

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

LOCATION: MIYAKO HOTEL
1625 POST STREET
SAN FRANCISCO, CALIFORNIA

DATE: WEDNESDAY, MAY 2, 2007

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

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1 SAN FRANCISCO, CALIFORNIA; WEDNESDAY, MAY 2, 2007

2 09:21 A.M.

3

4 CHAIRMAN LICHTENGER: MAY I ASK THE MEMBERS
5 TO TAKE THEIR SEATS AND OTHERS TO PLEASE COME TO ORDER.
6 WE'LL NOW CALL THE ROLL.

7 MS. KING: CHAIRMAN LICHTENGER, ARE WE READY
8 FOR THE ROLL CALL?

9 CHAIRMAN LICHTENGER: YES, WE ARE.

10 MS. KING: DAVID LICHTENGER.

11 CHAIRMAN LICHTENGER: PRESENT.

12 MS. KING: DAVID SERRANO-SEWELL.

13 VICE CHAIRMAN SERRANO-SEWELL: PRESENT.

14 MS. KING: DEBORAH HYSEN.

15 MS. HYSEN: PRESENT.

16 MS. KING: EDWARD KASHIAN.

17 MR. KASHIAN: PRESENT.

18 MS. KING: JANET WRIGHT.

19 DR. WRIGHT: PRESENT.

20 MS. KING: JEFF SHEEHY.

21 MR. SHEEHY: HERE.

22 MS. KING: JOAN SAMUELSON. MARCY FEIT.

23 MS. FEIT: HERE.

24 MS. KING: ROBERT KLEIN.

25 MR. KLEIN: HERE.

1 MS. KING: SHERRY LANSING.

2 CHAIRMAN LICHTENGER: SO I'D LIKE TO WELCOME
3 ALL OF THOSE TO THE MEETING OF THE CALIFORNIA INSTITUTE
4 OF REGENERATIVE MEDICINE'S FACILITIES WORKING GROUP.
5 IN ADDITION TO THE MEMBERS PRESENT, I'D LIKE TO
6 INTRODUCE LORI HOFFMAN, THE CHIEF ADMINISTRATIVE AND
7 OPERATING OFFICER.

8 MR. KLEIN: AND NOW THE ACTING PRESIDENT.

9 CHAIRMAN LICHTENGER: NOW THE ACTING
10 PRESIDENT. ARLENE CHIU, THE INTERIM CHIEF SCIENTIFIC
11 OFFICER; AND RICK KELLER, THE SENIOR OFFICER FOR
12 SCIENTIFIC MEDICAL RESEARCH FACILITIES. RICK, IF YOU
13 COULD PLEASE INTRODUCE THE OTHER MEMBERS OF THE CIRM
14 STAFF HERE TO SUPPORT THE FACILITIES WORKING GROUP.

15 MR. KELLER: SURE. I'D LIKE TO. TO MY LEFT
16 IS PAT BEAUPRE BECKER, WHO'S GOING TO BE THE CHIEF
17 ADMINISTRATIVE SUPPORT TODAY FOR YOU. AMY LEWIS FROM
18 OUR GRANTS OFFICE. DISTRIBUTING MATERIAL IS MAYBEL
19 CORTEZ. AND TO MY RIGHT, AS YOU KNOW, MELISSA KING.
20 AND I THINK IN THE AUDIENCE ALSO GIL SAMBRANO FROM THE
21 GRANTS OFFICE. I THINK I'VE GOT EVERYBODY. AND I'D
22 ALSO POINT OUT GENERAL COUNSEL PRESENT IS JAMES
23 HARRISON.

24 CHAIRMAN LICHTENGER: AND TAMAR PACHTER.

25 MR. KELLER: AND TAMAR PACHTER IS OUR GENERAL

1 COUNSEL .

2 CHAIRMAN LICHTENGER: GREAT. AT THIS POINT
3 ICOC CHAIR BOB KLEIN WILL BRIEF THE WORKING GROUP ON
4 ACTIONS TAKEN THIS MORNING AT THE ICOC MEETING THAT ARE
5 OF INTEREST TO THE WORKING GROUP. BOB.

6 MR. KLEIN: YOU'VE ALREADY, CHAIRMAN,
7 PRESAGED PART OF THIS BY BEING DESIGNATED AS THE REAL
8 ESTATE CHAIR. CONGRATULATIONS TO YOU AND THANK YOU FOR
9 ACCEPTING THE RESPONSIBILITY.

10 ADDITIONALLY, DAVID SERRANO-SEWELL, AS THE
11 VICE CHAIR, IS HERE. AT THE REQUEST OF THE CHAIR AND
12 THE VICE CHAIR OF THIS COMMITTEE AND A UNANIMOUS VOTE
13 OF THE COMMITTEE MEMBERS, THE BOARD UNANIMOUSLY
14 SUPPORTED HOLDING PUBLIC HEARINGS WITH A GOAL TO DEFINE
15 OR TO REFINE AND OBTAIN PUBLIC COMMENT AND COMMENT FROM
16 POTENTIAL APPLICANTS ON THE INFORMATION NEEDED AND THE
17 DETAIL NEEDED TO HAVE A FULL UNDERSTANDING BY THE
18 PUBLIC AND THE APPLICANTS OF DEFINITIONS, RULES, AND
19 POLICIES FOR THE MAJOR FACILITIES RFA OF 222 MILLION.

20 IT WAS THE INTENT THAT, INSTEAD OF BEING
21 SUBMITTED NOW AS A CONCEPT RFA ON JUNE 5TH, IT WILL BE
22 SUBMITTED ON AUGUST 5TH SO THAT WE CAN PROCEED WITH
23 THAT PORTION OF THIS COMMITTEE'S WORK.

24 OF GREAT IMPORTANCE, AS MENTIONED BY THE
25 CHAIR, DAVID LICHTENGER, THE BOARD TOOK ACTION TO

1 CREATE A CO-EQUAL LEADERSHIP TEAM WITH ARLENE CHIU
2 LEADING THE SCIENTIFIC PORTION OF THIS AGENCY AND LORI
3 HOFFMAN LEADING OPERATIONS AND FINANCE AND ALSO HAVING
4 THE TECHNICAL LEGAL RESPONSIBILITY AS THE ACTING
5 PRESIDENT. SO CERTAINLY OUR CONGRATULATIONS TO BOTH OF
6 THEM AND OUR DEEP RESPECT AND APPRECIATION FOR THEM
7 TAKING ON THOSE ADDITIONAL RESPONSIBILITIES.

8 THERE WAS A GENERAL COMMENDATION FROM THE
9 BOARD FOR THE ENTIRE SCIENTIFIC TEAM AND FOR THE ENTIRE
10 OPERATIONS TEAM. SO WE CERTAINLY WOULD PASS THAT ON TO
11 ALL THE STAFF OF THE AGENCY. DAVID.

12 CHAIRMAN LICHTENGER: THANK YOU, BOB. I'D
13 JUST LIKE TO THANK THE ICOC MEMBERS AND THEIR VOTE OF
14 CONFIDENCE IN ME IN CHAIRING THIS GROUP AND AS WELL AS
15 MY FELLOW MEMBERS OF THE WORKING GROUP. THANK YOU.

