET AND 8,140 GROSS SQUARE FEET.
3 THIS IS THE SMALLEST PROGRAM WE HAVE WORKED WITH.

4 IT INCLUDES SPACE FOR RESEARCH ACTIVITIES,
5 OFFICES IN SUPPORT, AS WELL AS THE CORES. THE FOUNDRY IS
6 A CLASS 1000 AND CLASS 100 CLEAN ROOM. THE FACILITIES DO
7 NOT EXIST ANYWHERE AT THE INSTITUTION OR IN THE REGION.
8 OCCUPANCY IS EIGHT EXISTING PRINCIPAL INVESTIGATORS AND
9 THEIR RESEARCH TEAMS. COMPLETION OF THE PROJECT IS
10 SCHEDULED FOR 2010. IT WOULD HAVE A CERTIFIED FROM
11 LEED' S.

12 THE APPLICANT HAS THE LOWEST SPACE AND CIRM COST
13 PER RESEARCHER AMONGST SPECIAL PROGRAMS. THAT' S KIND OF
14 JUST A COMMENT WE NOTED. THE APPLICANT ALSO NOTES HOW
15 THE FOUNDRY BENEFITS THE CIRM RESEARCH MISSION BY
16 PROVIDING SERVICES FOR ALL OF CALIFORNIA STEM CELL
17 RESEARCHERS. HOWEVER, THE LOCATION, WHICH IS 90 TO 350
18 MILES FROM MAJOR STEM CELL RESEARCH FACILITIES, COULD BE
19 AN ISSUE.

20 THE LAB PLANNER ANALYSIS SCORES WERE
21 FUNCTIONALITY B, VALUE SCORE B PLUS. THE LAB PLANNER
22 NOTED THE BUDGET DID NOT INDICATE THE COST OF
23 MICROFABRICATION TOOLING, WHICH IS SIGNIFICANT AND
24 APPEARED LOW FOR CLEAN ROOM ASSEMBLY WITH SPECIALTY
25 PIPING SYSTEMS AND VIBRATION ISOLATION SLABS.

BARRISTERS' REPORTING SERVICE

1 WITH THAT, I'LL TURN THE DISCUSSION OF THE
2 APPLICATION TO MEMBER HYSEN, THE PRIMARY REVIEWER, AND
3 MR. LAFF, THE SECONDARY REVIEWER.

4 MS. HYSEN: THANK YOU. WELL, I THINK THIS
5 PROPOSAL HAS A LOT OF MERIT. THE ONE NOTATION THAT I
6 FOUND VERY INTERESTING WAS THAT THE STEM CELL
7 INSTRUMENTATION FOUNDRY IS THE FIRST OF ITS KIND IN THE
8 NATION, AND I'M ASSUMING THAT'S A TRUE STATEMENT. SO IT
9 WOULD NOT ONLY BE UNIQUE TO CALIFORNIA, BUT UNIQUE TO THE
10 COUNTRY.

11 SO IT IS A RATHER SMALL FACILITY, 678 ASSIGNABLE
12 SQUARE FEET PER PI WHEN OUR AVERAGE IS ABOUT 3300, BUT
13 THE REVIEWER DIDN'T SEEM TO HAVE ANY CONCERNS. AND
14 PERHAPS BECAUSE IT'S A UNIQUE FACILITY, IT DOESN'T NEED
15 TO HAVE THE LARGER COMPLEMENT OF SPACE. PERHAPS
16 MR. COPENHAGEN COULD SPEAK TO THAT.

17 MR. COPENHAGEN: THE FUNCTION OF THE CLEAN ROOM
18 FACILITY IS NOT WHAT YOU WOULD TYPICALLY FIND FOR WET
19 BENCH LABORATORIES THAT MOST OF THE OTHER APPLICANTS HAD
20 PUT INTO THEIR PROGRAMS. SO REALLY WHAT THEY ARE
21 PROVIDING HERE IS THIS MOLECULAR FOUNDRY, THE
22 NANOFABRICATION FACILITY, AS A RESOURCE. AND IT JUST
23 DOESN'T HAVE THE SAME RATIO OF SPACES THAT YOU WOULD SEE.
24 IT'S TOTALLY DIFFERENT. AND THE AMOUNT OF SPACE SEEMED
25 APPROPRIATE. YOU LOOK AT WHAT THEY WERE PROVIDING, THEY

BARRISTERS' REPORTING SERVICE

1 WERE GENEROUS ENOUGH TO BE ABLE TO GIVE YOU A GOOD AMOUNT
2 OF CLEAN ROOM FABRICATION, ALL OF THE INFRASTRUCTURE
3 THAT'S NEEDED TO GO WITH THAT.

4 MS. HYSEN: SO I WANTED TO JUST RAISE THAT TO
5 THE ATTENTION OF MY FELLOW WORK GROUP MEMBERS BECAUSE IT
6 IS AN ANOMALY, BUT IT'S AN APPROPRIATE ANOMALY IN THIS
7 CASE.

8 MR. COPENHAGEN: THAT'S CORRECT.

9 MS. HYSEN: THE COST PER PI WAS 380,000 AND
10 CHANGE, WHICH IS WELL BELOW THE AVERAGE, SO FROM A VALUE
11 STANDPOINT, THAT SEEMED TO BE VERY MUCH IN LINE. THE
12 EFFICIENCY OF 66.3 PERCENT WAS SLIGHTLY HIGHER THAN THE
13 AVERAGE.

14 ON THE FLIP SIDE, THE LOCATION ISN'T THE BEST,
15 BUT THE PROPOSAL POINTED OUT THAT IT IS IN A GROWING AREA
16 OF CALIFORNIA. THE SAN JOAQUIN VALLEY IS A GROWING AREA
17 OF CALIFORNIA. UC MERCED IS OUR NEWEST UC INSTITUTION,
18 AND IT'S THE FIRST UC BUILT IN MANY, MANY YEARS, DECADES,
19 I BELIEVE. SO TO ME YOU HAVE TO UNDERSTAND THAT THIS IS
20 A BRAND NEW FACILITY AND THEY DO WANT TO ESTABLISH
21 THEMSELVES. AND SORT OF LIKE THE LITTLE ENGINE THAT
22 COULD, I WANT TO SUPPORT THEM.

23 I THINK THE SCIENTIFIC REVIEW ACKNOWLEDGED THAT
24 THEY'RE STILL IN THEIR INFANCY STAGE. AND SO ON THE ONE
25 HAND, THEY DON'T SEEM TO HAVE THE SCIENTIFIC COMMUNITY

BARRISTERS' REPORTING SERVICE

1 AND THE BACKGROUND AND THE RESEARCH THAT SOME OF THE
2 OTHER INSTITUTIONS HAVE. THE SCIENTISTS DID HAVE SOME
3 CONCERNS WITH THE PROCESS THEY WERE DOING AT THE SCIF AND
4 THE FACT THERE WAS ONLY ONE OF THE FACULTY THAT WAS
5 QUALIFIED, I BELIEVE, TO DO THIS WORK. BUT I THINK IN
6 THIS CASE PERHAPS IF YOU BUILD IT, THEY WILL COME. I
7 THINK THAT THERE'S THE OPPORTUNITY TO CONTINUE TO GROW
8 THE PROGRAM. SO I FOUND THIS NOT TO BE SO MUCH OF A
9 DETRIMENT, THAT IT WAS REALLY SOMETHING THAT THEY COULD
10 USE AS A LAUNCHING PAD.

11 THEY'RE IN THE MIDDLE RANGE FOR LEVERAGE. I
12 THINK IT'S REASONABLE THAT THEY'RE GOING TO MEET THEIR
13 CONSTRUCTION DEADLINES. IT IS AN EXISTING FACILITY.
14 THEY DO HAVE THEIR PLANS IN PLACE. IT SAID THEY'LL BEGIN
15 THE PLANNING IN JUNE OF THIS YEAR FOLLOWING AWARD, I'M
16 ASSUMING. AND I DON'T BELIEVE THAT THEY'RE GOING TO MISS
17 THEIR TARGET. IT'S NOT THAT COMPLICATED.

18 THE RESEARCHERS DID NOTE THAT THEY SEEMED TO BE
19 MISSING A PLAN ON HOW TO MANAGE THE FACILITY AND PROVIDE
20 EXTERNAL ACCESS. AND HOPEFULLY THE UC MERCED FOLKS CAN
21 SPEAK TO THAT BECAUSE ONCE YOU GET OVER THE GEOGRAPHICAL
22 CHALLENGE OF BEING IN THE MIDDLE OF THE STATE, IT WOULD
23 BE IMPORTANT TO DETERMINE HOW OTHER RESEARCHERS COULD
24 ACCESS THIS SITE.

25 I THINK, IN GENERAL, THIS IS ONE OF THOSE THAT

BARRISTERS' REPORTING SERVICE

1 YOU REALLY WANT TO SUPPORT BECAUSE, YOU KNOW, THIS IS
2 JUST AN OPPORTUNITY TO GROW A PROGRAM IN AN AREA THAT
3 DOESN'T HAVE THIS. AND THEY MAKE THE OBSERVATION THAT
4 THERE ARE A LOT OF STUDENTS IN THE UC SYSTEM THAT HAVE
5 NOT BEEN EXPOSED TO THESE KINDS OF RESEARCH
6 OPPORTUNITIES. AND SO FROM THAT STANDPOINT, IF WE ARE
7 CONCERNED ABOUT GROWING OUR YOUTH AND GETTING THEM
8 INVOLVED IN THESE KINDS OF PROGRAMS AND PARTICULARLY THE
9 KIND OF STUDENTS THAT GO TO UC MERCED, IT'S A DIVERSE
10 POPULATION, PROBABLY A HIGHER PERCENTAGE OF MINORITIES,
11 AND I THINK IT WOULD BE -- FOR THAT REASON I THINK WE
12 HAVE THE OPPORTUNITY TO BRING NEW BLOOD, IF YOU WILL,
13 INTO THE SCIENTIFIC COMMUNITY.

14 CHAIRMAN LICHTENGER: THANK YOU, DEBORAH.
15 STUART.

16 MR. LAFF: WELL, I CONCUR WITH WHAT DEBORAH
17 SAID. I HAVE ONE QUESTION WHICH I'D LIKE TO ASK. I
18 BELIEVE THIS IS GOING TO BE IN A LEASED FACILITY. AND SO
19 MY QUESTION IS DO THEY HAVE A LONG-TERM LEASE SO THAT WE
20 CAN BE REASONABLY ASSURED THAT, SHOULD THIS GO FORWARD,
21 THAT THE MONEY WILL BE USED OVER SOME LONG PERIOD OF
22 TIME. SO IF THEY CAN ADDRESS THAT QUESTION.

23 I HAVE A LOT OF CONFIDENCE IN THEIR ABILITY TO
24 MEET THIS SCHEDULE. THEY HAVE A GOOD ARCHITECT, AND I
25 JUST THINK THAT THEY CAN DO THIS. I DON'T THINK THERE'S

BARRISTERS' REPORTING SERVICE

1 MUCH QUESTION.

2 RENO VATIONS ARE TOUGH TO FORECAST IN TERMS OF
3 COST. AND SO I AM REL YING ON THE FACT THAT THEY HAVE A
4 STRONG TEAM AND WILL BE ABLE TO DO THAT, BUT I WAS TRYING
5 TO FIND A CONTINGENCY, IF THEY HAD PUT THAT IN. RICK, I
6 DON' T KNOW IF I' M BLURRY EYED.

7 MR. KELLER: THERE' S A CONSTRUCTION CONTINGENCY
8 WITHIN THE BUDGET OF 409,000.

9 MR. LAFF: THAT' S PLENTY.

10 MR. KELLER: 5.8 PERCENT.

11 MR. LAFF: I DID NOTE ALSO THAT THEY HAVE AN
12 AGREEMENT WITH UC DAVIS, BERKELEY, AND SAN FRANCISCO AS A
13 PART OF THEIR SHARED KIND OF FACILITY. THEY HAVE AN
14 ONGOING WORKING AGREEMENT. AND I THINK THEY EXPECT TO GO
15 FORWARD AND MAKE MORE AS TIME GOES BY. I THOUGHT IT WAS
16 A VERY INTERESTING AND POSITIVE APPLICATION.

17 CHAIRMAN LICHTENGER: THANK YOU, STUART. BEFORE
18 WE HAVE THE APPLICANT STEP FORWARD, DO WE WANT TO HAVE
19 ANY DISCUSSION? RICK.

20 MR. KELLER: I JUST WANTED TO ANSWER STUART' S
21 QUESTION. THE SPACE HERE IS AT THE SITE OF THE FORMER
22 CASTLE AIR FORCE BASE, WHICH WAS LAUNCH SPACE FOR THE
23 CAMPUS BEFORE THE PERMANENT BUILDINGS WERE COMPLETED OUT
24 THERE. SO I BELIEVE THEY HAVE A LONG-TERM LEASE, BUT
25 WE' LL VERIFY THAT BECAUSE THEY' VE ALREADY MADE

BARRISTERS' REPORTING SERVICE

1 SUBSTANTIAL IMPROVEMENTS AND HAVE KIND OF A SECONDARY
2 CAMPUS AT THE CASTLE AIR FORCE BASE SITE.

3 MR. LAFF: THANK YOU.

4 CHAIRMAN LICHTENGER: THANKS, RICK. BEFORE WE
5 HAVE THE APPLICANT COME FORWARD, DO WE WANT TO HAVE ANY
6 DISCUSSION ABOUT THE APPLICATION OR QUESTIONS OF CIRM
7 STAFF? OKAY. SO I'D LIKE TO ASK THE APPLICANT, UC
8 MERCED, TO STEP FORWARD. HOPEFULLY THEY'RE HERE. UC
9 MERCED, GOING ONCE.

10 MR. KELLER: I THINK DANA SANTA CRUZ FROM THE
11 OFFICE OF THE PRESIDENT IS HERE, BUT I DON'T SEE ANYONE
12 FROM MERCED.

13 MS. SANTA CRUZ: GOOD MORNING. MY NAME IS DANA
14 SANTA CRUZ FROM THE OFFICE OF THE PRESIDENT. IN TERMS OF
15 THE LONG-TERM LEASE, I CAN GET YOU SOME DETAILS PROBABLY
16 IN ABOUT A HALF HOUR, BUT WE DO HAVE A LONG-TERM LEASE IN
17 THE FACILITY. AS RICK NOTED, IT WAS THE LAUNCHING PAD
18 FOR THE UC MERCED CAMPUS.

19 ADDITIONALLY, THE QUESTIONS ABOUT THE MANAGEMENT
20 OF THE FACILITY IS SOMETHING THAT WE WOULD IN TERMS --
21 WHEN WE GO THROUGH APPROVAL OF THIS PARTICULAR FACILITY,
22 THAT'S SOMETHING THAT WE WOULD ACTUALLY REQUIRE AS WELL.
23 I DID NOTE THAT THE APPLICATION DID NOT HAVE THOSE
24 DETAILS, AND I WOULD JUST ASK FOR THE INDULGENCE TO TRY
25 TO GET THAT INFORMATION IN ABOUT A HALF HOUR OR SO

BARRISTERS' REPORTING SERVICE

1 BECAUSE WE DON'T HAVE THE UC MERCED PEOPLE HERE THIS
2 MORNING.

3 CHAIRMAN LICHTENGER: I GUESS THAT WOULD BE
4 SAYING REGARDING THE --

5 MS. SANTA CRUZ: THE MANAGEMENT PLAN AND HOW
6 PEOPLE WOULD ACTUALLY HAVE ACCESS TO THE SITE.

7 CHAIRMAN LICHTENGER: NO. I WAS TALKING ABOUT
8 THE BUDGET SHEET ON THE COST OF THE MICROFABRICATION
9 TOOLING.

10 MS. SANTA CRUZ: AND THE THIRD POINT WAS THE
11 FACT THAT THERE SEEMS TO BE SOMETHING MISSING IN THE
12 BUDGET.

13 CHAIRMAN LICHTENGER: IF IT'S OKAY WITH THE
14 FACILITIES WORKING GROUP, WHAT I'D LIKE TO DO, CAN WE
15 KIND OF SHELF THIS APPLICATION UNTIL WE GET THOSE FOLKS
16 HERE, AND WE'LL HOLD OFF OUR PRELIMINARY SCORING UNTIL WE
17 GET THAT? IS THAT OKAY WITH EVERYBODY? OKAY. GREAT.

18 SO I'LL TAKE PUBLIC COMMENTS, IF ANY, AND THEN
19 WE'LL MOVE ON TO THE NEXT APPLICATION, AND WE'LL JUMP
20 BACK TO MERCED HOPEFULLY SOON.

21 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
22 TAXPAYER AND CONSUMER RIGHTS. I HATE TO BE A GRINCH, BUT
23 I QUESTION INSTITUTIONAL COMMITMENT IF THEY CAN'T TURN
24 OUT REPRESENTATIVES. I WONDER IF PERHAPS YOU SHOULDN'T
25 JUST GO FORWARD.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: MR. CHAIRMAN, I THINK TRAFFIC,
2 SICKNESS, WE DON'T KNOW THE REASON. THEY PUT A HUGE
3 AMOUNT OF EFFORT INTO THE APPLICATION. THEY'RE A YOUNG
4 INSTITUTION, AND THERE'S MANY POSSIBLE REASONABLE
5 EXPLANATIONS, SO I DO THINK WE SHOULD JUST GO ON TO THE
6 NEXT ONE AND COME BACK.

7 CHAIRMAN LICHTENGER: I WOULD CONCUR. NEXT ONE
8 WOULD BE UC SANTA BARBARA, 00616-1.

9 MR. GROOM: THIS IS A RENOVATION OF A PORTION OF
10 AN EXISTING FACILITY TO ACCOMMODATE A CENTER FOR CELL
11 BIOLOGY AND ENGINEERING. IT HAS 10,377 ASSIGNABLE SQUARE
12 FEET AND 16,581 GROSS SQUARE FEET. THE TOTAL COST IS 6.3
13 MILLION, AND THE REQUESTED CIRM FUNDING IS 4.7 MILLION.

14 THERE IS A NEED TO CO-LOAD INVESTIGATORS IN
15 ORDER TO EXPAND THEIR RESEARCH CAPACITY. THREE NEW
16 RESEARCH PI'S WILL BE ADDED TO THE -- WILL BE NEW TO THE
17 INSTITUTION. IT HAS NEW CORE FACILITIES THAT WILL ADD
18 CAPABILITIES NOT CURRENTLY AVAILABLE AND SPACE FOR
19 SUPPORT FUNCTIONS. NEW CORE FACILITIES INCLUDE A DEEP
20 SEQUENCING CENTER AND A VIVARIUM.

21 COMPLETION OF THE PROJECT IS SCHEDULED FOR MARCH
22 2010. IT WILL HAVE A CERTIFIED LEED. IT HAS THE LOWEST
23 COST PER SQUARE FOOT AND ALSO THE MOST EFFICIENT, WHICH
24 THE CHART INDICATES. IT DOES, HOWEVER, HAVE THE HIGHEST
25 CIRM COST PER PI.

BARRISTERS' REPORTING SERVICE

1 WE NOTED THE FOLLOWING ISSUES. THE CIRM
2 INVESTMENT PER RESEARCHER IS 50 PERCENT HIGHER THAN THE
3 AVERAGE FOR SPECIAL PROGRAM APPLICANTS. THIS INVESTMENT
4 IS HIGHER, WE BELIEVE, BECAUSE OF THE EXTENT OF THE
5 REMODELING IN AN ATTEMPT TO PROVIDE PRODUCTIVE SPACE FOR
6 THE PROGRAM. IT'S DIFFICULT TO BACK INTO SPACE.

7 THE SPACE PER RESEARCHER FOR THIS SPECIAL
8 PROGRAM APPLICANT IS HIGHER THAN THE AVERAGE FOR
9 INSTITUTES AND CENTERS OF EXCELLENCE, YET THE LEVERAGE IS
10 LOWER THAN OTHER CIRM SPECIAL PROGRAM APPLICANTS.

11 THE LAB PLANNER GAVE THE FOLLOWING SCORES:
12 FUNCTIONALITY C MINUS AND VALUE D. HE DID NOTE THAT THE
13 DEDICATED SUPPORT SPACE FOR THE TRUE LABS IS AT A VERY
14 LOW RATIO OF 1.1 TO .5 LAB TO SUPPORT SPACE. THE PLANS
15 MAKE THE BEST USE OF SPACE GIVEN THE LIMITATION OF THE
16 EXISTING STRUCTURAL GRID, AGAIN, BACKING INTO THE SPACE.

17 WITH THAT, I'LL TURN OVER THE DISCUSSION OF THE
18 APPLICATION TO MEMBER LAFF, THE PRIMARY REVIEWER, AND MR.
19 KASHIAN, THE SECONDARY REVIEWER.

20 MR. LAFF: THANK YOU. I ACTUALLY WANT TO TALK A
21 LITTLE BIT ABOUT THE FUNCTIONALITY AND VALUE. AND WHILE
22 I CONCUR WITH A LOT YOU SAID, IT IS A VERY DIFFICULT
23 PROBLEM FOR THEM TO ACHIEVE A STRONG RATING BASED ON THE
24 FACT THAT THEY ARE RENOVATING COMPONENT PIECES OF THE
25 BUILDING. IT'S NOT EVEN ONE PART OF THE BUILDING FOR

BARRISTERS' REPORTING SERVICE

1 THIS. THEY'RE DOING THREE OR FOUR DIFFERENT PARTS. AND
2 SO I'M NOT SURE THAT THEY COULD HAVE ACHIEVED ANY
3 FLEXIBILITY BECAUSE OF WHAT THEY WERE TRYING TO DO IN A
4 FACILITY THAT WAS ALREADY BUILT AND NOT BEING TOTALLY
5 RENOVATED.

6 MR. COPENHAGEN: I UNDERSTAND. PART OF MY
7 SCORING WAS NOT JUST THE COST, BUT LOOKING AT THE -- NOT
8 UNDERSTANDING WHAT WAS GOING ON ON THE REST OF THE FLOOR
9 BECAUSE IF YOU TAKE TWO SENIOR RESEARCHERS AND PUT THEM
10 ON TWO DIFFERENT FLOORS OF THE BUILDING IN A TOUGH FIT,
11 WHY SHOULDN'T I HAVE PUT THEM ON ONE FLOOR TO TRY TO GET
12 THAT SYNERGY, THAT INTERACTION BETWEEN THE PEOPLE? AND
13 THAT COULD SIMPLY BE WHAT ELSE IS ON THE FLOOR. SO I
14 LOOKED AT IT AND SAID, YES, IT'S TOUGH TO DO THE
15 RENOVATION IN AN OLD BUILDING. THE STRUCTURAL GRID OF
16 THE BUILDING IS NOT IDEAL FOR THE CONFIGURATION OF A LAB,
17 AND THEY WERE FIGHTING A LOT OF FIGHTS THAT YOU DO ON
18 THESE RENOVATIONS.

19 BUT I THOUGHT THAT IF THESE TWO SCIENTISTS WERE
20 THAT SIGNIFICANT, THEY SHOULD HAVE BEEN PUT TOGETHER TO
21 GET MORE BENEFIT OUT OF THE SYNERGY. SO THAT WAS A LOT
22 TO DO WITH THE FUNCTIONALITY SCORE. IT WASN'T JUST THAT
23 IT WAS A RENOVATION BECAUSE THOSE ARE TOUGH. ALSO NOT
24 UNDERSTANDING OR KNOWING WHAT WAS GOING ON IN THE REST OF
25 THE FLOOR, SAYING THAT I'VE GOT MORE DISRUPTION GOING ON

BARRISTERS' REPORTING SERVICE

1 IN THIS BUILDING THAN I MIGHT HAVE HAD IF I HAD BEEN ABLE
2 TO CO-LOCATE THEM. SO IT FELT LIKE AN AWKWARD SOLUTION.
3 IT MIGHT BE SCIENTIFICALLY BRILLIANT, BUT JUST LOOKING AT
4 IT FUNCTIONALLY, IT SEEMED AWKWARD.

5 MR. LAFF: THANK YOU.

6 APPARENTLY THE BUILDING IS GOING TO BE PART OF A
7 CAMPUSWIDE PROGRAM THAT GOES FOR A SILVER LEED. I'M NOT
8 SURE HOW THEY'RE GOING TO BE ABLE TO DO THAT BASED ON
9 WHAT THEY'RE DOING FOR THAT SPECIFIC BUILDING, SO THAT
10 CAUSED ME SOME CONCERN.

11 I THOUGHT THAT THE BUDGET AND THE SCHEDULE FOR
12 THESE WERE APPROPRIATE, ALTHOUGH I WOULD -- I ALWAYS
13 WORRY ABOUT THE COST OF RENOVATIONS BECAUSE ONE NEVER
14 KNOWS WHAT ONE IS GOING TO FIND WHEN THEY START OPENING
15 UP WALLS AND FLOORS AND CEILINGS.

16 UNDER SHARED RESOURCES, I THOUGHT IT WAS THAT
17 THEY DO HAVE AN AGREEMENT WITH SEVERAL INSTITUTIONS, THE
18 BURNHAM INSTITUTE, THE SAMSON DIABETES RESEARCH, COTTAGE
19 HOSPITAL, AND CENTRAL COAST -- AND SEVERAL OTHER CENTRAL
20 COAST INSTITUTIONS. SO I THINK THEY'RE WELL ESTABLISHED
21 IN GETTING OTHER INSTITUTIONS INVOLVED WITH WHAT THEY'RE
22 DOING. AND I THOUGHT THEY DID A PRETTY GOOD JOB OF
23 EXPLAINING THAT.

24 I ALWAYS FIND IT DIFFICULT TO JUDGE THE
25 FUNCTIONALITY, ALBEIT AN EXPERT IS EXPLAINING IT TO ME.

BARRISTERS' REPORTING SERVICE

1 IF SANTA BARBARA IS HERE, I WOULD LIKE TO GET THEM TO
2 ANSWER THE QUESTION THAT YOU POSED, WHICH IS WHY DID THEY
3 PLAN THE FACILITY THE WAY THEY DID AS OPPOSED TO WHAT
4 YOU' RE SUGGESTING?

5 MR. COPENHAGEN: THE OTHER ISSUE WAS, IN LOOKING
6 AT IT, IS THAT THE AMOUNT OF SUPPORT SPACE OR JUST
7 EQUIPMENT SPACE OR OTHER SPACE TO SUPPORT THE
8 LABORATORIES CAME UP SHORT, SO IT'S LIKE THEY WERE TRYING
9 TO MAKE THE MOST THEY COULD OUT OF THE LABORATORY BENCHED
10 AREA, BUT THEY WERE COMING UP SHORT ON JUST ENOUGH TOTAL
11 SQUARE FOOTAGE TO REALLY SUPPORT THE SCIENTIFIC PROGRAMS.

12 MR. LAFF: THANK YOU. FOR THE BENEFIT OF SANTA
13 BARBARA, IT IS ALWAYS HARD TO MAKE RENOVATIONS LIKE THEY
14 ARE TRYING TO DO APPROPRIATE IN ALL AREAS. THAT IS A
15 VERY DIFFICULT PROBLEM.

16 CHAIRMAN LICHTENGER: I'D LIKE TO OPEN UP THE
17 FLOOR FOR DISCUSSION. ED, YOU' RE THE SECONDARY, RIGHT?

18 MR. KASHIAN: I THINK SO. I HAVE A SOMEWHAT
19 DIFFERENT POINT OF VIEW THAN MR. LAFF. THE MISSION HERE
20 IS ESSENTIAL IN TERMS OF THE OVERALL MISSION. I APPLAUD
21 THE UNIVERSITY OF SANTA BARBARA FOR PICKING A NICHE THAT
22 NO ONE ELSE IS IN.

23 I FIND REMODELS TO BE EXTREMELY DIFFICULT, AND
24 AS SUCH, ALTHOUGH THE PLANS WERE SKETCHY, I COULD
25 UNDERSTAND WHY. PERSONAL EXPERIENCE, I FIND THAT IT'S

BARRISTERS' REPORTING SERVICE

1 IMPOSSIBLE TO DRAW A SET OF PLANS UNTIL YOU TEAR THE
2 PLACE APART TO SEE WHAT THE HECK IS THERE AND THEN START
3 IN AGAIN. HOWEVER, THAT BEING SAID, I AM DUBIOUS ABOUT
4 THE CONSTRUCTION COST IN THE PRESENTATION. IN A REMODEL,
5 AND ESPECIALLY IN THIS ATMOSPHERE, THE AMOUNT OF MONEY
6 THE CONTRACTOR IS BEING PAID PERCENTAGEWISE IS MUCH LOWER
7 THAN I WOULD SEE IN THE FIELD, IN MY OPINION.

8 AND I FEEL LIKE THE ISSUE THAT IS THE MOST
9 IMPORTANT ISSUE RIGHT NOW IS THAT I BELIEVE THE BUDGET IS
10 UNDERSTATED. AND I'D LIKE TO INQUIRE FROM OUR PEOPLE AND
11 ALSO FROM THE APPLICANT.

12 MR. GROOM: THE COST PER SQUARE FOOT, I'M
13 LOOKING AT THAT. WE HAVE A SLIDE. WE'RE GOING TO GO TO
14 THE SLIDE. IT IS SIGNIFICANTLY, AS YOU CAN SEE, BELOW
15 THE AVERAGE FOR AN ALTERATION, WITHOUT A DOUBT. IN MANY
16 CASES WHEN YOU DO AN ALTERATION OF THIS -- IT'S NOT A
17 REAL BIG ALTERATION. IT'S GOING TO BE A DESTRUCTIVE
18 ALTERATION. THEY'LL PROBABLY PHASE IT, I WOULD ASSUME,
19 WHICH YOU'RE RIGHT, IT COULD ADD COST AND INCONVENIENCE,
20 WITHOUT A DOUBT, TO NOT ONLY THE RESEARCHERS THAT ARE
21 GOING TO THE SPACE, BUT THE RESEARCHERS AROUND THEM.

22 THE BUDGET, AGREED, IT IS LOW. FROM A STAFF
23 PERSPECTIVE, WE HAVE TO ACCEPT WHAT BUDGET THEY PRESENT
24 TO US UNFORTUNATELY OR FORTUNATELY BECAUSE IF THIS IS THE
25 CORRECT BUDGET, THIS WILL BE A GREAT BUY.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: ED, I'D MAKE A COMMENT TOO THAT
2 THEY'RE -- THE NOTICE OF GRANT AWARDS WILL REQUIRE THEM,
3 IF THEY ACCEPT THE FUNDS, TO COMMIT TO PERFORM ON THE
4 PLANS AND SPECIFICATIONS DELIVERED. SO THE
5 RESPONSIBILITY IF IT IS, IN FACT, TOO AGGRESSIVE A BUDGET
6 IS ON THE INSTITUTION BECAUSE THEY HAVE TO MEET ANY
7 SHORTFALL.

8 MR. KASHIAN: I UNDERSTAND, ROBERT. MY COMMENT
9 WAS NOT ONE OF CRITICISM. MY COMMENT WAS MORE OF A HELP
10 TO SEE HOW I CAN HELP THEM ACHIEVE THE GOAL THEY'RE
11 TRYING TO ACHIEVE.

12 MR. LAFF: ONE OF THE THINGS THAT GAVE ME SOME
13 COMFORT IN THEIR BUDGET WAS THEY HAD JUST FINISHED FOUR
14 SIMILAR PROJECTS OF RENOVATION AND THAT THEIR COSTS WERE
15 BASED ON THOSE FOUR RENOVATIONS. AND I THOUGHT THAT WAS
16 AN IMPORTANT PIECE. WHILE I AGREE WITH ED, TILL YOU RIP
17 IT ALL UP, YOU REALLY DON'T KNOW WHAT YOU HAVE. I DID
18 HAVE COMFORT THAT THEY HAVE RIPPED UP ENOUGH STUFF SO
19 THAT THEY PROBABLY HAVE GOT MOST OF THE PROBLEM SOLVED.

20 CHAIRMAN LICHTENGER: GREAT. THANK YOU, STUART.
21 ED, YOU HAVE SOME MORE OF YOUR REVIEW?

22 MR. KASHIAN: NO. I HAVE NO FURTHER.

23 CHAIRMAN LICHTENGER: RICK.

24 MR. KELLER: I JUST WANTED TO ADD, AND I'M SURE
25 MEMBER KASHIAN REALIZES, THAT THE ESTIMATE THAT WE

BARRISTERS' REPORTING SERVICE

1 RECEIVED IS DATED FEBRUARY 21ST, WHICH IS A FEW DAYS
2 BEFORE THE DEADLINE. AND I THINK WE HAD A CONVERSATION
3 ABOUT THE FACT THAT SOME OF THE ASSUMPTIONS MAY BE A BIT
4 TROUBLING. FOR INSTANCE, OVERHEAD AND PROFIT IS BUDGETED
5 4 PERCENT, GENERAL CONDITIONS AT 8, AND WE'RE FINDING
6 THAT MOST OF THE APPLICATIONS ARE SIGNIFICANTLY HIGHER
7 GIVEN THIS CURRENT MARKET, ALTHOUGH THINGS ARE TURNING A
8 BIT.

9 SO THERE'S OVER \$350,000 BUDGETED FOR
10 DEMOLITION. AND I AGREE WITH YOUR OBSERVATION IS THAT
11 HIDDEN CONDITIONS ARE EXACTLY THAT, HIDDEN. SO IT'S VERY
12 DIFFICULT ON AN ALTERATION. I THINK THAT THE OBSERVATION
13 IS THAT ONCE CIRM FUNDS IT, MR. KLEIN IS CORRECT, THAT
14 OUR EXPECTATION IS THAT THE INSTITUTION IS GOING TO HAVE
15 TO BE RESPONSIBLE FOR THE COMPLETION OF THE WORK AS
16 PRESENTED IN THE APPLICATION. AND IF THERE'S NOT
17 SUFFICIENT DUE DILIGENCE IN SETTING THE BUDGET, THEN
18 THERE'S GOING TO BE CONSEQUENCES FOR THAT LATER.

19 CHAIRMAN LICHTENGER: THANK YOU, RICK. I'D LIKE
20 TO OPEN TO THE FLOOR FOR DISCUSSION BEFORE WE HAVE THE
21 APPLICANT COME UP. SO I JUST WANT TO COMMENT ONE THING
22 ABOUT THE COST STRUCTURE ON THIS PROPOSAL FROM MY
23 EXPERIENCE. ALTHOUGH VERY AGGRESSIVE, CERTAINLY IN THE
24 COMMERCIAL SECTOR THIS WOULD NOT BE CONSIDERED AN
25 AGGRESSIVE NUMBER. AND THOSE GENERAL CONDITION AND FEE

BARRISTERS' REPORTING SERVICE

1 NUMBERS ARE KIND OF STANDARD IN THE INDUSTRY. SO I
2 DON'T -- ESPECIALLY GIVEN THEY HAVE SOME EXPERIENCE
3 PREVIOUSLY IN DEALING WITH SIMILAR PROJECTS, I HAVE NO
4 REASON TO DISBELIEVE THAT THESE AREN'T ACHIEVABLE, FROM
5 MY PERSONAL PERSPECTIVE.

6 SO HOPEFULLY UC SANTA BARBARA IS HERE. IF
7 MERCED COMES IN, PLEASE ADVISE ME. THANK YOU FOR BEING
8 HERE.

9 MR. CLEGG: MY NAME IS DENNIS CLEGG, AND I'M
10 CHAIR OF THE DEPARTMENT OF MOLECULAR, CELLULAR, AND
11 DEVELOPMENTAL BIOLOGY, AND ACTING DIRECTOR OF THE NEW
12 CENTER FOR STEM CELL BIOLOGY AND ENGINEERING AT UC SANTA
13 BARBARA. OUR VICE CHANCELLOR, MIKE WITHERILL, WANTED TO
14 BE HERE, BUT HE'S CHAIRING A SESSION AT THE NSF IN
15 WASHINGTON, D. C.

16 SO I WANTED TO MAKE JUST A FEW GENERAL COMMENTS,
17 AND THEN I'D BE HAPPY TO ADDRESS SOME OF THE QUESTIONS
18 THAT CAME UP AND ANY MORE QUESTIONS THAT YOU HAVE.

19 FIRST, I'D LIKE TO, AGAIN, THANK THE CIRM STAFF
20 FOR THEIR ADVICE AND GUIDANCE DURING THE PREPARATION OF
21 THE APPLICATION AND THE REVIEWERS FOR ALL THE HARD WORK
22 IN ANALYZING THESE COMPLEX PROPOSALS. YOU KNOW, I'D
23 ESPECIALLY LIKE TO ACKNOWLEDGE THE TRANSCRIBER. I DON'T
24 KNOW HOW SHE DOES THIS. AMAZING.

25 (APPLAUSE.)