16 THE NEXT AGENDA ITEM IS PUBLIC COMMENT. THE
17 WORKING GROUP WILL TAKE PUBLIC COMMENTS AT THE
18 BEGINNING AND END OF EACH DAY OF OUR SESSIONS, SO WE'LL
19 NOW HEAR COMMENTS FROM ANYONE WHO WISHES TO SPEAK. WE
20 ASK THAT YOU LIMIT YOUR COMMENTS TO NO MORE THAN THREE
21 MINUTES. ANYONE WHO IS INTERESTED IN SPEAKING, PLEASE
22 STEP FORWARD TO THE PODIUM AND STATE YOUR NAME AND
23 AFFILIATION. THANK YOU.

24 MR. SIMPSON: JOHN SIMPSON FROM THE
25 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. I JUST

1 SIMPLY WANTED TO, FOR THE RECORD, AT THIS MEETING
2 COMMEND THE ICOC FOR THE RESOLUTION THAT WAS PASSED
3 COMMITTING TO PUBLIC HEARINGS. I ALSO WANTED TO
4 COMMENT ON HOW THIS PARTICULAR MEETING WILL PROBABLY BE
5 A MUCH MORE OPEN AND TRANSPARENT PROCESS THAN THE WAY
6 THAT THE RESEARCH GRANTS ARE REVIEWED. AND I WOULD
7 SUGGEST THAT PERHAPS IN THE FUTURE, AS THE REVIEW FOR
8 RESEARCH GRANTS PROCEEDS, THAT PERHAPS THAT WORKING
9 GROUP COULD LEARN SOMETHING FROM WHAT I EXPECT TO BE A
10 MORE FULLY OPEN AND TRANSPARENT PROCESS WITH THIS
11 WORKING GROUP. THANK YOU VERY MUCH.

12 CHAIRMAN LICHTENGER: THANK YOU FOR YOUR
13 COMMENTS AND PARTICIPATION. ANY OTHER PUBLIC SPEAKERS?
14 OKAY. THANK YOU.

15 OUR NEXT AGENDA ITEM IS THE REVIEW OF THE
16 DRAFT FACILITIES GRANTS ADMINISTRATION POLICY. NOW,
17 THIS DOCUMENT REPRESENTS THE RULES THAT THE GRANTEES
18 MUST FOLLOW WITH RESPECT TO FACILITIES GRANTS. THE
19 DRAFT DOCUMENT HAS BEEN DEVELOPED BY THE CIRM STAFF AND
20 GENERAL COUNSEL. THE FACILITIES WORKING GROUP WILL
21 REVIEW THIS DOCUMENT, MAKE CHANGES TO IT, AND THEN
22 SUBMIT IT TO THE ICOC FOR APPROVAL. TO ALLOW MEMBERS
23 SOME TIME FOR REVIEW, WE'LL TAKE THIS UP AT OUR MEETING
24 TOMORROW, TIME PERMITTING. WE ANTICIPATE THAT THERE
25 WILL BE CHANGES AND CLARIFICATIONS AND MODIFICATIONS

1 RECOMMENDED AT THAT TIME.

2 THOSE CHANGES WILL BE ADDRESSED BY STAFF AND
3 A NEW DRAFT WILL BE PREPARED FOR REVIEW BY THE WORKING
4 GROUP AT A SUBSEQUENT MEETING.

5 ANY QUESTIONS? OKAY.

6 OUR NEXT AGENDA ITEM WILL BE THE TECHNICAL
7 REVIEW OF THE SHARED LABORATORY AND STEM CELL
8 TECHNIQUES COURSE GRANT APPLICATIONS. THE VICE CHAIR
9 AND I HAVE HAD SEVERAL CONVERSATIONS IN PREPARING FOR
10 THIS ITEM ALONG WITH BOB KLEIN AND THE CIRM STAFF. I
11 WANT TO SPEND A FEW MINUTES TO GIVE THE WORKING GROUP
12 MEMBERS AND THE PUBLIC A ROAD MAP FOR TODAY'S REVIEW.

13 FIRST OF ALL, ASK GENERAL COUNSEL, TAMAR
14 PACHTER, TO REVIEW THE CONFLICT OF INTEREST POLICIES
15 THAT GOVERN THE WORKING GROUP'S CONSIDERATION OF THESE
16 APPLICATIONS. NEXT I'LL ASK RICK KELLER TO BRIEFLY
17 REVIEW THE PROCEDURE THAT WILL BE USED FOR THIS REVIEW.
18 COPIES OF THIS PROCEDURE ARE INCLUDED IN YOUR PACKETS
19 AND DISTRIBUTED THIS MORNING. AT THAT POINT I'LL OPEN
20 A DISCUSSION WITH THE WORKING GROUP ON SEVERAL ISSUES.

21 TAMAR, COULD YOU START US OFF ON THE CONFLICT
22 OF INTEREST?

23 MS. PACHTER: YES. IN YOUR PACKET IS A LIST
24 IN ORDER OF REVIEW WHICH INCLUDES THE RECUSALS FOR EACH
25 APPLICATION BASED ON THE WAY YOU COMPLETED YOUR

1 CONFLICTS OF INTEREST ANALYSIS. IF YOU ARE RECUSED FOR
2 A PARTICULAR APPLICATION, YOU NEED TO GET UP AND LEAVE
3 THE ROOM BECAUSE THAT IS THE REQUIREMENT OF THE
4 CONFLICT OF INTEREST POLICY THAT GOVERNS THIS WORKING
5 GROUP. ARE THERE ANY QUESTIONS?

6 CHAIRMAN LICHTENGER: THANK YOU, TAMAR. IF
7 THERE ARE NO FURTHER QUESTIONS, I'LL ASK RICK KELLER TO
8 GIVE A BRIEF OVERVIEW OF THE REVIEW PROCESS, AND RICK
9 WILL BE ABLE TO ANSWER ANY QUESTIONS AS WELL.

10 MR. KLEIN: CAN I COMMENT? MY UNDERSTANDING
11 IS THAT IN THE SCORE SHEET ITSELF, THERE IS A LIST OF
12 RECUSALS. SO EVERYONE HAS A BOOK WITH SCORE SHEETS,
13 AND THERE'S A COLUMN FOR RECUSALS.

14 CHAIRMAN LICHTENGER: THANK YOU, BOB.

15 MR. KELLER: AS TO THE PROCEDURES FOR YOUR
16 REVIEW TODAY, I WANT TO MENTION THAT THE REVIEWS OF
17 THESE APPLICATIONS HAVE BEEN MADE BY BOTH THE GRANTS
18 WORKING GROUP AND THIS FACILITIES WORKING GROUP. THE
19 GRANTS WORKING GROUP HAS COMPLETED ITS REVIEW OF THE
20 SCIENTIFIC MERITS OF THE PROPOSALS, AND THOSE
21 RECOMMENDATIONS WILL BE GOING FORWARD TO THE ICOC AT
22 THE JUNE MEETING AS WELL.

23 THIS WORKING GROUP WILL EVALUATE THE
24 RENOVATION PLANS FOR TECHNICAL ASPECTS OF THE
25 RENOVATION PLANS AND PROVIDE RECOMMENDATIONS TO THE

1 ICOC. THE APPLICANTS WERE ADVISED THAT ANY INFORMATION
2 PROVIDED IN PART 2, WHICH IS THE CONSTRUCTION AND
3 EQUIPMENT PORTION OF THE REQUEST, WOULD BE MADE
4 AVAILABLE TO THE PUBLIC. THUS, PART 2 APPLICATIONS
5 HAVE ALL BEEN POSTED ON THE CIRM'S PUBLIC WEBSITE, AND
6 A COPY OF ALL THE APPLICATIONS IS AVAILABLE AT THE
7 RESOURCE TABLE HERE IN THE ROOM AS WELL.

8 IN THE COURSE OF THE TECHNICAL REVIEW,
9 HOWEVER, EACH APPLICANT WILL BE REFERRED TO BY
10 APPLICATION NUMBER TODAY.

11 THE PROCEDURE CALLS FOR ASSIGNING EACH GRANT
12 TO A PRIMARY REVIEWER AND A SECONDARY REVIEWER
13 CONCERNING EXPERTISE AND CONFLICT OF INTEREST OF EACH
14 MEMBER. THESE ASSIGNMENTS WERE MADE AFTER THE APRIL
15 13TH MEETING, AND STAFF HAS PREPARED A BRIEF
16 DESCRIPTION OF THE PROJECT REFERRED TO AS THE PROJECT
17 SYNOPSIS. AND YOU HAVE COPIES OF THE PROJECT SYNOPSIS
18 IN YOUR PACKETS THERE.

19 THE THREE PRIMARY REVIEWERS WERE DRAWN FROM
20 THE REAL ESTATE SPECIALIST MEMBERS OF THE WORKING
21 GROUP. SECONDARY REVIEWERS WERE DRAWN FROM THE SIX
22 PATIENT ADVOCATE MEMBERS OF THE WORKING GROUP. THE
23 REVIEWERS HAVE PREPARED THEIR OWN COMMENTS THAT ADDRESS
24 THE STRENGTHS AND WEAKNESSES OF THE APPLICATION
25 CONSIDERING THE REVIEW CRITERIA ADOPTED BY THE ICOC AND

1 INCLUDED IN THE RFA. THESE COMMENTS ARE DRAFT AND ARE
2 PREPARED AS NOTES FOR THE REVIEWERS TO USE TODAY IN
3 THEIR ORAL SUMMARIZATION OF EVALUATING THE GRANTS.

4 WHILE NOT COVERED IN THE PROCEDURE, THE
5 FACILITIES WORKING GROUP DIRECTED THAT A STAFF ANALYSIS
6 BE PREPARED FOR EACH APPLICATION THAT WAS MADE
7 AVAILABLE TO THE REVIEWERS ON APRIL 23D AND 24TH AND
8 MADE AVAILABLE TO THE PUBLIC ON CIRM'S PUBLIC WEBSITE
9 ON MAY 1ST. THE STAFF ANALYSIS IS POSTED, AND COPIES
10 ARE ALSO AVAILABLE AT THE RESOURCE TABLE.

11 THE PROCEDURE CALLS FOR EACH MEMBER OF THE
12 COMMITTEE TO ASSIGN A SCORE. AS BOB POINTED OUT,
13 THERE'S A CONFIDENTIAL BALLOT VOTING BOOK THAT HAS BEEN
14 PREPARED THAT IDENTIFIES THE SCORING AND WHETHER OR NOT
15 YOU HAVE A CONFLICT ON THAT PARTICULAR APPLICATION.
16 THE CIRM STAFF, AT THE CONCLUSION OF OUR REVIEW TODAY,
17 WILL COLLECT THE CONFIDENTIAL BALLOTS AND RECORD THE
18 SCORES. WHEN ALL 22 APPLICATIONS HAVE BEEN REVIEWED,
19 THE CIRM STAFF WILL PRESENT THE INFORMATION FROM THE
20 GRANTS WORKING GROUP. THAT INFORMATION FROM THE GRANTS
21 WORKING GROUP IS FROM A CONFIDENTIAL GRANT REVIEW
22 SESSION WHERE PROPRIETARY INFORMATION WAS INVOLVED;
23 AND, THEREFORE, WE WILL NEED TO GO INTO A CLOSED
24 SESSION TO REVIEW THAT.

25 THE WORKING GROUP WILL RETURN TO OPEN SESSION

1 TO BEGIN PROGRAMMATIC REVIEW AS SPECIFIED IN THE
2 PROCEDURE. THE VICE CHAIR, MR. DAVID SERRANO-SEWELL,
3 WILL PRESIDE OVER THE REVIEW. THE PROCEDURE CALLS FOR
4 THE WORKING GROUP TO CONSIDER GEOGRAPHIC AND OTHER
5 FACTORS WHERE APPROPRIATE IN THAT PROGRAMMATIC REVIEW.

6 YOU'LL FIRST CONSIDER THE 22 SHARED
7 LABORATORY FACILITIES APPLICATIONS AND PLACE THESE
8 APPLICATIONS IN ONE OF THREE CATEGORIES. THE RFA
9 ANTICIPATED FUNDING OF 15 SHARED LABORATORY GRANTS.
10 THOSE CATEGORIES ARE TIER 1, RECOMMENDED FOR FUNDING;
11 TIER 2, RECOMMENDED FOR FUNDING IF FUNDING IS
12 AVAILABLE; AND TIER 3, NOT RECOMMENDED FOR FUNDING AT
13 THIS TIME.

14 STAFF WILL PROVIDE DATA ON THE OVERALL SCORES
15 AND THE CUMULATIVE FUNDING COMMITMENTS AS THE REVIEW IS
16 CONDUCTED. ONCE THE PROCESS HAS BEEN COMPLETED, WE
17 WILL PRESENT THE TECHNICAL REVIEW SCORES. THERE WERE
18 NINE APPLICATIONS THAT PROPOSED THE OPTIONAL STEM CELL
19 TECHNIQUES COURSE. THE RFA ANTICIPATES FUNDING FIVE
20 SITES FOR THE TECHNIQUES COURSE. WE WILL REVIEW THE
21 SHARED LAB APPLICATIONS THAT HAVE A TECHNIQUES COURSE
22 THAT ARE INCLUDED IN TIER 1 AND TIER 2 SINCE YOU MUST
23 HAVE A POSITIVE RESPONSE ON THE SHARED LAB IN ORDER TO
24 PUT ON THE TECHNIQUES COURSE. THE FINAL RECOMMENDATION
25 FOR EACH TIER WILL BE PRESENTED TO THE ICOC ALONG WITH

1 THE GRANTS WORKING GROUP RECOMMENDATIONS, AS I
2 MENTIONED.

3 THE PROCESS FOR REVIEW WILL BE THAT I WILL
4 ANNOUNCE THE GRANT NUMBERS TO BE REVIEWED, THE NAME OF
5 THE PRIMARY REVIEWER AND THE NAME OF THE SECONDARY
6 REVIEWER, AND ANY RECUSALS THAT HAVE BEEN DETERMINED
7 FOR THAT APPLICATION. MEMBERS OF THE WORKING GROUP
8 RECUSED FROM DISCUSSING THE APPLICATION MAY LEAVE THE
9 ROOM AT THAT TIME. WE WILL ALSO ANNOUNCE ANY STAFF
10 RECUSALS. ONCE ACTION HAS BEEN COMPLETED ON AN ITEM
11 AND THE VOTING HAS BEEN COMPLETED, STAFF WILL ADVISE
12 ANY MEMBERS UNDER RECUSAL TO RETURN TO THE ROOM FOR THE
13 NEXT ITEM.