BARRISTERS' REPORTING SERVICE

1 MR. CLEGG: SO AS WAS MENTIONED, THIS PROJECT IS
2 A RENOVATION IN AN EXISTING BUILDING. AND SO IN A LOT OF
3 WAYS, IT'S DIFFERENT THAN THE OTHER PROJECTS THAT YOU'RE
4 LOOKING AT. IT'S NOT NEW CONSTRUCTION. AND WHILE A LAB
5 PLANNER WOULD LOVE TO HAVE A BLANK CANVAS ON WHICH TO
6 SKETCH OUT A NEW FACILITY, I WANT TO EMPHASIZE JUST WHAT
7 A BARGAIN RENOVATION IS. OUR COST PER SQUARE FOOT IS THE
8 LOWEST. AND AS WAS MENTIONED, WE THINK THAT'S A
9 REALISTIC NUMBER. WE'VE JUST COMPLETED FOUR PROJECTS AND
10 OVER 8,000 SQUARE FEET, SO WE KNOW WHAT WE'RE GETTING
11 INTO WHEN WE TEAR THIS BUILDING APART. WE'VE DONE IT
12 MULTIPLE TIMES, CREATED BEAUTIFUL INTERACTIVE SPACE
13 THAT'S ALLOWED US TO RECRUIT STELLAR FACULTY.

14 THE OTHER POINT I WANTED TO MAKE WAS THAT IN
15 CONSIDERING -- WE CONSIDERED NEW CONSTRUCTION, BUT WE'RE
16 RIGHT ACROSS THE STREET FROM THE OCEAN. AND SO WE'RE
17 UNDER THE PURVIEW OF THE COASTAL COMMISSION. IT'S A
18 SEVEN-STORY BUILDING. AND IF WE TORE IT DOWN AND BUILT A
19 NEW BUILDING, WE'D ONLY BE ALLOWED FOUR STORIES. SO WE
20 DECIDED, NO, WE'RE GOING TO KEEP THIS BUILDING. THE
21 VIEWS ARE VERY NICE, AND IT'S A VERY WORKABLE BUILDING.

22 SO WE THINK OUR PROJECT IS A TREMENDOUS BARGAIN
23 FOR CIRM AND FOR THE STATE AND THE UNIVERSITY.

24 THE OTHER GENERAL POINT I WANTED TO MAKE IS THAT
25 BECAUSE IT'S A RENOVATION, IT HAS TO BE CONSIDERED IN THE

BARRISTERS' REPORTING SERVICE

1 CONTEXT OF THE EXISTING SPACE AND ADJACENT SPACES THAT
2 ARE NOT PART OF THE PROJECT. AND SOME OF THAT CAME UP IN
3 THE REVIEW.

4 THERE ARE ADJACENT AREAS THAT WILL BE USED BY
5 THE NEW LABS IN TERMS OF SUPPORT, FOR EXAMPLE, AND THERE
6 ARE ADJACENT GROUPS THAT WILL BE INTERACTING ON THE SAME
7 FLOORS WITH THOSE GROUPS.

8 SO WE'RE VERY EXCITED ABOUT THIS OPPORTUNITY TO
9 EXPAND OUR PROGRAM. IT WOULD ALLOW US TO BRING IN THREE
10 NEW FACULTY, INCLUDING JAMIE THOMSON, WHO'S A LEADER IN
11 THE FIELD, WHO'S EXPANDING HIS RELATIONSHIP WITH THE
12 UNIVERSITY OF CALIFORNIA WITH A SATELLITE FACILITY AT UC
13 SANTA BARBARA. AND IT ALLOWS US TO RECRUIT TWO NEW
14 DISTINGUISHED FACULTY WHO WILL BE ENDOWED CHAIRS, WHICH
15 ARE PART OF A CLUSTER HIRE THAT INCLUDES ADDITIONAL
16 JUNIOR FACULTY, WHO WILL BE HOUSED OUTSIDE THE PROJECT.
17 SO I'D BE HAPPY TO TAKE QUESTIONS.

18 MR. KLEIN: COULD YOU PROVIDE SOME COMMENTARY
19 THAT RELATES TO THE LOGICAL LOCATION OF THESE INCREMENTS
20 OF SPACE TO ADJOINING SPACE? IS THERE SYNERGY? ARE
21 THESE COMPLEMENTARY SPACE THEY'RE LOCATED TO? REALIZING,
22 OF COURSE, THAT I NOW UNDERSTAND THAT YOU RECRUITED JAMIE
23 THOMSON BECAUSE HE'S GOT A BEACH VIEW OFF THE THIRD
24 FLOOR.

25 MR. CLEGG: ACTUALLY HE DOESN'T, BUT HE WOULD

BARRISTERS' REPORTING SERVICE

1 LIKE ONE.

2 MR. KLEIN: TO GET SENIORITY IN THE BUILDING,
3 YOU CIRCULATE PEOPLE. YOU COULD COMMENT ON THE ADJOINING
4 SPACES, AND IS THERE A LOGIC IN TERMS OF THE
5 COMPLEMENTARY NATURE OF THE RELATIONSHIP OF THESE SPACES?

6 MR. CLEGG: YES. THANK YOU. THE SPACE THAT
7 WE'RE LOOKING AT IS ON TWO FLOORS, THE THIRD AND FOURTH
8 FLOOR, ON THE ENTIRE WESTERN SIDE OF THE BUILDING, SO
9 IT'S A BLOCK THAT COVERS TWO FLOORS THAT'S CONTIGUOUS,
10 STACKED ONE FLOOR ON TOP OF THE OTHER. AND THEY'RE
11 CONNECTED BY A STAIRCASE ON EITHER SIDE, A FREIGHT
12 ELEVATOR, AND A PASSENGER ELEVATOR.

13 THE THIRD FLOOR IS ADJACENT TO THE NEW
14 CIRM-FUNDED SHARED LAB, WHICH WILL BE A HUB OF ACTIVITY
15 USED BY OVER 25 RESEARCHERS. THE FOURTH FLOOR SPACE WILL
16 BE NEXT TO A CONFERENCE ROOM, WHICH WILL BE SORT OF THE
17 HUB OF THE NEW CENTER. SO THERE WILL BE A LOT OF TRAFFIC
18 TO THESE AREAS.

19 THIRD FLOOR HAS ERKKI RUOSLAHTI FROM THE BURNHAM
20 INSTITUTE ADJACENT TO THE FACILITY. ERKKI IS ENGAGED IN
21 STEM CELL RESEARCH, AND TWO OTHER DEVELOPMENTAL
22 BIOLOGISTS AS WELL.

23 AND THE FOURTH FLOOR HAS DAVID LOWE, WHO IS AN
24 EXPERT IN DNA METHYLATION AND IS ALSO ENGAGED IN STEM
25 CELL RESEARCH. SO THERE WILL BE A LOT OF INTERACTIONS

BARRISTERS' REPORTING SERVICE

1 WITH PEOPLE ON THE FLOORS NEXT DOOR. AND, YOU KNOW, THE
2 COMMENT WAS MADE THAT PEOPLE DON'T LIKE TO GO UP AND DOWN
3 STAIRS. I DON'T KNOW. AT SANTA BARBARA PEOPLE LIKE
4 STAIRS. IT'S A WAY TO GET EXERCISE DURING THE DAY. WE
5 DO IT ALL THE TIME. WE'RE RUNNING UP AND DOWN STAIRS AND
6 GOING ACROSS TO AN ADJACENT BUILDING CONSTANTLY. SO WE
7 DON'T SEE THAT AS A VERY SIGNIFICANT BARRIER IN
8 INTERACTION. PEOPLE WILL BE COMING TO THE CONFERENCE
9 ROOM AND COMING TO THE SHARED FACILITY, AND WE THINK
10 THERE'S A LOT OF OPPORTUNITY FOR INTERACTIONS.

11 CHAIRMAN LICHTENGER: COULD YOU COMMENT ON YOUR
12 SHARED RESOURCES IN TERMS OF YOUR COLLABORATIONS WITH
13 OTHER INSTITUTIONS, PLEASE?

14 MR. CLEGG: SURE. HAPPY TO. AS MENTIONED, WE
15 HAVE INTERACTIONS LOCALLY WITH THE BURNHAM INSTITUTE,
16 SAMSON DIABETES INSTITUTE, WHICH IS A FIVE-MINUTE DRIVE
17 AWAY, AND COTTAGE HOSPITAL ALSO LOCATED FIVE MINUTES
18 AWAY. AND WE'VE ALSO PARTNERED WITH THE LOCAL CENTRAL
19 COAST INSTITUTIONS WHO ARE INTERESTED IN EDUCATIONAL
20 OPPORTUNITIES AT OUR NEW CENTER SO THAT THEIR STUDENTS
21 WILL LEARN ABOUT STEM CELL RESEARCH AND GETTING ENGAGED
22 IN STEM CELL RESEARCH. WE'VE ALSO ENTERED INTO THE
23 SOUTHERN CALIFORNIA CONSORTIUM WITH USC, CALTECH, ETC.
24 AND I KNOW WE'RE A WAYS AWAY FROM THEM, BUT WE MENTIONED
25 IN OUR PROPOSAL WE'RE GOING TO HAVE STATE-OF-THE-ART

BARRISTERS' REPORTING SERVICE

1 COMMUNICATIONS FOR TELECONFERENCING SO THAT WE CAN SHARE
2 COURSES WITH THEM.

3 WE ALREADY HAVE A NUMBER OF COLLABORATIONS WITH
4 PEOPLE AT CALTECH, USC, AND CITY OF HOPE. WE ALSO ARE
5 PART OF THE NEW SOUTHERN CALIFORNIA CONSORTIUM FOR
6 REGENERATIVE EYE RESEARCH. WE HAVE AN ACTIVE EYE
7 RESEARCH PROGRAM, AND THIS IS A NEW ORGANIZATION THAT
8 WE'VE STARTED ALONG WITH UC IRVINE AND UCLA. AND SO
9 WE'VE HAD MULTIPLE MEETINGS AT THE VARIOUS CAMPUSES AND
10 HAVE ACTUALLY A DISEASE TEAM PROPOSAL THAT WILL BE
11 CONSIDERED BY CIRM.

12 AND THEN LET'S SEE. I ALSO WANTED TO MENTION
13 WE'RE COLLABORATING WITH THE MCGOWAN INSTITUTE AT
14 UNIVERSITY OF PITTSBURGH AND WAKE FOREST UNIVERSITY, AND
15 WE'VE PUT IN A PROPOSAL TO THE ARMY FOR THE ARMED FORCES
16 INSTITUTE FOR REGENERATIVE MEDICINE, AFIRM. AND WE'RE
17 HEARING THAT THEY'RE REVIEWING THAT FAVORABLY, AND THINGS
18 ARE LOOKING GOOD TO SET UP A COLLABORATION WITH THOSE
19 THREE INSTITUTIONS ALONG WITH RUTGERS.

20 CHAIRMAN LICHTENGER: GREAT. THANK YOU. SOUNDS
21 LIKE YOU'RE COLLABORATIVE. ANY OTHER QUESTIONS OF THE
22 APPLICANT?

23 MR. KLEIN: WELL, I'D LIKE TO GO BACK TO STEVE.
24 I KNOW, STEVE, THAT YOUR GRADES HERE ON VALUE WERE THIS D
25 SCORE, AS YOU STATED YOURSELF, IS RELATED TO THE FACT

BARRISTERS' REPORTING SERVICE

1 THAT YOU DIDN'T HAVE INFORMATION ON RELATED SYNERGIES OF
2 SPACE AND DIDN'T HAVE ANY INFORMATION ON WHETHER THE
3 ADJOINING SPACE WOULD PROMOTE USAGE, OR WAS IT JUST
4 ISOLATED SPACE THAT WAS DISCONNECTED.

5 GIVEN THAT THE CAMPUS HAS INDICATED THAT THE
6 THIRD FLOOR IS ADJACENT TO THE CIRM LAB, WHICH WE FUNDED
7 AS A SHARED LAB, AND THE FOURTH FLOOR YOU HAVE A NUMBER
8 OF EMINENT DEVELOPMENTAL BIOLOGISTS DIRECTLY RELATED TO
9 THIS, AND SOME OF THEM DOING STEM CELL RESEARCH SO THAT
10 YOU HAVE LARGER AGGREGATIONS OF SPACES ON BOTH FLOORS
11 COMMITTED SPECIFICALLY TO OUR AREA OF FOCUS, DOES THAT
12 GIVE YOU A BETTER FEEL OF THE LOGIC OF THE LOCATION AND
13 THE POTENTIAL VALUE THAT COULD BE RECEIVED FROM THIS
14 SPACE?

15 MR. COPENHAGEN: IT CERTAINLY DOES. IT'S ALL A
16 REAL SHORTCOMING, AND WITH THESE ADJACENCIES, THERE'S
17 PROBABLY A VERY VALID REASON FOR SPLITTING THE TWO GROUPS
18 APART OR THE TWO PROGRAMS -- SCIENTISTS APART. I'M NOT
19 SURE WHAT MY GRADE WOULD CHANGE TO, BUT DEFINITELY WOULD
20 COME UP SIGNIFICANTLY.

21 MR. KLEIN: IF I COULD ASK A FOLLOW-UP QUESTION
22 OF THE APPLICANT. ONE OF YOUR SPECIALTY AREAS HERE IS
23 BIOENGINEERING. AND THAT'S AN AREA THAT'S NOT AS HEAVILY
24 DEVELOPED IN SOME OF THE OTHER APPLICATIONS. COULD YOU
25 GIVE US SOME INSIGHT AS TO THE PARTICULAR STRATEGIC

BARRISTERS' REPORTING SERVICE

1 ADVANTAGE OF YOUR INSTITUTION IN BIOENGINEERING?

2 MR. CLEGG: YES. BE HAPPY TO. AND WE'RE
3 EXCITED ABOUT THAT AREA OF RESEARCH AS WELL. WE DON'T
4 HAVE A MEDICAL SCHOOL AT UC SANTA BARBARA, BUT WE DO HAVE
5 A VERY STRONG PROGRAM IN ENGINEERING, USUALLY RATED IN
6 THE TOP TEN IN THE COUNTRY. AND IN PARTICULAR IN
7 MATERIALS RESEARCH, WE HAVE SOME OF THE LEADING LIGHTS IN
8 THE NATION.

9 WE ALSO HAVE EXPERTISE IN MICROFLUIDICS AND
10 NOVEL DEVICE MANUFACTURE AS WELL AS A NANOFABRICATION
11 UNIT AND CLEAN ROOM FACILITY THAT'S USED BY UNIVERSITIES
12 AND BUSINESSES FROM THE AREA. SO THERE'S A LOT OF
13 EXPERTISE THERE AND A LOT OF INTEREST IN STEM CELL
14 RESEARCH AND BIOLOGY. ENGINEERS HAVE DISCOVERED THAT
15 BIOLOGY IS COOL. AND BIOLOGISTS ALWAYS KNEW THAT, BUT
16 THERE'S A LOT OF COLLABORATION GOING ON, FOR EXAMPLE, IN
17 GENERATING NEW MECHANISMS AND DEVICES FOR CELL SORTING,
18 WHICH IS VERY PERTINENT TO STEM CELL RESEARCH, NEW
19 MATERIALS FOR STEM CELL CULTURE INVOLVED IN CULTURING
20 UNDIFFERENTIATED CELLS AS WELL AS SELECTING FOR
21 POPULATIONS OF DIFFERENTIATED CELLS THAT COULD BE USED IN
22 THERAPEUTIC APPLICATIONS.

23 ONE OF THE MAIN FOCUSES OF THE NEW CENTER WILL
24 BE TO GENERATE NEW BIOTECHNOLOGY FOR APPLICATION TO STEM
25 CELL RESEARCH.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: GREAT. THANK YOU VERY
2 MUCH. VERY INTERESTING. AND THANKS FOR COMING TODAY.
3 ANY OTHER QUESTIONS? GREAT. THANK YOU. SO PUBLIC
4 COMMENTS?

5 MR. SIMPSON: JOHN SIMPSON FROM CONSUMER
6 WATCHDOG. SOME OF YOU MAY KNOW THAT OUR ORGANIZATION HAS
7 BEEN AT ODDS WITH THE PROFESSOR THOMPSON OVER PATENTS.
8 THAT SAID, I THINK YOU CANNOT UNDERESTIMATE THE VALUE OF
9 RECRUITING HIM IN SOME WAY TO THE STATE. AND A
10 20-PERCENT FTE COMMITMENT TO SANTA BARBARA IS A
11 TREMENDOUS THING. IT PROBABLY WILL FORGE IMPROVED TIES
12 WITH MY NEMESIS WARF AND BRING ABOUT A MORE COOPERATIVE
13 APPROACH TO STEM CELL RESEARCH.

14 I THINK IN SOME OF THESE THINGS THERE'S
15 SOMETHING BEYOND THE BRICKS AND MORTAR VALUE, AND YOU
16 NEED TO LOOK AT WHO THE PLAYERS ARE, AND I WANTED TO
17 FOCUS A LITTLE BIT OF ATTENTION ON THAT AND JUST SAY THAT
18 I THINK THAT, HAVING HEARD WHO ELSE IS GOING TO BE NEAR
19 WHOM AND THAT SORT OF THING, THIS IS A VERY GOOD, VERY
20 SOUND INVESTMENT. AND I LOOK FORWARD TO WELCOMING
21 MR. THOMSON WHEN HE COMES TO THE STATE AND CROSSING PATHS
22 WITH HIM. WE DO SEE THINGS A LITTLE BIT DIFFERENTLY IN
23 THE WORLD OF PATENTS, BUT I DON'T THINK THAT WAS HIM AS
24 MUCH AS WARF. SO THANK YOU VERY MUCH.

25 CHAIRMAN LICHTENGER: THANK YOU. ANY OTHER

BARRISTERS' REPORTING SERVICE

1 PUBLIC COMMENTS? SO AT THIS TIME WE SHOULD RECORD OUR
2 PRELIMINARY SCORES FOR UC SANTA BARBARA.

3 (PAUSE IN PROCEEDINGS.)

4 CHAIRMAN LICHTENGER: HAS MERCED SHOWN UP?

5 MR. KELLER: NO.

6 CHAIRMAN LICHTENGER: OKAY. SO AT THIS POINT
7 I'D LIKE TO MOVE ON TO THE NEXT -- GIVE THEM ANOTHER
8 MINUTE. NEED MORE TIME? ALL RIGHT. RICK, CAN WE MOVE
9 ON TO THE NEXT APPLICATION.

10 MR. KELLER: SURE. THIS IS THE ONE YOU'VE BEEN
11 WAITING FOR. THIS IS THE LAST APPLICATION.

12 CHAIRMAN LICHTENGER: ARE THEY IN THE ROOM?

13 MR. KELLER: NOT AT THIS TIME, BUT THE OFFICE OF
14 THE PRESIDENT IS ON THE PHONE.

15 CHAIRMAN LICHTENGER: DID WE CHANGE THE
16 SCHEDULE?

17 MR. KELLER: NO.

18 CHAIRMAN LICHTENGER: JUST MAKING SURE. LET'S
19 PROCEED WITH THE REVIEW OF UC SANTA CRUZ, 00617-1, OUR
20 LAST TECHNICAL REVIEW.

21 MR. GROOM: THEY MAY HAVE HEARD THAT WE WENT
22 TILL ELEVEN LAST NIGHT.

23 NEXT ONE IS 617. THIS IS THE ONLY NEW
24 CONSTRUCTION AMONGST THE SPECIAL PROGRAM GROUPING. IT'S
25 ONE FLOOR OF A NEW FOUR-STORY SCIENCE BUILDING AND PART

BARRISTERS' REPORTING SERVICE

1 OF THE VIVARIUM IN THE BASEMENT. THE BUILDING WILL
2 CONTAIN AN INTERDISCIPLINARY PROGRAM INVOLVING CIRM AND
3 NON-CIRM FACULTY FROM FIVE DEPARTMENTS. IT IS FOCUSED ON
4 BASIC AND DISCOVERY RESEARCH AND WILL EXPAND THE
5 EXPERTISE IN BIOINFORMATICS AND GENOMICS, CHROMATIN AND
6 RNA REGULATION AND DEVELOPMENT, AND OTHER NEW
7 TECHNOLOGIES.

8 IT HAS APPROXIMATELY 13,000 ASSIGNABLE SQUARE
9 FEET AND 20,000 GROSS SQUARE FEET. THE COST IS \$12.8
10 MILLION, AND THE CIRM FUNDING REQUEST IS APPROXIMATELY
11 8.7 MILLION. THERE ARE SIX PRINCIPAL INVESTIGATORS AND
12 THEIR RESEARCH TEAMS OF WHICH THREE WILL BE NEW HIRES.
13 COMPLETION OF THE PROJECT IS SCHEDULED FOR DECEMBER 2010.

14 WE HAVE AS A CHART NOTE MADE AN ADJUSTMENT IN
15 LEVERAGE. THE ORIGINAL PROPOSAL WAS FOR THE TENANT
16 IMPROVEMENT COST OF THAT FLOOR. AFTER WE LOOKED INTO IT,
17 RICK WENT BACK, CHALLENGED THEM BECAUSE WE HAD BEEN
18 LOOKING AT OTHER FOLKS AND WHAT THEY HAD INCLUDED IN
19 COST, AND SO WE DID MAKE AN ADJUSTMENT. SO THE LIGHT
20 BLUE BAR UP THERE IS ADDED. THAT'S THE COST OF THE
21 SHELL, WHICH WE HAD NOT INCLUDED BEFORE. SO THAT ADDED
22 \$9.8 MILLION TO THE LEVERAGE.

23 WE IDENTIFIED THE FOLLOWING ISSUES RELATED TO
24 THE APPLICATION. THE APPLICANT INDICATED THAT THE
25 ENVIRONMENTAL DOCUMENT PREPARED FOR THIS PROJECT WAS THE

BARRISTERS' REPORTING SERVICE

1 SUBJECT OF LEGAL CHALLENGE AND WAS INVALIDATED. THE
2 CAMPUS IS ENGAGED IN A PROCESS TO COMPLETE THE
3 ENVIRONMENTAL PROCESS. THE TIME NEEDED TO RESOLVE THE
4 ISSUE ASSOCIATED WITH THE ENVIRONMENTAL DOCUMENTS IS NOT
5 KNOWN, WHICH MAY FURTHER IMPACT THE SCHEDULE, ADDING AN
6 ELEMENT OF RISK.

7 THE PROJECT DOES NOT QUALIFY FOR PRIORITY
8 CONSIDERATION BECAUSE COMPLETION IS PROJECTED FOR 2010,
9 BEYOND THE TWO YEARS FROM THE APPROVAL OF THE GRANT. THE
10 PLAN COMPLETION SCHEDULE FOR A SINGLE FLOOR OF -- OF THIS
11 SINGLE CIRM FLOOR IS DEFINITELY RELATED TO THE LARGER
12 BUILDING. THIS SCHEDULE COULD BE EXTENDED DUE TO THE
13 ENVIRONMENTAL REVIEW PROCESS.

14 THE LAB PLANNER GAVE IT A FUNCTIONALITY SCORE OF
15 B AND A VALUE SCORE OF B PLUS. THE LAB PLANNER NOTED THE
16 DESIGN IS A VERY EFFICIENT LAYOUT, MAXIMIZING THE AMOUNT
17 OF ASF ON A FLOOR FOR RESEARCH. ALSO NOTED WAS THE RATIO
18 OF LAB TO SUPPORT SPACE, WHICH WAS 1 TO .6, WHICH IS LOW
19 FOR CURRENT RESEARCH FACILITIES.

20 WITH THAT, I TURN THE DISCUSSION -- THE
21 APPLICANT OVER TO MEMBER KASHIAN, THE PRIMARY REVIEWER,
22 AND MR. LICHTENGER, THE SECONDARY REVIEWER.

23 CHAIRMAN LICHTENGER: THANK YOU.

24 MR. KASHIAN: THANK YOU. I FIND THIS PROGRAM TO
25 BE AN EXCELLENT PROGRAM, AN EXCEPTIONAL VALUE IF IT'S

BARRISTERS' REPORTING SERVICE

1 ABLE TO BE STARTED ON TIME. WE BENEFIT FROM THE FACT
2 THAT WE'RE ONLY REMODELING THE COST OF A SHELL --
3 REMODELING THE FLOOR OF A BUILDING, AND THE SHELL HAS
4 PREVIOUSLY BEEN FUNDED BY OTHER SOURCES, THE STATE, AS I
5 UNDERSTAND IT. THEREFORE, IN MY OPINION, IT'S AN
6 EXCEPTIONAL VALUE FOR THE DOLLAR.

7 SUSTAINABILITY ISSUES AND THE OTHER ISSUES WERE
8 ACCEPTABLE TO ME. LEVERAGE IS ALSO ACCEPTABLE, ALTHOUGH
9 A BIT LOW IN TERMS OF MONEY, BUT IN RELATIONSHIP TO THE
10 COST VERY ACCEPTABLE.

11 I HAVE SHARED RESOURCES ISSUES IS EXCELLENT IN
12 MY OPINION AND THE FUNCTIONALITY. HOWEVER, AS STATED BY
13 MR. GROOM, THIS AREA HAS A REPUTATION FOR HAVING A
14 CONTENTIOUS RELATIONSHIP WITH THE UNIVERSITY. AND THE
15 EIR UNDER WHICH THIS APPLICATION IS A PART OF IS IN THE
16 COURTS AT THIS POINT. I BELIEVE THAT THEY SAY THAT THEY
17 CAN'T MEET THE 24-MONTH DEADLINE. I BELIEVE IT'S GOING
18 TO BE FURTHER THAN THAT, BUT I ALSO BELIEVE THAT IT
19 REQUIRES OUR HELP AND TOLERANCE IN TERMS OF TIME.

20 CHAIRMAN LICHTENGER: THANK YOU, ED. SO I'M THE
21 SECONDARY REVIEWER ON UC SANTA CRUZ. I THOUGHT IT WAS
22 OVERALL A VERY GOOD TO EXCELLENT APPLICATION. SO ON
23 SUSTAINABILITY, THEY EXPECT TO ACHIEVE LEED CERTIFICATION
24 AT SILVER. YOU KNOW, WITH THE COUNTING OF THE SHELL OF
25 THE BUILDING, WHICH I THINK IS CLEARLY SOMETHING THAT

BARRISTERS' REPORTING SERVICE

1 SHOULD HAVE BEEN COUNTED PREVIOUSLY, IT WAS AN OVERSIGHT,
2 I MEAN THEY HAVE CERTAINLY THE HIGHEST IN THIS CATEGORY
3 BY FAR. AND, RICK, WHERE WOULD THEY BE IF WE COMPARED
4 THEM TO THE OTHER APPLICANTS IN THE OTHER CATEGORIES?
5 WOULD THEY BE THE THIRD HIGHEST?

6 MR. KELLER: WERE YOU SPEAKING OF COMPARISON IN
7 LEVERAGE?

8 CHAIRMAN LICHTENGER: IN LEVERAGE. IF WE LOOKED
9 AT THEM COMPARED TO THE CIRM INSTITUTE AND THE OTHER TWO
10 CATEGORIES, WHERE WOULD THEY BE? THEY'RE NO. 1 IN THIS
11 CATEGORY, AND THEY WOULD PROBABLY BE NO. 3 OVERALL?
12 LET'S MAKE SURE WE HAVE THE RIGHT UPDATED ONE. YOU CAN
13 LOOK FOR THAT AND I CAN TALK ABOUT SOMETHING ELSE.

14 SO I HAD SOME REAL CONCERNS, AS MEMBER KASHIAN
15 BROUGHT UP AND MR. GROOM, ABOUT THEIR URGENCY. IT'S NOT
16 THAT THEY'RE NOT WANTING TO BE URGENT. I HAVE SOME REAL
17 CONCERNS ABOUT THEIR ABILITY TO -- HOW QUICKLY THEY'LL BE
18 ABLE TO DELIVER. SO THAT WAS MY BIGGEST AREA OF CONCERN
19 IN THIS WHOLE APPLICATION. SO WHERE DO THEY FALL? THEY
20 WOULD BE THE FOURTH HIGHEST?

21 MR. KELLER: I THINK AT THIS POINT STANFORD --
22 AMONG ALL APPLICANTS STANFORD WOULD BE ONE, AND I BELIEVE
23 BERKELEY WOULD BE TWO, AND THEN WE'LL HAVE SOME
24 ADJUSTMENT THAT YOU MADE LAST NIGHT TO 600 THAT AREN'T
25 REFLECTED IN THE CHART BECAUSE THIS SLIDE HAD THE

BARRISTERS' REPORTING SERVICE

1 ADJUSTMENTS THAT WE DISCUSSED FOR UTILITIES, AND IT NOW
2 JUST INCLUDES THE THREE ADJUSTMENTS WE TALKED ABOUT.

3 CHAIRMAN LICHTENGER: OKAY. ANYWAY, THEY'D BE
4 SOMEWHERE AROUND THIRD OR FOURTH. THAT'S FINE. AGAIN,
5 JUST MAKING MY POINT, I THOUGHT THE LEVERAGE WAS
6 EXCELLENT WHEN WE COUNTED THE SHELL OF THE BUILDING,
7 WHICH I THINK IS QUITE APPROPRIATE GIVEN OUR DEFINITIONS.

8 I THOUGHT THIS SPACE SEEMED VERY FUNCTIONAL AND
9 FLEXIBLE. I THOUGHT IT WAS DEFINITELY AT LEAST A B,
10 PROBABLY A B PLUS IN TERMS OF FUNCTIONALITY. I THOUGHT
11 THAT THE LOW COST OF THE PROJECT GAVE IT SOME NICE VALUE,
12 SO OVERALL I THOUGHT IN VALUE IT WAS GOOD, AND OVERALL A
13 GOOD APPLICATION.

14 SHARED RESOURCES SEEMED TO BE VERY GOOD,
15 ALTHOUGH IF THE APPLICANT IS HERE, I'D LIKE TO ASK A
16 COUPLE OF QUESTIONS. IS THE APPLICANT HERE?

17 MS. SANTA CRUZ: I'M SORRY THE SANTA CRUZ
18 APPLICANT ISN'T HERE THIS MORNING. BUT IN TERMS OF THE
19 QUESTION ABOUT THE EIR, WE DID ACTUALLY PUT QUITE A BIT
20 OF FLOAT TIME INTO THE CONSTRUCTION SCHEDULE, AND THAT'S
21 WHY WE'RE AT TWO YEARS AND FIVE MONTHS TO DEAL WITH THE
22 EIR ISSUES. WE ARE MAKING A LOT OF PROGRESS IN THAT
23 AREA. AND THAT WAS THE REASON WHY THAT THE URGENCY IN
24 TERMS OF BRINGING A FACILITY ONLINE IS LONGER THAN
25 PERHAPS YOU WOULD HAVE NOTED IN A CONSTRUCTION SCOPE OF

BARRISTERS' REPORTING SERVICE

1 THIS SIZE.

2 WE'RE ALSO GETTING VALUE BECAUSE, AS YOU DID
3 NOTE, IT'S PART OF A STATE FUNDED -- IT'S WITHIN A LARGER
4 CONTEXT OF A STATE-FUNDED CONSTRUCTION PROJECT.

5 CHAIRMAN LICHTENGER: CAN YOU STATE YOUR NAME
6 AND AFFILIATION FOR THE RECORD?

7 MS. SANTA CRUZ: MY NAME IS DANA SANTA CRUZ,
8 UNIVERSITY OF CALIFORNIA, OFFICE OF THE PRESIDENT.

9 CHAIRMAN LICHTENGER: CAN YOU ANSWER ANY OF THE
10 OTHER QUESTIONS WE HAD FOR THE APPLICANT ABOUT SHARED
11 RESOURCES?

12 MS. SANTA CRUZ: NO.

13 MR. KLEIN: THERE IS IN THE APPLICANT'S RESPONSE
14 TO OUR QUESTIONS, THERE'S A SPECIFIC REFERENCE TO THEIR
15 SCIENTIFIC LETTER OF COLLABORATION WITH STANFORD
16 UNIVERSITY. AND THEY IN THE PRIOR DISCUSSIONS WERE NOTED
17 TO HAVE A PARTICULAR OUTSTANDING CAPACITY ON A STATEWIDE
18 BASIS IN BIOINFORMATICS, AS A CONTRIBUTOR TO STANFORD AND
19 OTHER PROGRAMS.

20 IN ADDITION, WE'VE PREVIOUSLY FUNDED THE SHARED
21 LABS, A SHARED LAB FOR SANTA CRUZ. IS THAT IN THE SAME
22 BUILDING? DOES OUR STAFF KNOW? RICK, DO YOU KNOW? IS
23 THE SHARED LAB IN THE SAME BUILDING?

24 MR. KELLER: LET ME CHECK REAL QUICK.

25 CHAIRMAN LICHTENGER: THANK YOU.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I JUST WANTED TO FOLLOW UP ON BOB'S
2 COMMENT. THEIR BIOINFORMATICS CAPABILITY HAS BEEN NOTED
3 IN PEER REVIEW AT THE GRANTS WORKING GROUP AS BEING
4 NATIONALLY KNOWN AND NATIONALLY RECOGNIZED AS A SUPERB
5 RESOURCE. AND THE COLLABORATION WITH STANFORD HAS BEEN
6 FURTHER ELABORATED, I BELIEVE, IN THE SHARED LABS. SO
7 THAT IS A MEANINGFUL AND REAL COLLABORATION. SO I THINK
8 BOTH OF THOSE --

9 CHAIRMAN LICHTENGER: THANK YOU.

10 MR. KELLER: THE SHARED LAB'S IN AN EXISTING
11 BUILDING, AND THIS IS YET TO START CONSTRUCTION. SO IT
12 WOULD NOT BE IN THE SAME BUILDING WITH THE SHARED LAB.

13 MR. KLEIN: SO THAT'S A SHARED RESOURCE OUTSIDE
14 OF THIS BUILDING? THE SHARED LAB WOULD BE A SHARED
15 RESOURCE OUTSIDE OF THIS BUILDING?

16 CHAIRMAN LICHTENGER: SO I HAVE A QUESTION FOR
17 STEVE. YOU GAVE A B PLUS ON THE VALUE. CAN YOU JUST
18 KIND OF --

19 MR. COPENHAGEN: THAT WAS BECAUSE IT WAS A
20 TENANT IMPROVEMENT FIT-OUT, SO YOU WERE GETTING ALL OF
21 THE COST FOR THE SHELL, AND IT WAS BEFORE THE DISCUSSION
22 WENT ON AND ADDING IT TO LEVERAGE. SO IT WAS A REAL
23 VALUE TO YOU GETTING THAT SPACE FREE AND ABLE TO BUILD
24 OUT.

25 THEY ALSO HAVE ON THEIR FLOOR SUPPORT ROOMS THAT

BARRISTERS' REPORTING SERVICE

1 THEY NEEDED TO BE MORE SELF-CONTAINED. SO THAT IN AN
2 EARLIER REVIEW, I HAD COMMENTED THEY DIDN'T HAVE THE
3 SUPPORT ROOMS, AND THEY GOT BACK TO ME SAYING, NO,
4 THEY' RE THERE AND THEY' RE LABELED. AND I BELIEVE YOU' VE
5 GOT A REVISED REVIEW SHEET IN YOUR PACKET THAT COMMENTED
6 ON THAT.

7 CHAIRMAN LICHTENGER: GREAT. THANK YOU. ANY
8 MORE QUESTIONS OR DISCUSSION? PUBLIC COMMENT?

9 MR. SIMPSON: JOHN SIMPSON FROM CONSUMER
10 WATCHDOG. I EXPRESSED CONCERNS ABOUT THE EARLIER FAILURE
11 OF UC MERCED SO SHOW. I GUESS IN FAIRNESS I SHOULD
12 EXPRESS THE SAME CONCERN FOR THE RECORD HERE WITH THIS
13 GROUP.

14 IT DOES TROUBLE ME. I KNOW IT'S A SATURDAY, BUT
15 WE' RE ALL HERE. YOU WERE ALL HERE UNTIL 11 O'CLOCK LAST
16 NIGHT. I WOULD THINK THE APPLICANTS SHOW A LACK OF
17 COMMITMENT WHEN THEY DON'T TURN OUT TO ANSWER QUESTIONS.
18 THANK YOU.

19 MR. KLEIN: JOHN, DOES THAT MEAN THAT WE GET
20 KUDOS FOR BEING HERE?

21 MR. SIMPSON: I BELIEVE, MR. CHAIRMAN, THAT I
22 BEGAN MY REMARKS THIS MORNING BY THANKING YOU ALL FOR
23 WORKING SO LATE LAST NIGHT.