14 FINALLY, I WANT TO REMIND YOU THAT THE REVIEW
15 TODAY IS THE TECHNICAL REVIEW OF THE APPLICATION BY THE
16 FACILITIES WORKING GROUP. IF YOU PARTICIPATED IN THE
17 GRANTS WORKING GROUP REVIEW OF THESE APPLICATIONS, YOU
18 NEED TO BE CERTAIN THAT YOU MAINTAIN THE
19 CONFIDENTIALITY OF THE WORK OF THE GRANTS WORKING
20 GROUP. YOU SHOULD NOT DISCUSS OR SPECULATE ON THE
21 SCIENTIFIC NATURE OF THE APPLICATION, BUT RATHER
22 CONFINE YOUR DISCUSSION TO THE TECHNICAL REVIEW
23 CRITERIA PROVIDED FOR IN THE PROCEDURE. THIS IS AN
24 IMPORTANT CONSIDERATION THAT MAY NOT OCCUR TO YOU IN
25 PARTICIPATING IN DISCUSSION OF ITEMS; THEREFORE, IF

1 ANYONE ON THE WORKING GROUP SHOULD INADVERTENTLY BEGIN
2 DISCUSSING INFORMATION THAT WOULD BE REGARDED AS BEING
3 WITHIN THE PURVIEW OF THE GRANTS WORKING GROUP, OUR
4 COUNSEL, TAMAR PACHTER, WILL POLITELY INTERRUPT YOU TO
5 REMIND YOU OF THE CONFIDENTIAL NATURE OF THE TOPIC AND
6 ASK THAT YOU NOT DISCUSS IT ANY FURTHER.

7 THAT IS THE PROCEDURE FOR TODAY. IF THERE'S
8 ANY QUESTIONS.

9 CHAIRMAN LICHTENGER: THANK YOU, RICK. WELL
10 DONE. ANY QUESTIONS FOR RICK? OKAY.

11 SO FIRST OF ALL, I WANT TO MAKE SURE THAT WE
12 ALL UNDERSTAND THE DOCUMENTS THAT RICK IS REFERRING TO
13 AS THE PROJECT SUMMARIES. IN THIS DOCUMENT STAFF WILL
14 SUMMARIZE THE STRENGTHS, THE WEAKNESSES OF THE
15 APPLICATION DRAWING FROM THE DRAFT REVIEWS OF THE
16 PRIMARY AND SECONDARY REVIEWERS, AS WELL AS THE
17 MEMBERS' DISCUSSION OF THE APPLICATION TODAY. ONCE
18 CIRM STAFF HAS DRAFTED THAT DOCUMENT, THEY WILL
19 DISTRIBUTE THE DRAFT TO THE PRIMARY AND SECONDARY
20 REVIEWERS ORIGINALLY ASSIGNED TO THAT APPLICATION FOR
21 REVIEW AND COMMENT.

22 CIRM STAFF WILL INCORPORATE THE COMMENTS OF
23 THE REVIEWERS. THE FINAL PROJECT SUMMARY WILL BECOME
24 THE PUBLIC REPORT OF THE WORKING GROUP TO THE ICOC AND
25 WILL BECOME A PUBLIC DOCUMENT.

1 DO ANY OF THE MEMBERS HAVE ANY QUESTIONS OR
2 COMMENTS REGARDING THE PROJECT SUMMARIES?

3 MR. KLEIN: JUST AS TO OTHER DOCUMENTS, I
4 WOULD POINT OUT THAT ON THE ROSTER FOR THE COMMITTEE,
5 I'M LISTED AS EX OFFICIO. ACTUALLY ON THIS I AM A
6 MEMBER AS VERSUS EX OFFICIO.

7 CHAIRMAN LICHTENGER: BOB, THANK YOU. DULY
8 NOTED. WE'LL HAVE STAFF CORRECT THAT. THANK YOU.

9 NEXT I WANT TO REVIEW THE SCORING SYSTEM THAT
10 WE'LL BE USING TODAY. EACH OF YOU WILL HAVE -- SHOULD
11 HAVE A SCORING BOOK IN FRONT OF YOU. AS WE REVIEW THE
12 APPLICATIONS AND COMPLETE OUR DISCUSSION, WE'LL
13 COMPLETE THE SCORECARD. AFTER REVIEW OF EACH
14 APPLICATION, YOU WILL BE ASKED TO RECORD A PRELIMINARY
15 SCORE FOR EACH OF THE SIX EVALUATION CRITERIA FOR THE
16 SHARED LABORATORY PROPOSAL AND, IF APPLICABLE, FOR THE
17 STEM CELL TECHNIQUES COURSE. I SAY PRELIMINARY SCORE
18 BECAUSE YOU WILL HAVE TIME, AFTER WE CONSIDER ALL 22 OF
19 THE APPLICATIONS, AN OPPORTUNITY TO RECONSIDER OR
20 ADJUST ANY SCORING IN LIGHT OF THE DISCUSSION AND TO
21 REVISE YOUR SCORES. THESE FINAL SCORES WILL BE TURNED
22 INTO STAFF AT THE COMPLETION OF OUR TECHNICAL REVIEW.

23 ARE THERE ANY QUESTIONS BY THE MEMBERS
24 REGARDING THE SCORECARD?

25 MS. FEIT: I HAVE COMMENTS ABOUT DOCUMENTS.

1 COULD YOU GO BACK THROUGH THAT, PLEASE?

2 CHAIRMAN LICHTENGER: ABSOLUTELY. SO ARE YOU
3 REFERRING TO THE PROJECT SUMMARIES, MARCY?

4 MS. FEIT: YES.

5 CHAIRMAN LICHTENGER: AT THE END OF THE
6 MEETING TODAY, IS THIS CORRECT, RICK, END OF THE
7 MEETING TODAY?

8 MR. KELLER: RIGHT. IT WILL TAKE SOME TIME
9 TO PREPARE THEM. AFTER THE MEETING IT WOULD SIMPLY BE
10 A SYNOPSIS OF THE STRENGTHS AND WEAKNESSES OF THE
11 PROPOSALS AND DRAW UPON THE NOTES THAT YOU'VE PUT --
12 YOU'VE MADE AND THE DISCUSSION HERE TODAY TO
13 ESSENTIALLY PROVIDE A PUBLIC RECORD THAT WOULD BE GOING
14 FORWARD SIMILAR TO WHAT THE GRANTS WORKING GROUP DOES.

15 MS. FEIT: SO THAT'S A DOCUMENT THAT STAFF'S
16 GOING TO DRAW AS WE REVIEW EACH APPLICATION? IS THAT
17 WHAT YOU'RE TALKING ABOUT? THAT'S NOT A DOCUMENT WE
18 CURRENTLY HAVE?

19 MR. KELLER: CORRECT.

20 CHAIRMAN LICHTENGER: THIS IS A DOCUMENT THAT
21 IS GOING TO BE A WORK IN PROGRESS TODAY AND TOMORROW.

22 MR. KELLER: AND WE WOULD DISTRIBUTE THE
23 DRAFT. FOR THOSE THAT ARE ASSIGNED TO THE COMMITTEE,
24 WE WOULD DISTRIBUTE OUR DRAFT PROJECT SUMMARIES TO THE
25 RESPECTIVE PRIMARY AND SECONDARY REVIEWERS SO THAT YOU

1 HAVE THE OPPORTUNITY TO MAKE SURE THAT THEY REFLECT THE
2 DISCUSSION AND CONCLUSIONS APPROPRIATELY.

3 MS. FEIT: OKAY. THAT'S CLEAR. THANKS.

4 CHAIRMAN LICHTENGER: ANY FURTHER QUESTIONS
5 ON THE PROJECT SUMMARIES OR THE SCORING OF THESE SIX
6 EVALUATION CRITERIA?