24 MR. SHEEHY: JUST TO BRIEFLY RESPOND TO THAT,
25 AND GOING BACK TO THE DISCUSSIONS AT THE FACILITIES

BARRISTERS' REPORTING SERVICE

1 WORKING GROUP, WHEN WE ORIGINALLY PROPOSED ALLOWING
2 REBUTTAL FROM APPLICANT INSTITUTIONS, THERE WAS NOT A
3 REQUIREMENT THAT THEY COME. IT WAS AN OPPORTUNITY FOR
4 THEM TO REBUT. WE EXPLICITLY SAID THAT WE WERE NOT
5 EXPECTING FORMAL PRESENTATIONS. SO I DO NOT THINK THAT
6 ANY APPLICANT SHOULD BE PENALIZED FOR NOT BEING HERE.

7 YOU KNOW, THEY DO LOSE -- WE DO HAVE TO MAKE
8 DECISIONS BASED ON THE INFORMATION WE HAVE IN FRONT OF
9 US. SO ANY DEFICIT IN INFORMATION THAT THEY MAY HAVE
10 BEEN ABLE TO ADDRESS SHOULD BE TAKEN INTO CONSIDERATION.
11 BUT I THINK THE MERE FACT THAT THEY ARE NOT HERE SHOULD
12 IN NO WAY BE REFLECTED IN THEIR SCORES BECAUSE THAT WAS
13 NOT THE WAY THAT THIS REBUTTAL TIME WAS PROPOSED AT THE
14 ORIGINAL PROPOSAL.

15 CHAIRMAN LICHTENGER: JEFF, I WOULD AGREE WITH
16 YOU, THAT I DON'T THINK ANY APPLICANT SHOULD BE PENALIZED
17 FOR NOT BEING HERE. BUT, AGAIN, WE WILL HAVE LESS
18 INFORMATION ON CERTAIN OF THESE ISSUES. JAMES.

19 MR. HARRISON: STAFF IS CURRENTLY EXAMINING THE
20 POSSIBILITY OF CONNECTING THEM BY TELEPHONE TO ANSWER
21 QUESTIONS. THAT'S A POSSIBILITY.

22 CHAIRMAN LICHTENGER: THAT WOULD BE HELPFUL.

23 MR. GROOM: I ALSO WOULD LIKE TO MAKE SURE THAT
24 EVERYBODY REALIZES THAT WE DID GET A REBUTTAL FROM THEM.
25 WE MADE SOME CORRECTIONS. IT'S IN YOUR BOOK, THE YELLOW

BARRISTERS' REPORTING SERVICE

1 PAGES IN YOUR BOOK. SO WE HAVE GOT FEEDBACK FROM THEM
2 THAT HAVE HELPED US UNDERSTAND WHAT THEY'RE TRYING TO DO
3 AND ALSO TO HELP YOU UNDERSTAND THAT IF THERE WERE
4 ISSUES, THESE WERE THE ANSWERS THAT THEY BELIEVE TO BE
5 APPROPRIATE.

6 CHAIRMAN LICHTENGER: GREAT. THANK YOU, RAY.

7 SO I'VE BEEN GIVEN SOME NEW INFORMATION, THAT
8 BOTH UC MERCED AND SANTA CRUZ WILL BE AVAILABLE VIA PHONE
9 IN TEN MINUTES. SO WHAT I WOULD PROPOSE, IF IT'S OKAY
10 WITH THE COMMITTEE, THAT WE PUT OUR PRELIMINARY SCORE IN
11 HERE FOR SANTA CRUZ. AND THEN WE CAN TAKE A FIVE- TO
12 TEN-MINUTE BREAK. BUT ISN'T THAT CLOSED DOOR.

13 MR. KELLER: CAN I MAKE A SUGGESTION THAT JUST
14 FOR THE EFFICIENT USE OF YOUR TIME, WHILE YOU'RE WAITING
15 FOR THAT PHONE, WE COULD TAKE UP THE GAP AND ADDRESS
16 THAT. AND THEN WE'RE GOING TO NEED A BREAK TO SUMMARIZE
17 THE SCORING FOR THE LAST CATEGORY, SO WE'LL NEED HALF AN
18 HOUR, SO I WAS TRYING TO BE MORE EFFICIENT WITH YOUR
19 TIME.

20 CHAIRMAN LICHTENGER: SO YOUR PROPOSAL IS THAT
21 WE RECORD OUR PRELIMINARY SCORE, WE THEN TAKE UP THE GAP,
22 AND THEN TAKE A BREAK, THEN TO HAVE THE CONFERENCE CALL.

23 MR. KELLER: YOU HAVE TO FINISH -- YOU MAY WANT
24 THE INFORMATION FROM THE CALLS TO HELP INFLUENCE YOUR
25 SCORING. I'M PRESUMING YOU WANT TO DO -- THE SEQUENCE

BARRISTERS' REPORTING SERVICE

1 WOULD BE TO HAVE THE OPPORTUNITY TO DISCUSS THESE POINTS
2 OF ISSUE WITH THE CONSULTANTS AND THEN FINALIZE YOUR
3 SCORES, AND THEN WE CAN DO THE BREAK.

4 CHAIRMAN LICHTENGER: SO THAT MAKES SENSE TO ME.
5 SO LET'S PROCEED ON THAT BASIS, IF IT'S OKAY WITH THE
6 COMMITTEE, THAT WE HOLD OFF WITH OUR SCORING UNTIL AFTER
7 WE'VE HAD THIS CONFERENCE CALL WITH BOTH APPLICANTS.

8 MR. KLEIN: WE CAN DO OUR TENTATIVE SCORING.

9 CHAIRMAN LICHTENGER: SO, RICK, SO WE CAN MOVE
10 ON TO SCORING.

11 MR. KELLER: JAMES HARRISON WILL BE PROVIDING
12 INFORMATION ON THIS AGENDA ITEM.

13 MR. HARRISON: BEAR WITH US FOR ONE SECOND WHILE
14 WE GET THE POWERPOINT SLIDES UP.

15 SO WE'RE BRINGING TO YOU TODAY PROPOSED
16 AMENDMENTS TO THE FACILITIES GRANT ADMINISTRATION POLICY
17 FOR YOUR CONSIDERATION AND RECOMMENDATION TO THE ICOC.
18 AS YOU WILL RECALL, YOU HAVE REVIEWED AND RECOMMENDED THE
19 PREVIOUS VERSION OF THE FGAP. THE ICOC HAS APPROVED IT,
20 AND IT IS IN THE PROCESS OF OFFICE OF ADMINISTRATIVE LAW
21 REVIEW.

22 AS WE HAVE PROCEEDED THROUGH THIS PROCESS, WE
23 HAVE REALIZED IT WAS NECESSARY TO MAKE CERTAIN
24 REFINEMENTS, AND THAT'S WHAT WE'D LIKE TO BRING TO YOUR
25 ATTENTION TODAY.

BARRISTERS' REPORTING SERVICE

1 SO THE FIRST ISSUE THAT ARISES IS THE NEED TO
2 AMEND THE PROVISION RELATING TO GROUP II EQUIPMENT. YOU
3 WILL RECALL AT THE TIME THAT YOU REVIEWED THE FGAP, THE
4 ICOC HAD NOT YET MADE A DECISION ABOUT WHETHER OR NOT TO
5 ALLOCATE ADDITIONAL FUNDS FOR THE PURCHASE OF GROUP II
6 EQUIPMENT. SINCE THEN THE ICOC HAS, IN FACT, APPROVED
7 THE AWARD OF UP TO \$35 MILLION FOR GROUP II EQUIPMENT.
8 SO THE FGAP AT PAGE 4 WOULD BE AMENDED TO CLARIFY THAT.

9 LIKEWISE, AT PAGE 5 WE WANTED TO MAKE VERY CLEAR
10 WHAT WE THINK WAS CLEAR; BUT JUST TO BE EXPLICIT, WE ARE
11 CLARIFYING THAT THE EXECUTION OF THE NOTICE OF GRANT
12 AWARD IS CONTINGENT UPON AN AGREEMENT BY THE GRANTEE TO
13 DELIVER A PROJECT OF THE SCOPE DESCRIBED IN THE
14 APPLICATION AND ON THE SAME SCHEDULE REGARDLESS OF THE
15 LEVEL OF CIRM FUNDING. AND THAT, OF COURSE, IS PART OF
16 WHAT YOU ALL HAVE DISCUSSED THROUGHOUT THIS PROCEEDING.

17 SECOND, THE FGAP ALSO REQUIRES THAT THE GRANTEE
18 IDENTIFY THE ADDITIONAL FUNDING OR COST SAVINGS TO COVER
19 THE DIFFERENCE BETWEEN THE AMOUNT OF THE FUNDS REQUESTED
20 AND THE AMOUNT OF THE CIRM GRANT AWARD IF, IN FACT, THE
21 ICOC DETERMINES TO AWARD A GRANT TO THE APPLICANT.

22 ALSO ON PAGE 5 WE'VE MADE A SLIGHT MODIFICATION.
23 AS YOU WILL RECALL, THERE ARE THREE DIFFERENT PAYMENT
24 OPTIONS. ONE OF THE PAYMENT OPTIONS ENTAILS AN UP-FRONT
25 PAYMENT; THAT IS, ALL FUNDS. AND WE WANTED TO PROVIDE

BARRISTERS' REPORTING SERVICE

1 SOME ADDITIONAL FLEXIBILITY FOR STAFF. IN THE PRIOR
2 VERSION, THE UP-FRONT PAYMENT WOULD HAVE BEEN MADE WITHIN
3 TWO WEEKS AFTER EXECUTION OF THE NOTICE OF GRANT AWARD.
4 WE WANTED TO GIVE OURSELVES SOME ADDITIONAL TIME TO MAKE
5 SURE THAT THERE WEREN'T UNFORESEEN OBSTACLES, SO WE'D
6 EXTEND THAT TO 30 DAYS AFTER EXECUTION OF NOTICE OF GRANT
7 AWARD.

8 ON PAGE 6 WE WANTED TO CLARIFY WITH RESPECT TO
9 OPTIONS, PAYMENT OPTIONS 2 AND 3, THAT CIRM WILL WITHHOLD
10 10 PERCENT OF THE GRANT AWARD UNTIL PROJECT COMPLETION.

11 AND ON PAGE 7 WE WANT TO CLARIFY THAT GRANTEES
12 WILL BE REQUIRED TO SUBMIT A REVISED BUDGET TO CIRM
13 WITHIN TEN DAYS OF AWARDING A CONSTRUCTION CONTRACT. AS
14 YOU KNOW, ESTIMATES THE GRANTEES HAVE PROVIDED MAY CHANGE
15 AS THEY GET MORE DETAILED INFORMATION.

16 WE ALSO WANTED TO MAKE CLEAR THAT CIRM HAS THE
17 POWER TO ADJUST THE AMOUNT OF THE GRANT AWARD
18 PROPORTIONALLY IF THE ACTUAL PROJECT COSTS, ONCE THEY
19 HAVE A CONSTRUCTION PROJECT, ARE LESS THAN THE
20 APPLICATION ESTIMATES.

21 AND FINALLY, WE WOULD AMEND THE FACILITIES GRANT
22 ADMINISTRATION POLICY TO CLARIFY THAT CIRM HAS THE RIGHT
23 TO REQUIRE THAT THE GRANTEES CONDUCT AN INDEPENDENT
24 POSTCOMPLETION AUDIT OF PROJECT EXPENDITURES SO THAT CIRM
25 CAN VERIFY THAT THE FUNDS HAVE BEEN SPENT APPROPRIATELY.

BARRISTERS' REPORTING SERVICE

1 THAT IS A BRIEF SUMMARY OF THE PROPOSED
2 MODIFICATIONS. I'D BE HAPPY TO ANSWER ANY QUESTIONS.

3 CHAIRMAN LICHTENGER: SO, JAMES, WOULD THE
4 PROCEDURE BE THAT WE HAVE A MOTION TO APPROVE?

5 MR. HARRISON: YES. WE WOULD ASK FOR A MOTION
6 TO APPROVE THESE PROPOSED CHANGES FOR RECOMMENDATION TO
7 THE ICOC.

8 CHAIRMAN LICHTENGER: I'D LIKE TO FIRST OPEN UP
9 THE FLOOR TO ANY QUESTIONS OR DISCUSSION. I PERSONALLY
10 THINK THESE CHANGES SEEM TO BE SELF-EVIDENT AND CLEAR TO
11 ME. EXCELLENT JOB.

12 MR. KLEIN: I'D LIKE TO PROVIDE SOME CONTEXT TO
13 REMIND US OF THE ORIGINAL DISCUSSION WE HAD IN THE OPTION
14 FOR FRONT-END FUNDING RATHER THAN LAST DOLLARS IN. AND
15 THAT DISCUSSION WAS THAT THERE'S A POSSIBILITY, I WON'T
16 SAY A PROBABILITY, MERELY A POSSIBILITY THAT WE CAN WORK
17 OUT A PROGRAM BETWEEN THIS MEETING AND THE BOARD MEETING
18 WHERE THE INDIVIDUAL APPLICANTS HAVE THE ABILITY TO
19 PROVIDE OFFERS TO THE AGENCY, ALL OF WHICH WILL BECOME
20 PUBLIC OFFERS, TO TAKE THE FRONT-END FUNDING IN EXCHANGE
21 FOR A DISCOUNT ON THEIR REQUESTED ASSISTANCE OR
22 CONTRIBUTION FROM THIS AGENCY. IN OTHER WORDS, IF, IN
23 FACT, AN ENTITY WITH FAIRLY HIGH LEVERAGE HAS OUR FUNDS
24 UP FRONT, THAT MEANS THEY CAN TAKE THAT AMOUNT OF MONEY
25 THAT WOULD HAVE BEEN IN AN INVESTMENT ACCOUNT AND KEEP IT

BARRISTERS' REPORTING SERVICE

1 IN THAT INVESTMENT ACCOUNT FOR APPROXIMATELY 22 MONTHS TO
2 24 MONTHS BECAUSE IF WE WERE GOING TO BE THE LAST DOLLARS
3 IN, WE WOULD HAVE BEEN PAID OUT AT THE END OF THE
4 PROJECT.

5 REMEMBER, WE PAY ON A QUARTERLY BASIS. SO IF IT
6 FALLS BEYOND THE QUARTER, IT'S GOING TO COME OUT
7 SOMEWHERE IN MONTH 22 TO 24. THE PURPOSE OF EXPLORING IF
8 WE CAN WORK OUT THIS IS THAT WE'RE ABOUT TO GO THROUGH A
9 VERY TOUGH PROCESS OF CUTTING CONTRIBUTIONS FROM THIS
10 AGENCY. IF BETWEEN THIS MEETING AND THE BOARD MEETING WE
11 CAN WORK OUT THIS TYPE OF AN AGREEMENT WITH ANY OF THE
12 APPLICANTS, IF, FOR EXAMPLE, WE COULD WORK OUT AN
13 AGREEMENT ON \$100 MILLION AND WE WERE GIVEN 15 PERCENT
14 EFFECTIVELY DISCOUNT ON THE REQUEST BECAUSE OVER THAT
15 22-MONTH PERIOD THEY WOULD EARN MORE THAN 15 PERCENT BY
16 KEEPING THE MONEY IN THEIR ENDOWMENT ACCOUNTS, THAT 15
17 MILLION IS 15 MILLION WE DON'T HAVE TO CUT. THAT COULD
18 SAVE A COUPLE OF PROGRAMS FROM CUTS THAT ARE SO DEEP THAT
19 THEY COULD WIPE OUT THE APPLICANT'S PROJECT.

20 IF OUR MISSION IS, IN FACT, TO HAVE FUNDING FOR
21 ALL THESE QUALITY SCIENTIFIC PROPOSALS ACROSS THE STATE,
22 WE WANT TO USE EVERY OPPORTUNITY FOR CREATIVITY WE CAN TO
23 PRESERVE THE MAXIMUM AND OPTIMAL FUNDING FOR THE
24 INSTITUTIONS. SO THIS IS A CREATIVE CONCEPT WHICH
25 PRESENTS ONLY A POSSIBILITY THAT WE CAN, IN FACT,

BARRISTERS' REPORTING SERVICE

1 PRESERVE SOME OF THE FUNDING THAT THESE INSTITUTIONS SO
2 SORELY NEED.

3 VICE CHAIRMAN SERRANO-SEWELL: SO I THINK IT'S A
4 REALLY CREATIVE IDEA, AND I SUPPORT IT. I THINK IT'S
5 STATED IN THE GAP. BUT IF THE MONEY IS PUT IN THIS
6 ENDOWMENT ACCOUNT MANAGED BY THE INSTITUTION, ANY
7 INTEREST DERIVED FROM THAT WOULD HAVE TO GO TO THE CIRM
8 PROJECT.

9 MR. KLEIN: HERE'S THE SITUATION. IN A PARETO
10 OPTIMAL NEGOTIATED EXCHANGE IS THAT IF ENDOWMENT ACCOUNTS
11 ARE CURRENTLY EARNING 15 PERCENT ON AN ANNUALIZED BASIS,
12 AND OVER 22 MONTHS THEY MIGHT EARN 25 PERCENT, THE
13 ECONOMY IS NOT PARTICULARLY ROBUST AT THE MOMENT, SO THEY
14 MIGHT FALL OFF INTO THE SECONDARY PERIOD, BUT THEY EARN
15 25 PERCENT. WHAT WE'RE SAYING TO THEM IS THAT IF YOU
16 GIVE US A DISCOUNT POTENTIALLY, AND WE HAVE TO SEE, WE'RE
17 GOING TO TAKE THE BEST OFFERS, IF THEY GIVE US A DISCOUNT
18 OF 15 PERCENT, YOU KEEP THE OTHER TEN AS AN INCENTIVE TO
19 YOU TO DO THIS PROGRAM BECAUSE THE 15-PERCENT SAVINGS IS
20 GOING TO HELP US SAVE PROGRAMS.

21 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS OR
22 COMMENTS BEFORE WE -- I'D LIKE TO --

23 MS. FEIT: JUST A COMMENT. IT'S MORE OF A
24 QUESTION. I DON'T HAVE THE KNOWLEDGE OR UNDERSTANDING
25 FINANCIALLY OF THIS ARRANGEMENT FOR LARGE ENDOWMENT

BARRISTERS' REPORTING SERVICE

1 ACCOUNTS. BUT WE WOULD HAVE TO, IF THAT WERE TRUE, BOB,
2 WE WOULD HAVE TO BE SURE THAT THESE FUNDS ARE IN AT LEAST
3 INSURED OR SECURED ACCOUNTS THAT HAS A LONG-TERM
4 GUARANTEE.

5 MR. KLEIN: IT'S NOT THAT OUR FUNDS WILL BE PUT
6 INTO AN INVESTMENT ACCOUNT. THAT IS A POSSIBILITY, BUT
7 GIVEN TAX RULINGS, EFFECTIVELY WHAT'S GOING TO HAPPEN, I
8 WOULD EXPECT, IS THAT IN MOST CASES OUR FUNDS WOULD BE
9 EXPENDED ON THE PROJECT, BUT THEY WOULD BE PERMITTED TO
10 KEEP FUNDS THEY WERE PUTTING UP FOR THEIR LEVERAGE IN THE
11 ACCOUNT AND KEEP IT THERE, SO FUNDS THAT ALREADY HAVE
12 LONG-TERM INVESTMENT ACCOUNTS WITH LONG-TERM YIELDS. BUT
13 IN ANY CASE, WE CANNOT AND WOULD NOT BRING TO THE BOARD
14 ANY PROPOSAL EXCEPT IF IT WAS FROM AN INSTITUTION THAT
15 HAD THE FINANCIAL CAPACITY TO GUARANTEE PERFORMANCE.

16 SO IF IT'S THE UC SYSTEM AND WE HAVE THE UC'S
17 GUARANTEE, WE'RE PROBABLY GOING TO ACCEPT THAT; BUT IF WE
18 HAVE INSTITUTIONS THAT ARE OUTSIDE OF THE UC SYSTEM, WE
19 HAVE TO LOOK AT THE INDIVIDUAL CREDIT RATING OF THE
20 INSTITUTION TO MAKE SURE WE HAVE A MEETING ESSENTIALLY OF
21 YOUR STANDARDS OF CREDITWORTHINESS.

22 CHAIRMAN LICHTENGER: BOB, I ASSUME WE WOULD
23 STILL HAVE THE 10-PERCENT HOLD-BACK AND NOT COMMIT A
24 HUNDRED PERCENT.

25 MR. KLEIN: NO. IF WE'RE -- IF WE HAVE A HIGH

BARRISTERS' REPORTING SERVICE

1 QUALITY, HIGH CREDIT GUARANTEE, THE BOARD -- I THINK THAT
2 THIS PROPOSAL PROVIDES THE 10-PERCENT HOLD-BACK IS IN
3 OPTIONS II AND III?

4 MR. HARRISON: THAT'S CORRECT.

5 MR. KLEIN: SO OPTION I IS THE FRONT-END
6 PAYMENT; IS THAT CORRECT?

7 MR. HARRISON: THAT'S RIGHT. OPTION I IS
8 FRONT-END PAYMENT. THE 10-PERCENT HOLD-BACK ONLY APPLIES
9 TO OPTIONS II AND III, WHICH ARE DOLLARS IN AFTER THE
10 APPLICANT HAS SPENT ITS MATCHING FUNDS, OPTION II. AND
11 OPTION III IS CIRM DOLLARS IN AFTER THE APPLICANT HAS
12 SPENT ALL OF ITS MATCHING AND LEVERAGE.

13 MR. KLEIN: SO THERE'S TWO PERSPECTIVES ON THIS.
14 IN ONE SENSE WE WILL HAVE GOTTEN THE HOLD-BACK ON THE
15 FRONT END IN THE FORM OF A DISCOUNT BECAUSE, INSTEAD OF
16 HOLDING IT BACK, THEY'RE ACTUALLY REDUCING THEIR REQUEST
17 BY THAT AMOUNT. AND THE SECOND POINT IS, AGAIN, WE'RE
18 ONLY GOING TO DO THIS IF WE HAVE A PERFORMANCE GUARANTEE
19 BY A MONEY GOOD INSTITUTION WITH A HIGH CREDIT VALUE.

20 CHAIRMAN LICHTENGER: SO BUT IT -- OUR
21 FACILITIES WORKING GROUP HAS GIVEN TO THE PRESIDENT THE
22 ABILITY TO PENALIZE. FOR EXAMPLE, IF URGENCY ISN'T MET,
23 HOW WOULD WE DEAL WITH THAT IF THERE WASN'T A HOLD-BACK?

24 MR. KLEIN: WELL, WE'RE IN AN INTERESTING
25 POSITION WHERE EACH OF THESE INSTITUTIONS IS LOOKING TO

BARRISTERS' REPORTING SERVICE

1 US FOR A NUMBER OF YEARS OF GRANTS. SO WE HAVE THE
2 ABILITY, IF SOMEONE WERE NOT TO PERFORM, TO SUGGEST TO
3 THEM, BEFORE THEY GOT THEIR NEXT GRANT FUNDS, THEY HAD TO
4 BE IN COMPLIANCE WITH ALL PRIOR AGREEMENTS WITH THIS
5 AGENCY. SO WE HAVE AN UNUSUALLY STRONG ENFORCEMENT
6 CAPACITY, AND WE'RE ONLY DOING THIS WITH HIGH QUALITY
7 CREDIT GUARANTEES FROM INSTITUTIONS.

8 MR. HARRISON: THE FGAP DOES PROVIDE FOR
9 NONPERFORMANCE PENALTIES.

10 CHAIRMAN LICHTENGER: IF WE PAY THEM A HUNDRED
11 PERCENT OF THE CIRM DOLLARS, HOW DO WE DEAL WITH THAT?

12 MR. HARRISON: AS BOB SAID, THE ENFORCEMENT
13 MECHANISM THAT WE HAVE AVAILABLE TO US WOULD BE THROUGH
14 OUR ABILITY TO WITHHOLD GRANT FUNDS FOR RESEARCH.

15 MR. KLEIN: WOULD THEY RATHER NOT GET THE NEXT
16 \$100 MILLION OF GRANT FUNDS OVER THE NEXT X NUMBER OF
17 YEARS, OR WOULD THEY RATHER GIVE US THE \$5 MILLION BACK?

18 CHAIRMAN LICHTENGER: FAIR ENOUGH. MY CONCERN
19 IS THAT I DON'T WANT TO INTERFERE WITH THE ABILITY OF THE
20 PRESIDENT TO BE FAIR AND EQUITABLE TO ALL THE APPLICANTS.
21 SO IT'S QUITE POSSIBLE THAT ONE OR MORE OF THE APPLICANTS
22 MAY NOT PERFORM IN THIS CATEGORY OF URGENCY, ALTHOUGH
23 THEY MAY INTEND AND MAKE BEST-FAITH EFFORTS, THAT THEY
24 MAY NOT BE ABLE TO MEET REQUIREMENTS, AND THE PRESIDENT
25 DOES HAVE THE ABILITY TO HAVE SOME KIND OF PENALTY. SO I

BARRISTERS' REPORTING SERVICE

1 JUST DON' T WANT TO TAKE AWAY THAT WE HAVE DECIDED TO GIVE
2 THE PRESIDENT THAT CAPABILITY.

3 VICE CHAIRMAN SERRANO-SEWELL: IF THERE' S NO
4 FURTHER DISCUSSION FROM THE COMMITTEE MEMBERS, AND IF YOU
5 NEED TO SAY SOMETHING, BOB, PLEASE DO; BUT, MR. CHAIRMAN,
6 IF YOU THINK IT' S APPROPRIATE, I' LL MAKE THE MOTION TO
7 ADOPT MR. HARRISON' S PROPOSAL HERE.

8 CHAIRMAN LICHTENGER: FAIR ENOUGH.

9 DR. WRIGHT: SECOND.

10 VICE CHAIRMAN SERRANO-SEWELL: WE SECOND THE
11 MOTION AND WE SORT OF JUST MOVE ON BECAUSE WE' VE GOT TO
12 GET THESE SCORES TO STAFF AND THEY NEED TO INPUT THOSE
13 NUMBERS.

14 CHAIRMAN LICHTENGER: AGREED.

15 VICE CHAIRMAN SERRANO-SEWELL: AND WE HAVE STILL
16 THE PART II.

17 CHAIRMAN LICHTENGER: AGREED. SO CAN WE CALL
18 ROLL?

19 MR. TOCHER: SO THE MOTION IS TO FORWARD THE
20 RECOMMENDATIONS ON TO THE ICOC, THE AMENDMENTS THAT ARE
21 CONTAINED IN THE DRAFT.

22 MARCY FEIT.

23 MS. FEIT: APPROVED.

24 MR. TOCHER: DEBORAH HYSEN.

25 MS. HYSEN: APPROVED.

BARRISTERS' REPORTING SERVICE

1 MR. TOCHER: ED KASHI AN.

2 MR. KASHI AN: APPROVED.

3 MR. TOCHER: ROBERT KLEI N.

4 MR. KLEI N: APPROVED.

5 MR. TOCHER: STUART LAFF.

6 MR. LAFF: APPROVED.

7 MR. TOCHER: DAVI D LI CHTENGER.

8 CHAI RMAN LI CHTENGER: APPROVED.

9 MR. TOCHER: DAVI D SERRANO-SEWELL.

10 VICE CHAI RMAN SERRANO-SEWELL: YES.

11 MR. TOCHER: JEFF SHEEHY.

12 MR. SHEEHY: YES.

13 MR. TOCHER: JANET WRIGHT.

14 DR. WRIGHT: YES.

15 MR. TOCHER: AND THE MOTI ON CARRI ES.

16 CHAI RMAN LI CHTENGER: EXCELLENT. THANK YOU,

17 JAMES. THANK YOU, SCOTT.

18 SO, RICK, DO WE HAVE THE ABILI TY NOW TO PUT ON

19 OUR APPLI CANTS?

20 MR. KELLER: YEAH, WE DO. I ' LL FIRST CALL

21 DR. MARI A PALLAVI CINI , WHO IS THE DI RECTOR OF THE STEM

22 CELL PROGRAM AT UC MERCED.

23 (PAUSE I N PROCEEDI NGS.)

24 MR. KELLER: WE HAVE YOU TIED I N ON THE SPEAKER

25 PHONE, AND I ' M GOI NG TO TURN THI S OVER TO THE CHAI R OF

BARRISTERS' REPORTING SERVICE

1 THE FACILITIES WORKING GROUP, DAVID LICHTENGER, AND
2 THERE'S QUESTIONS THAT HAVE BEEN POSED ON THE
3 APPLICATION. AND THE MEMBERS WILL IDENTIFY THEMSELVES IN
4 ASKING QUESTIONS FOR YOU.

5 MS. PALLAVICINI: THANK YOU FOR THE OPPORTUNITY
6 TO ANSWER QUESTIONS. WE DID NOT REALIZE THAT WE NEEDED
7 TO BE THERE OR SHOULD BE THERE, SO THANK YOU FOR THE
8 OPPORTUNITY TO ANSWER BY PHONE.

9 CHAIRMAN LICHTENGER: THIS IS DAVID LICHTENGER.
10 I'M THE CHAIR. SEVERAL MEMBERS HAD A QUESTION REGARDING
11 THE COST OF THE MICROFABRICATION TOOLING, WHICH IS A
12 SIGNIFICANT COST, AT LEAST IN OUR MIND, AND APPEAR TO BE
13 VERY LOW FOR THE CLEAN ROOM ASSEMBLY AREA. SO CAN YOU
14 TALK TO US ABOUT THE TOOLING THAT'S REQUIRED AND THE
15 ESTIMATED COST AND HOW YOU PLAN ON ADDRESSING THOSE
16 COSTS? ARE THEY CARRIED IN THIS BUDGET?

17 MS. PALLAVICINI: IT'S A LITTLE BIT FUZZY ON THE
18 QUESTION. ARE YOU ASKING ME ABOUT THE COST OF EQUIPPING
19 THAT FACILITY?

20 CHAIRMAN LICHTENGER: YES.

21 MS. PALLAVICINI: OKAY. SO WE ANTICIPATE THAT
22 WE WILL BE EQUIPPING THE FACILITY WITH INSTRUMENTS THAT
23 WE HAVE AN AGREEMENT FROM EITHER PHILANTHROPISTS OR IN
24 PARTICULAR FROM SANDIA LABORATORIES TO PROVIDE EQUIPMENT
25 FOR THAT FACILITY. WE ALSO HAVE OUR OWN FACULTY, AS PART

BARRISTERS' REPORTING SERVICE

1 OF THEIR START-UPS THEY HAVE AGREED TO PURCHASE EQUIPMENT
2 OR TO TAKE SOME OF THE EQUIPMENT THAT'S CURRENTLY IN
3 THEIR LABORATORIES AND PLACE IT IN THAT FACILITY.

4 WE ALSO ANTICIPATE THAT WE WILL BE DOING SOME
5 FUND-RAISING FOR EQUIPMENT TO BE PLACED IN THAT FACILITY
6 DURING THESE NEXT TWO YEARS. WE FULLY ANTICIPATE THAT WE
7 WILL BE ABLE TO EFFECTIVELY EQUIP THE FACILITY TO BE ABLE
8 TO CARRY OUT THE PROPOSED OBJECTIVES OF THAT FACILITY.

9 CHAIRMAN LICHTENGER: DO WE HAVE AN AMOUNT THAT
10 YOU INTEND ON PUTTING INTO THE FACILITY? HAVE YOU PUT
11 TOGETHER A BUDGET, AN ADDITIONAL AMOUNT BEYOND WHAT YOU
12 SHOW IN THE APPLICATION BECAUSE IT DOES APPEAR TO BE VERY
13 LOW? AND THE FACILITY WOULD NOT APPEAR TO BE FUNCTIONAL
14 BASED ON THESE NUMBERS.

15 MS. PALLAVICINI: SO DO I HAVE A BUDGET FOR THE
16 EQUIPMENT THAT'S GOING TO GO INTO THE FACILITY BEYOND
17 THOSE THAT WE HAVE ALREADY IDENTIFIED AS EQUIPMENT?

18 CHAIRMAN LICHTENGER: CORRECT.

19 MS. PALLAVICINI: SO WE ANTICIPATE THAT THE
20 EQUIPMENT THAT WE'RE GOING TO BE GETTING WILL FORM THE
21 FOUNDATION FOR THE EQUIPMENT THAT'S NEEDED IN THAT
22 FACILITY. IN TERMS OF A BUDGET FOR ADDITIONAL EQUIPMENT,
23 WE ANTICIPATE WE'LL NEED SOMEWHERE AROUND \$300,000
24 ADDITIONAL EQUIPMENT.

25 CHAIRMAN LICHTENGER: TOTAL? THAT WOULD BE

BARRISTERS' REPORTING SERVICE

1 TOTAL OF --

2 MS. PALLAVICINI: LET'S TALK ABOUT THE DIFFERENT
3 ASPECTS OF THAT FACILITY. IF YOU'RE TALKING ABOUT THE
4 FACILITY AS A WHOLE, IN TERMS OF THE LAMINAR AIR FLOW
5 HOODS, IN TERMS OF THE FLOW CYTOMETERS, ALL OF THE
6 FACILITY, OR IF YOU'RE TALKING ABOUT THE CLEAN ROOM IN
7 THE FACILITY? ARE YOU TALKING ABOUT THE CLEAN ROOM
8 EQUIPMENT? ARE YOU TALKING -- WHICH IS THE BULK OF THE
9 FACILITY, OR ARE YOU ASKING ABOUT THE ENTIRE FACILITY?

10 CHAIRMAN LICHTENGER: BOTH. BUT THE ENTIRE
11 FACILITY, BUT THE GROUP II EQUIPMENT BUDGET. RICK, AM I
12 STATING THIS CORRECTLY?

13 MS. PALLAVICINI: SO THE MAJOR PART OF THE
14 EQUIPMENT THAT WE NEED FOR THAT FACILITY IS GOING TO BE
15 IN THE CLEAN ROOM, AND THAT'S THE EXPENSIVE EQUIPMENT
16 THAT WE DON'T HAVE AT THIS POINT IN TIME. SO WE WILL
17 NEED TO HAVE ABOUT \$300,000 ADDITIONAL EQUIPMENT FOR THAT
18 CLEAN ROOM TO MAKE IT BE FUNCTIONAL BEYOND THAT THAT WE
19 CURRENTLY HAVE IDENTIFIED AS SOURCES. AND WE WILL BE
20 DOING FUND-RAISING FOR THAT EQUIPMENT.

21 THE OTHER EQUIPMENT THAT WILL BE ELSEWHERE IN
22 THE FACILITY IS GOING TO BE EQUIPMENT THAT WILL COME FROM
23 FACULTY START-UPS BECAUSE WE WILL BE PLACING FACULTY IN
24 AND AROUND THAT FACILITY. SO, FOR EXAMPLE, THE FLOW
25 CYTOMETER AND CELL SORTER WE'LL BE MOVING FROM CAMPUS.

BARRISTERS' REPORTING SERVICE

1 AND WE ANTICIPATE THAT WE WILL HAVE THE FUNDS TO OUTFIT
2 THE ADDITIONAL ROOMS AROUND THAT MAIN CLEAN ROOM,
3 MICROFAB, NANOFAB AREA.

4 CHAIRMAN LICHTENGER: WHAT IS THE VALUE OF THAT
5 ADDITIONAL EQUIPMENT?

6 MS. PALLAVICINI: FOR THE ENTIRE FACILITY?

7 CHAIRMAN LICHTENGER: BEYOND THE \$300,000 YOU'VE
8 IDENTIFIED.

9 MS. PALLAVICINI: SO BEYOND THE 300,000 THAT I
10 HAVE IDENTIFIED AS NEEDING TO RAISE MONEY FOR, THE VALUE
11 OF THE EQUIPMENT IN THAT FACILITY, I WOULD SAY, RIGHT NOW
12 IS ABOUT 1.2 MILLION.

13 CHAIRMAN LICHTENGER: ADDITIONAL BEYOND WHAT YOU
14 SHOW IN THE APPLICATION?

15 MS. PALLAVICINI: I'M SORRY. IT'S A LITTLE
16 FUZZY. DID YOU ASK IN ADDITION TO WHAT I WOULD HAVE IN
17 THE APPLICATION?

18 CHAIRMAN LICHTENGER: YES.

19 MS. PALLAVICINI: I KNOW THAT I NEED TO RAISE
20 \$300,000 TO EQUIP THAT CLEAN ROOM. I KNOW THAT WE WILL
21 NEED TO HAVE PROBABLY ANOTHER 600,000 THAT WE WILL NEED
22 TO RAISE FOR OTHER EQUIPMENT TO SUPPORT THOSE OTHER
23 ROOMS. I WOULD SAY 1.2 MILLION IS ABOUT RIGHT WHEN YOU
24 THINK OF OTHER PERIPHERALS THAT WE WILL NEED TO HAVE TO
25 COMPLETELY SET UP THAT ENTIRE FACILITY.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: OKAY. DO WE HAVE ANY
2 OTHER QUESTIONS?

3 MS. HYSEN: I HAVE SOME QUESTIONS THAT I RAISED
4 IN MY PRIMARY REVIEW. GOOD MORNING. THIS IS DEBORAH
5 HYSEN. I WAS THE PRIMARY REVIEWER ON THIS.

6 ONE THING THAT WAS NOTED BY THE SCIENTIFIC
7 REVIEWERS AND I ALSO SAW IT WAS THAT THERE IS NO PLAN IN
8 PLACE AS TO HOW YOU WOULD MANAGE THIS FACILITY AND
9 CONTROL ACCESS TO THE RESEARCHERS. AND ALSO THAT THERE
10 WERE NO FORMAL INSTITUTIONAL COLLABORATIONS IDENTIFIED.
11 THIS IS AN IMPORTANT CATEGORY FOR US BECAUSE THIS IS IN
12 THE SHARED RESOURCES CATEGORY.

13 AND THE PROPOSAL MADE IT CLEAR THAT THIS WAS A
14 UNIQUE FACILITY, IN FACT, POTENTIALLY FIRST IN THE NATION
15 TO DO THIS STEM CELL INSTRUMENTATION FOUNDRY AND THE WORK
16 THAT GOES ON IN THERE. BUT THEN SAYING THAT, IT WASN'T
17 CLEAR HOW YOU WOULD MANAGE THIS FACILITY AND OFFER IT UP
18 FOR THAT SHARING OPPORTUNITY.

19 MS. PALLAVICINI: OKAY. SO YOU'RE ASKING ABOUT
20 HOW WE WILL OPERATE THE FACILITY AND HOW WE WILL ENSURE
21 THAT THERE'S ACCESS TO ANYBODY DOING STEM CELL BIOLOGY
22 WHO WANTS TO USE IT?

23 MS. HYSEN: CORRECT, AND THEN IF YOU'VE ACTUALLY
24 IDENTIFIED A FORMAL COLLABORATION WITH AN ADJACENT
25 INSTITUTION THAT WOULD, AS A MATTER OF COURSE, USE THAT

BARRISTERS' REPORTING SERVICE

1 ON AN ONGOING BASIS.

2 MS. PALLAVICINI: SO CURRENTLY OUR FACULTY ARE
3 COLLABORATING WITH FACULTY AT UC BERKELEY ON
4 MICROFABRICATION, NANOFABRICATION FOR STEM CELLS. ALSO
5 WITH FACULTY AT UCSF, PARTICULARLY WITH BRUCE CONKLIN AND
6 HIS LABORATORY. WE HAVE FORMAL COLLABORATIONS WHERE
7 WE'RE ACTUALLY OFFERING JOINT COURSES RIGHT NOW CALLED
8 COLLABORATORIES WITH FACULTY AND STUDENTS AT UCSF,
9 PARTICULARLY AROUND THE AREA IN BIOENGINEERING AND SINGLE
10 CELL FATE MEASUREMENTS.

11 SO THESE ARE ONGOING COLLABORATIONS, AND I'M NOT
12 SURE WHAT YOU MEAN BY FORMAL COLLABORATIONS, BUT
13 COLLABORATIONS ARE GOING TO EVOLVE VERY NATURALLY AS
14 INVESTIGATORS IN CALIFORNIA AND ELSEWHERE REALIZE THAT
15 THERE IS THIS CAPABILITY TO DESIGN AND DEVELOP
16 MICRODEVICES TO ALLOW THEM TO MEASURE WHATEVER PROPERTIES
17 OF A STEM CELL THEY'RE INTERESTED IN, WHETHER IT BE THE
18 RESPONSE TO CALCIUM MODULATION IN THE ENVIRONMENT OR
19 THEIR RESPONSE TO MECHANICAL STRESS OR WHATEVER.

20 SO WE ANTICIPATE THAT THIS FACILITY IS GOING TO
21 BE ONE THAT THE USE WILL BE GROWING AS INDIVIDUALS
22 REALIZE THERE IS THIS CAPABILITY OUT THERE TO HELP THEM
23 WITH THEIR RESEARCH. WE DO HAVE A VERY ACTIVE PLAN IN
24 TERMS OF BEING ABLE TO MARKET THE RESOURCES AND THE
25 POTENTIAL OF THIS FACILITY TO ALL CIRM INVESTIGATORS, TO

BARRISTERS' REPORTING SERVICE

1 GRADUATE GROUPS, TO VARIOUS PRIVATE INSTITUTIONS AS WELL
2 THAT WILL ENSURE THAT, YOU KNOW, THE STEM CELL
3 RESEARCHERS IN CALIFORNIA UNDERSTAND THAT THIS RESOURCE
4 IS AVAILABLE TO THEM.

5 THIS RESOURCE REPRESENTS A MAJOR INVESTMENT FROM
6 OUR CAMPUS. AS YOU KNOW, WE'RE A START-UP CAMPUS, AND
7 EVERY DOLLAR THAT WE HAVE, WE VERY CAREFULLY THINK ABOUT
8 THE PRIORITIES ON HOW WE SPEND IT. SO OUR COMMITMENT TO
9 THIS FACILITY IS VERY HIGH BECAUSE THERE ARE MANY
10 INVESTIGATORS AND SCHOOLS OF SCIENCES AND SCHOOL OF
11 ENGINEERING THAT SEE THIS AS A VERY ATTRACTIVE WAY TO NOT
12 ONLY RECRUIT NEW FACULTY, BUT ALSO TO ALLOW THEM TO
13 ADDRESS THE QUESTIONS THAT THEY ARE INTERESTED IN
14 PURSUING. SO WE ANTICIPATE THAT THIS FACILITY WILL
15 BECOME VERY VISIBLE AND VERY ATTRACTIVE TO RESEARCHERS
16 ACROSS CALIFORNIA.

17 WE WILL HAVE SOME INSTITUTIONAL COMMITMENT TO
18 STAFF THE FACILITY AND TO ENSURE THAT IT'S OPERATIONAL,
19 AND WE HAVE THAT COMMITMENT. I DON'T KNOW. DOES THAT
20 ANSWER YOUR QUESTION?

21 MS. HYSEN: YES.

22 MR. KLEIN: THIS IS BOB KLEIN, MEMBER OF THE
23 COMMITTEE. ON THE 1,200,000 OF ADDITIONAL EQUIPMENT, IS
24 IT MY UNDERSTANDING THAT PART OF THAT WILL COME AS AN
25 ELEMENT OF NEW FACULTY RECRUITMENT PACKAGES SO THAT THIS

BARRISTERS' REPORTING SERVICE

1 IS GOING TO COME AS YOU HIRE THAT FACULTY AND LOCATE THEM
2 TO THIS FACILITY?

3 MS. PALLAVICINI: THAT IS PART OF IT. THE OTHER
4 PART OF IT IS THAT WE WILL RAISE -- THROUGH PHILANTHROPY
5 WE WILL RAISE FUNDS TO HELP OFFSET THOSE COSTS.

6 MR. KLEIN: SO WHAT PORTION OF THIS EQUIPMENT
7 WOULD FIT INTO THE CATEGORY OF NEW FACULTY RECRUITMENT
8 PACKAGES AS THE EQUIPMENT COMPONENT? WHAT PORTION OF THE
9 1,200,000?

10 MS. PALLAVICINI: WELL, I CAN ONLY GIVE MY BEST
11 ESTIMATE ON THAT BECAUSE, OF COURSE, THE FACULTY THAT WE
12 RECRUIT WILL DETERMINE THE KIND OF RESOURCES THAT THEY
13 WILL BRING WITH THEM FROM THEIR OTHER INSTITUTIONS WHEN
14 THEY RELOCATE VERSUS WHAT WE WILL ACTUALLY NEED TO HELP
15 PROVIDE FOR THEM.

16 MR. KLEIN: THAT'S A REASONABLE APPROACH. SO
17 WHAT WOULD THAT NUMBER BE?

18 MS. PALLAVICINI: WELL, I'LL GIVE MY BEST
19 ESTIMATE, AND I WOULD SAY WE PROBABLY WOULD HAVE TO RAISE
20 MAYBE ABOUT HALF OF THAT OR MAYBE A THIRD OF THAT,
21 SOMEWHERE BETWEEN 300 TO 500,000.

22 MR. KLEIN: THREE TO 500,000 WOULD BE PART OF
23 THE FACULTY PACKAGES?

24 MS. PALLAVICINI: NO. I WOULD SAY THAT'S WHAT
25 WE WOULD HAVE TO BE RAISING. I THINK THE REST OF THE

BARRISTERS' REPORTING SERVICE

1 EQUIPMENT THAT WE WOULD NEED IN THERE WOULD BE COVERED BY
2 FACULTY START-UP PACKAGES.

3 MR. KLEIN: SO IT'S THE RECIPROCAL OF THE
4 NUMBER. SO SEVEN TO 900,000 WOULD BE PART OF THE FACULTY
5 PACKAGES, AND YOU HAVE TO SEPARATELY RAISE THREE TO
6 500,000?

7 MS. PALLAVICINI: YES. I THINK THAT'S
8 REASONABLE.

9 MR. KLEIN: THANK YOU VERY MUCH.

10 MS. PALLAVICINI: YOU'RE WELCOME.

11 CHAIRMAN LICHTENGER: THANK YOU VERY MUCH FOR
12 BEING AVAILABLE ON THE PHONE. HAVE A GOOD DAY.

13 MS. PALLAVICINI: THANK YOU FOR THE OPPORTUNITY.

14 MR. KLEIN: MR. CHAIRMAN, JUST AS A COMMENT
15 RELATED TO THIS INFORMATION, FROM THE DISCUSSION WE JUST
16 HAD IN TERMS OF MY INDIVIDUAL DISCUSSION, I WOULD
17 CONCLUDE THAT ON A COMPARABLE BASIS WITH THE OTHER
18 INSTITUTIONS THAT TALKED ABOUT EQUIPMENT COMING FROM
19 FACULTY PACKAGES, THAT OUTSIDE OF THE FACULTY PACKAGES,
20 THEY HAVE TO RAISE THREE TO 500,000. SO IF WE'RE
21 CONCERNED ABOUT THE SUFFICIENCY OF THE BUDGET, A 400,000
22 NUMBER MIGHT BE A REASONABLE NUMBER TO ADD TO THE TOTAL
23 COST TO REALIZE WHAT THEY'RE GOING TO HAVE TO RAISE OUT
24 OF THEIR SHARE.

25 CHAIRMAN LICHTENGER: OKAY. SO AT THIS POINT

BARRISTERS' REPORTING SERVICE

1 WE' LL RECORD OUR PRELIMINARY SCORES. AND ANY PUBLIC
2 COMMENTS NOW THAT WE' RE DONE WITH MERCED?

3 DR. NOLTA: JAN NOLTA, DIRECTOR OF THE STEM CELL
4 PROGRAM AT UC DAVIS. SINCE MARIA WASN' T HERE TO HEAR THE
5 DISCUSSION, I' D JUST LIKE TO FILL IN FOR HER SINCE SHE
6 WASN' T ASKED WHEN SHE GOT ON THE PHONE. THERE WAS A
7 COMMENT ABOUT THEIR SCIENTISTS BEING RELATIVELY ISOLATED.
8 I' D JUST LIKE TO SAY THAT THEY PARTICIPATE IN OUR
9 CIRM-FUNDED TRAINING PROGRAM. AND WE DO HAVE A
10 TELEMEDICINE SITE THERE, AND A LOT OF THEIR STEM CELL
11 SCIENTISTS AND FACULTY AND STUDENTS AND TECHNICIANS
12 PARTICIPATE IN OUR LECTURES THAT WE HAVE AT UC DAVIS, SO
13 WE COMMUNICATE IN THAT WAY.

14 CHAIRMAN LICHTENGER: THANK YOU. ANY OTHER
15 PUBLIC COMMENTS? IF WE COULD RECORD OUR PRELIMINARY
16 SCORES FOR UC MERCED.

17 (PAUSE IN PROCEEDINGS.)

18 CHAIRMAN LICHTENGER: GOOD MORNING. CAN YOU
19 HEAR US OKAY?

20 DR. HAUSLER: YES, I CAN HEAR YOU. CAN YOU HEAR
21 ME?

22 CHAIRMAN LICHTENGER: YES. THIS IS DAVID
23 LICHTENGER. I' M THE CHAIR OF THE FACILITIES WORKING
24 GROUP. WE DID HAVE A FEW QUESTIONS REGARDING YOUR
25 APPLICATION. MEMBERS? I GUESS WE HAD SOME CONCERNS AND

BARRISTERS' REPORTING SERVICE

1 QUESTIONS ABOUT YOUR SCHEDULE OF THE PROJECT. COULD YOU
2 TALK ABOUT THAT A LITTLE BIT IN TERMS OF, YOU KNOW,
3 THERE'S SOME KIND OF LEGAL CHALLENGE AND THERE'S SOME
4 ISSUES IN TERMS OF THE ENVIRONMENTAL REVIEW PROCESS?

5 DR. HAUSLER: YOU'RE TALKING ABOUT THE SCHEDULE
6 FOR CONSTRUCTION?

7 CHAIRMAN LICHTENGER: CORRECT.

8 DR. HAUSLER: OKAY. SO WE HAVE OTHER UNIVERSITY
9 OFFICIALS THAT CAN SPEAK TO MORE OF THE DETAILS ON THE
10 CONSTRUCTION ISSUES. I WAS GOING TO CONSULT ON THE
11 SCIENTIFIC PARTS OF IT. BUT, YOU KNOW, IT'S MY
12 UNDERSTANDING THAT WE ARE MOVING FORWARD AS BEST WE CAN
13 WITH THE ENVIRONMENTAL ISSUES. THERE IS -- THERE HAVE
14 BEEN SOME CHALLENGES, WHICH IS TYPICAL IN SANTA CRUZ.
15 THERE IS A KIND OF A SLOW GROWTH FACTION IN SANTA CRUZ.
16 SO WE HAVE TO WORK THROUGH THAT, BUT I THINK WE HAVE MUCH
17 BETTER COMMUNITY RELATIONS NOW WITH OUR NEW CHANCELLOR.
18 GEORGE BLUMENTHAL HAS BEEN OUTSTANDING. AND I DEFINITELY
19 THINK THAT THESE THINGS ARE BEING WORKED THROUGH.

20 CHAIRMAN LICHTENGER: OKAY. CAN YOU COMMENT A
21 LITTLE BIT ABOUT YOUR SHARED RESOURCES AND ANY AGREEMENTS
22 AND FORMAL RELATIONSHIPS YOU HAVE WITH OTHER
23 INSTITUTIONS?

24 DR. HAUSLER: WE HAVE RELATIONSHIPS WITH
25 STANFORD HERE IN TERMS OF THE SCIENTIFIC ADVISORY, AND WE

BARRISTERS' REPORTING SERVICE

1 WORK TOGETHER IN TERMS OF TRAINING PROGRAMS WITH
2 STANFORD. WE HAVE SOME GOOD CONNECTIONS WITH UCSF AS
3 WELL. THERE ARE -- SO IN WHAT -- I MEAN WE EXPECT TO BE
4 WORKING BACK AND FORTH. OUR PEOPLE HAVE GONE FOR
5 TRAINING THERE SPECIFICALLY AT STANFORD, AND WE HAVE
6 PLANS TO RECIPROCATE. WE HAVE A STRONG BIOINFORMATICS
7 GROUP HERE IN PARTICULAR, AND SO WE ANTICIPATE HAVING
8 CROSS TRAINING WITH PEOPLE WHO ARE INTERESTED IN GENOMICS
9 AND BIOINFORMATICS AS APPLIED TO STEM CELL RESEARCH.

10 CHAIRMAN LICHTENGER: GREAT. ARE THERE ANY
11 OTHER QUESTIONS OF THE APPLICANT? WELL, RICK, WERE YOU
12 GOING TO ADD SOMETHING? THANK YOU FOR BEING AVAILABLE ON
13 THE PHONE THIS MORNING AND FOR YOUR APPLICATION. HAVE A
14 GOOD DAY.

15 DR. HAUSLER: OKAY. THANK YOU.

16 CHAIRMAN LICHTENGER: SO AT THIS TIME I'D LIKE
17 FOR US TO RECORD OUR FINAL SCORES FOR THE THREE
18 APPLICANTS IN THIS CATEGORY OF CIRM SPECIAL PROGRAMS.
19 WE'LL RECORD OUR FINAL SCORES, AND THEN I GUESS WE'LL
20 COLLECT THE BOOKS, AND THEN WE'LL TAKE A BREAK.

21 VICE CHAIRMAN SERRANO-SEWELL: QUESTION TO RICK.
22 HOW LONG DID YOU SAY YOU NEEDED TO INPUT THIS DATA? DID
23 YOU SAY YOU NEEDED 20 MINUTES?

24 MR. KELLER: WE NEED 20 MINUTES TO HALF AN HOUR.
25 HALF AN HOUR WOULD BE PREFERRED.

BARRISTERS' REPORTING SERVICE

1 VICE CHAIRMAN SERRANO-SEWELL: OKAY. DO YOU
2 RECOMMEND THAT WE RECONVENE AT 11:25? WHAT ARE WE
3 TALKING ABOUT HERE, JUST SO EVERYBODY KNOWS WE'RE ALL ON
4 THE SAME PAGE?

5 CHAIRMAN LICHTENGER: WE NEED A FEW MINUTES TO
6 FINISH.

7 MR. KELLER: WE'RE GOING TO GO AT DOUBLE SPEED
8 AND GET IT DONE IN 20 MINUTES, SO WE COULD RECONVENE AT
9 QUARTER AFTER, AND THEN WE CAN GO AS FAR AS YOU WANT TILL
10 LUNCH.

11 VICE CHAIRMAN SERRANO-SEWELL: IF THAT'S ALL
12 RIGHT, WE'LL RECONVENE AT 11:15. WE'LL TURN IN OUR
13 SCOREBOOKS TO STAFF.

14 (A RECESS WAS TAKEN.)

15 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
16 MEETING TO ORDER. SO BEFORE WE GO ON TO THE PROGRAMMATIC
17 REVIEW, I REALIZE THAT I HADN'T CALLED FOR PUBLIC
18 COMMENTS REGARDING THE GAP, CHANGES TO THE GAP. SO AT
19 THIS POINT I'D LIKE TO INVITE ANY MEMBERS OF THE PUBLIC
20 WHO WISH TO COMMENT ON THE CHANGES TO THE FACILITIES GAP,
21 SO WE CAN HAVE DISCUSSION AROUND THOSE POINTS. THANK
22 YOU.

23 MR. SIMPSON: JOHN SIMPSON, CONSUMER WATCHDOG.
24 I SUSPECT THIS MAY HAVE RESULTED FROM MY EXUBERANCE IN
25 SUGGESTING TO THE CHAIRMAN THAT A PARTICULAR CONCEPT

BARRISTERS' REPORTING SERVICE

1 BORDERED ON BRILLIANT, AND I THINK HE MAY HAVE WANTED TO
2 GET THAT ON THE RECORD.

3 THAT PARTICULAR ITEM IS THE FACT THAT THIS
4 PROVISION TO ALLOW DISCOUNTING THE MONEY, IF IT GOES IN
5 ON A FIRST-COME BASIS, SEEMS TO ME TO BE A POSSIBLE WAY
6 OF GETTING AN INTERESTING SOLUTION TO WHAT IS GOING TO BE
7 YOUR BIGGEST PROBLEM. AND I MEAN I THOUGHT ALL ALONG THE
8 NOTION THE LEVERAGE AND GETTING EXTRA CREDIT FOR THAT
9 SEEMED LIKE A GOOD IDEA, BUT IT DAWNED ON ME LAST NIGHT
10 THAT THE PEOPLE WHO GOT THE BIGGEST BUCKS IN LEVERAGE MAY
11 BE PEOPLE WHO DON'T EVEN REALLY NEED YOUR HELP THAT MUCH.
12 SO THIS IS A WAY TO KIND OF DEAL WITH THAT PROBLEM, AND I
13 JUST WANTED TO GET ON THE RECORD THAT THAT WAS VERY GOOD
14 IDEA, AND WE SUPPORT IT VERY MUCH.

15 CHAIRMAN LICHTENGER: THANK YOU. OTHER PUBLIC
16 COMMENT? PLEASE STATE YOUR NAME AND YOUR AFFILIATION.

17 MS. GLADSON: REBECCA GLADSON, UC IRVINE.

18 MS. MASON: JANET MASON, UC IRVINE. I WANTED TO
19 ASK FOR CLARIFICATION CONCERNING THE GAP POLICY REGARDING
20 SHARING POTENTIAL PROJECT SAVINGS WITH CIRM. I'M
21 WONDERING, GIVEN THAT YOU ARE CALLING FOR SHARING
22 SAVINGS, BUT AT THE SAME TIME WE RECOGNIZE THAT THERE
23 WILL BE CUTS TO THE BUDGET. IF WE ARE ABLE TO GET A BID
24 IN THAT HELPS MAKE UP FOR A PORTION OF THE CUT, WILL WE
25 BE ALLOWED TO RETAIN FULL CIRM AWARD, OR WOULD THAT BE

BARRISTERS' REPORTING SERVICE

1 TREATED AS A PROJECT SAVINGS AND A FURTHER REDUCTION OF
2 THE CIRM AWARD WOULD BE REQUIRED?

3 CHAIRMAN LICHTENGER: WELL, THAT'S AN EXCELLENT
4 QUESTION. I DON'T HAVE AN ANSWER FOR THAT, BUT IT'S A
5 GOOD QUESTION THAT I THINK WE CAN OPEN UP TO DISCUSSION,
6 AND THEN ALSO THE BOARD CAN ADDRESS IN MAY.

7 MR. KLEIN: JAMES, I THINK THE WAY THE GAP IS
8 CURRENTLY WRITTEN, IT WOULD BE CONSIDERED PROJECT SAVINGS
9 WOULD BE SUBJECT TO OUR SHARING THOSE SAVINGS. HOWEVER,
10 UNDERSTANDING THE REAL SUBSTANTIAL CHALLENGE OF
11 INSTITUTIONS TO MEET THESE CUTS THAT WILL HAVE TO BE
12 MADE, JUST SPEAKING INDIVIDUALLY, I WOULD BE SUPPORTIVE
13 OF AN AMENDMENT TO THE GAP THAT SAYS THAT THOSE SAVINGS
14 THAT JUST OFFSET CUTS WE'VE MADE WOULD NOT BE SUBJECT TO
15 SAVINGS. OTHERWISE THERE'S A DOUBLE PENALTY.

16 CHAIRMAN LICHTENGER: SO, BOB, I THINK THAT
17 MAKES SENSE TO ME. LET'S OPEN IT UP TO THE FLOOR FOR
18 DISCUSSION.

19 SO DO WE WANT TO MAKE A MOTION, THEN? LET'S SEE
20 IF THERE ARE OTHER PUBLIC COMMENTS FIRST.

21 MS. GLADSON: MAKE YOUR COMMENT AND I'LL GO
22 NEXT.

23 MR. KLEIN: LET ME ASK. ARE THERE OTHER
24 COMMENTS ON THIS INDIVIDUAL POINT?

25 MS. GLADSON: NOT PRECISELY.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: BECAUSE IF IT'S A SEPARATE POINT,
2 WHAT I'D LIKE TO DO BY ADDRESSING IT INDIVIDUALLY IS MAKE
3 A MOTION THAT WE EXCLUDE FROM SAVINGS THE AMOUNT OF
4 SAVINGS UP TO THE AMOUNT OF THE CUTS WITH A CONTINUATION
5 OF THE REQUIREMENT THAT THE FULL PLANS AND SPECS BE
6 BUILT. IS THERE A SECOND FOR THAT?

7 VICE CHAIRMAN SERRANO-SEWELL: SECOND.

8 CHAIRMAN LICHTENGER: I THOUGHT WE WERE ASKING
9 IF THERE WERE OTHER COMMENTS ON THIS ISSUE.

10 MR. KLEIN: THERE ARE NO OTHER COMMENTS ON THIS
11 POINT, SO IT WOULD BE APPROPRIATE TO TAKE ACTION ON THIS
12 POINT BEFORE GOING TO ANOTHER UNRELATED POINT.

13 CHAIRMAN LICHTENGER: I'M FINE WITH THAT, BUT
14 I'D LIKE TO GET THE PRESIDENT'S PERSPECTIVE ON THIS.

15 DR. TROUNSON: I'D LIKE TO HEAR A FULL
16 DISCUSSION BEFORE -- A FULLER DISCUSSION BEFORE --

17 CHAIRMAN LICHTENGER: SO WE'RE OPENING IT UP FOR
18 DISCUSSION NOW ON THE MOTION. DOES ANYONE HAVE ANY
19 PERSPECTIVE ON THIS? IT SEEMS, AT LEAST ON THE SURFACE,
20 TO MAKE SENSE TO ME, THAT IF WE'VE CUT AN INSTITUTION AND
21 THEN THEY'RE ABLE TO THROUGH AGGRESSIVE BIDDING OR
22 WHATEVER PROCESS THEY EMPLOY BE ABLE TO SAVE MONEY, THAT
23 IT HAS SOME EFFECT.

24 JAMES, HOW DOES IT SHOW NOW IN TERMS OF THE GAP?
25 HOW IS IT SHARED?

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: CURRENTLY IF THERE ARE SAVINGS,
2 EVEN IF THE SAVINGS RESULT FROM THE APPLICANT'S EFFORTS
3 TO CUT COSTS TO ACCOMMODATE THE AMOUNT OF THE CIRM AWARD,
4 CIRM WOULD BE ENTITLED TO SHARE IN THOSE SAVINGS. SO BOB
5 KLEIN IS CORRECT. THE WAY THAT THE FGAP IS CURRENTLY
6 WRITTEN, CIRM WOULD HAVE A CHANCE TO SHARE IN THOSE
7 SAVINGS. SO WE WOULD NEED TO AMEND IT AS BOB SUGGESTED
8 IN ORDER TO ADDRESS THE APPLICANT'S CONCERN.

9 CHAIRMAN LICHTENGER: HOW DOES CIRM SHARE?
10 PROPORTIONATELY?

11 MR. HARRISON: PROPORTIONATELY TO THE AMOUNT OF
12 THE AWARD. I WAS GOING TO SUGGEST, MR. CHAIR, THAT
13 PERHAPS A CONCRETE EXAMPLE MIGHT HELP EVERYONE UNDERSTAND
14 HOW THIS WOULD WORK. SO, FOR EXAMPLE, IF AN APPLICANT
15 ASKED FOR A \$35-MILLION AWARD, BUT WAS AWARDED \$30
16 MILLION, THE APPLICANT HAS TWO CHOICES TO ADDRESS THAT
17 SHORTFALL. EITHER THE APPLICANT CAN RAISE ADDITIONAL
18 FUNDS TO COVER IT; OR IF THE APPLICANT IS ABLE TO ACHIEVE
19 COST SAVINGS, IT WOULD REDUCE THE COST OF THE PROJECT BY
20 \$5 MILLION. THAT'S ANOTHER OPTION AS LONG AS THE SCALE
21 OF THE PROJECT IS IDENTICAL TO WHAT WAS PROPOSED.

22 UNDER THE FGAP AS CURRENTLY WRITTEN, CIRM WOULD
23 HAVE A RIGHT TO SHARE PROPORTIONATELY IN THAT \$5 MILLION
24 EVEN THOUGH IT'S A SAVINGS WE WOULD HAVE ALREADY, IN A
25 SENSE, RECOUPED FROM THE INITIAL REDUCTION.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: SO I HAVE A QUESTION TO
2 THE APPLICANT WHO RAISED THIS ISSUE. I MEAN DO YOU HAVE
3 ANY IDEA WHAT KIND OF SAVINGS POTENTIALLY YOU WOULD BE
4 LOOKING TO BRING TO BEAR?

5 MS. GLADSON: THERE'S REALLY NO SIGNIFICANT
6 NUMBER THAT WE CAN PUT OUT BECAUSE WHAT WE'RE TRYING TO
7 DO IS ADDRESS AND DEAL WITH MARKET CONDITIONS. SO AS HAS
8 BEEN COMMENTED ON SEVERAL TIMES, THE MARKET IS A LITTLE
9 BIT FLATTER THAN WHAT IT WAS A FEW MONTHS AGO. SO HOW TO
10 CAPTURE THE BENEFIT OF THAT. AND IT'S IMPORTANT IN
11 STRUCTURING BIDS THAT WE MAXIMIZE THAT OPPORTUNITY.

12 CHAIRMAN LICHTENGER: SO I GUESS, AGAIN --

13 DR. TROUNSON: SO AS I UNDERSTAND IT, ONE OF THE
14 ISSUES THAT I HAVE THAT I'D BE WANTING TO DISCUSS WITH MY
15 COLLEAGUES IS IF THE COST SAVING CREATED SOME IMPEDIMENT
16 ON DELIVERY OF THE SCIENCE SIDE, FOR EXAMPLE, OR
17 INTERFERED WITH THE ABILITY OF THE FACILITY TO OPERATE.
18 IF THAT COST SAVING HAD AN IMPEDIMENT ON EITHER OF THOSE
19 TWO, THEN I WOULD HAVE SOME CONCERNS.

20 IF THE COST SAVING IS INDEPENDENT OF THOSE TWO
21 THINGS, THEN I HAVE ABSOLUTELY NO OBJECTION. SO THAT
22 WOULD BE THE ISSUE THAT I'D WANT TO EXPLORE UNDER THAT
23 PROPOSAL, WHETHER IT DID HAVE AN IMPACT EITHER IN THE
24 SCIENCE OR THE FACILITY.

25 MR. KLEIN: MR. CHAIRMAN, THE PROPOSAL IS

BARRISTERS' REPORTING SERVICE

1 DIRECTLY INTENDED TO ADDRESS DR. TROUNSON'S POINT IN THAT
2 THE SAVINGS IS ONLY CONSIDERED TO THE EXTENT THEY'RE
3 BUILDING EVERYTHING PER PLANS AND SPECS IN TERMS OF THE
4 ENTIRE PROGRAM, EQUIPMENT AND BUILDING. SO THEY HAVE TO
5 DELIVER EVERYTHING THEY PROMISED TO, AND ONLY THEN ARE
6 THEY TRUE SAVINGS.

7 CHAIRMAN LICHTENGER: SO, YOU KNOW, BOB --
8 MARCY, PLEASE.

9 MS. FEIT: IT JUST SEEMS LIKE WE'RE
10 DOUBLE-DIPPING TO THEM IN A SENSE BECAUSE FIRST WE SAY
11 WE'RE GOING TO DECREASE YOUR REQUESTED ASK FOR FUNDS,
12 LET'S USE THE SAME EXAMPLE, FROM 35 TO 30. AND THEN WE
13 SAY BUT IF YOU'RE EFFICIENT AND YOUR BIDS COME IN
14 EFFICIENT, WE'RE GOING TO TAKE SOME OF THAT. SO IT FEELS
15 LIKE WE'RE SLAPPING THEM ON BOTH SIDES OF THE FACE HERE.

16 IT SEEMS LIKE THE INITIAL INTENT OF THE WORKING
17 GROUP TO WANT TO CAPTURE SAVINGS WAS IF THE PROJECT CAME
18 IN MAYBE AT THE END AND WAS UNDER BUDGET BY 10 MILLION,
19 THAT CIRM HAD A RIGHT TO RECOUP A PORTION OF THAT
20 SAVINGS. SO IT FEELS KIND OF LIKE WE'RE DEALING WITH TWO
21 SEPARATE ISSUES. I CAN'T REMEMBER OUR DISCUSSIONS, AND
22 MAYBE SOME OF THE OTHER MEMBERS WANT TO ADDRESS THIS, BUT
23 IT FEELS A LITTLE UNFAIR TO THE APPLICANTS TO BE TAKING
24 MONEY FROM THEM AND THEN TAKING MORE MONEY FROM THEM IF
25 THEY'RE EFFICIENT IN THEIR BIDDING PROCESS. IT JUST

BARRISTERS' REPORTING SERVICE

1 DOESN'T FEEL LIKE THAT WAS THE INTENT.

2 CHAIRMAN LICHTENGER: THANK YOU, MARCY. I WOULD
3 AGREE WITH YOU. I GUESS THE DEVIL IS IN THE DETAILS ON
4 THIS. SO I DON'T KNOW IF A FRIENDLY AMENDMENT REGARDING
5 TO THE MOTION ABOUT MAKING SURE THAT THERE REALLY -- YOU
6 KNOW, THERE'S THE PLANS, AND DEPENDING ON HOW FULLY
7 THEY'RE DEVELOPED, AS STUART COULD PROBABLY ATTEST TO
8 THIS, IS THAT THERE MAY BE VALUE ENGINEERING IDEAS THAT
9 ARE OUT THERE. MY CONCERN IS THE DEVIL IN THE DETAILS IN
10 THIS, THAT ACTUALLY ALAN'S POINT THAT ACTUALLY THAT THE
11 SCIENCE IN THE FACILITY IS NOT COMPROMISED. SO I WOULD
12 BE VERY AMENABLE TO SUPPORTING THIS MOTION IF WE COULD
13 HAVE SOME KIND OF FRIENDLY AMENDMENT TO DEAL WITH ALAN'S
14 CONCERN AND MY CONCERN ON THIS.

15 MR. KLEIN: SO SPECIFICALLY, TO MAKE SURE THE
16 INTENT OF THE MOTION IS ACHIEVED, I'D AGREE TO A FRIENDLY
17 AMENDMENT THAT SPECIFICALLY SAYS THAT THE PRESIDENT HAS
18 TO BE CONVINCED THAT THE SCIENCE AND THE MISSION ARE NOT
19 COMPROMISED.

20 CHAIRMAN LICHTENGER: WELL, ALSO I'D LIKE SENIOR
21 STAFF ON THE FACILITIES SIDE. FINE. REGARDING SCIENCE
22 AND FACILITIES, I WOULD THINK THAT WOULD BE APPROPRIATE.

23 MR. KLEIN: PRESIDENT CAN USE WHOMEVER HE FEELS.

24 CHAIRMAN LICHTENGER: THAT WORKS FOR ME.

25 MR. KLEIN: I THINK THE SECOND ACCEPTED IT AS

BARRISTERS' REPORTING SERVICE

1 WELL.

2 CHAIRMAN LICHTENGER: SO ANY MORE DISCUSSION
3 BEFORE WE CALL ROLL ON THIS?

4 MR. HARRISON: JUST TO BE CLEAR, AS A MATTER OF
5 PROCESS, IF THE ICOC WERE TO AWARD AN APPLICANT LESS THAN
6 THE APPLICANT REQUESTED, THEN THE APPLICANT HAS A PERIOD
7 OF TIME WITHIN WHICH TO IDENTIFY TO CIRM EITHER THE
8 ADDITIONAL FUNDS THAT THE APPLICANT WILL HAVE AVAILABLE
9 TO COMPLETE THE PROJECT OR SAVINGS. AND IT'S AT THAT
10 POINT IN TIME THAT THE PRESIDENT WOULD HAVE TO BE
11 SATISFIED THAT THE SAVINGS THE APPLICANT HAS ACHIEVED DO
12 NOT COMPROMISE THE SCIENCE.

13 MR. KLEIN: AND THERE'S THE ADDITIONAL STEP.
14 THERE ARE CONTINGENCIES IN THESE CONTRACTS; AND IF THE
15 CONTINGENCIES ARE NOT USED OR A PORTION IS NOT USED, THEY
16 COULD RECEIVE SAVINGS FROM THAT SOURCE TO OFFSET THE CUT.
17 AND THAT WOULD BE AT A LATER POINT; BUT, OF COURSE, SINCE
18 THE PRESIDENT -- SINCE THEY WOULD HAVE GONE FORWARD ON
19 THE FULL PLANS AND SPECS IN THE FIRST INSTANCE, THE
20 SAVINGS FROM THE CONTINGENCY SHOULD BE REASONABLY
21 AVAILABLE TO THEM.

22 CHAIRMAN LICHTENGER: JAMES, ONE CLARIFICATION
23 QUESTION. BUT THAT WOULD ALSO BE THE CASE THAT UPON
24 PROJECT COMPLETION OR ANY TIME DURING THE PROJECT, IF IT
25 WAS DETERMINED BY THE PRESIDENT THAT, AGAIN, SOMETHING

BARRISTERS' REPORTING SERVICE

1 REGARDING THE SCIENCE IN THE FACILITIES WAS COMPROMISED,
2 THAT WE WOULD HAVE THAT SAME CAPABILITY BECAUSE IT
3 WOULDN'T BE THE FIRST TIME I'VE SEEN WHERE THERE WERE
4 PLANS AND SPECIFICATIONS, AND THEN SOMETHING WAS BUILT
5 THAT WAS DIFFERENT SUBSTANTIALLY THAN WHAT'S ON THE PLANS
6 AND SPECIFICATIONS.