7 NOW I'D LIKE TO PROPOSE A PROCESS FOR
8 ADDRESSING A RESOLUTION OF TECHNICAL ISSUES RAISED IN
9 THE STAFF ANALYSIS THAT RELATE TO THE FINANCIAL TERMS
10 OF THE APPLICATIONS. REVIEWING THE APPLICATION, STAFF
11 HAS IDENTIFIED ISSUES WITH HOW APPLICANTS ADDRESSED
12 FINANCIAL REQUIREMENTS STATED IN THE RFA. FOR
13 INSTANCE, SOME OF THE APPLICATIONS REQUEST CIRM FUNDING
14 FOR FEES, ADMINISTRATIVE COSTS, AND CONTINGENCY THAT
15 EXCEED THE 25-PERCENT LIMIT ESTABLISHED FOR SUCH COSTS
16 IN THE RFA. IN OTHER CASES, THE SOURCE AND/OR AMOUNT
17 OF MATCHING FUNDS CITED BY THE APPLICANT IS NOT
18 CONSISTENT WITH THE REQUIREMENTS OF THE RFA.

19 WE'RE ALL GOING THROUGH THIS PROCESS FOR THE
20 FIRST TIME, LEARNING TOGETHER. IT'S NOT AT ALL
21 SURPRISING THAT THESE KINDS OF ISSUES HAVE ARISEN. AS
22 WE LEARN, WE HOPE TO IMPROVE OUR PROCEDURES FOR LATER
23 FACILITIES RFA'S, THAT WE CAN HAVE THESE KINDS OF
24 MATTERS RESOLVED BEFORE THE WORKING GROUP'S
25 CONSIDERATION. FOR THE TIME BEING, TO RESOLVE THESE

1 ISSUES FOR PURPOSES OF THIS REVIEW, THE VICE CHAIR AND
2 I, IN CONSULTATION WITH CIRM STAFF AND GENERAL COUNSEL,
3 RECOMMEND THAT WE ADOPT A PROCEDURE THAT PERMITS
4 APPLICANTS TO RESOLVE THESE TECHNICAL FINANCIAL ISSUES
5 IN A UNIFORM WAY BEFORE OUR RECOMMENDATIONS ARE
6 SUBMITTED TO THE ICOC.

7 IN MOST CASES RESOLUTION WILL REQUIRE THE
8 APPLICANT TO ASSUME RESPONSIBILITY FOR COSTS THAT
9 EXCEED THE COST GUIDELINES IN THE RFA. IN OTHER CASES
10 THE APPLICANT WILL BE ABLE TO IDENTIFY MATCHING FUNDS
11 TO REPLACE A SOURCE THAT IS NOT CONSISTENT WITH THE
12 RFA. IN EVERY CASE THE ISSUE AND THE RESOLUTION OF
13 THAT ISSUE WILL BE UNIFORM.

14 THIS OPPORTUNITY FOR RESOLUTION WILL PERMIT
15 THE WORKING GROUP TO IGNORE THESE FINANCIAL ISSUES FOR
16 THE PURPOSE OF SCORING THESE APPLICATIONS BASED ON THE
17 ASSUMPTION THAT THE APPLICANTS WILL AGREE TO RESOLVE
18 THEM. FOR EACH APPLICATION FOR WHICH THE STAFF HAS
19 IDENTIFIED ISSUES REQUIRING RESOLUTION, WE PROPOSE THAT
20 THE WORKING GROUP EVALUATE THE PROPOSAL ASSUMING THAT
21 THESE ISSUES WILL BE RESOLVED. IF THE MEMBERS ACCEPT
22 THIS PROPOSAL, WE WILL ALL SCORE THE APPLICATIONS
23 ASSUMING THOSE ISSUES DID NOT EXIST.

24 MR. KLEIN: COULD I ASK A QUESTION AT THIS
25 POINT? IT'S MY UNDERSTANDING FROM TALKING TO THE CHAIR

1 AND THE VICE CHAIR THAT AS EACH APPLICATION IS
2 CONSIDERED, THERE WILL BE A RECOMMENDATION ON HOW TO
3 RESOLVE THESE TECHNICAL ISSUES AS A MOTION AND THAT
4 THIS COMMITTEE WILL ACTUALLY VOTE TO DECIDE WHETHER OR
5 NOT WE ACCEPT THAT RESOLUTION SO THAT THE ASSUMPTION IS
6 ONLY THAT THE GRANTEE WILL THEN AGREE TO MEET THOSE
7 CONDITIONS. AND IF THEY DON'T, THEN THE BOARD WILL BE
8 AWARE THAT WE HAVE SCORED BASED UPON WHATEVER THE VOTE
9 IS OF THIS COMMITTEE; IS THAT CORRECT?

10 VICE CHAIRMAN SERRANO-SEWELL: THAT IS MY
11 UNDERSTANDING. AND IT MAY BE HELPFUL TO PHRASE IT IN
12 YET ANOTHER WAY. AND THAT IS WHEN WE DO -- AFTER WE
13 HAVE A DISCUSSION AND THOSE ISSUES HAVE BEEN
14 IDENTIFIED, FOR THE PURPOSES OF OUR PRELIMINARY SCORE,
15 IT WILL BE AS THOUGH THE ISSUES SO IDENTIFIED HAVE BEEN
16 ADDRESSED.

17 CHAIRMAN LICHTENGER: THAT'S CORRECT, DAVID,
18 YES. SO WE'RE GOING TO HAVE AN ASSUMPTION THAT THE
19 APPLICANTS WILL ACCEPT THE PROPOSED SOLUTION. DOES
20 THAT MAKE SENSE TO THE WORKING GROUP MEMBERS? DOES
21 ANYONE HAVE ANY QUESTIONS REGARDING THIS PROPOSED
22 RESOLUTION?

23 SO STAFF HAS PREPARED A CHART. FOR EACH TYPE
24 OF FINANCIAL ISSUE, STAFF HAS LISTED THE APPLICATIONS
25 IN WHICH THEY ARE FOUND, THE PROPOSED RESOLUTION THAT

1 WILL APPLY TO ALL THE APPLICATIONS WITH THE SAME ISSUE.
2 AS WE DISCUSS EACH APPLICATION, I'LL NOTE THE ISSUE,
3 THE RESOLUTION, AND THEN WE WILL DISCUSS THE MERITS OF
4 THE APPLICATION, AND RECORD OUR PRELIMINARY VOTES. AT
5 THE END OF THE DISCUSSION, WE'LL RECORD OUR FINAL
6 SCORES AND THEN PROCEED TO THE PROGRAMMATIC REVIEW.

7 AFTER WE'VE COMPLETED OUR REVIEW, STAFF WILL
8 SEND LETTERS TO THE APPLICANTS IDENTIFYING THE
9 TECHNICAL FINANCIAL ISSUES IN THEIR APPLICATIONS AND
10 THE PROPOSED RESOLUTION, ASKING THE APPLICANTS TO
11 RESPOND BY A CERTAIN DATE TO LET CIRM KNOW YES OR NO
12 WHETHER THEY'RE WILLING TO ACCEPT THE PROPOSED
13 RESOLUTION. THESE RESPONSES WILL BE INCORPORATED IN
14 THE PROJECT SUMMARIES WHICH WILL GO TO THE ICOC.