7 MR. HARRISON: ULTIMATELY THE APPLICANT WILL BE
8 REQUIRED UNDER THE NOTICE OF GRANT AWARD TO COMPLETE A
9 PROJECT OF THE SCALE AND SIZE AND ON THE TIME SCHEDULE
10 PROVIDED IN THE APPLICATION. SO ALL THOSE SPECIFICATIONS
11 WILL BE INCLUDED.

12 MR. KLEIN: I THINK DAVID'S POINT IS APPROPRIATE
13 THOUGH, THAT THE APPLICANTS NEED TO REALIZE IN CONTEXT
14 THAT THE PRESIDENT WOULD HAVE THE AUTHORITY ALL THE WAY
15 THROUGH, THAT IF YOU GET TO THE END OF THE PROJECT AND
16 THERE IS A CONTINGENCY SAVINGS, AND IT APPEARS THAT PART
17 OF THE SCIENTIFIC EQUIPMENT HAS BEEN CUT, THAT WILL HAVE
18 TO BE MET, WHICH IS, ON THE ONE HAND, THAT'S A MORE
19 OBVIOUS CASE. BUT IF A PIECE OF EQUIPMENT HAS BEEN
20 SUBSTITUTED AND IT'S NOT REALLY AN EQUAL, AND THAT
21 CREATED A MAJOR SAVINGS, THE PRESIDENT NEEDS TO SAY THIS
22 ISN'T REALLY EQUIVALENT. THIS ISN'T A REAL SAVINGS.

23 MS. FEIT: ANOTHER POINT OF CLARIFICATION. SO
24 GETTING BACK TO THE EXAMPLE, IF THE INSTITUTION ASKED FOR
25 35 MILLION, WE ONLY AWARDED 30 MILLION, THEY GO OUT

BARRISTERS' REPORTING SERVICE

1 THROUGH PHILANTHROPY AND RAISE FIVE MILLION, WE'RE NOT
2 GOING TO TAKE ANY FROM THAT. BUT AT THE END OF THE
3 PROJECT, CONTINGENCY ISN'T RESOLVED TILL THE PROJECT IS
4 REALLY FINISHED. AND WE SAID IN THE BEGINNING THAT ANY
5 SAVINGS REALIZED THROUGH THAT PROCESS, CIRM WOULD SHARE
6 IN THAT. SO ARE WE STILL SAYING THAT, OR ARE WE SAYING,
7 NO, WE'RE GOING TO LET THEM HAVE ALL THE CONTINGENCY
8 SAVINGS?

9 MR. KLEIN: ONLY UP TO THE CUT. THEY CAN HAVE
10 THE CONTINGENCY SAVINGS ONLY UP TO THE CUT.

11 CHAIRMAN LICHTENGER: SO JUST BEFORE WE -- I
12 WILL TAKE PUBLIC COMMENT AGAIN ON THIS, BUT I JUST WANT
13 TO MAKE ONE POINT THAT I WAS ALSO REFERRING TO POTENTIAL
14 DESIGN-BUILD TRADES ON THE MEP SIDE WHERE THOSE PLANS MAY
15 NOT BE FULLY DEVELOPED. AND THERE MAY BE AN INTENTION TO
16 PROVIDE A CERTAIN TYPE OF SYSTEM, AND THEN THINGS GET
17 CHANGED IN THE FIELD. THAT'S SPECIFICALLY MY CONCERN,
18 DR. TROUNSON.

19 AT THIS POINT I'D LIKE TO TAKE PUBLIC COMMENT ON
20 THE MOTION. ANY PUBLIC COMMENT? NO PUBLIC COMMENT.
21 I'VE ASKED. OKAY. THANK YOU. WE'RE GOING TO VOTE. CAN
22 WE HAVE A RESTATEMENT OF THE MOTION?

23 MR. HARRISON: LET ME SEE IF I CAN RESTATE IT.
24 THE CALCULATION OF PROJECT SAVINGS WILL NOT INCLUDE
25 SAVINGS ACHIEVED TO MEET THE REDUCTION IN A GRANT AWARD

BARRISTERS' REPORTING SERVICE

1 PROVIDED THE COST SAVINGS DOES NOT IMPEDE THE SCIENCE.

2 MR. KLEIN: AND THE COST SAVINGS DOES NOT EXCEED
3 THE CUT THAT HAS OCCURRED, THE REDUCTION THAT HAS
4 OCCURRED.

5 CHAIRMAN LICHTENGER: AND THE INTENT OF THE --
6 NOT ONLY JUST THE SCIENCE. IT'S ALSO THE FACILITIES --

7 MR. KELLER: I JUST HAVE A QUESTION THAT, AS I
8 LISTEN TO THAT, THERE MAY BE THE CIRCUMSTANCE WHERE YOU
9 PROVIDE AN AMOUNT OF FUNDS BECAUSE YOU THINK ON A
10 MERIT -- ON THE BASIS OF MERIT, THAT'S ALL THE MONEY THAT
11 YOU THINK IS NEEDED. SO THE DIFFERENCE BETWEEN THE
12 REQUEST AND WHAT YOU DECIDE MAY BE A VERY APPROPRIATE
13 REDUCTION; YET UNDER THIS LANGUAGE, IT WOULD IMPLY THAT
14 IT'S ALLOWING SAVINGS THEN TO BE ACCRUED BY THE
15 APPLICANT. I JUST POSE THAT.

16 MR. KLEIN: RICK, WE'VE EVALUATED ALL OF THESE
17 BUDGETS. THERE'S MATCHING FUNDS, AND THERE ARE PROBABLY
18 GOING TO BE MUCH MORE SUBSTANTIAL MATCHING FUNDS
19 REQUIRED. SO WE'VE GOT LOTS OF INSULATION TO THAT ISSUE
20 OF WHETHER EVERY DOLLAR IS NEEDED. FOR EVERY DOLLAR THEY
21 SPEND OF OURS, THEY'VE GOT TO SPEND A DOLLAR OF THEIRS,
22 WHICH IS A GOOD DISCIPLINE. SO I WOULD SUGGEST WE DON'T
23 GET TO THAT LEVEL OF DETAIL BECAUSE WE HAVE ALL THIS
24 LEVERAGE INSULATION TO PROTECT US.

25 MR. HARRISON: LET ME TRY ONE MORE TIME. SO THE

BARRISTERS' REPORTING SERVICE

1 MOTION WOULD BE AS FOLLOWS: THE CALCULATION OF PROJECT
2 SAVINGS WILL NOT INCLUDE SAVINGS ACHIEVED TO MEET THE
3 REDUCTION IN A GRANT AWARD PROVIDED THAT THE COST SAVINGS
4 DO NOT COMPROMISE THE SCIENCE OR FACILITY AND DO NOT
5 EXCEED THE AMOUNT OF THE REDUCTION IN THE GRANT AWARD.

6 CHAIRMAN LICHTENGER: THAT SOUNDS RIGHT TO ME.
7 CAN WE CALL ROLL NOW ON THIS.

8 MR. TOCHER: MARCY FEIT.

9 MS. FEIT: YES.

10 MR. TOCHER: DEBORAH HYSEN.

11 MS. HYSEN: YES.

12 MR. TOCHER: KASHI AN.

13 MR. KASHI AN: YES.

14 MR. TOCHER: KLEIN.

15 MR. KLEIN: YES.

16 MR. TOCHER: LAFF.

17 MR. LAFF: YES.

18 MR. TOCHER: LICHTENGER.

19 CHAIRMAN LICHTENGER: YES.

20 MR. TOCHER: SERRANO-SEWELL.

21 VICE CHAIRMAN SERRANO-SEWELL: YES.

22 MR. TOCHER: SHEEHY.

23 MR. SHEEHY: YES.

24 MR. TOCHER: WRIGHT.

25 DR. WRIGHT: YES.

BARRISTERS' REPORTING SERVICE

1 MR. TOCHER: AND THE MOTION PASSES.

2 CHAIRMAN LICHTENGER: SO THE MOTION CARRIES. SO
3 NOW WE'LL OPEN UP TO NEW POINTS.

4 MS. GLADSON: THIS IS A QUESTION DEALING WITH
5 FROM AN INDUSTRY PERSPECTIVE, WE'VE GOT SEVERAL PROJECTS
6 THAT ARE DESIGN-BUILD. AND AS DESIGN-BUILD DELIVERY,
7 EACH DESIGN-BUILD TEAM IS GOING TO TRY TO BRING ADDED
8 VALUE AND BEST VALUE TO THE PROJECT. SOMETIMES THAT
9 RESULTS IN ADDITIONAL SQUARE FOOTAGE. IT MAY RESULT IN
10 ENHANCEMENTS TO THE PROJECT.

11 WILL THOSE BE VIEWED AS PROJECT SAVINGS?
12 BECAUSE EACH OF YOUR TEAMS, YOU'VE GOT MULTIPLE TEAMS ON
13 ALL THESE DESIGN-BUILDS, ARE GOING TO BE LOOKING FOR A
14 WAY AT GETTING THE BID. AND THE WAY YOU GET THE BID IN
15 DESIGN-BUILD IS TO BRING THE BEST VALUE.

16 MR. KLEIN: IF I CAN UNDERSTAND. IF IN THE
17 DESIGN-BUILD THEY'RE ABLE TO SAY IN THIS BUDGET WE CAN
18 BUILD MORE SQUARE FOOTAGE FOR RESEARCH THAN WHAT WE
19 PROMISED, WILL WE PENALIZE THE APPLICANT BY SAYING IF YOU
20 BUILD MORE SQUARE FOOTAGE WITH THE DOLLARS, WE WANT A
21 PORTION OF THAT MONEY?

22 MS. GLADSON: CORRECT. THAT'S THE QUESTION.

23 MR. KLEIN: I THINK OUR MISSION IS TO BUILD MORE
24 SQUARE FOOTAGE AND EXPAND OUR SCIENTIFIC CAPACITY. SO
25 JUST TO HELP THE PROCESS, I WOULD MAKE A MOTION THAT IF

BARRISTERS' REPORTING SERVICE

1 IN THE DESIGN-BUILD PROCESS WE'RE BEING PROVIDED MORE
2 THAN IS IN THE PLANS AND SPECS, THERE NOT BE A SURCHARGE
3 ON THAT, THAT IT NOT BE TREATED AS A SAVINGS SUBJECT TO
4 RECAPTURE OF A PORTION OF THAT VALUE BY CIRM.

5 DR. WRIGHT: SECOND.

6 CHAIRMAN LICHTENGER: DISCUSSION?

7 SO ON THE FACE OF IT IT SOUNDS REASONABLE, BUT
8 I'M JUST WONDERING WHAT WE'RE MISSING ON THIS ISSUE. SO
9 YOUR SUGGESTION IS THAT THEY'RE ABLE TO PROVIDE MORE
10 SQUARE FOOTAGE. IS THERE ANYTHING ELSE YOU HAVE IN MIND
11 OTHER THAN SQUARE FOOTAGE?

12 MS. GLADSON: NOT NECESSARILY JUST SQUARE
13 FOOTAGE, BUT TO INCENTIVIZE THE DESIGN-BUILD TEAMS TO
14 LOOK FOR EVERY INNOVATIVE COST SAVING MEASURE THAT THEY
15 CAN COME UP WITH. WHETHER IT'S HOW DUCT WORK IS ROUTED
16 OR WHATEVER ELSE, THAT WE CAPTURE ALL OF THOSE SAVINGS.
17 AND HOPEFULLY IT DOES RESULT IN ADDITIONAL SQUARE FEET,
18 AND AT A MINIMUM, IT KEEPS ALL THE PROJECTS ON BUDGET.

19 CHAIRMAN LICHTENGER: I PERSONALLY DON'T HAVE A
20 PROBLEM WITH IT. I DO HAVE A LITTLE BIT OF A CONCERN.
21 THAT'S WHY I BROUGHT UP ABOUT THE PRESIDENT HAVING THE
22 CAPABILITY BECAUSE, AS WE KNOW, THERE ARE MANY, MANY
23 TIMES WHEN YOU'RE BUILDING, FOR EXAMPLE, A VIVARIUM, YOU
24 CAN SUBSTITUTE MATERIALS THAT MAY, IN FACT, BE
25 SIGNIFICANTLY LESS EXPENSIVE. AND YET IT DOESN'T PROVIDE

BARRISTERS' REPORTING SERVICE

1 THE SAME LONG-TERM CARE AND CAPABILITY OVER A LONGER
2 PERIOD OF TIME FOR THE FACILITY.

3 MR. KLEIN: THEY'RE GOING TO HAVE TO PROVE IN
4 NOTICE OF GRANT AWARD THAT THEY'RE GETTING WHAT WE
5 BARGAINED FOR.

6 VICE CHAIRMAN SERRANO-SEWELL: WHAT IS YOUR
7 CONCERN EXACTLY? WHAT ARE YOU WORRIED ABOUT? TELL ME
8 WHAT YOU'RE WORRIED ABOUT.

9 MS. GLADSON: WHAT I THINK IS POSSIBLE IS THAT
10 WHEN WE GO OUT TO BID ON THESE PROJECTS, AND YOU HAVE TWO
11 TEAMS THAT ARE COMPETING, THAT THEY'RE GOING TO LOOK TO
12 EDGE EACH OTHER OUT. AND IT'S VERY POSSIBLE THAT THEY
13 CAN COME IN WITH AN ADDITIONAL, SAY, 5,000 SQUARE FEET OF
14 SPACE. WOULD THAT 5,000 SQUARE FEET OF SPACE BE
15 CONSIDERED A SAVINGS PROVIDED ALL THE QUALITY IS
16 MAINTAINED ON THE ORIGINAL PROGRAM?

17 VICE CHAIRMAN SERRANO-SEWELL: SAVINGS FROM WHAT
18 WAS ORIGINALLY SUBMITTED?

19 MS. GLADSON: IF YOU LOOK AT IT, YOU GET AN
20 ADDITIONAL 5,000 SQUARE FEET OVER AND ABOVE, WOULD THAT
21 BE SEEN AS THE SAVINGS?

22 VICE CHAIRMAN SERRANO-SEWELL: TO MY QUESTION
23 THOUGH, THE SAVINGS FROM WHAT? FROM WHAT WAS ORIGINALLY
24 SUBMITTED TO CIRM?

25 CHAIRMAN LICHTENGER: THAT'S NOT A SAVINGS.

BARRISTERS' REPORTING SERVICE

1 IT'S A BONUS.

2 MR. KLEIN: IT COULD BE CONSIDERED A SAVINGS
3 UNDER SOME CONTRACTS BECAUSE YOU'VE GOTTEN -- YOU'VE BEEN
4 ABLE TO BUILD YOUR BASIC SQUARE FOOTAGE AT LESS COST, SO
5 YOU'VE BEEN ABLE TO USE THE SAVED MONEY TO BUILD MORE
6 SPACE.

7 VICE CHAIRMAN SERRANO-SEWELL: I'M JUST CURIOUS
8 AS TO WHERE THE BENCHMARK IS. THAT'S ALL I WANT TO KNOW.
9 I GET THE WHOLE CONCEPT OF PEOPLE COMPETING AND GETTING
10 THE BEST PRODUCT. I FULLY ENDORSE THAT. THAT'S
11 BRILLIANT. WHEN WE COMPARE, IN YOUR EXAMPLE, THE 5,000
12 SQUARE FEET, WHAT ARE WE COMPARING IT AGAINST?

13 CHAIRMAN LICHTENGER: ALSO, THE PART I'M NOT
14 UNDERSTANDING IS SO WHAT ARE YOU AFRAID CIRM IS GOING TO
15 DO IF YOU BUILD A BIGGER FACILITY? ARE YOU AFRAID YOU'RE
16 GOING TO BE PENALIZED, OR ARE ACTUALLY ASKING FOR MORE
17 CREDIT? THAT'S WHAT I'M UNCLEAR ON.

18 MS. GLADSON: NO, WE'RE NOT ASKING FOR MORE
19 CREDIT, BUT THAT YOU'RE GOING TO SAY THAT THE BASE
20 PROGRAM COULD HAVE BEEN BUILT FOR LESS MONEY, AND THEN
21 YOU SAY DELTA DIFFERENCE BETWEEN THE BASE, IT'S A
22 SAVINGS.

23 CHAIRMAN LICHTENGER: SO CAN YOU ANSWER THE VICE
24 CHAIR'S QUESTION?

25 VICE CHAIRMAN SERRANO-SEWELL: ANYBODY CAN

BARRISTERS' REPORTING SERVICE

1 ANSWER IT.

2 MR. KLEIN: THEY'RE COMPARING IT AGAINST THE
3 ORIGINAL PROMISE. SO IF THEY BUILD MORE THAN THE
4 ORIGINAL PROMISE, THEY DON'T WANT THE ADDITIONAL SQUARE
5 FOOTAGE TO HAVE BEEN BUILT WITHIN THE ORIGINAL BUDGET,
6 AND SO WHAT YOU WOULD DO IS DEEM THAT ADDITIONAL SQUARE
7 FOOTAGE AS TO HAVE BEEN BUILT WITH SAVINGS AND,
8 THEREFORE, WE WOULD PENALIZE THEM BY TAKING PART OF THAT
9 MONEY.

10 CHAIRMAN LICHTENGER: I WOULD SUPPORT THE
11 MOTION, ASSUMING YOU'RE PUTTING ADDITIONAL RESEARCHERS
12 AND PI'S IN THE SPACE, YEAH, ABSOLUTELY. SO --

13 DR. TROUNSON: I DON'T SEE THIS AS A SAVING. I
14 SEE IT SIMPLY AS A BENEFIT, A BENEFIT TO THE WHOLE OF
15 CALIFORNIA. IT WON'T BE READ BY CIRM AS IN ANY WAY A
16 SAVINGS. IT'S IN OUR MISSION TO EXPAND THE OPPORTUNITY,
17 AND SO THIS IS MONEY FROM HEAVEN.

18 CHAIRMAN LICHTENGER: GO GET IT.

19 MS. GLADSON: THANK YOU.

20 CHAIRMAN LICHTENGER: WE'LL NOW CALL ROLL ON
21 THIS ISSUE? PUBLIC COMMENT. ADDITIONAL DISCUSSION
22 FIRST?

23 MR. SIMPSON: JOHN SIMPSON, CONSUMER WATCHDOG.
24 ON THE FACE OF IT, THIS SOUNDS GREAT. YOU ARE GETTING
25 VALUE ADDED FOR YOUR BUCKS. MY ONLY QUESTION WOULD BE

BARRISTERS' REPORTING SERVICE

1 WHAT IF THE ADDITIONAL VALUE IS A NEW BUILDING OR A NEW
2 WING THAT'S NOT DEDICATED TO CIRM PURPOSES? WOULD THAT
3 BE A POSSIBLE SAVINGS? AND I GUESS THAT WOULD BE OKAY,
4 BUT I'M NOT SURE.

5 MR. KLEIN: MY MOTION IS THAT THIS ADDITIONAL
6 SPACE WOULD BE, AS A CONDITION, COMMITTED TO STEM CELL
7 RESEARCH. IS THAT ACCEPTABLE TO THE SECOND?

8 CHAIRMAN LICHTENGER: ANY OTHER PUBLIC COMMENTS?

9 MR. ROMNEY: MARK ROMNEY WITH UC DAVIS. I THINK
10 IT'S A GREAT IDEA, BUT ONE SITUATION IS THAT ANY SAVINGS
11 FOR ANY PROJECT, THEN, SHOULD BE APPLIED FOR MORE
12 ADDITIONAL SPACE OR MORE EQUIPMENT. IF YOU'RE SAYING
13 THEY'RE TAKING THEIR SAVINGS OF WHAT THEY DID BY A
14 COMPETITIVE SITUATION AND BUILDING MORE SPACE, ANY
15 APPLICATION SHOULD BE ABLE TO THEN, ANY SAVINGS, INSTEAD
16 OF RETURNING IT TO CIRM, SHOULD BE APPLIED FOR MORE
17 SPACE.

18 MR. KLEIN: THEY'RE ALLOWING ANYONE TO DO THIS.
19 THIS APPLIES TO ANY PROJECT.

20 DR. WRIGHT: DAVID, THERE WAS A COMMENT ABOUT
21 THE SQUARE FOOTAGE. THIS IS REALLY ABOUT ADDITIONAL
22 VALUE. THAT MAY BE SQUARE FOOTAGE, BUT IT MAY BE IN SOME
23 OTHER FORM, SO WE MAY WANT TO MAKE THE MOTION -- I DON'T
24 THINK YOURS WAS CONFINED TO SQUARE FOOTAGE.

25 MR. KLEIN: MINE WASN'T RESTRICTED. SO IF THEY

BARRISTERS' REPORTING SERVICE

1 CAN GET BETTER EQUIPMENT --

2 DR. WRIGHT: ENHANCED VALUE OF SOME SORT.

3 CHAIRMAN LICHTENGER: OKAY. SO DO WE WANT TO
4 RESTATE THE MOTION.

5 MR. HARRISON: JUST GIVE US A MOMENT TO TRY TO.
6 IF THE APPLICANT IS ABLE TO DELIVER ENHANCED VALUE FOR
7 THE PROJECT, EITHER IN THE FORM OF SQUARE FEET OR
8 EQUIPMENT THAT IS IDENTIFIED IN THE APPLICATION AND THE
9 SPACE OR EQUIPMENT IS COMMITTED TO STEM CELL RESEARCH,
10 THEN IT SHALL NOT BE TREATED AS SAVINGS SUBJECT TO
11 RECAPTURE BY CIRM.

12 CHAIRMAN LICHTENGER: AS LONG AS IT'S DEDICATED
13 TO CIRM RESEARCH. HE SAID STEM CELL RESEARCH.

14 MR. HARRISON: AS LONG AS IT IS COMMITTED --

15 CHAIRMAN LICHTENGER: WELL, IT COULD BE
16 COMMITTED TO OTHER STEM CELL RESEARCH.

17 MR. KLEIN: IT'S COMMITTED UNDER THE CIRM GAP
18 COMMITMENT. THE GAP COMMITMENT UNDER CIRM IS TEN YEARS.

19 CHAIRMAN LICHTENGER: BOB, I'M SAYING THAT I
20 WANT IT COMMITTED TO THE CIRM PROJECT, NOT TO OTHER STEM
21 CELL RESEARCH ON THE CAMPUS.

22 MR. KLEIN: IT DOESN'T MATTER. IT'S COMMITTED
23 TO STEM CELL RESEARCH. THAT'S SUFFICIENT.

24 MR. HARRISON: UNDER THE FGAP CURRENTLY, THE
25 BUILDING HAS TO BE COMMITTED TO STEM CELL RESEARCH, NOT

BARRISTERS' REPORTING SERVICE

1 NECESSARILY TO CIRM-FUNDED STEM CELL RESEARCH.

2 CHAIRMAN LICHTENGER: OKAY. FAIR ENOUGH. FAIR
3 ENOUGH. SO CAN WE CALL ROLL ON THIS.

4 MR. TOCHER: MEMBER FEIT.

5 MS. FEIT: YES.

6 MR. TOCHER: HYSEN.

7 MS. HYSEN: YES.

8 MR. TOCHER: KASHIAN.

9 MR. KASHIAN: I'M GOING TO VOTE YES, BUT I'D
10 LIKE TO STATE A POSITION THAT I HAVE. I BELIEVE THAT WE
11 OUGHT TO PROVIDE ALL OF THE APPLICANTS WITH WHATEVER
12 INNOVATIVE MEASURES THAT THEY MAY DEEM POSSIBLE TO MEET
13 OUR BUDGET SCHEDULE AND TRUST OUR PRESIDENT TO BE ABLE TO
14 ANALYZE THOSE AS OPPOSED TO TAKING EACH INDIVIDUAL CASE.
15 I'M GOING TO VOTE YES ON THIS ISSUE UNDER THOSE
16 CONDITIONS.

17 MR. TOCHER: KLEIN.

18 MR. KLEIN: YES.

19 MR. TOCHER: LAFF.

20 MR. LAFF: YES.

21 MR. TOCHER: LICHTENGER.

22 CHAIRMAN LICHTENGER: YES.

23 MR. TOCHER: SERRANO-SEWELL.

24 VICE CHAIRMAN SERRANO-SEWELL: YES.

25 MR. TOCHER: SHEEHY.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: YES.

2 MR. TOCHER: WRIGHT.

3 DR. WRIGHT: YES.

4 MR. TOCHER: THE MOTION CARRIES.

5 MR. KLEIN: JOAN IS HERE.

6 MS. SAMUELSON: YES.

7 CHAIRMAN LICHTENGER: FIRST OF ALL, I'D LIKE TO
8 SEE IF THERE ARE ANY MORE PUBLIC COMMENTS ON THE GAP.

9 GOOD. ANY MORE GENERAL PUBLIC COMMENTS? I ASKED TWICE.

10 SO I'D LIKE TO WELCOME JOAN BACK TO THE MEETING
11 AND ACKNOWLEDGE IT'S JOAN'S BIRTHDAY TODAY. HAPPY
12 BIRTHDAY.

13 (APPLAUSE.)

14 MS. SAMUELSON: THANK YOU. SO MUCH FOR KEEPING
15 THAT UNDER THE RADAR.

16 CHAIRMAN LICHTENGER: SO I THINK AT THIS POINT I
17 GET TO RELINQUISH MY CHAIRMANSHIP TO THE VICE CHAIR, WHO
18 WILL BE TAKING OVER AS CHAIRING THE PROGRAMMATIC REVIEW
19 FOR THE LARGE FACILITIES APPLICATIONS.

20 VICE CHAIRMAN SERRANO-SEWELL: FIRST, I WANT TO
21 THANK CHAIRMAN LICHTENGER. HE DID A FANTASTIC JOB THIS
22 MORNING AND LAST NIGHT.

23 (APPLAUSE.)

24 VICE CHAIRMAN SERRANO-SEWELL: AND I ALSO WANT
25 TO SAY THAT -- THANK THE PRESIDENT'S STAFF AND THE

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN' S STAFF AND THE PUBLIC AND MY COLLEAGUES FOR
2 AGREEING TO MEET ON A SATURDAY. IT WAS AN ISSUE THAT I
3 KIND OF PUSHED, AND THERE WAS A LOT OF RESISTANCE, BUT
4 WE'RE DOING IT. SO I DO APPRECIATE IT. IT HELPS WITH MY
5 SITUATION. SO THANK YOU FOR THE RECORD ON THAT POINT.

6 AND, OF COURSE, THESE, LIKE, FLOWERS FOR ME AND
7 JOAN AND THE BALLOONS ARE VERY TOUCHING. I DON'T THINK
8 IT WILL BE THE LAST BIRTHDAY I SHARE WITH ALL OF YOU. IT
9 WASN'T THE FIRST, BUT IT'S GOOD TO BE IN GOOD COMPANY
10 WITH FRIENDS.

11 SO LET'S GET STARTED WITH THE PART 2
12 PROGRAMMATIC PIECE OF THIS. I THINK NOW, RICK, WE'LL ASK
13 YOU TO JUST WALK US THROUGH.

14 MR. KELLER: FIRST, A QUESTION FOR THE VICE
15 CHAIR. THERE'S A NUMBER OF PEOPLE HERE THAT WERE HERE
16 YESTERDAY TO SUPPORT THE TECHNICAL REVIEW AND ANSWER
17 QUESTIONS AND SO FORTH. AND IT'S BEEN POSED TO ME ABOUT
18 WHETHER OR NOT THE REPRESENTATIVES, SOME MAY CERTAINLY
19 WANT TO STAY AND SEE THE WORK OF THE COMMITTEE IN
20 PROGRAMMATIC REVIEW. IS THERE AN EXPECTATION OF PEOPLE
21 BEING IN THE ROOM THAT COULD ANSWER QUESTIONS OR WHATEVER
22 ABOUT APPLICATIONS?

23 VICE CHAIRMAN SERRANO-SEWELL: I'LL LEAVE IT TO
24 THE APPLICANT'S PLEASURE. IF THEY WISH TO STAY, THEY
25 CAN. IF ISSUES ARE RAISED AND THEY'RE IN THE ROOM, WE'LL

BARRISTERS' REPORTING SERVICE

1 DECIDE AT THAT POINT WHETHER WE WANT TO POSE THEM TO THE
2 APPLICANTS, BUT THERE'S NOTHING REQUIRING YOU TO STAY.
3 THERE WAS A BIT OF AN EXPECTATION, ALTHOUGH NOT TOTALLY
4 REQUIRED, FOR THE PART 1 PART, BUT NOT REALLY FOR PART 2.

5 CHAIRMAN LICHTENGER: I WOULD AGREE WITH THAT,
6 ALTHOUGH MY RECOMMENDATION MIGHT BE FOR THEM TO STAY
7 BECAUSE THERE MAY BE QUESTIONS, ALTHOUGH THEY'RE NOT
8 REQUIRED.

9 VICE CHAIRMAN SERRANO-SEWELL: LEAVE AT YOUR
10 PLEASURE OR STAY.

11 MR. KELLER: THE PROGRAMMATIC REVIEW BEGINS WITH
12 THE STAFF HAVING PREPARED THE DISPLAYS THAT SHOW THE
13 SCORING THAT YOU DID DURING THE TECHNICAL REVIEW. AND SO
14 WE'RE ABOUT -- WHAT YOU MAY WANT TO DO, HOWEVER, IS TO
15 DISCUSS PRINCIPLES AND GUIDELINES WHERE YOU WOULD
16 BASICALLY BE TAKING INTO CONSIDERATION THE INFORMATION
17 THAT YOU HAVE FROM THE SCORING AND ANY OTHER ISSUES IN
18 TERMS OF YOUR OBJECTIVE THAT WOULD HELP THE WORKING GROUP
19 ACHIEVE A PARTICULAR -- ITS GOAL OF A SLATE OF
20 APPLICATIONS THAT FITS WITHIN THE DOLLAR AMOUNTS THAT
21 WERE THE TENTATIVE ALLOCATION BY THE ICOC.

22 SO YOU MIGHT WANT TO HAVE THAT DISCUSSION FIRST,
23 AND THEN WE CAN DECIDE AND WE WOULD EITHER START WITH THE
24 SPECIAL PROGRAMS AND WORK UP OR AT INSTITUTES AND WORK
25 DOWN.

BARRISTERS' REPORTING SERVICE

1 VICE CHAIRMAN SERRANO-SEWELL: I'D LIKE TO START
2 WITH THE SPECIAL PROGRAMS AND MOVE UP. THAT WAY WE HAVE
3 THE BENEFIT OF JEFF AND MARCY PARTICIPATING.

4 MR. KLEIN: MR. VICE CHAIRMAN, IN THIS CASE MY
5 UNDERSTANDING IS THAT IT'S POSSIBLE TO DISPLAY
6 INFORMATION THAT RELATES TO ALL CATEGORIES, BUT WE CAN
7 ONLY DISCUSS SPECIAL PROGRAMS AND CENTERS OF EXCELLENCE
8 WHILE MARCY FEIT AND JEFF SHEEHY ARE IN THE ROOM; IS THAT
9 CORRECT?

10 MR. HARRISON: THAT'S CORRECT.

11 MR. KLEIN: BUT WE CAN DISPLAY INFORMATION THAT
12 MAY RELATE TO THE WHOLE THING, BUT WE JUST CAN'T DISCUSS
13 ANY INFORMATION RELATED TO THE INSTITUTES.

14 MR. HARRISON: THAT'S RIGHT. THE DISCUSSION HAS
15 TO STAY FOCUSED ON THE SPECIAL PROGRAMS AND THE NEXT
16 LEVEL, THE CENTERS OF EXCELLENCE.

17 VICE CHAIRMAN SERRANO-SEWELL: IS THAT
18 UNDERSTOOD? THANK YOU. SPECIAL PROGRAMS.

19 SO WE'RE LOOKING AT THE SPECIAL PROGRAMS NOW.
20 AND, JEFF, I'LL GET TO YOU. IS IT ALSO POSSIBLE TO GET A
21 QUICK GLIMPSE OF ALL OF THE APPLICATIONS AND WHERE THEY
22 STAND SIMILAR TO THIS SORT OF HANDOUT THAT MS. KING
23 PASSED OUT? IS THAT WHAT WE'RE LOOKING AT NOW? THANK
24 YOU. THAT'S WHAT THIS IS. IT WAS SUGGESTED BY MR. KLEIN
25 THAT WE GET A GLIMPSE OF THIS, AND THEN WE CAN GO BACK TO

BARRISTERS' REPORTING SERVICE

1 THE SPECIAL PROGRAMS ONE. JUST WANT TO TAKE A LOOK AT
2 THAT.

3 CHAIRMAN LICHTENGER: MR. VICE CHAIR, IS THERE A
4 WAY FOR US TO SHOW THE SUMMARY SCORES AS A NUMERICAL AS
5 WE HAVE IN THIS HANDOUT ON A DIFFERENT PROJECTOR SCREEN;
6 IN OTHER WORDS, TOTALS?

7 VICE CHAIRMAN SERRANO-SEWELL: THE KEEPER OF
8 CHARTS.

9 MR. SHEEHY: JUST TWO OTHER PIECES OF
10 INFORMATION, I THINK, MIGHT BE HELPFUL FOR OUR
11 DISCUSSION. ONE IS THE AMOUNT OF REQUEST PER
12 INSTITUTION. AND THEN THE GLOBAL NUMBERS THAT HAVE
13 TENTATIVELY BEEN ALLOCATED FOR THE BOARD FOR EACH
14 CATEGORY SO WE ACTUALLY KNOW WHAT THE NUMBERS ARE WE'RE
15 WORKING AROUND.

16 VICE CHAIRMAN SERRANO-SEWELL: IS THERE A WAY TO
17 COMPILE AND GET THAT INFORMATION ON ONE SPREADSHEET OR
18 GRAPH OF SOME KIND? WHAT JEFF WANTED WAS THE AMOUNT
19 REQUESTED FOR EACH INSTITUTION, EACH APPLICANT.

20 MR. SHEEHY: WE CAN DO THAT BY CATEGORY. WHILE
21 WE'RE IN THE CATEGORY, WE KNOW WHAT HAS BEEN TENTATIVELY
22 ALLOCATED AND THEN WHAT'S BEEN REQUESTED, SO AS WE START
23 TO DO OUR PROGRAMMATIC REVIEW, WE KNOW HOW WE FIT.

24 CHAIRMAN LICHTENGER: MAKES SENSE.

25 MS. LEWIS: I CAN SHOW YOU WHAT'S UP ON THE

BARRISTERS' REPORTING SERVICE

1 SCREEN RIGHT NOW. SO WHAT'S ON THE SCREEN RIGHT NOW HAS
2 THE REQUESTED AMOUNTS, BUT NOT THE SCORES. AND WE'LL
3 WORK TO GET YOU A SPREADSHEET THAT HAS BOTH THE SCORES.
4 THAT'S ENOUGH?

5 CHAIRMAN LICHTENGER: MR. VICE CHAIR.

6 MR. SHEEHY: YOU MIGHT WANT TO THROW THE SCORES
7 UP ON ANOTHER SCREEN.

8 CHAIRMAN LICHTENGER: MR. VICE CHAIR, IS THERE A
9 WAY TO SHOW THE REQUESTED AMOUNTS AND ALSO THE LEVERAGE
10 FOR EACH OF THE APPLICANTS ACROSS ALL THE APPLICATIONS?

11 VICE CHAIRMAN SERRANO-SEWELL: BEFORE WE BOMBARD
12 STAFF WITH CAN YOU SHOW THIS AND CAN YOU SHOW THAT, ALAN
13 AND RICK AND AMY, I THINK YOU ARE GETTING A SENSE OF THE
14 COMMITTEE AS SORT OF THE DATA POINTS THAT WE WANT TO LOOK
15 AT, SO IF YOU NEED A COUPLE OF MINUTES TO MAYBE COMPILE
16 ALL THAT, THAT'S OKAY. BECAUSE I DON'T WANT TO START
17 THIS PROCESS AND THEN ASK CAN YOU PUT THAT UP. TO ME
18 THAT WON'T BE PRODUCTIVE. WHAT I'VE HEARD IS THE AMOUNT
19 REQUESTED.

20 MR. KELLER: IT MIGHT BE FRUITFUL FOR US ALL IF
21 YOU GO TO LUNCH, THEN WE CAN STAY HERE AND NOT HAVE LUNCH
22 AND PUT TOGETHER THESE TABLES. WE'RE WILLING TO DO THAT.

23 CHAIRMAN LICHTENGER: HOW ABOUT A SHORT LUNCH?

24 MR. KELLER: WE JUST NEED SOME TIME.

25 MR. KLEIN: THE VICE CHAIR HAS SUGGESTED THAT I

BARRISTERS' REPORTING SERVICE

1 SHOULD RAISE ONE ITEM THAT MIGHT BE CALCULATED DURING
2 LUNCH THAT WOULD HELP MOVE THIS ALONG.

3 SO THAT ITEM WOULD RELATE TO EQUALIZING, AND I
4 WILL DISCUSS THIS RIGHT NOW AND PRESENT IT ONLY AS TO
5 SPECIAL PROGRAMS AND TO CENTERS OF EXCELLENCE BECAUSE
6 WE'D HAVE TO LATER DISCUSS IT AS TO INSTITUTES. AND THAT
7 WOULD BE TO START OFF TO CREATE A BASELINE OF
8 INSTITUTIONAL COMMITMENT WHICH WOULD BE A ONE-TO-ONE
9 LEVERAGE. THAT WOULD HELP GET US STARTED ON THIS
10 PROCESS.