15 DOES ANYONE HAVE ANY QUESTIONS REGARDING THE
16 PROPOSED RESOLUTION OF THESE ISSUES? IF NOT, DOES IT
17 MEET WITH THE MEMBERS' APPROVAL? IT SEEMS TO BE
18 UNANIMOUS THAT THIS PROCEDURE WILL BE THE PROCEDURE WE
19 FOLLOW TODAY.

20 SO I THINK WE'RE AGREED THAT THESE STAFF
21 ISSUES THAT CAN BE RESOLVED WILL BE NOT CONSIDERED IN
22 THE SCORING OF THE APPLICATION IF THEY CAN BE RESOLVED.
23 TO HELP US THROUGH THIS, I'LL ASK RICK KELLER TO
24 INDICATE, WHEN HE ANNOUNCES THE APPLICATION FOR REVIEW,
25 WHETHER OR NOT THERE IS A FINANCIAL ISSUE FOR THIS

1 PARTICULAR APPLICATION BEING DISCUSSED THAT CAN BE
2 RESOLVED WITH THE PROCEDURE WE HAVE JUST DISCUSSED. IS
3 THAT ACCEPTABLE? DOES EVERYONE AGREE THAT THAT'S
4 ACCEPTABLE? OKAY.

5 SO NOW I BELIEVE WE'RE READY TO START THE
6 REVIEW PROCESS. THE PROCESS WILL BE RICK WILL ANNOUNCE
7 THE APPLICATION NUMBER AND INDICATE IF THERE ARE ANY
8 RECUSALS. IF THERE ARE ANY RECUSALS FROM MEMBERS, YOU
9 WILL NEED TO LEAVE THE ROOM UNTIL THE REVIEW IS
10 COMPLETED. RICK WILL THEN INDICATE THE PRIMARY AND
11 SECONDARY REVIEWERS AND WHETHER OR NOT ANY FINANCIAL
12 ISSUES RAISED IN THE ANALYSIS CAN BE RESOLVED. THE
13 PRIMARY REVIEWER AND THE SECONDARY REVIEWER WILL, IN
14 TURN, EXPLAIN THE EVALUATION OF THE APPLICATION, NOTING
15 ITS STRENGTHS, ITS WEAKNESSES, AND THERE WILL BE
16 DISCUSSION BY THE FULL GROUP.

17 WHEN THE DISCUSSION IS ENDED, I'LL INVITE YOU
18 TO ENTER A PRELIMINARY SCORE FOR THE APPLICATION. I
19 WILL TRY TO KEEP THE REVIEW OF EACH APPLICATION,
20 INCLUDING DISCUSSION, TO 10 TO 15 MINUTES SO THAT WE
21 CAN COMPLETE OUR WORK ON TIME. RICK WILL THEN ANNOUNCE
22 THE NEXT APPLICATION FOR REVIEW AND ANYONE WHO IS
23 RECUSED FOR THE PRIOR ITEM WILL BE INVITED BACK INTO
24 THE ROOM. ANY QUESTIONS?

25 SO THAT COMPLETES THE TECHNICAL REVIEWS. AND

1 THEN AFTER THE TECHNICAL REVIEWS, WE'LL BE GOING INTO A
2 CLOSED SESSION AS CALLED FOR IN THE PROCEDURES. BEFORE
3 WE GO INTO THE CLOSED SESSION, YOU WILL BE ABLE TO
4 REVIEW YOUR SCORING BOOKS AND MAKE ANY FINAL CHANGES IN
5 THE SCORING BOOKS THAT WILL BE COLLECTED. THE
6 COMPOSITE SCORES ONE TO A HUNDRED WILL BE CALCULATED AS
7 THE AVERAGE OF THOSE WHO WERE ELIGIBLE AND SCORE THE
8 APPLICATION. THE SCORES WILL BE AVAILABLE WHEN WE
9 RETURN FROM CLOSED SESSION.

10 SO AT THIS POINT, RICK, I THINK WE'RE READY
11 TO START THE TECHNICAL REVIEW.

12 MR. KELLER: ALL RIGHT. THE COMMITTEE
13 IDENTIFIED THREE PROJECTS THAT WOULD BE TAKEN UP
14 INITIALLY BY VIRTUE OF THE FACT THAT MEMBER SHERRY
15 LANSING WOULD BE JOINING THE GROUP BY TELEPHONE, BUT
16 COULD NOT MEET BEFORE 10 A.M. SO THAT LINE IS OPEN,
17 BUT I THINK WE SHOULD PROBABLY PROCEED TO A PASS ON THE
18 FIRST THREE. AND WE'RE NOW GOING TO GO PAST THE 500
19 AND 501 BY VIRTUE OF THE FACT THAT WE'VE MADE SOME
20 REASSIGNMENTS TO THE SECONDARY REVIEW. THOSE ARE
21 ASSIGNED FOR JOAN SAMUELSON'S REVIEW AND WE'RE WAITING
22 FOR THAT.

23 SO THE NEXT ITEM THAT I THINK YOU COULD WORK
24 ON, MR. CHAIRMAN, WOULD BE IN THE ORDER 504. AND THAT
25 HAS MR. KASHIAN AS THE PRIMARY REVIEWER AND JEFF SHEEHY

1 AS THE SECONDARY REVIEWER. AND THAT IS A CIRCUMSTANCE
2 WHERE I HAVE A STAFF CONFLICT BY VIRTUE OF PREVIOUS
3 EMPLOYMENT.

4 CHAIRMAN LICHTENGER: EXCUSE ME, RICK. COULD
5 WE START ON A DIFFERENT ONE WHERE THERE'S NOT A STAFF
6 CONFLICT SO WE CAN MAKE SOME PROGRESS?

7 MR. KELLER: SURE. WE CAN DO THAT.

8 CHAIRMAN LICHTENGER: GREAT. 505, 502.
9 OKAY. SO 502 IT IS.

10 VICE CHAIRMAN SERRANO-SEWELL: JUST TO LET
11 THE COMMITTEE MEMBERS KNOW WHAT WE'RE STARTING WITH,
12 WE'RE STARTING WITH APPLICATION CL1-00502-1. GIVE
13 EVERYONE A MINUTE TO FIND THEIR DOCUMENTS.

14 MS. KING: IF I COULD JUST ASK EVERYBODY TO
15 PLEASE MAKE SURE YOU SPEAK DIRECTLY INTO THE
16 MICROPHONE, AND WE'LL ALSO TURN UP THE VOLUME A LITTLE
17 BIT.

18 CHAIRMAN LICHTENGER: IF EVERYONE IS READY,
19 DOES EVERYONE HAVE 502 IN FRONT OF THEM? MARCY, IF YOU
20 COULD -- WHO'S THE PRIMARY?

21 MR. KLEIN: GO TO STAFF FIRST.

22 MR. KELLER: FOR CL-00502-1, THE PRIMARY
23 REVIEWER IS MR. ED KASHIAN AND SECONDARY IS MEMBER
24 MARCY FEIT. AND THE PROPOSAL IS A REQUEST OF 945,583,
25 WHICH IS THE CIRM FUNDING AMOUNT. THE ONLY RECUSAL

1 HERE IS MS. LANSING.

2 (MEMBER LANSING IS RECUSED FROM
3 APPLICATION 502-1 AND IS NOT PRESENT IN THE ROOM.)

4 CHAIRMAN LICHTENGER: RICK, ARE THERE ANY
5 FINANCIAL ISSUES AS WE DISCUSSED ON THIS APPLICATION?

6 MR. KELLER: LET ME REFER TO THAT. NO, THERE
7 ARE NONE.

8 CHAIRMAN LICHTENGER: THANK YOU. SO, ED, IF
9 YOU COULD PLEASE START THE PRIMARY REVIEW.

10 MR. KASHIAN: HAPPY TO. FIRST OF ALL, MR.
11 CHAIRMAN, I WOULD LIKE TO CONGRATULATE OR COMMEND THE
12 STAFF IN TERMS OF THE STAFF ANALYSIS. ALTHOUGH I
13 DIDN'T ALWAYS AGREE WITH THE FACTS OF THE ANALYSIS, IT
14 WAS REALLY HELPFUL TO ME. AND I'D LIKE TO THANK YOU
15 FOR THAT HELP.

16 THIS PARTICULAR APPLICATION, IN TERMS OF THE
17 ONES THAT I REVIEWED, SCORED VERY HIGH. IT'S AN
18 EXCELLENT APPLICATION THAT I BELIEVE IS RESPONSIVE IN
19 ANY FORM. AND I WOULD STRONGLY RECOMMEND TO THE ICOC
20 COMMITTEE THAT IT BE FUNDED.

21 CHAIRMAN LICHTENGER: GREAT. THANK YOU, ED.
22 MARCY.

23 MS. FEIT: I AGREE. THE TOTAL AMOUNT THAT'S
24 BEING REQUESTED FOR FUNDING IS 945,583. IN THIS
25 PROJECT THE FACILITY HAS ALREADY BEEN COMPLETED. SO

1 THERE'S A REAL COMMITMENT HERE ON THE PART OF THE
2 INSTITUTION FOR THIS RESEARCH. THE BULK OF THE REQUEST
3 IS BEING ASKED FOR FOR EQUIPMENT. AND OF A SPECIFIC
4 NATURE, ONE OF THE PIECES OF EQUIPMENT THAT'S BEING
5 REQUESTED IS A SCANNING DEVICE. THEY WANT TO BE ABLE
6 TO USE IMAGING AS A PART OF THE RESEARCH, AND I KNOW IN
7 OUR OVERALL DISCUSSIONS IN THE INSTITUTE, IMAGING AS
8 PART OF RESEARCH WAS A PROGRAM THAT WE FELT STRONGLY WE
9 WANTED TO SEE MORE OF.

10 SO THIS WAS, I THOUGHT, A VERY FINE
11 APPLICATION, AND I GIVE IT A VERY HIGH SCORE.

12 CHAIRMAN LICHTENGER: DO THE MEMBERS HAVE ANY
13 QUESTIONS FOR THE PRIMARY OR SECONDARY REVIEWER?

14 MR. SHEEHY: I'M JUST TRYING TO BE CLEAR ON
15 THE PROCESS. SO WE'VE HAD A REVIEW AND NOW WE'RE GOING
16 TO -- WE SHOULD WRITE IN PRELIMINARY SCORES?

17 CHAIRMAN LICHTENGER: YOU HAVE THE ABILITY TO
18 ASK QUESTIONS OF STAFF, RICK OR ED OR MARCY, AND
19 QUESTIONS IN TERMS OF PARTICULAR ISSUES OR ABOUT COST
20 OR ANY OF THE CATEGORIES FOR SCORING. AND AFTER THAT
21 YOU CAN ENTER YOUR PRELIMINARY SCORE, WHICH THEN YOU'LL
22 HAVE AN OPPORTUNITY TO ADJUST AT THE END OF THE
23 TECHNICAL REVIEW SESSION.

24 MR. SHEEHY: SORRY TO BE STUTTERING, BUT I
25 JUST -- I'M NOT TRYING TO MAKE THIS DIFFICULT, BUT I

1 DON'T -- YOU KNOW, IF I'M GOING TO PUT DOWN NUMBERS, IT
2 ALMOST FEELS LIKE WE SHOULD GO POINT BY POINT AND HAVE
3 SOME SORT OF DISCUSSION. AND I KNOW ACTUALLY USING
4 NUMBERS, THAT WE MADE THAT OPTIONAL, BUT IT IS A LITTLE
5 BIT EASIER IF ANYBODY HAS A WILLINGNESS TO USE NUMBERS
6 TO PROVIDE SOME GUIDANCE JUST BECAUSE I'M KIND OF LOST
7 WITHOUT THAT. I'M JUST KIND OF PULLING THEM OUT OF MY
8 HEAD.

9 MS. FEIT: I'D BE GLAD TO GO THROUGH THE
10 POINTS THAT I MADE ON IT.

11 MR. SHEEHY: IS THAT OKAY?

12 MS. FEIT: ABSOLUTELY, YES.

13 MR. SHEEHY: THAT WOULD BE HELPFUL FOR ME.

14 CHAIRMAN LICHTENGER: MARCY, JUST BEFORE I
15 HAVE YOU ADDRESS THAT, THE VICE CHAIR WOULD LIKE TO SAY
16 A FEW WORDS.

17 VICE CHAIRMAN SERRANO-SEWELL: AS THE
18 CHAIRMAN STATED, THAT THE NOTES THAT EACH ONE OF US HAS
19 FOR THE APPLICATIONS THAT HAVE BEEN ASSIGNED TO US ARE
20 CONFIDENTIAL IN NATURE. THEY ARE DRAFTS AND THEY
21 REMAIN SO. BUT AS MR. SHEEHY HAS STATED, AND I DON'T
22 SEE ANY RESISTANCE FROM MS. FEIT, IT IS, THEREFORE,
23 ELECTIVE IF YOU WANT TO DISCLOSE YOUR SCORES, ENTIRELY
24 ELECTIVE. THAT NEEDS TO BE MADE CLEAR. YOU SHOULDN'T
25 FEEL PRESSURED. YOU DON'T HAVE TO. IT'S UP TO YOU.

1 I'LL SHARE WITH YOU MIGHT POSTURE WHEN I DO MY
2 SECONDARY REVIEWS. I WILL BE SHARING THE SCORES
3 BECAUSE I DO THINK IT DOES PROVIDE SOME FURTHER
4 ILLUMINATION ON MY THINKING. AND SO YOU CAN AGREE OR
5 DISAGREE WITH IT, AND IT COULD LEAD TO OTHER QUESTIONS.
6 I KNOW WE'VE GOT TO KEEP THESE TO 10 TO 15 MINUTES.

7 CHAIRMAN LICHTENGER: I'D JUST LIKE TO ADD
8 ONE THING, MARCY, BEFORE. JEFF, WHEN I'M GOING TO BE
9 DOING A PRIMARY REVIEW, I'M GOING TO BE TALKING ABOUT
10 EACH CATEGORY IN TERMS OF MY FEELINGS WHETHER THEY WERE
11 AVERAGE, ABOVE AVERAGE, GOOD, EXCELLENT, BELOW AVERAGE.
12 SO IT WOULD PROBABLY BE HELPFUL, IF YOU HAVE QUESTIONS,
13 TO ASK AND THE PRIMARY REVIEWERS TO BE TALKING IN TERMS
14 OF COMPARED TO OF THIS OTHER REVIEWS HOW THEY COMPARED
15 IN TERMS OF THOSE BROAD CATEGORIES.