11 THE INTENT HERE IS THAT WE'RE DEPENDENT ON ALL
12 THE INSTITUTIONS TO AT LEAST SHOW A BASELINE OF
13 COMMITMENT TO THIS ENTERPRISE SO THAT WE CAN REACH THE
14 BROADEST SPECTRUM OF PROGRAMS POSSIBLE BECAUSE WE'LL
15 SERVE OUR MISSION BETTER IF WE CAN HAVE A BROADER
16 SCIENTIFIC AND CLINICAL PROGRAM IN CALIFORNIA.

17 SO I WOULD PROPOSE AS A MOTION FOR DISCUSSION
18 THAT WE ADJUST THE SPECIAL PROGRAMS AND CENTERS OF
19 EXCELLENCE TO A ONE-TO-ONE LEVERAGE.

20 VICE CHAIRMAN SERRANO-SEWELL: IS THERE A SECOND
21 TO THE MOTION?

22 CHAIRMAN LICHTENGER: I WILL SECOND THE MOTION.

23 VICE CHAIRMAN SERRANO-SEWELL: THERE'S A SECOND.
24 IS THERE DISCUSSION AMONGST THE COMMITTEE MEMBERS?

25 MR. SHEEHY: YOU KNOW, I THINK WE MAY BE VEERING

BARRISTERS' REPORTING SERVICE

1 DANGEROUSLY CLOSE TO CONFLICTS TERRITORY, NOT KNOWING
2 WHAT THE LEVERAGE POINTS ARE IN THE INSTITUTES, BUT I
3 THINK THERE'S ONLY ONE SPECIAL PROGRAM THAT HAS THE
4 LEVERAGE NECESSARY TO NOT BE PENALIZED UNDER THIS
5 PARTICULAR -- SO WE'RE KIND OF PREJUDGING WHAT'S GOING TO
6 HAPPEN IN THE SPECIAL PROGRAMS BY ADOPTING THIS MOTION.

7 AND I NOTE THAT IF WE LOOK AT THE BUDGET THAT
8 THE ICOC, THE TARGETED FUNDING AMOUNT, THE SPECIAL
9 PROGRAMS WOULD FIT WITHIN THAT. AND I THINK -- I JUST
10 FEEL A LITTLE CONCERNED ABOUT PENALIZING SOME OF THE
11 SMALLER INSTITUTIONS THAT INVOLVE RELATIVELY SMALL
12 AMOUNTS OF MONEY THAT HAVE REALLY, I THINK, DONE A PRETTY
13 GOOD JOB OF PUTTING FORTH SOMETHING. THEY SHOULD BE
14 JUDGED ON THE MERITS. THEY'RE NOT GOING TO HAVE THE SAME
15 FUND-RAISING CAPACITY AS OTHER INSTITUTIONS. THESE ARE
16 REALLY THE GREEN FIELDS OF STEM CELL RESEARCH. AND IF WE
17 KIND OF PUT THIS ADDITIONAL BURDEN ON THEM BECAUSE, AS I
18 LOOK AT THIS ON THESE THREE, WE READJUSTED SANTA CRUZ, SO
19 I THINK THEY ACTUALLY WOULD HAVE A ONE TO ONE, BUT NONE
20 OF THE OTHER TWO HAVE A ONE TO ONE.

21 MR. KLEIN: THAT'S --

22 MR. SHEEHY: SO WE'VE DECIDED RIGHT OFF THE BAT
23 THAT WE'RE GOING TO PENALIZE THEM FOR NOT HAVING ONE TO
24 ONE. I JUST THINK, ADDITIONALLY, WE'RE CHANGING THE
25 RULES OF THE GAME IN THE MIDDLE OF THE GAME BECAUSE WE

BARRISTERS' REPORTING SERVICE

1 DIDN'T TELL PEOPLE THAT IF YOU DIDN'T HAVE ONE-TO-ONE
2 LEVERAGE, YOU WOULDN'T BE FUNDED. WE'RE SETTING UP A
3 WHOLE NEW CRITERION FOR DETERMINING FUNDING BY SAYING YOU
4 HAVE TO HAVE ONE-TO-ONE LEVERAGE TO HAVE ANY REASONABLE
5 EXPECTATION OF BEING FUNDED, AND WE SHOULD HAVE PUT THAT
6 OUT AT THE VERY BEGINNING.

7 WE DID SAY THAT WE WOULD GIVE POINTS FOR
8 LEVERAGE. WE DID SAY THAT WE WOULD -- BUT THESE THREE
9 ARE ALL WITHIN THE TARGETED FUNDING AMOUNT, VERY CLOSE TO
10 THE TARGETED FUNDING AMOUNT, WHICH IS 18.4 MILLION FOR
11 THAT CATEGORY. AND THEN TO SUDDENLY SAY, WELL, YOU DON'T
12 HAVE ONE-TO-ONE LEVERAGE EVEN THOUGH THE THREE OF YOU
13 COLLECTIVELY CAME IN WITHIN THE AMOUNT THAT THE ICOC IN
14 ITS INFINITE WISDOM THOUGHT WOULD BE APPROPRIATE TO
15 ALLOCATE FOR SPECIAL PROGRAMS SEEMS TO ME TO BE A
16 STRETCH.

17 VICE CHAIRMAN SERRANO-SEWELL: DAVID.

18 CHAIRMAN LICHTENGER: JEFF, I'M NOT SURE. I
19 THINK WHAT WE'D LIKE TO DO IS SEE HOW IT WOULD AFFECT --
20 DURING THE BREAK TO HAVE STAFF SHOW HOW THAT WOULD AFFECT
21 ALL THE VARIOUS DIFFERENT APPLICANTS. ISN'T THAT
22 CORRECT, BOB?

23 MR. KLEIN: YEAH. WE'RE TRYING TO BRING THIS
24 POINT UP SO THAT THEY CAN DO THE CALCULATIONS DURING THE
25 BREAK. AND DURING THE BREAK, FOR INFORMATIONAL PURPOSES

BARRISTERS' REPORTING SERVICE

1 ONLY, NOT FOR DISCUSSION, THEY CAN SHOW IT AS IT APPLIES
2 TO ALL THREE CATEGORIES. WE CAN ONLY DISCUSS IT WHEN WE
3 COME BACK FROM THE BREAK AS TO SPECIAL PROGRAMS AND
4 CENTERS OF EXCELLENCE. BUT INFORMATIONAL PURPOSES, THEY
5 COULD THEORETICALLY PUT IT ON THE SCREEN.

6 MY MOTION IS RESTRICTED ONLY TO THE TWO
7 CATEGORIES.

8 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY
9 FURTHER COMMENTS FROM THE COMMITTEE?

10 MR. SHEEHY: I JUST THINK THIS IS A NOVEL METRIC
11 THAT HASN'T BEEN INTRODUCED BEFORE. WE'VE BEEN TALKING
12 ABOUT HOW WELL -- EVALUATING YOUR BUILDING, EVALUATING
13 YOUR SCIENCE. AND SUDDENLY THE KEY METRIC BECOMES
14 LEVERAGE. AND WE'RE ONLY STATUTORILY REQUIRED TO COME UP
15 WITH 20 PERCENT, AND PEOPLE HAVE CERTAINLY GONE BEYOND
16 THAT. BUT SUDDENLY TO RAISE TO PRIMARY, YOU KNOW, THAT
17 YOU HAVE TO HAVE THIS ONE-TO-ONE MATCH, I DON'T KNOW WHY
18 THAT PARTICULAR -- WHY DON'T WE LOOK AT FUNCTIONALITY?
19 WHY DON'T WE LOOK AT VALUE? WE HAD FIVE DIFFERENT
20 CATEGORIES. AND SUDDENLY LEVERAGE, IT SEEMS TO ME, THAT
21 WE'RE ASSIGNING THAT A HIGHER ROLE IN THE HIERARCHY. I'M
22 NOT SURE WHY. I KNOW WE'VE GOT TO COME UP WITH SOME WAY
23 TO SKIN THE CAT BECAUSE WE'RE ASKING FOR MORE MONEY.

24 MR. KLEIN: THAT'S THE PROBLEM.

25 MR. SHEEHY: I KNOW THAT WE HAVE CONFLICTS

BARRISTERS' REPORTING SERVICE

1 ISSUES, BUT I DON'T KNOW IF I WANT LEVERAGE TO BE
2 DETERMINANT. I WOULD RATHER SEE SCIENCE BE DETERMINANT
3 IF I HAD TO HAVE A CHOICE OR SOME SORT OF GLOBAL VIEW
4 STRATEGICALLY WHAT WE NEED TO HAVE WITHIN THE STATE OF
5 CALIFORNIA IN TERMS OF FUNDING OF SCIENTIFIC RESEARCH.
6 BUT THE LEVERAGE, IF WE'RE GOING TO DO THAT, WHY DON'T WE
7 JUST GIVE EVERYTHING -- WELL, I CAN'T SAY TO THE
8 INSTITUTION THAT HAS THE MOST LEVERAGE BECAUSE I'D
9 PROBABLY BE IN VIOLATION OF CONFLICT OF INTEREST. BUT
10 WE'RE GOING TO MAKE LEVERAGE AS SUCH A KEY FACTOR.

11 VICE CHAIRMAN SERRANO-SEWELL: WE'RE GOING TO
12 TRY TO LIMIT TODAY'S CUTS TO 50 MILLION. I THINK THAT'S
13 AN IMPORTANT GOAL FOR US TODAY OR THIS PORTION OF
14 DISCUSSION.

15 AS TO MR. KLEIN'S MOTION, IF THERE ARE NO
16 FURTHER -- SOMETIMES I CAN'T SEE TO MY LEFT. SO IF
17 THERE'S SOMEONE TO MY LEFT THAT WISHES TO SPEAK TO THIS
18 MOTION.

19 MS. SAMUELSON: YES, I WOULD LIKE TO. IT SEEMS
20 TO ME THAT THERE ARE VALID COMPETING CONSIDERATIONS. BUT
21 I TEND TO AGREE WITH JEFF. AND IN PART BECAUSE I DON'T
22 THINK I'M PREPARED TO KNOW ENOUGH TO KNOW HOW POSSIBLE IT
23 IS.

24 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. ARE
25 THERE ANY OTHER? IF NOT, I'D LIKE TO TAKE PUBLIC COMMENT

BARRISTERS' REPORTING SERVICE

1 ON THE MOTION UNLESS THE COMMITTEE MEMBERS HAVE QUESTIONS
2 OF STAFF. NONE. NONE. ARE THERE PUBLIC COMMENTS ON THE
3 MOTION?

4 MS. SAMUELSON: AS TO STAFF, IT WOULD BE NICE TO
5 HAVE THE BENEFIT OF WHATEVER KNOWLEDGE THE STAFF HAS
6 ABOUT THE CAPACITY TO MEET THIS CHALLENGE. NOT
7 NECESSARILY INSTANTLY, BUT AFTER A BREAK OR WHATEVER.

8 DR. TROUNSON: SORRY. I'M NOT QUITE SURE WHY,
9 FOR EXAMPLE, WE'RE NOT LOOKING AT TAKING A PERCENTAGE
10 THAT'S BASED ON THE FIGURES THAT HAVE BEEN COMPOUNDED
11 RIGHT ACROSS THE SECTOR OF ALL OF THOSE CHARACTERISTICS
12 AND TAKE A PERCENTAGE OF WHAT HAS BEEN REQUESTED AND SEE
13 WHERE YOU END UP. YOU MAY END UP NOT VERY FAR OFF WHERE
14 YOU WANT TO GO, AND YOU THEN CONSIDERED ALL OF THE
15 MATTERS, INCLUDING VALUE, INCLUDING LEVERAGE, AND
16 EVERYTHING IN IT.

17 MY COUNSEL IS MAYBE TO TRY THAT, TO HAVE A LOOK
18 AT IT AND JUST SEE WHERE IT IS BECAUSE, IF I UNDERSTAND
19 IT, IT STILL MIGHT NEED TO BE ADJUSTED BY THE ICOC FOR
20 SCIENCE, BUT IT MAY GIVE -- WOULD MAKE ALL OF THE
21 DISCUSSION THAT YOU'VE BEEN HAVING PARTICULARLY RELEVANT.
22 SO I THINK IT DOES ADDRESS JEFF'S POINT, BUT IT ALSO
23 INCORPORATES STRONGLY BOB'S POINT.

24 MR. KLEIN: IF I COULD UNDERSTAND, ALAN, HOW
25 WOULD YOU APPLY A PERCENTAGE? YOU MEAN A PERCENTAGE FROM

BARRISTERS' REPORTING SERVICE

1 THE TOP TO THE BOTTOM? OR HOW WOULD YOU DO THE
2 PERCENTAGE?

3 DR. TROUNSON: THERE'S A REQUESTED -- REQUEST OF
4 CIRM FOR THAT VALUE. WE HAVE A PERCENTAGE WHICH HAS BEEN
5 DEVELOPED ON THE SCORING SHEETS WHICH INCLUDE ALL OF THE
6 FACTORS. AND THEY WERE THE FACTORS THAT YOU ASKED TO PUT
7 IN VARIOUS COMPONENT POINTS TOO. THAT'S HOW YOU SET THIS
8 UP. AND SO IF YOU'VE GOT 75 -- IF YOU'VE GOT A HUNDRED
9 POINTS, YOU MIGHT ARGUE THAT THAT WAS ABSOLUTELY PERFECT.
10 YOU WOULD GET EVERYTHING THAT YOU ASKED FOR. BUT IF IT
11 WAS ONLY 75 PERCENT ON THIS SCALE, YOU MIGHT SAY THAT
12 THAT POINT WOULD BE ARGUING FOR ONLY 75 PERCENT OF THE
13 REQUESTED GRANT.

14 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU,
15 PRESIDENT TROUNSON. ONE LAST COMMENT FROM BOB.

16 MR. KLEIN: SO IN UNDERSTANDING THIS, ONE OF THE
17 OBJECTIVES WOULD BE NOT TO CREATE SUCH A DEEP CUT IN ANY
18 PARTICULAR INSTITUTION THAT WE KNOCK OUT THE ABILITY TO
19 PERFORM. AND SO IF WE WERE GOING TO ADDRESS IT ON A
20 PERCENTAGE BASIS, I WOULD SUGGEST THAT WE TRY AND LIMIT
21 THE MAXIMUM AMOUNT OF ANY CUT.

22 BUT THE OTHER ISSUE IS THE ABSOLUTE DOLLAR
23 AMOUNT. IN SMALL ABSOLUTE DOLLARS, AT A MILLION FOUR, TO
24 BRING IT UP TO ONE TO ONE, ONE COULD ARGUE THAT SANTA
25 BARBARA COULD, IN FACT, RAISE A MILLION FOUR. SO IT'S A

BARRISTERS' REPORTING SERVICE

1 HIGH PERCENTAGE, BUT IT'S A RELATIVELY SMALL DOLLAR
2 AMOUNT WITH AN INSTITUTION THAT'S BEEN AROUND FOR A LONG
3 TIME AND IT'S CAPABLE PERHAPS TO REACH THAT FIGURE.

4 BUT THE OTHER THING IS THAT I THINK THAT THE
5 PUBLIC NEEDS TO UNDERSTAND THE COMMENT THAT DAVID
6 SERRANO-SEWELL MADE, WHICH IS THAT WE'RE GOING TO -- OUR
7 TARGET TODAY IS TO CUT 50 MILLION, AND YOUR COMMENT THAT
8 THE ICOC IS CHARGED WITH TAKING BOTH OF THESE SCORES
9 TOGETHER AND LOOKING AT THE SCIENCE IN-DEPTH, AND MAKING
10 THOSE FINAL ADJUSTMENTS WEIGHING SCIENCE AND FACILITY
11 SCORES.

12 SO IT'S IMPORTANT THE PUBLIC UNDERSTAND. IT'S
13 MY UNDERSTANDING THAT WHAT YOU PROPOSE, SUBJECT TO
14 COMMITTEE ADOPTION, IS THAT WE CUT 50 MILLION AND LEAVE
15 24 MILLION FOR THE IN-DEPTH SCIENCE REVIEW WITH THE ICOC.
16 AND IN ADDITION, THERE IS THE POSSIBILITY, ONLY AS A
17 POSSIBILITY, THAT THE UP-FRONT FUNDING WILL SOLICIT
18 CERTAIN DISCOUNTS THAT WILL REDUCE THE AMOUNT OF THE 24
19 MILLION THAT NEEDS TO BE CUT. SO THERE'S A COUPLE OF
20 REASONS NOT TO CUT THE LAST 24 MILLION AT THIS LEVEL.

21 VICE CHAIRMAN SERRANO-SEWELL: THAT'S CORRECT.

22 MR. SHEEHY: JUST IN TERMS OF PROCESS, I THINK
23 IF -- I THINK WE SHOULD HAVE A MOTION THAT WE'RE ONLY
24 TALKING ABOUT \$50 MILLION IN CUTS, AND PUT THAT ON THE
25 TABLE AND GET THAT PROCESS STARTED.

BARRISTERS' REPORTING SERVICE

1 SECOND, I AM STILL UNCOMFORTABLE WITH ANY -- IF
2 WE'RE GOING TO START TO VEER OUTSIDE OF THE TARGET
3 FUNDING AMOUNTS, I THINK THAT DISCUSSION IN EACH CATEGORY
4 SHOULD TAKE PLACE. THOSE HAVE BEEN APPROVED BY THE ICOC.
5 SO I DON'T -- WHEN I LOOK AT THE SPECIAL PROGRAM
6 CATEGORY, I'M LOOKING AT I NEED \$115,000. I'M NOT
7 LOOKING AT NEEDING \$50 MILLION. I DON'T KNOW WHY WE'RE
8 SUDDENLY BREAKING OUT OF THE STRAIGHTJACKET THAT THE ICOC
9 PUT ON US. PART OF THE REASON THEY DID THAT WAS TO
10 MAINTAIN A CERTAIN CONFLICT OF INTEREST PURITY BECAUSE I
11 CAN VOTE ON THIS CATEGORY KNOWING THAT NONE OF THIS MONEY
12 WILL AFFECT MY INSTITUTION. IF WE'RE GOING TO START TO
13 BREAK THAT UP, I FEEL LIKE I SHOULDN'T EVEN BE HERE
14 BECAUSE THEN WE'RE TALKING ABOUT GLOBAL NUMBERS. BUT I
15 WANT THAT DECISION TO BE MADE RIGHT NOW.

16 ARE WE GOING TO WORK WITHIN THE PARAMETERS THAT
17 WERE SET UP BY THE ICOC OR NOT?

18 VICE CHAIRMAN SERRANO-SEWELL: JEFF, I'M GOING
19 TO RESPOND TO THAT, AND THEN WE'RE GOING TO SOLICIT
20 PUBLIC COMMENT, THEN WE'RE GOING TO VOTE.

21 I SAW BOB'S PROPOSAL WITH THIS ONE TO ONE AS
22 MERELY AN ADDITIONAL DATA POINT AND NOT PREDETERMINATIVE
23 OF ULTIMATELY MY OPINION AND DECISION WE MAKE TODAY. WE
24 ARE CERTAINLY HIGHLIGHTING ONE OF THE CRITERIONS. WE
25 ARE. AND YOU BRING UP A VALID POINT, THAT WHY DON'T WE

BARRISTERS' REPORTING SERVICE

1 HIGHLIGHT THESE OTHER ONES? I STILL THINK IT'S A GOOD
2 DATA POINT THAT WILL BE HELPFUL, ONLY HELPFUL, IN OUR
3 DISCUSSION AND NOT PREDETERMINATIVE.

4 IS THERE ANY PUBLIC COMMENT TO THE MOTION?

5 MR. KLEIN: AS THE MAKER OF THE MOTION, I'D LIKE
6 TO ASK. I WOULD LIKE TO PERHAPS, AS YOU SAY, CREATE A
7 DATA POINT, BUT I THINK DR. TROUNSON'S MOTION IS VERY
8 INTERESTING. AND MAYBE WHILE WE'RE ON BREAK, WE CAN IN
9 THE MOTION SAY THE MOTION IS TO HAVE THE STAFF PRESENT
10 BOTH CASES, THE ONE-TO-ONE MATCH AND THE APPROACH DR.
11 TROUNSON HAS OUTLINED SO THAT WE CAN SEE HOW THESE
12 DIFFERENT APPROACHES AFFECTS THE APPLICATIONS.

13 CHAIRMAN LICHTENGER: BUT, BOB, I DON'T THINK WE
14 NEED A -- WHY CAN'T WE JUST DIRECT STAFF TO GIVE US SOME
15 SCENARIOS AND YOU CAN WITHDRAW THE MOTION?

16 MR. KLEIN: THE INTENT IS TO MAKE SURE THAT ALL
17 OF THE MEMBERS FEEL THAT THIS IS A REASONABLE WAY TO
18 PROCEED.

19 CHAIRMAN LICHTENGER: WE'RE JUST ASKING STAFF TO
20 ANALYZE --

21 MR. KLEIN: I THINK IT'S UP TO THE VICE CHAIR.

22 VICE CHAIRMAN SERRANO-SEWELL: I FEEL MORE
23 COMFORTABLE WITH HAVING -- MAKING A FORMAL STATEMENT BY
24 WAY OF MOTION. I DON'T WANT TO PROLONG THE PROCESS. I
25 THINK WE NEED TO GET SOMETHING TO EAT AND GIVE STAFF THE

BARRISTERS' REPORTING SERVICE

1 TIME THEY NEED.

2 MR. KELLER: JUST A POINT OF CLARIFICATION ON
3 THE MOTION. IS IT ONE-TO-ONE LEVERAGE, CIRM TO LEVERAGE,
4 OR DOES IT INCLUDE THE MATCH?

5 MR. KLEIN: INCLUDING THE MATCH. CONSIDER ALL
6 THEIR FUNDS.

7 MR. KELLER: SO CIRM FUNDS ONE, MATCH PLUS
8 LEVERAGE ONE.

9 MR. KLEIN: EXACTLY. THAT'S ONE APPROACH. AND
10 THE OTHER APPROACH TO LOOK AT IS DR. TROUNSON'S APPROACH.

11 VICE CHAIRMAN SERRANO-SEWELL: IS THERE COMMENT
12 FROM THE PUBLIC?

13 MR. SIMPSON: JOHN SIMPSON, CONSUMER WATCHDOG.
14 IT SEEMS TO ME THAT YOU'VE -- I'VE GOT TO AGREE WITH
15 JEFF. YOU'RE VERY CLOSE TO PUTTING HIM INTO CONFLICT
16 HERE. IT SEEMS TO ME YOU'VE GOT TO WORK WITHIN THE
17 PREDETERMINED AMOUNTS FROM THE ICOC. I DON'T SEE HOW YOU
18 CAN AVOID THAT. AND THAT WOULD MEAN YOU'VE GOT ONLY
19 ABOUT \$115,000 IN THE ONE CATEGORY, AND THEN YOU'VE GOT
20 PROBLEMS IN THE OTHERS. AND I THINK DR. TROUNSON'S
21 APPROACH MIGHT BE WHAT NEEDS TO COME TO BEAR IN THE OTHER
22 TWO AS A POSSIBILITY. I DON'T SEE HOW YOU CAN
23 ESSENTIALLY GO AGAINST THE GUIDANCE AND PARAMETERS THAT
24 THE ICOC SET UP.

25 MR. KLEIN: THE ICOC SET UP THOSE GUIDELINES

BARRISTERS' REPORTING SERVICE

1 BEFORE WE HAD ANY APPLICATIONS. AND IF YOU LOOK
2 DOWNSTREAM, YOU WILL FIGURE OUT THE MATH IS THAT IF WE
3 DON'T MODIFY THOSE CATEGORIES, WE'RE GOING TO RUN OUR
4 HEAD INTO THE WALL IN CENTERS OF EXCELLENCE. SO THE
5 ISSUE IS LET'S GET SOME DATA UP, AND LET'S LET THIS
6 COMMITTEE DECIDE WHAT THEY WANT TO DO.

7 VICE CHAIRMAN SERRANO-SEWELL: WITHIN THE
8 PARAMETERS THAT THE ICOC SET FORTH AND THAT ARE EMBODIED
9 IN THE RFA.

10 MR. REED: I'M STRUGGLING TO UNDERSTAND. I
11 THOUGHT THAT THERE WAS A 20-PERCENT LEVERAGE REQUIREMENT.
12 NO. THIS IS NOT CORRECT. MATCH. MATCH.

13 NOW, ONLY THING I REALLY AM CONCERNED WITH IS
14 THAT NOTHING ON THIS MOTION WOULD DISQUALIFY ANY ONE OF
15 OUR APPLICANTS.

16 VICE CHAIRMAN SERRANO-SEWELL: ABSOLUTELY NOT.
17 IS THERE ANY OTHER FURTHER COMMENT FROM THE COMMENT?
18 SEEING NONE, MR. TOCHER, WOULD YOU PLEASE CALL THE ROLL.

19 MR. TOCHER: TO RESTATE, THE MOTION TO ADJUST
20 THE BASELINE OF THE INSTITUTIONAL COMMITMENT TO A
21 ONE-TO-ONE LEVERAGE FOR SPECIAL PROGRAMS AND CENTERS OF
22 EXCELLENCE.

23 MARCY FEIT.

24 MS. FEIT: NO.

25 MR. KLEIN: I DON'T THINK THAT'S THE MOTION.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: POINT OF INFORMATION. I DON'T
2 UNDERSTAND THE MOTION.

3 MR. KLEIN: I DON'T THINK THAT IS THE MOTION. I
4 THINK THE MOTION I MADE AND AMENDED PURSUANT TO DR.
5 TROUNSON'S REFERENCE WAS TO ADJUST THE MATCH AND LEVERAGE
6 TO A ONE-TO-ONE RELATIONSHIP WITH THE CIRM CONTRIBUTION
7 AS ONE DATA POINT -- SET OF DATA POINTS. AND ON THE
8 OTHER SET OF DATA POINTS IS TO FOLLOW DR. TROUNSON'S
9 METHODOLOGY. AND USING THE SCORES THAT WE HAVE FROM THE
10 TECHNICAL REVIEW, SHOW WHAT THE RESULT WOULD BE IN THE
11 PERCENTAGE REDUCTIONS BASED UPON THE PERCENTAGE THAT THE
12 SCORE WAS BELOW A HUNDRED PERCENT. I THINK THAT'S THE
13 MOTION.

14 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU FOR THE
15 CLARIFICATION.

16 MS. SAMUELSON: I DON'T UNDERSTAND THE MOTION
17 WELL ENOUGH TO VOTE. I'M SORRY. I DON'T UNDERSTAND WHAT
18 A DATA POINT IS RELATIVE TO WHETHER THIS IS A REQUIREMENT
19 OR NOT.

20 MR. KLEIN: THIS IS A MOTION RIGHT NOW TO GIVE
21 US THE INFORMATION UNDER TWO DIFFERENT APPROACHES.

22 MS. SAMUELSON: ALL WE'RE DOING IS VOTING ON
23 WHETHER WE'RE GOING TO REQUEST OF STAFF --

24 MR. KLEIN: THIS IS WHAT THEY'RE GOING TO DO
25 WHILE WE'RE AT BREAK, SO WHEN WE COME BACK, WE'LL HAVE

BARRISTERS' REPORTING SERVICE

1 THESE TWO DIFFERENT APPROACHES.

2 MS. FEIT: WHY DO WE NEED TO VOTE?

3 MR. KLEIN: SO THAT WE AGREE WHAT THE STAFF IS
4 GOING TO DO AND WHAT APPROACH WE'RE GOING TO LOOK AT.

5 CHAIRMAN LICHTENGER: MR. CHAIR.

6 MR. KLEIN: THERE'S A ROLL CALL IN ORDER THAT'S
7 IN PROCESS.

8 VICE CHAIRMAN SERRANO-SEWELL: PEOPLE CAN VOTE
9 THE WAY THEY WANT. SCOTT, CAN YOU CALL THE ROLL.

10 MR. TOCHER: SURE. I'LL START FROM THE TOP.

11 FEIT.

12 MS. FEIT: NO.

13 MR. TOCHER: HYSEN.

14 MS. HYSEN: THIS IS JUST ONE MORE WAY TO
15 CONSIDER? YES.

16 MR. TOCHER: KASHIAN.

17 MR. KASHIAN: I'M VOTING YES. IF THIS IS SIMPLY
18 A WAY OF UNDERSTANDING THE ISSUE, THAT'S ONE THING. BUT
19 I WANT IT UNDERSTOOD IT DOESN'T COMMIT MY VOTE TO ANY
20 FUTURE DECISIONS.

21 VICE CHAIRMAN SERRANO-SEWELL: IT DOES NOT.

22 MR. TOCHER: KLEIN.

23 CHAIRMAN LICHTENGER: IS THAT A YES?

24 MR. KASHIAN: YES.

25 MR. KLEIN: YES.

BARRISTERS' REPORTING SERVICE

1 MR. TOCHER: LAFF.

2 MR. LAFF: NO.

3 MR. TOCHER: LICHTENGER.

4 CHAIRMAN LICHTENGER: YES.

5 MR. TOCHER: SAMUELSON.

6 MS. SAMUELSON: YES.

7 MR. TOCHER: SERRANO-SEWELL.

8 VICE CHAIRMAN SERRANO-SEWELL: I'M THE VICE

9 CHAIR, SO CALL ME LAST.

10 MR. TOCHER: SHEEHY.

11 MR. SHEEHY: I'M ABSTAINING ON THIS. I'M NOT

12 SURE HOW THIS WOULD IMPACT CONFLICTS OF INTEREST.

13 MR. TOCHER: WRIGHT.

14 DR. WRIGHT: YES.

15 MR. TOCHER: SERRANO-SEWELL.

16 VICE CHAIRMAN SERRANO-SEWELL: YES.

17 SO WE'RE GOING TO TAKE A 30-MINUTE LUNCH BREAK.

18 WE'RE GOING TO ASK STAFF TO COMPILE THAT DATA. MR.

19 KELLER, IF YOU NEED ANY OF THE COMMITTEE MEMBERS TO STICK

20 AROUND TO AID AND HAVE ANY QUESTIONS, WE WILL DO SO.

21 AND, MR. HARRISON, ALSO DURING THE BREAK, I'D ALSO LIKE

22 YOU TO LOOK AT ANY CONFLICT ISSUES THAT MR. SHEEHY OR ANY

23 OTHER MEMBERS MAY HAVE AND TO GIVE THEM COUNSEL.

24 MR. KELLER: BEFORE YOU BREAK, I JUST WANT TO

25 MAKE ONE -- REITERATE THE FACT THAT WE ARE -- WE'LL WORK

BARRISTERS' REPORTING SERVICE

1 IS QUICKLY AS POSSIBLE TO GET THIS PULLED TOGETHER. WE
2 HAVE A HARD STOP. THE ROOM -- THIS ROOM EVAPORATES AT 3
3 P.M. IT'S NO LONGER OUR ROOM. SO IT'S IMPORTANT THAT WE
4 WORK DILIGENTLY TO A CONCLUSION.

5 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. SO
6 RESUME AT FIVE TO ONE. RESUME AT FIVE MINUTES TO ONE,
7 12:55.

8 (A RECESS WAS TAKEN.)

9 VICE CHAIRMAN SERRANO-SEWELL: WE'LL CALL THIS
10 MEETING OF THE FACILITIES WORKING GROUP BACK TO ORDER.
11 THANK YOU FOR EVERYONE'S PATIENCE, AND THANK YOU, STAFF,
12 FOR COMPILING THIS DATA WHILE WE WERE EATING LUNCH.
13 APPRECIATE IT.

14 SO WHY DON'T WE START WITH THE INFORMATION THAT
15 WAS REQUESTED FROM THE COMMITTEE BEFORE WE WENT INTO
16 RECESS. AND ONCE WE HAVE THAT INFORMATION, DR. TROUNSON,
17 IF YOU WOULD PLEASE PERHAPS COMMENT ON IT AND LEAD US IN
18 A DISCUSSION WHERE YOU DEEM APPROPRIATE.

19 DR. TROUNSON: THANK YOU, VICE CHAIR. IT WILL
20 COME UP ON YOUR SCREEN IN A MOMENT. WHAT WE'VE PROPOSED,
21 AT LEAST ONE OF THE ANALYSES THAT YOU GAVE US THAT WE
22 WERE CHARGED TO DO OVER LUNCHTIME, WAS TO TAKE WHAT
23 YOU'VE BEEN CONSIDERING, WHICH ARE THE FIVE FACTORS THAT
24 ARE BUILT INTO YOUR CONSIDERATIONS DURING THE LAST TWO
25 DAYS, THE FUNCTIONALITY BEING WORTH 15 POINTS OUT OF 100,

BARRISTERS' REPORTING SERVICE

1 THE URGENCY 20 POINTS, SHARED 15 POINTS, LEVERAGE 25
2 POINTS, AND VALUE 25 POINTS.

3 SO THAT COMPUTES OUT OF 100 AS A PERCENTAGE.

4 THERE WILL BE SOME OF THE ORGANIZATIONS THAT ACHIEVE
5 MARKS AS HIGH AS 95, SO THEY'RE ALMOST PERFECT, ONLY LOST
6 FIVE POINTS IN THE WHOLE WAY THROUGH. THE LOWEST ONE WAS
7 73. SO THERE'S A SPREAD OF 20 ODD POINTS.

8 NOW, IF YOU MAKE THAT PERCENTAGE A PERCENTAGE OF
9 THE REQUESTED FUNDING FROM CIRM AND WE KNOW THAT WE HAVE
10 TO GET CLOSE TO \$50 MILLION IN SAVINGS, WHAT HAPPENS IF
11 YOU APPLY THAT PERCENTAGE? USING YOUR FIGURES THAT YOU
12 USED DURING THESE LAST TWO DAYS, YOU GET TO AN OVERALL
13 SAVING OF 47 MILLION AS SHOWN ON THE -- 47 AND A HALF
14 MILLION AS SHOWN ON THE BOTTOM OF THE SLIDE.

15 WE'VE TAKEN OFF THE NAMES JUST TO PREVENT ANY
16 VIEW OF -- YOU KNOW, THAT MIGHT BE A CONFLICT, VICE
17 CHAIR. IT'S NOT MEANT TO BE ANYTHING ELSE BUT THAT. AND
18 IT SHOWS YOU THAT SOME ORGANIZATIONS WILL HAVE A LOSS OF
19 AROUND 800,000. AND THE LARGEST LOSS, IF YOU LIKE
20 REDUCTION, WILL BE AROUND EIGHT MILLION.

21 NOW, I THINK IF YOU CAN CONSIDER THOSE, CONSIDER
22 THOSE FIGURES, WE WOULD -- THE AGENCY WOULD CONSIDER
23 GETTING THAT CLOSE TO 50 MILLION AS A KIND OF DONE DEAL
24 BECAUSE WE DO KNOW THAT THE ICOC WANT TO MAKE SOME MINOR
25 ADJUSTMENTS. AND WE'RE ABLE -- WE MIGHT BE ABLE TO FIND

BARRISTERS' REPORTING SERVICE

1 WAYS OF ACCOUNTING FOR A RELATIVELY SMALL SUM IN THE
2 OVERALL.

3 SO WHAT I'M RECOMMENDING TO YOU, I THINK IT DOES
4 ADDRESS SOME OF THE ISSUES THAT JEFF SHEEHY RAISED, I
5 THINK IT ADDRESSES SOME OF THE ISSUES THAT BOB KLEIN
6 RAISED, THAT THIS IS -- THIS MIGHT BE A POSITION THAT YOU
7 COULD ADOPT GIVEN THAT YOU SPENT A LOT OF TIME IN
8 GENERATING THOSE EARLY FIGURES. AND IT GETS CLOSE TO
9 SOMETHING THAT WE COULD PROBABLY DEAL WITH.

10 VICE CHAIRMAN SERRANO-SEWELL: BOB KLEIN.

11 MR. KLEIN: I THINK THAT ALAN'S APPROACH IS
12 SUPERIOR TO MY APPROACH BECAUSE I WAS GOING TO GO THROUGH
13 IT IN STEPS. AND IT EFFECTIVELY LIFTS THE LEVERAGE TO
14 ONE TO ONE, AND THAT'S APPROPRIATE BECAUSE THE LEVERAGE
15 IS ABOUT 25 PERCENT OF THE TOTAL POINTS, AND IT AMOUNTS
16 TO ABOUT 19 MILLION OF THOSE ADJUSTMENTS UNDER THAT
17 SYSTEM. SO 18 MILLION IS EXACTLY 25 PERCENT OF 72
18 MILLION. I THINK THAT THIS APPEARS TO BE SUPERIOR AND
19 GETS IT DONE IN ONE STEP; WHEREAS, MINE DIDN'T, SO I
20 THINK THIS IS A VERY GOOD APPROACH. BUT WE'RE NOT MAKING
21 ANY MOTIONS. THIS IS JUST AN INFORMATIONAL STATEMENT ON
22 THIS.

23 VICE CHAIRMAN SERRANO-SEWELL: IT IS AN
24 INFORMATIONAL STATEMENT, BUT WE MIGHT GET INTO SOME OF
25 THE TEXTURE AND GRANULARITY OF THIS CHART HERE. SO IN AN

BARRISTERS' REPORTING SERVICE

1 ABUNDANCE OF CAUTION, BOTH MARCY AND JEFF, BASED ON
2 JAMES' RECOMMENDATION, ARE GOING TO JUST STEP OUT, WHICH
3 I THINK IS A GOOD IDEA.

4 DR. TROUNSON: WE CAN PUT THE NAMES BACK IF YOU
5 ARE HAPPY THERE.

6 VICE CHAIRMAN SERRANO-SEWELL: I GUESS WE CAN
7 NOW BARRING NO CONFLICTS WITH THE COMMITTEE MEMBERS
8 PRESENT, AND I DON'T THINK THERE ARE ANY, MR. TOCHER.

9 MR. TOCHER: THAT'S CORRECT.

10 VICE CHAIRMAN SERRANO-SEWELL: SO YOU COULD PUT
11 THE INSTITUTION'S NAME ON. GOOD IDEA.

12 MS. HYSEN: RICK, CAN I ASK FOR THOSE OF US THAT
13 ARE OPTICALLY CHALLENGED, ARE THEY GOING TO HAVE
14 PRINTOUTS FOR US TO LOOK AT BECAUSE IT'S KIND OF HARD TO
15 SEE, FOR ME AT LEAST.

16 VICE CHAIRMAN SERRANO-SEWELL: MR. LICHTENGER.

17 CHAIRMAN LICHTENGER: SO I DO LIKE THE
18 PRESIDENT'S SUGGESTION IN THAT IT ACCOMPLISHES MOST OF
19 WHAT WE WANTED TO ACHIEVE TODAY IN ONE FELL SWOOP. IN
20 THAT SENSE, IT SEEMS TO BE ELEGANT AND KIND OF SIMPLE AND
21 SCIENTIFIC IN A CERTAIN WAY.

22 SO MY ONLY CONCERN ON THIS PARTICULAR
23 METHODOLOGY IS THAT IT DOES PENALIZE THE HIGH SCORE, YOU
24 KNOW. SO THAT WAS MY ONLY CONCERN THAT I JUST WANT TO
25 RAISE, BUT IT DOES KIND OF GET US ALMOST THERE.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: EVERYONE GETS WHAT THEIR SCORE WOULD
2 HAVE AWARDED THEM. IF THEY GOT A 95 SCORE, THEY GOT 95
3 PERCENT OF THE FUNDING.

4 CHAIRMAN LICHTENGER: AND THE GOOD THING IS IT
5 DOES ACCOUNT EQUALLY, NOT EQUALLY, BUT IT DOES ACCOUNT
6 FOR ALL THE VARIOUS DEFINITIONS AND CRITERIA AS WE SET
7 OUT IN OUR ORIGINAL DEFINITION. SO I GUESS THIS IS -- TO
8 ME IT LOOKS LIKE IT COULD BE THE BEST, SIMPLE, ELEGANT
9 SOLUTION WE HAVE TOWARDS THIS FUNDING ISSUE.

10 VICE CHAIRMAN SERRANO-SEWELL: JANET WRIGHT.

11 DR. WRIGHT: I THINK WE ARE SORT OF APPROACHING
12 THE HEATED AGREEMENT. I'M STRUCK BY THE SIMPLICITY OF IT
13 AND ALSO THE EQUITABLE -- APPARENT EQUITABILITY OF THIS,
14 IF THAT'S A WORD, BECAUSE OUR MISSION IS TO FUND ALL OF
15 THESE PROGRAMS TO THE EXTENT POSSIBLE. I'M IN FAVOR OF
16 THIS APPROACH.

17 MR. KLEIN: LET ME ASK A PROCESS QUESTION IF I
18 COULD, VICE CHAIR. WE COULD HAVE A MOTION TO DEAL WITH
19 ALL OF THEM; BUT THEN AFTER -- ASSUMING THAT THAT WERE TO
20 PASS, SEGREGATE OUT CENTERS OF EXCELLENCE AND SPECIAL
21 PROGRAMS, ASK MARCY FEIT AND JEFF SHEEHY TO COME BACK IN,
22 AND ASK THEM IF THEY WOULD PROPOSE ANY AMENDMENTS TO
23 THOSE TWO SECTIONS. JUST OUT OF A DESIRE --

24 MS. SAMUELSON: I HAVE A COMMENT.

25 VICE CHAIRMAN SERRANO-SEWELL: OKAY.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: I'M NOT SO CRAZY ABOUT IT. LET
2 ME GIVE YOU A COUPLE EXAMPLES. UC MERCED, IN LEVERAGE
3 THEY SCORED EIGHT POINTS BELOW THE MAXIMUM POSSIBLE.
4 STANFORD SCORED 100 PERCENT, A HUNDRED -- 25 OUT OF 25.
5 OF COURSE, STANFORD CAN DO THAT. THAT DOESN'T SAY
6 ANYTHING ABOUT THE MERITS. AND I THOUGHT IT WAS
7 WONDERFUL TO BE FUNDING MERCED.

8 NOW, TO LOSE 10 PERCENT OF THE FUNDS THAT WOULD
9 COME TO THEM BECAUSE THEY HAVE A SCORE OF 85 COMPARED TO
10 STANFORD BECAUSE THEY LOST THOSE POINTS ON LEVERAGE WHEN
11 THEY'RE A BRAND-NEW INSTITUTION AND DON'T HAVE THEIR OWN
12 CONSTITUENCY AND FOR ALL SORTS OF REASONS AREN'T A BUNCH
13 OF FAT CATS OUT AT UC MERCED, THEY'RE GOING TO HAVE A
14 LESS ROBUST CAPITAL PROGRAM, AND I DON'T LIKE THE SOUND
15 OF THAT.

16 I ALSO HAPPEN TO BE CONCERNED ESPECIALLY ABOUT
17 BUCK BECAUSE I REALLY THINK THAT'S A VERY INNOVATIVE
18 EFFORT, AND THAT IT'S GOING TO DO SOMETHING IN A WAY THAT
19 NONE OF THE OTHER CAPITAL INVESTMENTS ARE GOING TO DO BY
20 PROVIDING THIS ENVIRONMENT FOR VERY INTERESTING
21 COLLABORATIONS AND CONVENING PERHAPS ON AN INTERNATIONAL
22 BASIS. I THINK IT COULD BE VERY INTERESTING. THEY HAVE
23 A BRAND-NEW LITTLE INSTITUTE. MAYBE IT'S FIVE YEARS OLD.
24 I DON'T THINK IT'S ANY OLDER THAN THAT, MAYBE A FEW
25 YEARS. THEY'VE BEEN DOING WONDERFUL THINGS, TURNING OUT

BARRISTERS' REPORTING SERVICE

1 ALL KINDS OF BREAKTHROUGH INTERESTING SCIENTIFIC FINDINGS
2 IN THE AREA OF AGING.

3 BUT I'M NOT SO SURE THAT THEY HAVE THE CAPACITY
4 TO RAISE MONEY LIKE SOME OF THESE OTHER WEALTHY,
5 LONG-STANDING INSTITUTIONS DO. TO PENALIZE THEM, AGAIN,
6 IT'S THE SAME BASIS, IT JUST DOESN'T FEEL LIKE WHAT WE
7 WANT TO DO IN THE PROGRAMMATIC REVIEW, WHICH IS GIVE
8 ANOTHER LOOK AND WHAT ARE THE CRITERIA WE REALLY CARE
9 ABOUT THE MOST, AND THOSE ARE THE ONES I CARE ABOUT.

10 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU, JOAN.

11 MR. KLEIN: IN TERMS OF THE YOUNG INSTITUTIONS,
12 I THINK A NUMBER OF US WILL NEED TO REALLY CONTRIBUTE
13 TIME TO TRY AND HELP THEM RAISE MONEY. IT'S A FAIR
14 POINT, JOAN, THAT THEY'RE GOING TO HAVE A DIFFICULT TIME.
15 THEY'RE MOVING THE SCREEN AROUND PRETTY FAST, BUT IF IT'S
16 769,000 FOR MERCED OR A MILLION TWO FOR SANTA BARBARA OR
17 A MILLION FOUR FOR SANTA CRUZ, I MEAN THOSE ARE
18 ACCOMPLISHABLE NUMBERS. AND, FRANKLY, THEY STARTED OUT
19 WITH HUGELY LESS LEVERAGE THAN THE REST OF THEM. AND THE
20 REASON I BRING THAT UP IS THAT EVERYONE HAS TO HAVE AN
21 INSTITUTIONAL COMMITMENT FOR THIS TO WORK. EVERYONE HAS
22 TO CONTRIBUTE FOR THIS TO WORK. WHEREAS, STANFORD'S
23 CONTRIBUTING THREE TO ONE AND UCSF AND UC BERKELEY AND
24 OTHERS HAVE VERY HIGH LEVELS OF LEVERAGE. THESE SMALL
25 INSTITUTIONS HAVE VERY LOW LEVELS OF LEVERAGE EVEN UNDER

BARRISTERS' REPORTING SERVICE

1 THIS FORMULA. AND I JUST THINK WE HAVE TO GO OUT AND
2 HELP THEM FILL THOSE GAPS. BUT I THINK THOSE ARE
3 ACCOMPLISHABLE.

4 THEY ARE IMPORTANT CONTRIBUTIONS. I THINK THESE
5 INSTITUTIONS ARE GREAT, YOUNG, THEY'RE MAKING A GREAT NEW
6 CONTRIBUTION TO THE FIELD. AS YOU KNOW, JOAN, I SPOKE IN
7 FAVOR OF A LOT OF THE CHARACTERISTICS OF THE BUCK
8 PROJECT. I THINK THEY HAVE A TREMENDOUS INSTITUTION AS
9 WELL, AND THEY ARE A YOUNG INSTITUTION, PROBABLY ABOUT 12
10 OR 14 YEARS OLD, BUT THEY --

11 MS. SAMUELSON: FROM THE BUILDING OF THE
12 BUILDINGS RATHER THAN THE DEVELOPMENT OF THE INSTITUTE.

13 VICE CHAIRMAN SERRANO-SEWELL: BOB, ARE YOU
14 GOING TO WRAP UP YOUR THOUGHT?

15 MR. KLEIN: I DO THINK THAT IF YOU LOOK AT
16 ALMOST ANY OTHER ALLOCATION, YOU ARE GOING TO COME OUT
17 EFFECTIVELY MATHEMATICALLY AT LEAST AT THIS LEVEL ON THE
18 INSTITUTIONS YOU'RE ADDRESSING.

19 VICE CHAIRMAN SERRANO-SEWELL: BOB, LET ME ASK
20 YOU A QUESTION. WHEN WE ADOPTED OUR FGAP, WE HAVE IN
21 THERE SORT OF AN INCENTIVE PROGRAM, IF YOU WILL, WHERE
22 THE INSTITUTIONS CAN GET SOME MONEY UP FRONT AND WE HAD
23 ALL THAT DISCUSSION. WE DON'T KNOW IF ANYONE IS GOING TO
24 TAKE US UP ON THAT PROVISION IN THE GAP, BUT AN
25 INSTITUTION COULD, RIGHT?

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: UH-HUH.

2 VICE CHAIRMAN SERRANO-SEWELL: WITH THAT
3 SAVINGS, I THINK PART OF THE IDEA, THE POLICY BEHIND THAT
4 WAS WE COULD THEN APPLY THAT OR THAT WOULD FREE UP
5 ADDITIONAL DOLLARS?

6 MR. KLEIN: IT WOULD. BUT REMEMBER, IF WE'RE
7 CUTTING 47 MILLION SIX, APPROXIMATELY 50 MILLION, TODAY,
8 THERE'S STILL THEN 27 MILLION TO CUT AT THE ICOC BASED
9 UPON THE OVERALL INTEGRATION OF SCIENTIFIC SCORES AND
10 FACILITY SCORES. SO WE'VE GOT TO CHALLENGE -- WE'RE
11 CHALLENGING OURSELVES BETWEEN NOW AND THAT BOARD MEETING
12 TO FIND A WAY TO TRY AND REDUCE THAT GAP. WE'RE NOT
13 LEAVING THE BOARD WITHOUT MAJOR CHALLENGES HERE.

14 VICE CHAIRMAN SERRANO-SEWELL: DAVID LICHTENGER.

15 CHAIRMAN LICHTENGER: YOU KNOW, I WOULD LIKE TO
16 ASK STAFF, IF WE WERE TO APPLY THIS MODEL, HOW IT DEALS
17 WITH THE BUCKETS OF MONEY THAT THE ICOC GAVE US, THE
18 RANGE, SO THAT WE COULD KNOW, BECAUSE I'M ALMOST READY TO
19 MAKE A MOTION ON THIS PARTICULAR MODEL TO PROPOSE THIS AS
20 THE SOLUTION, BUT I'D LIKE TO SEE HOW IT AFFECTS THE
21 BUCKETS OF MONEY AND IF IT'S WITHIN THE RANGE THAT ICOC
22 HAS RECOMMENDED. ACTUALLY IT PROBABLY WOULDN'T BECAUSE
23 WE'RE SHORT BY -- I'D LIKE TO SEE IF IT CUTS -- I'D LIKE
24 TO SEE THAT NUMBER ANYWAY.

25 MR. KELLER: TWO THINGS. WE CAN DO THAT, BUT

BARRISTERS' REPORTING SERVICE

1 I'LL HAVE TO DO A RESORT AND PUT IN SOME SUMMATIONS. BUT
2 YOU ALSO ASKED TO HAVE THIS PRINTED OFF. SO IF I CAN
3 TAKE THIS DOWN AND HAVE SOME COPIES MADE OF THIS
4 DISPLAY --

5 CHAIRMAN LICHTENGER: THAT'S FINE.

6 MR. KELLER: -- SO THAT WE CAN GET IT STARTED TO
7 PRINT.

8 CHAIRMAN LICHTENGER: MR. VICE CHAIR, COULD I BE
9 SO BOLD?

10 VICE CHAIRMAN SERRANO-SEWELL: I'M GOING TO
11 ENTERTAIN A MOTION FROM MR. KLEIN.

12 MR. KLEIN: SO I'D LIKE TO MAKE A MOTION FOR THE
13 BENEFIT -- AS TO THE CIRM INSTITUTES, AND I'M
14 SPECIFICALLY NOT ADDRESSING CENTERS OF EXCELLENCE OR
15 SPECIAL PROGRAMS, SO WE CAN GET MARCY AND JEFF BACK IN
16 FOR THAT, BUT AS TO THE INSTITUTES, THAT WE ADOPT THIS
17 METHODOLOGY PROPOSED BY OUR ESTEEMED AUSTRALIAN IMPORT OF
18 GREAT TALENT, DR. TROUNSON, FOR MAKING REDUCTIONS IN THE
19 REQUESTS.

20 CHAIRMAN LICHTENGER: SECOND.

21 VICE CHAIRMAN SERRANO-SEWELL: SECOND BY MR.
22 LICHTENGER. DISCUSSION AMONG THE WORKING GROUP MEMBERS?
23 MR. KASHIAN.

24 MR. KASHIAN: I UNDERSTAND THE DEFICIT ISSUE AND
25 TERMS, AND NOW I'M SPEAKING IN FAVOR OF THE LOWER GROUP,

BARRISTERS' REPORTING SERVICE

1 THE SMALLER GROUP. THEIR DEFICIT FROM THE ICOC BUDGET IS
2 SOMETHING AKIN TO 500,000. WHAT'S THE DEFICIT BETWEEN
3 THE REQUEST AND THE AMOUNT?

4 DR. TROUNSON: 72 MILLION.

5 MR. KASHIAN: WHAT'S THE DIFFERENCE BETWEEN THE
6 REQUEST OF THE THREE APPLICANTS AND THE AMOUNT ALLOCATED
7 BY THE ICOC TO THIS CATEGORY?

8 DR. TROUNSON: I THINK YOU WERE TALKING ABOUT
9 ANOTHER CATEGORY, THE CATEGORY WITH SEVEN IN. YOU'RE NOT
10 TALKING ABOUT THE SAME THING AS BOB KLEIN.

11 MR. KLEIN: I THINK I CAN ANSWER THE QUESTION.
12 THERE WAS AN ORIGINAL ALLOCATION MADE BY THE BOARD THAT
13 ED IS REFERRING TO BEFORE WE EVEN SAW THE APPLICATIONS.
14 AND THAT HAS 18 MILLION FOR THIS CATEGORY; IS THAT RIGHT?

15 VICE CHAIRMAN SERRANO-SEWELL: 18.4 MILLION.

16 MR. KLEIN: 18.4 MILLION. AND THEY HAVE
17 REQUESTED ESSENTIALLY \$18 MILLION. BUT REALIZE THAT WE
18 CAN'T DEAL -- GIVEN THAT WE NOW HAVE THE APPLICATIONS AND
19 GIVEN THAT WE NOW HAVE INFORMATION THE ICOC NEVER HAD, WE
20 CAN'T MAKE THAT BUDGET OF 18 MILLION WORK BECAUSE IT
21 BUSTS THE BUDGETS FOR CENTERS OF EXCELLENCE. SO IF WE'RE
22 GOING TO HAVE A VIABLE CENTERS OF EXCELLENCE PROGRAM, WE
23 HAVE TO NOW READJUST THE BUDGET BASED UPON THE KNOWLEDGE
24 THAT WE HAVE.

25 MR. KASHIAN: I AGREE WITH THAT. HOWEVER, IF

BARRISTERS' REPORTING SERVICE

1 YOU CAN TAKE THE PERCENTAGE OF THE ALLOCATION FOR THE
2 LOWER INSTITUTES AND HAVE THEM MAKE UP THAT PERCENTAGE AS
3 OPPOSED TO DEALING AT A MUCH LARGER DEFICIT. I'M NOT
4 SUGGESTING THEY SHOULDN'T GET A CUT. I'M JUST SAYING IT
5 SHOULD BE PROPORTIONATE TO THEIR REQUEST.

6 VICE CHAIRMAN SERRANO-SEWELL: ANY OTHER
7 COMMENTS FROM THE COMMITTEE MEMBERS?

8 MS. HYSEN: I'M UNCLEAR WHAT WE'RE DOING HERE.
9 I THOUGHT IN THE PROGRAMMATIC REVIEW, BEFORE WE DECIDED
10 HOW WE WOULD BEGIN TO FUND, THAT WE'D LOOK AT THE USE AND
11 CONTRIBUTION SCORE THAT THE SCIENTIFIC GROUP APPLIED SO
12 THAT WE COULD COMPARE AND CONTRAST TO OUR SCORE SO THAT
13 WE HAD THOSE TWO UP, AND THEN WE WOULD START TO IDENTIFY
14 FUNDING.

15 I THOUGHT THAT THE CHIEF SCIENTIST WOULD BE HERE
16 TO HELP US WITH THAT BECAUSE I'VE BEEN CONCERNED ABOUT --
17 I CAN SEE BASED ON WHAT I HAVE IN FRONT OF ME THAT WE MAY
18 HAVE AWARDED HIGH SCORES ON FACILITIES WHERE THE
19 SCIENTISTS AWARDED A LOW SCORE. AND CONVERSELY, WE DID
20 THE SAME WITH THE OTHER END OF THE SPECTRUM. SO I
21 THOUGHT THE PURPOSE OF THE PROGRAMMATIC REVIEW WAS TO GET
22 BOTH SCORES UP SO THAT THAT SCREEN HAD ANOTHER CHART SO
23 WE COULD SEE, AND THEN WE STARTED TO TALK ABOUT FUNDING.
24 IN MY OPINION, I'D LIKE TO DEFER THE MOTION FOR HOW WE
25 FUND UNTIL WE GET THROUGH THAT PIECE.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: THE ORIGINAL PROGRAM INTENT WAS FOR
2 THE DEEP SCIENCE REVIEW TO BE DONE AT THE ICOC, WHO HAS
3 THE ABILITY TO GO IN EXECUTIVE SESSION, GO THROUGH THE
4 SCIENCE SCORES IN-DEPTH TO SEE THE PROPRIETARY
5 INFORMATION, AND INTEGRATE IN THE PUBLIC DISCUSSION THE
6 SCIENTIFIC SCORES AND OUR SCORES. WE CAN DO SOME
7 SCIENTIFIC ADJUSTMENT BECAUSE WE HAVE SCORES, BUT IN
8 TERMS OF OUR CENTRAL MISSION --

9 MS. HYSEN: BUT OUR BOOK SAYS WE'RE GOING TO DO
10 EXACTLY WHAT I SAID. OUR BOOK SAYS THE VICE CHAIR -- IN
11 TODAY'S SESSION THE VICE CHAIR WILL ASK WORKING GROUP
12 MEMBERS TO COMMENT ON THE SCORING INFORMATION DISPLAYED
13 FOR THE PARTICULAR CATEGORY OF APPLICANTS WITH AN
14 EMPHASIS ON COMPARING AND CONTRASTING THE FACILITY
15 WORKING GROUP'S SCORES AND GRANTS WITH THE WORKING GROUP
16 USE SCORES. THE CHIEF SCIENTIFIC OFFICER WILL BE
17 AVAILABLE TO ANSWER ANY QUESTIONS CONCERNING THE USE
18 SCORE ASSIGNED BY THE GRANTS WORKING GROUP. AND THEN THE
19 NEXT ITEM IS THE FUNDING. THAT'S MY CONFUSION.

20 VICE CHAIRMAN SERRANO-SEWELL: WHAT YOU RAISED,
21 DEBORAH, IS WHAT IS ABSOLUTELY SAID FOR THE PROGRAMMATIC
22 REVIEW. I DON'T HAVE A PROBLEM WITH PUTTING THOSE USE
23 SCORES FOR THE INSTITUTES. I DON'T HAVE A PROBLEM WITH
24 THAT AT ALL BECAUSE I DON'T THINK IT'S -- IT WILL BE
25 INTERESTING. SO SINCE WE COMMITTED TO DOING THAT, THEN

BARRISTERS' REPORTING SERVICE

1 LET' S DO I T.

2 SO FOR THE SEVEN INSTITUTES, MR. KELLER.

3 MR. KELLER: WE DISTRIBUTED THE SUMMARY.

4 VICE CHAIRMAN SERRANO-SEWELL: OF THE USE
5 SCORES.

6 MR. KELLER: SHOULD BE IN YOUR FOLDERS.

7 MR. KLEIN: I THINK WHAT SHE' S ASKING, AND A
8 VERY REASONABLE REQUEST, IS JUST TO CREATE A COLUMN WHERE
9 YOU PUT THE USE SCORES UP NEXT TO EACH OF THOSE SO THAT
10 WE HAVE THE ABILITY TO CROSS-CORRELATE.

11 MS. HYSEN: I THINK THE INTENT, AND PERHAPS THE
12 INTENT IS WHAT I' D LIKE TO HEAR, I THOUGHT THE INTENT IS
13 THAT THE FACILITY WORKING GROUP HAS A CERTAIN SET OF
14 EXPERTISE. FOR ME IT' S REAL ESTATE. AND I CLEARLY DON' T
15 WANT TO BUILD ANYTHING THAT DOESN' T HAVE THE RIGHT
16 PROGRAM WITHIN IT. AND I THINK FROM WHAT I SAW OF THE
17 PROGRAMMATIC REVIEW, IT ALLOWED ME AN OPPORTUNITY TO SAY
18 I MAY HAVE SCORED THAT INSTITUTION VERY HIGH ON THE REAL
19 ESTATE END OF THE SPECTRUM, BUT THE SCIENTISTS CLEARLY
20 DON' T BELIEVE IT' S THE RIGHT PROGRAM. SO WHY WOULD I
21 WANT TO GIVE MONEY TO THEM TO BUILD A BUILDING THAT THE
22 SCIENTISTS DON' T BELIEVE WILL PRODUCE? IS THAT THE
23 INTENT?

24 VICE CHAIRMAN SERRANO-SEWELL: NO, NOT ENTIRELY.
25 I THINK THE INTENT WAS, AS I UNDERSTOOD IT, MAYBE I

BARRISTERS' REPORTING SERVICE

1 UNDERSTOOD IT WRONG, THE INTENT WAS JUST TO GET AN IDEA
2 OF WHAT THE SCIENTIFIC WORKING GROUP DID. BUT THE
3 PRIMARY STATUTORY -- OUR MANDATE IS TO DEAL WITH
4 FACILITIES. THAT'S IT, PERIOD. IN THE PROGRAMMATIC
5 REVIEW, WE CAN TAKE -- WE CAN LOOK AT OTHER BITS OF
6 INFORMATION, AND THAT'S WHAT THIS USE SCORE IS GOING TO
7 BE ABOUT.

8 MS. HYSEN: WE CAN TAKE IT INTO CONSIDERATION.
9 DOESN'T HAVE TO DRIVE.

10 VICE CHAIRMAN SERRANO-SEWELL: CORRECT. YES,
11 THAT'S THE INTENT OF IT. SO WE HAVE THE USE SCORES UP
12 NOW PER YOUR REQUEST. THEY'RE ALSO IN HERE SOMEWHERE.

13 CHAIRMAN LICHTENGER: I'D LIKE TO COMMENT ON
14 DEBORAH'S QUESTION AND COMMENT. SO, DEBORAH, I
15 UNDERSTAND YOUR QUESTION AND YOUR CONCERN. BUT GIVEN
16 THAT THERE MAY BE SOME CREATIVE WAYS WHERE --

17 VICE CHAIRMAN SERRANO-SEWELL: LET'S JUST TAKE A
18 LOOK AT THIS HERE. WE HAVE OUR CHIEF SCIENTIFIC OFFICER
19 PRESENT.

20 CHAIRMAN LICHTENGER: WE'RE LOOKING AT ALL THE
21 APPLICANTS OR JUST THE INSTITUTES?

22 VICE CHAIRMAN SERRANO-SEWELL: THE MOTION WAS TO
23 THE CIRM INSTITUTES, SO THAT'S WHAT YOU WANT TO SEE RIGHT
24 NOW.

25 MR. KLEIN: CAN YOU JUST HIDE THOSE COLUMNS THAT

BARRISTERS' REPORTING SERVICE

1 ARE NOT CIRM INSTITUTES?

2 MS. HYSEN: FOR ME, WHEN I THINK OF WHAT THE
3 SCIENTISTS THOUGHT OF IN PROVIDING THIS SCORE, I MAY HAVE
4 LOOKED AT ASSIGNING A VALUE OR A FUNCTIONALITY SCORE,
5 THAT IF THE SCIENTISTS DID NOT FEEL THAT THE FACILITY
6 PROVIDED THE VALUE OR THE FUNCTIONALITY, I WOULD WANT TO
7 KNOW IF MY SCORE SHOULD BE MODIFIED IN CONSIDERATION OF
8 THEIR SCORES.

9 DR. CSETE: MAY I SPEAK TO THAT? SO THE USE
10 SCORE IS A SUMMATION OF THE X, Y, AND Z OR X AND Y PLUS
11 OTHER CONSIDERATIONS THAT WENT IN. BUT I THINK THE
12 FUNDAMENTAL THING TO CONSIDER IS THAT ALL OF THE
13 INSTITUTIONS THAT ARE BEING CONSIDERED, NO MATTER WHAT
14 CATEGORY TODAY, ARE THOSE WHERE THE SCIENCE WAS DEEMED
15 MOST MERITORIOUS. AND WE WEREN'T PRIVY IN THE REVIEW
16 PROCESS TO KNOWING PARTICULARS ABOUT THE BUILDING. THERE
17 WAS GENERAL DESCRIPTIONS ABOUT THE BUILDING, BUT IT WAS
18 THE SCIENCE SORT OF IN ISOLATION.

19 WE DID HEAR COMMENTS IN SOME OF THE BACK AND
20 FORTH AFTER PART 2 ABOUT HOW THE SCIENTISTS FELT THAT THE
21 BUILDING CONTRIBUTED TO OR SYNERGIZED THEIR WORK. BUT IN
22 TERMS OF THE INTERACTION OF THE BUILDING AND THE SCIENCE,
23 THAT WAS NOT A MAJOR PART OF THE USE SCORE.

24 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.

25 MS. HYSEN: CAN I SPEAK TO THAT? MAYBE BECAUSE

BARRISTERS' REPORTING SERVICE

1 I DON'T QUITE UNDERSTAND THE SCIENCE. IF, FOR INSTANCE,
2 A FACILITY OFFERED MULTIPLE THINGS, A VIVARIUM, A CORE
3 IMAGING FACILITY, I FELT THAT THAT RAISED THE VALUE
4 BECAUSE I DON'T KNOW ANYTHING MORE THAN IT SEEMED THAT
5 THE SCIENTISTS FELT THAT WAS VALUABLE. SO I UNDERSTAND
6 YOU DON'T THINK THE SCIENTISTS WERE SPEAKING TO THE
7 FACILITY DESIGN, BUT THAT IS PART OF THE DESIGN. AND SO
8 I GAVE A VALUE SCORE, EVEN LIKE THE SHARED RESOURCES, I
9 GAVE A VALUE SCORE TO THE THINGS, THE SCIENTIFIC THINGS
10 THAT WERE IN THAT BUILDING. AND WHAT CONCERNS ME IS I
11 MAY HAVE GIVEN A VERY HIGH VALUE SCORE FOR A SCIENTIFIC
12 ELEMENT THAT PERHAPS THE SCIENTISTS DIDN'T RATE SO
13 HIGHLY.

14 SO WHEN I THOUGHT WE WERE GOING TO COMPARE AND
15 CONTRAST THE SCORES TO SORT OF NORMALIZE, IF YOU WILL,
16 EITHER BRING MY EXPECTATION DOWN OR PERHAPS ILLUMINATE
17 THE SCIENTISTS ON A PARTICULAR ELEMENT OF THE BUILDING
18 THAT WOULD ENHANCE THEIR WORK, I THOUGHT THAT WAS PART OF
19 TODAY'S DISCUSSION.

20 DR. CSETE: IT IS. BUT, AGAIN, THE SCIENCE IS
21 FACILITATED BY LOTS OF THINGS THAT WERE IN BUILDINGS IN
22 SOME APPLICATIONS AND LOTS OF THINGS THAT WERE
23 COLLECTIVELY BROUGHT TOGETHER OUTSIDE OF THE BUILDING FOR
24 SOME APPLICATIONS. SO IT'S THE TOTALITY, NOT THE
25 BUILDING ITSELF.

BARRISTERS' REPORTING SERVICE

1 NOW, THERE WAS A SCORE FOR THE USE OF FACILITY
2 AS PART OF THE SCIENTIFIC APPLICATION, BUT I DON'T THINK
3 THAT WE CAN GET DOWN TO THE SPECIFICS FOR EXACTLY THE
4 KINDS OF REASONS THAT WE HAVE PROBLEMS TALKING ABOUT
5 LEVERAGE. YOU CAN LOOK AT THE DISCREPANCIES. AND I
6 THINK THE X, Y, AND Z SCORES MAY HELP YOU LOOK AT THE
7 DISCREPANCIES BETWEEN THE WAY WE WOULD BE ORDERED IF WE
8 WERE ORDERED JUST BASED ON SCIENCE AND THE WAY WE WOULD
9 BE ORDERED IF WE WERE ORDERED JUST BASED ON THE PART 2
10 DISCUSSION.

11 AGAIN, I THINK THE BOTTOM LINE IS THAT THE
12 SCIENCE AS A WHOLE WAS CONSIDERED MERITORIOUS TO PROCEED
13 TO THIS PHASE. AND IT WAS THE TOTALITY OF THE BUILDING
14 AND ALL OF THE OTHER CORES AND THINGS BROUGHT INTO IT TO
15 MAKE THE SCIENCE GO FORWARD THAT YOU HEARD ABOUT IN PART
16 2.

17 MS. HYSEN: LET ME ASK A QUESTION. IF WE WANTED
18 TO KEEP OUR SCORES PRISTINE, IF WE SAID THAT THE TOP
19 SCORES GET THE MONEY AND THE BOTTOM SCORES FALL OUT, AND
20 LET'S JUST TAKE UCLA AS AN EXAMPLE. IT HAPPENS TO BE ONE
21 OF THE BOTTOM SCORES FOR US, BUT A TOP SCORE FOR THE
22 SCIENTISTS. AND LET'S SAY THERE ISN'T ANYONE ABOVE US
23 THAT GETS TO MAKE A DECISION. OF COURSE, THERE ARE. IF
24 OUR DECISION TODAY IS THAT BOTTOM INSTITUTIONS FALL OUT,
25 WHAT WOULD THE SCIENTISTS' RESPONSE BE TO THAT?

BARRISTERS' REPORTING SERVICE

1 DR. CSETE: THAT THEY FALL OUT ALTOGETHER?

2 MS. HYSEN: IF THAT WAS THE WAY IN WHICH WE
3 APPROACHED THIS TODAY.

4 DR. CSETE: WELL, THAT WOULD BE DISASTROUS FOR
5 THE TEAMS THAT FALL OUT. THAT'S HOW THEY WOULD RESPOND.

6 MS. HYSEN: AND I THINK THAT'S WHAT I'M TRYING
7 TO SAY IS HOW DO WE FIGURE OUT A WAY TO TAKE SOME ASPECT
8 OF THE SCIENTIST SCORE TO BALANCE OUR REAL ESTATE SCORE?

9 MR. KLEIN: IF I CAN SUGGEST, THERE IS A PRETTY
10 BIG BALANCE IN THERE RIGHT NOW IN TERMS OF THE ABILITY TO
11 GET THE STATEWIDE DISTRIBUTION OF RESOURCES. BECAUSE
12 WITH THESE ADJUSTMENTS, UCLA AND UC IRVINE, WHO BOTH
13 ASKED FOR A LOT OF MONEY AND PUT UP LESS THAN MATCH, ARE
14 NOW ONE TO ONE. THE PEOPLE ABOVE THAT WITH THESE
15 ADJUSTMENTS ARE AT A TWO-TO-ONE LEVERAGE OR MORE, OR
16 APPROXIMATELY TWO TO ONE. THEY'RE CLOSE. I DON'T
17 THINK -- SAN DIEGO ISN'T EXACTLY AT TWO TO ONE BECAUSE I
18 DON'T KNOW WHAT THE NEW NUMBER IS ON THE OTHER SIDE, BUT
19 THEY'RE VERY HIGH LEVERAGE.

20 SO BASICALLY THE ONLY DISCONTINUITY HERE BETWEEN
21 THE SCIENCE SCORES OF SIGNIFICANCE IS UCI AND UCLA. WITH
22 THOSE TWO CASES, YOU HAVE TO ASK YOURSELF DO WE BUY
23 OURSELVES TWICE AS MUCH CAPACITY BECAUSE WE HAVE TWICE AS
24 MUCH LEVERAGE AT AN 84 SCORE, OR DO WE BUY OURSELVES AN
25 80 OR AN 88 SCORE, OR DO WE BUY OURSELVES HALF AS MUCH

BARRISTERS' REPORTING SERVICE

1 RESEARCH AT A 92 OR 90 SCORE? THE FACT IS THAT THE
2 REASON THAT THEY'RE DOWN THERE IS BECAUSE THEY HAVEN'T
3 REALLY HELPED THE OVERALL PROGRAM AS MUCH AS EVERYONE
4 ELSE HAS IN TERMS OF EXPANDING OUR CAPACITY TO REACH GOOD
5 SCIENCE.

6 ON A PROBABILITY THEORY, IF YOU LOOK AT THE NIH
7 HISTORY, BUYING MORE SCIENCE AND MORE SCIENCE OF QUALITY,
8 AND ALL OF THIS HAS BEEN RECOMMENDED TO BE OF QUALITY, IS
9 A BETTER PROBABILITY IN TERMS OF GETTING OUTCOMES WE'RE
10 SEARCHING FOR.

11 VICE CHAIRMAN SERRANO-SEWELL: IF YOU LOOK AT
12 THIS, I'M STRAINING TO LOOK AT IT, BUT I'LL READ IT
13 OUT -- I WON'T READ IT OUT, BUT IF YOU LOOK AT THE USE
14 SCORES AND THE FACILITY WORKING GROUP SCORES FOR MOST OF
15 THE APPLICANTS IN THIS CATEGORY EXCEPT FOR TWO, THEY
16 MIRROR ONE ANOTHER IN FACT. THE ONES THAT DON'T REALLY
17 MIRROR ONE ANOTHER ARE, TO NO SURPRISE, THE USE SCORE FOR
18 UCLA WAS 90, OUR SCORE WAS 73, UC IRVINE, THE USE SCORE
19 WAS 92, FACILITIES WORKING GROUP SCORE WAS 80. WHAT I
20 HEAR BOB SAYING, THAT'S REFLECTED IN WHAT WE'RE GIVING
21 THEM OR WHAT WE'RE RECOMMENDING. THEY'RE GETTING LESS
22 MONEY.

23 DR. CSETE: MAY I SAY ONE MORE THING? YOU WERE,
24 I THINK, TOLD TO CONSIDER THE SCIENCE, AND THAT'S WHAT
25 YOU WANTED TO DO. THERE WAS NO FORMULA DEVELOPED BY THE

BARRISTERS' REPORTING SERVICE

1 I COC OR IN ANY PART OF THE PROCESS ABOUT HOW YOU WOULD
2 CALCULATE THAT. SO CONSIDERING IS WHAT WE'RE DOING.

3 MS. HYSEN: I'M TRYING TO WORK INTO BOB'S AND
4 ALAN'S ARGUMENT, AND I WASN'T THERE EARLIER BECAUSE I
5 WANTED TO KEEP OUR REAL ESTATE SCORES SOMEWHAT PRISTINE,
6 AND I FELT THAT THIS WAS SORT OF A BASTARDIZATION OF THAT
7 PROCESS. WHEN YOU DO ADD AND YOU COMPARE AND CONTRAST
8 THE SCIENCE SCORES IN THERE, THEN IT REALLY DOES TELL ME
9 WE SHOULDN'T DROP ANYONE OUT OF THE EQUATION. AND THERE
10 HAS TO BE A WAY TO CONSIDER EVERYONE IN THIS EQUATION
11 BECAUSE IF IT WAS JUST TO BE THE REAL ESTATE SIDE OF ME,
12 I'D SAY, LOOK, EVERYBODY HAS A FAIR SHOT AT IT, AND THE
13 APPLICATIONS STOOD ON THEIR OWN. THEREFORE, THE ONES
14 THAT DROP OUT ARE X AND Y. AND I THINK HEARING FROM YOU
15 AND SEEING THE SCORES UP THERE, THAT WOULD BE DISASTROUS.
16 AND SO TO FIND A WAY FOR ME TO FEEL COMFORTABLE WITH THE
17 PRESENTATION, I NEEDED TO SEE THIS. THANK YOU.

18 VICE CHAIRMAN SERRANO-SEWELL: DAVID LICHTENGER.

19 CHAIRMAN LICHTENGER: I JUST WANT TO COMMENT TO
20 DEBORAH'S QUESTIONS AND COMMENTS ABOUT THIS. SO WE ARE
21 THE FACILITIES WORKING GROUP. WE'RE NOT THE GRANTS
22 WORKING GROUP. AND THERE IS, INTERESTING ENOUGH, A VERY
23 HIGH DEGREE OF CORRELATION BETWEEN THE USE SCORE AND THE
24 FACILITIES WORKING GROUP SCORE HERE. AND I THINK IN THE
25 COUPLE OF CASES WHERE THEY DON'T CORRELATE, I THINK THIS

BARRISTERS' REPORTING SERVICE

1 IS A PERFECT EXAMPLE OF ALLOWING THE ICOC TO MAKE THOSE
2 DECISIONS EXACTLY HOW THEY WANT TO DEAL WITH IT. AND
3 ALSO THAT THERE MAY BE ADDITIONAL COST SAVINGS IDEAS THAT
4 ARE JUST BEING EXPLORED THAT POSSIBLY MAY YIELD SOME
5 DOLLARS.

6 I JUST THINK THIS IS THE MOST SIMPLE, ELOQUENT
7 WAY TO KEEP THE FACILITIES WORKING GROUP'S WORK CLEAN AND
8 DEAL WITH WHAT WE HAVE OUR EXPERTISE IN. THERE'S A
9 MOTION ON THE FLOOR.

10 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU, DAVID.
11 ARE THERE ANY OTHER COMMENTS FROM THE COMMITTEE MEMBERS?

12 MS. SAMUELSON: I'M GOING TO TAKE A DIFFERENT
13 POINT OF VIEW, AND SINCE THERE'S A PENDING MOTION, MAYBE
14 I WOULDN'T STATE A MOTION, BUT I WANT TO GIVE YOU MY
15 THOUGHT ABOUT IT, WHICH IS THAT MY -- ONE OF MY
16 CONTINUING PRIORITIES THAT'S HIGHER FOR ME IS GETTING
17 THESE FACILITIES PROVIDED AROUND THE STATE AND TO GET A
18 VERY ROBUST CAPITAL PROGRAM GOING. AND I LIKED THEM ALL.
19 IT SOUNDED TO ME LIKE THE SCIENTIFIC SCORE FOR UCLA WAS
20 VERY HIGH, AND I DIDN'T HEAR ONE ON UCSB. PERHAPS WITH
21 THOSE TWO EXCLUDED, BUT PROBABLY WITH THEM INCLUDED, I'M
22 COMFORTABLE FUNDING EVERYBODY. ESPECIALLY WHEN I LOOK AT
23 THE FACT THAT THE TOP THREE, THEY GET INTO THE 90S
24 BECAUSE THEIR LEVERAGE SCORE IS HIGHER THAN THE OTHERS.
25 SO REALLY THESE ARE ALL IN THE 80S WITH THE EXCEPTION OF

BARRISTERS' REPORTING SERVICE

1 THE LAST TWO.

2 AND SO I WOULD WANT TO CONSIDER SOMETHING THAT
3 PRO RATA PROPORTIONATELY, BASED ON HOW MUCH MONEY IS IN
4 THE BUDGETS OR SOMETHING, TRIMS ALL OF THEM TO GET RID OF
5 THAT 50 MILLION. THEN IF THEY CAN RAISE MORE MONEY, THEY
6 CAN BUILD A RICHER CAPITAL PROJECT OR SOMETHING LIKE
7 THAT. WE CAN WORK OUT ALL THE DETAILS, BUT I WOULD NOT
8 TO PENALIZE THEM IN THE WAY THAT I THINK THE MOTION DOES.

9 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY
10 OTHER COMMENTS FROM MEMBERS OF THE COMMITTEE? MR.
11 KELLER.

12 MR. KELLER: I WON'T ADD MUCH TO THIS, BUT I
13 JUST WANTED TO MAKE ONE CLARIFICATION ABOUT THE USE SCORE
14 BECAUSE I WROTE THE PROCEDURE, AND WE DID HAVE A
15 CONSULTATION ABOUT THAT. AND I JUST WANTED TO POINT OUT
16 THAT THIS WAS REALLY IN RESPONSE TO SOME THINGS THAT
17 HAPPENED ON THE SHARED LABS WHERE THE FACILITIES WORKING
18 GROUP WAS IN KIND OF ONE BALLPARK IN TERMS OF THE PROJECT
19 AND THE GRANTS WORKING GROUP WAS IN A COMPLETELY
20 DIFFERENT BALLPARK. THIS WAS JUST THE OPPORTUNITY. AND
21 I THINK OUR CONCLUSION WAS IT MAY OR MAY NOT COME INTO
22 PLAY, BUT LET'S INCLUDE IT BECAUSE IF SOMEBODY WAS AT 50
23 FOR THE GRANTS WORKING GROUP, YOU WOULD WANT TO KNOW
24 THAT.

25 VICE CHAIRMAN SERRANO-SEWELL: IT'S A REALLY

BARRISTERS' REPORTING SERVICE

1 IMPORTANT ITEM OF INFORMATION. I'M GLAD IT'S IN THERE.
2 I'M GLAD DEBORAH INSISTED THAT WE PUT IT UP HERE. I
3 THINK IT VALIDATES THE MOTION. AND NOW I'LL ASK IF THERE
4 ARE ANY COMMENTS FROM THE PUBLIC.

5 MR. REED: DON REED. I AM CONCERNED THAT WE ARE
6 HELPING -- GIVING THE MOST HELP TO THOSE WHO NEED THE
7 LEAST HELP. I THINK WE ARE LOSING TRACK OF WHAT OUR
8 ULTIMATE GOAL IS, WHICH IS JUST TO ADVANCE THE SCIENCE.
9 WINSTON CHURCHILL ONCE SAID, TO EVERY COMPLICATED
10 QUESTION, THERE IS AN ANSWER WHICH IS SIMPLE, ELEGANT,
11 AND WRONG. I FEAR THIS IS WHAT IS HAPPENING HERE. WE
12 FOUND A WAY, BASED ON LEVERAGE, TO SOLVE A VERY DIFFICULT
13 PROBLEM. I WOULD HOPE THAT WE WOULD COMPLICATE IT AGAIN.
14 I REALLY -- I LOOK AT THE SCORES, AND I KNOW THE SCIENCE
15 PROGRAMS THAT ARE GOING ON TO SOME EXTENT. AND I FEEL
16 THAT THE REAL VALUE WE'RE GOING TO GET IS THE SCIENCE.

17 NOW, THE LEVERAGE IS ALREADY GOING TO REWARD
18 THEM TREMENDOUSLY. STANFORD IS ALREADY GOING TO GET MUCH
19 MORE BANG FOR THE BUCK BECAUSE THEY HAVE THIS TREMENDOUS
20 FUND-RAISING MACHINE GOING. I WISH EVERY COLLEGE IN THE
21 COUNTRY HAD THIS. BUT I KNOW UCI. I KNOW THEIR SCIENCE
22 PROGRAM. FOR THEM TO BE SCORED LIKE AN 80 FOR THE TOTAL
23 SCORE, I THINK IS JUST COMPLETELY WRONG.

24 VICE CHAIRMAN SERRANO-SEWELL: LET ME ASK YOU A
25 QUESTION, DON. THAT IS, AS I UNDERSTOOD WHAT WAS UP

BARRISTERS' REPORTING SERVICE

1 HERE, AND THIS WAS DR. TROUNSON'S SUGGESTION, THIS IS
2 TOTALITY AND AVERAGE OF ALL THE WORKING GROUP SCORE. SO
3 IT WASN'T JUST WHAT BOB HAD SUGGESTED. BOB HAD SUGGESTED
4 LET'S DO THIS LEVERAGE THING. OKAY. WE DON'T WANT TO DO
5 THAT BECAUSE WE THINK IT'S A BAD IDEA NOW. WE LIKED
6 ALAN'S IDEA. SO THAT'S WHAT YOU'RE SEEING UP HERE NOW.
7 I JUST WANTED THAT CLARIFICATION. I DON'T THINK IT'S
8 GOING TO CHANGE YOUR MIND, WHICH IS FINE, BUT I JUST
9 WANTED YOU TO UNDERSTAND THAT WHAT YOU SEE UP THERE IS
10 THE AVERAGES FOR THE FACILITIES WORKING GROUP SCORE AND
11 THAT RANKING. THAT TAKES IN ALL OF THE CONSIDERATIONS
12 THAT WE BASED OUR SCORES ON TODAY: FUNCTIONALITY, SHARED
13 RESOURCES, LEVERAGE WAS ONE OF THEM. SO THAT'S WHAT'S UP
14 HERE NOW. I DON'T THINK THAT'S GOING TO CHANGE YOUR
15 MIND, BUT I JUST WANTED YOU TO KNOW THAT.

16 MR. REED: WELL, I APPRECIATE THAT. I DON'T
17 PRETEND TO UNDERSTAND THIS FULLY AT ALL. YOU GUYS
18 OPERATE AT A WHOLE DIFFERENT WAVELENGTH THAN MY SMALL
19 BRAIN CAN HANDLE. I DO KNOW I WANT THE SCIENCE TO MOVE
20 FORWARD, NO. 1. I KNOW YOU ALL DO TOO. I JUST HATE THE
21 THOUGHT OF A FIRST-RATE SCIENTIFIC INSTITUTION BEING
22 GIVEN SECOND-RATE FUNDING, ALTHOUGH THIS IS MAGNIFICENT.
23 PROP 71 IS MAGNIFICENT. IN OUR HIGH LEVEL STANDARDS, TO
24 GET A LESSER LEVEL OF FUNDING WHEN THE SCIENCE IS SO
25 OUTSTANDING JUST SEEMS TO BE A MISTAKE. MY THOUGHTS.

BARRISTERS' REPORTING SERVICE

1 VICE CHAIRMAN SERRANO-SEWELL: I HAVE TO TELL
2 YOU, DON, IT PAINS ME. IT DOES PAIN ME BECAUSE I KNOW
3 THE GOOD THAT UCI DOES FOR PEOPLE WITH M. S. THEY'RE
4 PUTTING IN A LOT OF HOURS. THEY CARE ABOUT THESE PEOPLE.
5 THEY ALWAYS OPEN THEMSELVES UP TO THE M. S. COMMUNITY WHEN
6 THEY WANT TO DO TOURS OF THE FACILITIES. DR. KEIRSTEAD
7 AND HIS TEAM, THEY DO AN ENORMOUS PUBLIC OUTREACH EFFORT.
8 I THINK THEY'RE REALLY THE MODEL. MORE INSTITUTIONS NEED
9 TO DO MORE OUTREACH TO ADVOCACY GROUPS. WHERE I'M
10 STANDING RIGHT NOW, IT IS WHAT IT IS, AND WE JUST HAVE TO
11 MOVE ON. YOUR POINTS ARE REALLY WELL TAKEN.

12 MR. REED: OF COURSE, THIS IS THE ULTIMATE
13 FUNDING MECHANISM, AS FAR AS I'M CONCERNED, ON EARTH.
14 AND MY OBJECTIONS ARE INTENSELY FELT, BUT THEY'RE
15 QUIBBLES IN COMPARISON WITH THE MAGNIFICENT THINGS YOU
16 GUYS ARE DOING.

17 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. OTHER
18 MEMBERS FROM THE PUBLIC THAT WISH TO SPEAK?

19 MR. SIMPSON: JOHN SIMPSON, CONSUMER WATCHDOG.
20 ALTHOUGH THERE ARE SOME PLACES THAT ARE SLIGHTLY OUT OF
21 WHACK BETWEEN THE SCIENTIFIC AND THE FACILITY SCORE, I
22 LOOKED BROADER INTO ALL OF THEM, AND I WAS STRUCK BY HOW
23 MUCH IN ALIGNMENT THEY ARE. AND IT SEEMS TO ME, NO
24 MATTER HOW YOU DO THIS, IT IS AN EXTREMELY DIFFICULT
25 DECISION. AND I SHARE MY FRIEND'S VIEWS ABOUT THE

BARRISTERS' REPORTING SERVICE

1 CONCERN THAT THE RICHEST ARE GETTING OFF THE EASIEST. I
2 THINK YOU CERTAINLY WILL HAVE TO REDOUBLE YOUR EFFORTS TO
3 TRY TO DO ANYTHING YOU CAN TO GET THE STANFORDS OF THE
4 WORLD TO ACT IN THE GREATER GOOD AND RECOUP SOME OF THAT
5 MONEY. BUT I DON'T REALLY SEE MUCH OF A BETTER WAY TO DO
6 THIS THAN WHAT YOU'VE GOT BEFORE YOU NOW, PARTICULARLY
7 AFTER THOSE NUMBERS WERE PUT AT MEMBER HYSEN'S REQUEST.
8 I WAS QUITE IMPRESSED WITH THE WAY THEY CAME INTO
9 ALIGNMENT OR REASONABLE ALIGNMENT.

10 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. ARE
11 THERE ANY OTHER MEMBERS OF THE PUBLIC THAT WISH TO SPEAK
12 TO THE MOTION? IF NOT, MR. TOCHER, WOULD YOU PLEASE CALL
13 THE ROLL.

14 MR. TOCHER: SURE. TO RESTATE THE MOTION, IT IS
15 TO RECOMMEND AN AWARD FOR EACH APPLICATION FOR A CIRM
16 INSTITUTE GRANT AN AMOUNT EQUAL TO THE AMOUNT REQUESTED
17 MULTIPLIED BY THE TOTAL PERCENTAGE FACILITIES WORKING
18 GROUP SCORE.

19 VICE CHAIRMAN SERRANO-SEWELL: AS SHOWN RIGHT
20 THERE.

21 MR. TOCHER: FEIT. SORRY. HYSEN.

22 MS. HYSEN: YES.

23 MR. TOCHER: KASHIAN.

24 MR. KASHIAN: YES.

25 MR. TOCHER: KLEIN.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: YES.

2 MR. TOCHER: LAFF.

3 MR. LAFF: ABSTAIN.

4 MR. TOCHER: SAMUELSON.

5 MS. SAMUELSON: NO.

6 MR. TOCHER: WRIGHT.

7 DR. WRIGHT: YES.

8 MR. TOCHER: LICHTENGER.

9 CHAIRMAN LICHTENGER: YES.

10 MR. TOCHER: SERRANO-SEWELL.

11 VICE CHAIRMAN SERRANO-SEWELL: YES. THE MOTION

12 CARRIES.

13 PERHAPS WE CAN TAKE THIS -- I THINK WE CAN ASK
14 JEFF AND MARCY TO RETURN, IF YOU WOULD, PLEASE. IT WOULD
15 PROBABLY BE BEST, HAVING JUST TAKEN THIS APPROACH, TO
16 TAKE THE SAME APPROACH FOR THE OTHER TWO CATEGORIES AS
17 WELL.

18 MS. HYSEN: IT SAYS TO DO THAT IN THE BOOK, TO
19 SET UP THE USE SCORES AND DO THE SAME COMPARE AND
20 CONTRAST.

21 VICE CHAIRMAN SERRANO-SEWELL: SO WHY DON'T WE
22 DO THAT, MR. KELLER, THE USE SCORES FOR CENTERS OF
23 EXCELLENCE AND SPECIAL PROGRAMS.

24 DR. TROUNSON: JUST REMOVING NAMES SO THAT --

25 MR. KLEIN: INFORMATIONALLY THEY CAN SEE IT.

BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: DO YOU WANT TO SEE THE TABLE,
2 JUST THE ONES --

3 VICE CHAIRMAN SERRANO-SEWELL: IT WOULD BE
4 HELPFUL TO ME. JUST THE ONES THAT WE'RE VOTING ON.
5 CENTERS OF EXCELLENCE AND SPECIAL PROGRAMS ARE THE ONES
6 THAT ARE LEFT FOR CONSIDERATION. INSTITUTES ARE DONE.

7 CHAIRMAN LICHTENGER: LET'S NOT CONFUSE THE
8 ISSUE BY HAVING THEM UP THERE.

9 MR. KLEIN: MR. HARRISON, ALTHOUGH THEY HAVE NO
10 IMPACT ON THE DECISION INFORMATIONALLY, CAN THEY KNOW
11 WHAT WE DID?

12 MR. HARRISON: IT'S A MATTER OF PUBLIC RECORD.

13 VICE CHAIRMAN SERRANO-SEWELL: MR. HARRISON, WHY
14 DON'T YOU EXPLAIN WHAT WE JUST DID.

15 MR. HARRISON: WITH RESPECT TO CIRM INSTITUTES,
16 THE FACILITIES WORKING GROUP COMMITTEE VOTED ON A MOTION
17 TO RECOMMEND AN AWARD FOR EACH APPLICANT THAT IS EQUAL TO
18 THE AMOUNT REQUESTED MULTIPLIED BY THE PERCENTAGE
19 FACILITIES WORKING GROUP SCORE. SO IN OTHER WORDS, IF AN
20 APPLICANT'S SCORE WAS 95 PERCENT, THEN THE APPLICANT
21 WOULD RECEIVE UNDER THIS METHOD 95 PERCENT OF THE AMOUNT
22 REQUESTED.

23 VICE CHAIRMAN SERRANO-SEWELL: THAT'S THE CHART
24 UP THAT WAS UP HERE BEFORE YOU LEFT. SO WHAT'S REMAINING
25 ARE THE CENTERS OF EXCELLENCE AND CIRM SPECIAL PROGRAMS.

BARRISTERS' REPORTING SERVICE

1 ALSO, IN OUR DISCUSSION DEBORAH HYSEN BROUGHT UP A VERY
2 GOOD POINT, AND THAT WAS DURING THE PROGRAMMATIC REVIEW,
3 WE NEEDED TO TAKE A LOOK AT THE USE SCORES. THAT'S WHAT
4 STAFF'S DOING NOW. AND IT ACTUALLY ENDED UP BEING VERY
5 HELPFUL.

6 SO WE'LL SEE WHAT THAT CORRELATION IS, ALIGNMENT
7 IS NOW FOR CENTERS OF EXCELLENCE AND SPECIAL PROGRAMS.
8 WE CAN SEE IF WE WANT TO PROCEED THE SAME WAY. ANYBODY
9 WISH TO COMMENT?

10 CHAIRMAN LICHTENGER: I GUESS, YOU KNOW, I'D
11 LIKE TO MAKE A COMMENT AND THEN MAKE A MOTION, THAT WE
12 DEAL WITH THE INSTITUTES -- NO -- THE CENTERS OF
13 EXCELLENCE AND THE SPECIAL PROGRAMS THE SAME WAY AS WE
14 DEALT WITH THE INSTITUTES IN THE SAME METHODOLOGY, TAKING
15 THEIR FACILITIES WORKING GROUP SCORE AND MULTIPLYING IT
16 TIMES THEIR REQUESTED AMOUNT AS THE RECOMMENDED AMOUNT TO
17 THE ICOC. THAT'S THE MOTION.

18 MR. KLEIN: SECOND.

19 VICE CHAIRMAN SERRANO-SEWELL: THERE'S A SECOND
20 TO THE MOTION. DISCUSSION AMONGST THE COMMITTEE MEMBERS?
21 YOU WANT TO SPEAK TO THE MOTION?

22 MR. KLEIN: IF I CAN COMMENT AND SPEAK TO THE
23 MOTION. THE ONE OBVIOUS, THIS ALIGNMENT HERE IS WITH
24 SANTA CRUZ, AND I THINK IT'S IMPORTANT TO NOTE, AS THE
25 SCORES WERE PREVIOUSLY SHOWN, THAT SANTA CRUZ HAD A LOWER

BARRISTERS' REPORTING SERVICE

1 SCORE ON URGENCY BECAUSE THERE'S A CONCERN ON THE
2 ENVIRONMENTAL SIDE OF WHETHER IT'S GOING TO RUN INTO
3 HEAVY PROBLEMS THAT CREATE A RISK TO THE PROGRAM, AND THE
4 PROPOSED SCHEDULE DOES NOT HAVE IT BEING COMPLETED WITHIN
5 THE 24-MONTH PERIOD. SO WE'RE DIRECTED BY THE
6 INITIATIVE, IN FACT, TO CREATE A PRIORITY ON THE OTHER
7 PROJECTS. AND BECAUSE THEY HAVE A HIGHER SCORE, THEY'VE
8 MAINTAINED THEMSELVES FOR FUNDING, AND THEY'VE MAINTAINED
9 THEMSELVES REASONABLY IN ALIGNMENT, BUT BEHIND ONE OTHER
10 PROJECT IN THAT CATEGORY.

11 SO THAT IS, I THINK, THE REASON THAT IT'S NOT AT
12 THE TOP OF THE CATEGORY.

13 VICE CHAIRMAN SERRANO-SEWELL: FURTHER
14 DISCUSSION OR COMMENTS FROM THE COMMITTEE?

15 MS. SAMUELSON: ONCE AGAIN, I AM JUST NOTING
16 THAT I'M GOING TO VOTE AGAINST IT BECAUSE I WOULD PREFER
17 A COMPETING MOTION ALONG THE SAME LINES AS THE ONE I
18 SUGGESTED BEFORE, WHICH, FOR THOSE OF YOU WHO WEREN'T
19 HERE, WOULD REACH THE 50 MILLION REDUCTION BY A
20 PROPORTIONATE DECREASE ON EITHER EVERY FUNDED APPLICANT
21 OR ALL BUT THE LAST TWO. AND THE APPLICANTS WOULD BE
22 FREE TO RAISE THE REST OF THE MONEY UP TO THEIR TOTAL
23 BUDGET IF THEY WERE ABLE TO.

24 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. ARE
25 THERE ANY COMMENTS FROM THE COMMITTEE? LOOKING TO MY

BARRISTERS' REPORTING SERVICE

1 LEFT. LOOKING TO MY RIGHT. JEFF? ANYONE?

2 MR. SHEEHY: I JUST WANT TO BE PERFECTLY CLEAR.
3 SO THIS METRIC IS BEING APPLIED ACROSS THE BOARD.

4 VICE CHAIRMAN SERRANO-SEWELL: YES. SHOULD THE
5 MOTION PASS.

6 MR. SHEEHY: I JUST WANTED TO BE CLEAR THAT WE
7 WERE -- THIS IS VERY OBJECTIVE AND ACROSS THE BOARD.

8 VICE CHAIRMAN SERRANO-SEWELL: YES. SEEING NO
9 FURTHER COMMENTS FROM THE COMMITTEE, ARE THERE COMMENTS
10 FROM THE PUBLIC?

11 MR. SIMPSON: JOHN SIMPSON, CONSUMER WATCHDOG.
12 NOT TO DELAY THE PROCESS, BUT WOULD IT BE INSTRUCTIVE TO
13 RUN THE IMPLICATIONS OF A PRO RATA PERCENT -- EQUAL
14 PERCENTAGE CUT FOR EVERYBODY, JUST TO SEE WHAT THAT DOES,
15 OR IS THAT NOT WORTH THE TROUBLE?

16 VICE CHAIRMAN SERRANO-SEWELL: NO. THANK YOU.
17 ARE THERE ANY OTHER COMMENTS FROM THE PUBLIC? SEEING
18 NONE --

19 MS. SAMUELSON: I WOULD LIKE TO SEE THOSE
20 NUMBERS.

21 VICE CHAIRMAN SERRANO-SEWELL: LET ME DO ONE
22 THING FIRST. PRESIDENT TROUNSON, YOU WANTED TO MAKE A
23 COMMENT.

24 DR. TROUNSON: MR. VICE CHAIR, JUST TO SAY THAT
25 IN THE CASE OF SOME OF THESE SMALLER INSTITUTES, IT'S MY

BARRISTERS' REPORTING SERVICE

1 VIEW THAT WE SHOULD DO ALL IN OUR POWER OUTSIDE THIS
2 FRAMEWORK TO ASSIST THEM TO MAKE THEIR NEEDED REVENUES
3 ONLY BECAUSE THEY HAVE PROBABLY LESS CAPACITY THEMSELVES.
4 SO I'LL DO MY BEST ON BEHALF OF THE AGENCY IN ENCOURAGING
5 COLLEAGUES THAT I KNOW TO HELP THIS PROCESS. SO I THINK
6 THERE ARE OTHER WAYS IN WHICH TO HELP. SO I DON'T THINK
7 THE COMMITTEE NEEDS TO FEEL NECESSARILY IT'S GOING TO
8 DISADVANTAGE THESE SMALLER INSTITUTIONS.

9 VICE CHAIRMAN SERRANO-SEWELL: MR. KELLER.
10 THANK YOU FOR THAT COMMENT.

11 MR. KELLER: IN RESPONSE TO THE ISSUE OF PRO
12 RATA AND THE REQUEST FOR INFORMATION, WE'RE \$74 MILLION
13 SHORT ON \$336,000 MILLION, WHICH IS A 22-PERCENT
14 SHORTFALL. IF YOU APPLY THAT UNIFORMLY, THAT MEANS ANY
15 SCORE THAT'S ABOVE 78 IS RECEIVING BETTER THAN IT WOULD
16 DO UNDER A PRO RATA REDUCTION. ANYTHING UNDER 78 WOULD
17 BE TAKING A LARGER CUT THAN A PRO RATA CUT.

18 MR. KLEIN: AND FOR MEMBER SAMUELSON, AT THE
19 BOARD LEVEL WHERE WE'LL HAVE A CHANCE -- THERE'S ANOTHER
20 \$27 MILLION TO CUT, WE WILL -- I'LL MAKE SURE THAT STAFF
21 PROVIDES YOU AT THE BOARD LEVEL A PRO RATA CUT SO YOU CAN
22 SEE THAT AS AN OPTION, AND IT CAN BE DISCUSSED AS AN
23 OPTION.

24 MS. SAMUELSON: GREAT.

25 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY

BARRISTERS' REPORTING SERVICE

1 OTHER MEMBERS?

2 MS. HYSEN: I JUST WANT TO ADD THAT I THINK ALL
3 OF US WANT TO SEE THE SMALLER INSTITUTIONS THAT DON'T
4 HAVE THE MONEY BE AFFORDED THE OPPORTUNITY, BUT I DON'T
5 THINK OUR CHARGE, BECAUSE IF IT WAS OUR CHARGE, WE SHOULD
6 HAVE HAD IT AS A CATEGORY CALLED NEED. AND WE DID NOT
7 HAVE A CATEGORY CALLED NEED, AND I THINK WE ALL FEEL
8 BADLY. I WAS A PRETTY VOCAL ADVOCATE FOR UC MERCED. I
9 HATE TO SEE THEM HAVE ANY MONEY TAKEN AWAY FROM THEM
10 BECAUSE I THINK THEY NEED IT THE MOST, BUT THAT WASN'T
11 OUR CHARGE. AND I THINK BOB'S COMMENT ABOUT THE BOARD
12 CLEARLY HAS THIS OPPORTUNITY TO DO THAT. ALAN CERTAINLY
13 WITH HIS AND BOB'S FUND-RAISING EFFORTS, THERE ARE OTHER
14 OPPORTUNITIES OUT THERE. I FEEL BADLY, BUT I DON'T THINK
15 THAT WAS OUR CHARGE.

16 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE FURTHER
17 COMMENTS?

18 MR. KASHIAN: I DO. I'D LIKE TO ECHO DEBORAH'S
19 COMMENTS. BUT ALSO, AM I TO UNDERSTAND, ALAN AND ROBERT,
20 THAT YOU'RE GOING TO HELP THESE SMALL INSTITUTIONS RAISE
21 THE CAPITAL NECESSARY TO MAKE THIS COMMITMENT?

22 MR. KLEIN: I'VE MADE AN OPEN INVITATION TO ALL
23 INSTITUTIONS, AND THEY'VE TAKEN ME UP ON IT.

24 MR. KASHIAN: BELIEVE ME. I'M GOING TO HOLD YOU
25 BOTH TO IT.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: AND KNOWING, ED, THAT YOU ARE SUCH A
2 GREAT FUND-RAISER, YOU CAN EXPECT A CALL BECAUSE ED HAS
3 BEEN A LEADER IN CENTRAL CALIFORNIA IN RAISING MONEY FOR
4 NONPROFIT INSTITUTIONS FOR YEARS.

5 MR. KASHIAN: I'LL BE THE FIRST ONE IN.

6 (APPLAUSE.)

7 VICE CHAIRMAN SERRANO-SEWELL: JEFF.

8 MR. SHEEHY: JUST ONE FINAL COMMENT. I JUST
9 THINK THIS IS A VERY ELEGANT SOLUTION THAT RECOGNIZES THE
10 HARD WORK OF THIS COMMITTEE. I WANT TO COMMEND STAFF FOR
11 THIS. I WANT TO SAY I KNEW WE WERE HIRING A GREAT
12 SCIENTIST AND GREAT LEADER, BUT I DIDN'T KNOW WE WERE
13 HIRING SOLOMON. THANK YOU, MR. PRESIDENT.

14 DR. WRIGHT: THIS SHOULD BE RENAMED THE TROUNSON
15 METHODOLOGY.

16 VICE CHAIRMAN SERRANO-SEWELL: IF THERE'S NO
17 FURTHER COMMENTS, MR. TOCHER, PLEASE CALL THE ROLL.

18 MR. TOCHER: SO THE MOTION IS TO RECOMMEND AN
19 AWARD FOR EACH CENTERS OF EXCELLENCE AND SPECIAL PROGRAMS
20 APPLICANT AN AMOUNT EQUAL TO THE AMOUNT REQUESTED
21 MULTIPLIED BY THE TOTAL FACILITIES WORKING GROUP SCORE.

22 FEIT.

23 MS. FEIT: YES, EXCEPT FOR THOSE ITEMS IN WHICH
24 I AM IN CONFLICT.

25 MR. TOCHER: HYSEN.

BARRISTERS' REPORTING SERVICE

1 MS. HYSEN: YES.

2 MR. TOCHER: KASHI AN.

3 MR. KASHI AN: YES.

4 MR. TOCHER: KLEI N.

5 MR. KLEI N: YES.

6 MR. TOCHER: LAFF.

7 MR. LAFF: YES.

8 MR. TOCHER: SAMUELSON.

9 MS. SAMUELSON: YES.

10 MR. TOCHER: SHEEHY.

11 MR. SHEEHY: YES.

12 MR. TOCHER: JANET WRI GHT.

13 DR. WRI GHT: YES.

14 MR. TOCHER: LI CHTENGER.

15 CHAI RMAN LI CHTENGER: YES.

16 MR. TOCHER: SERRANO-SEWELL.

17 VICE CHAI RMAN SERRANO-SEWELL: YES. MOTI ON

18 CARRI ES.

19 MR. KLEI N: COULD I ASK, I N TERMS OF THE

20 TRANSCRIPT, HE SAID I T VERY QUICKLY, DID YOU GET THE FACT

21 THAT I T WAS CENTERS OF EXCELLENCE AND SPECIAL PROGRAMS?

22 THE REPORTER: YES.

23 VICE CHAI RMAN SERRANO-SEWELL: MR. KELLER, I S

24 THERE FURTHER BUSI NESS BEFORE THE FACI LI TIES WORKI NG

25 GROUP?

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: I BELIEVE THAT THAT CONCLUDES YOUR
2 AGENDA. BUT I THINK THAT'S IT.

3 VICE CHAIRMAN SERRANO-SEWELL: I DO TOO. ARE
4 THERE ANY ADDITIONAL COMMENTS MEMBERS OF THIS GROUP WOULD
5 LIKE TO MAKE BEFORE WE ADJOURN?

6 CHAIRMAN LICHTENGER: I JUST WOULD LIKE TO THANK
7 RICK KELLER AND THE CIRM STAFF FOR DOING AN UNBELIEVABLE
8 JOB.

9 (APPLAUSE.)

10 CHAIRMAN LICHTENGER: STEVE COPENHAGEN, WHO IS
11 NOT A CIRM MEMBER, BUT AN UNBELIEVABLE EFFORT AND
12 TREMENDOUS AMOUNT OF DATA AND ANALYSIS AND
13 PROFESSIONALISM. JUST BLEW ME AWAY. THANK YOU AGAIN.

14 (APPLAUSE.)

15 MR. KLEIN: I'D LIKE TO SAY AS WELL RAY GROOM
16 WAS A GREAT CONTRIBUTOR HERE. WE DEEPLY APPRECIATE THAT.
17 WE APPRECIATE THE PRESIDENT AND HIS STAFF, MELISSA KING
18 AND JENNA PRYNE AND PAT BECKER FOR BRINGING THIS TOGETHER
19 LOGISTICALLY IN TERMS OF OPERATIONS TODAY. I'D LIKE TO
20 THANK AMY LEWIS, WHO ALWAYS IS MAGIC WITH THE NUMBERS,
21 SCOTT TOCHER AND JAMES HARRISON.

22 BUT THIS IS A VERY EFFECTIVE AND SPECIAL
23 AFTERNOON WHERE WE COULD HAVE FACED AN IMPOSSIBLE
24 PROBLEM, AND I WANT TO THANK ESPECIALLY OUR VICE CHAIR
25 AND OUR PRESIDENT FOR AN ELOQUENT SOLUTION TO THIS

BARRISTERS' REPORTING SERVICE

1 PROBLEM.

2 (APPLAUSE.)

3 VICE CHAIRMAN SERRANO-SEWELL: LAST BUT NOT
4 LEAST, THERE WAS ONE PIECE THAT I WASN' T SURE ABOUT, AND
5 I WAS COMPLETELY HUNDRED PERCENT WRONG. AND THE
6 CONTRIBUTIONS THAT THE REAL ESTATE EXPERT MADE WITH THE
7 PRIMARY AND SECONDARY REVIEW REALLY ENLIGHTENED THE
8 DISCUSSION. SO ED, DEBORAH, DAVID, AND STUART, THANK YOU
9 VERY MUCH.

10 (APPLAUSE.)

11 VICE CHAIRMAN SERRANO-SEWELL: IF THERE' S NO
12 COMMENTS FROM THE PUBLIC, WE STAND ADJOURNED.

13 (THE MEETING WAS THEN CONCLUDED AT 2:13 P.M.)

14

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

WESTIN HOTEL SAN FRANCISCO AIRPORT
1 OLD BAYSHORE HIGHWAY
MILLBRAE, CALIFORNIA
ON
APRIL 5, 2008

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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