16 MS. FEIT: IN TERMS OF FEASIBILITY, AGAIN,
17 THIS IS A PROJECT WHERE THE FACILITY HAS ALREADY JUST
18 BEEN COMPLETED. AND THE BULK OF THE FUND IS BEING
19 REQUESTED FOR EQUIPMENT. ABOUT \$1650 IS ALL THAT'S
20 BEING REQUESTED TO FINISH OFF SOME MINOR ALTERATIONS TO
21 THE FACILITY. AND, AGAIN, AS STATED, THE EQUIPMENT IS
22 RUNNING A LITTLE OVER 700,000. IN MY ESTIMATION, THE
23 BULK OF THAT IS FOR A SCANNING DEVICE WHICH WOULD
24 PROVIDE IMAGING OF THE RESEARCH, WHICH I THINK IS
25 SOMETHING THAT WE'VE TALKED ABOUT IN THE INSTITUTE HOW

1 WE'D LIKE TO SEE THE USE OF IMAGING A LOT MORE IN
2 RESEARCH. SO THIS ORGANIZATION IS DEFINITELY HEADED IN
3 THAT DIRECTION.

4 SO FROM THAT PERSPECTIVE, THIS IS DEFINITELY
5 FEASIBLE. I GAVE IT A SCORE OF 15 OUT OF 15 FOR
6 FEASIBILITY.

7 IN TERMS OF THE COST, OBVIOUSLY THIS PROJECT
8 EXCEEDS THE MINIMUM AMOUNT OF REQUIRED MATCHING FUNDS
9 FOR A REQUEST AND COMES WITHIN THE LIMITS THAT THE RFA
10 HAD PRESENTED. I THINK, LOOKING AT IT BRIEFLY, MY
11 KNOWLEDGE AND UNDERSTANDING OF WHAT IMAGING EQUIPMENT
12 COSTS, THAT THESE ARE REASONABLE COSTS. AND SO I GAVE
13 IT 20 OUT OF 20 FOR COSTS.

14 IN TERMS OF INSTITUTIONAL --

15 CHAIRMAN LICHTENGER: EXCUSE ME. I HAVE A
16 QUESTION FOR STAFF. RICK, HAVE WE CALCULATED WHAT THIS
17 EQUIPMENT COST WOULD BE ON A PER-SQUARE-FOOT BASIS ON
18 ASSIGNABLE?

19 MR. KELLER: NO, WE HAVEN'T. WE JUST HAVE
20 THE COST OF THE EQUIPMENT INCLUDED IN THE REVIEW ON A
21 COST-PER-PI BASIS.

22 CHAIRMAN LICHTENGER: CAN WE CALCULATE THAT?
23 DOES SOMEONE HAVE A CALCULATOR? THANK YOU. MARCY, IF
24 YOU COULD PROCEED WHILE RICK IS --

25 MS. FEIT: IN TERMS OF INSTITUTIONAL

1 EQUIPMENT, BECAUSE THE LABORATORY HAS ALREADY COMPLETED
2 THE FACILITY AND THEY'RE JUST WANTING THE EQUIPMENT
3 BASICALLY, WITHIN TWO MONTHS AFTER THEY RECEIVE THE
4 GRANT, THEY BELIEVE THEY'LL BE OPERATIONAL. SO I THINK
5 FROM AN INSTITUTIONAL COMMITMENT PERSPECTIVE, THEY'RE
6 READY TO GO. SO THEY RECEIVED -- ON AN INSTITUTIONAL
7 COMMITMENT PERSPECTIVE, THEY RECEIVED 20 OUT OF 20 FROM
8 ME.

9 OF COURSE, IN TERMS OF TIMING AND MILESTONES,
10 THEY, AGAIN, SCORED VERY HIGH BECAUSE OF THEIR ABILITY
11 TO GET GOING VERY QUICKLY.

12 IN TERMS OF THEIR HISTORICAL PERFORMANCE, I
13 DIDN'T SEE ANY ISSUE. THEY GAVE EVIDENCE OF PAST
14 PROJECTS AND APPEARED TO BE ABLE TO COMPLETE THOSE AND
15 HAVE REASONABLE TIMING AND OUTCOME.

16 THE RESPONSIVENESS, OF COURSE, THIS IS A
17 SHARED LABORATORY PROJECT. THERE WILL BE 18
18 RESEARCHERS INVOLVED FROM THE HOST INSTITUTION AND AN
19 ADDITIONAL 12 INVESTIGATORS FROM OTHER INSTITUTIONS.
20 SO IT IS A SHARED PROGRAM BETWEEN INSTITUTIONS. SO I
21 FELT THIS WAS A VERY GOOD APPLICATION AND GAVE IT HIGH
22 SCORES ON RESPONSIVENESS. I GAVE 12 OUT OF 15. I
23 THINK, YOU KNOW, NOBODY IS PERFECT. SO MY OVERALL
24 TOTAL WAS 98. THANK YOU.

25 MR. KLEIN: AS A QUESTION FOR THE BENEFIT OF

1 THE PUBLIC, WHO MAY NOT KNOW WHAT THE MAXIMUM SCORES
2 ARE IN HISTORICAL PERFORMANCE AND TIMELINE AND
3 MILESTONES, IF YOU COULD INDICATE FOR THE PUBLIC THE
4 MAXIMUM POINTS IN THOSE CATEGORIES.

5 CHAIRMAN LICHTENGER: THANK YOU, BOB. SO
6 JUST TO GO THROUGH THIS, THE MAXIMUM FOR FEASIBILITY IS
7 15, THE MAXIMUM FOR COST IS 20, THE MAXIMUM FOR
8 TIMELINES AND MILESTONES IS 20, 20 FOR INSTITUTIONAL
9 COMMITMENT, 10 FOR HISTORICAL PERFORMANCE, 15 FOR
10 RESPONSIVENESS.

11 MS. FEIT: RIGHT. I SAID IT WRONG. I GIVE
12 13 OUT OF 15 FOR RESPONSIVENESS.

13 MR. KLEIN: IF I CAN ASK ANOTHER QUESTION. I
14 WAS UNABLE TO BE AT THE FIRST PART OF THE LAST SESSION
15 OF THIS COMMITTEE. IS MATCHING FUNDS CONSIDERED UNDER
16 INSTITUTIONAL COMMITMENT OR COSTS? WHERE WAS THE --
17 WHAT WAS THE CONCLUSION?

18 CHAIRMAN LICHTENGER: BOB, I THINK THAT WAS,
19 YOU KNOW, UNDER INSTITUTIONAL COMMITMENT, NOT UNDER
20 COST. I THINK THERE WAS A KIND OF CONSENSUS OF THE
21 MEMBERS THAT THAT'S HOW WE SHOULD CONSIDER THAT.

22 MR. KLEIN: OKAY. THAT'S WHAT I WAS
23 THINKING, BUT I WAS JUST TRYING TO GET A REAFFIRMATION
24 OF THAT POINT.

25 AND IN TERMS OF THE INSTITUTIONAL COMMITMENT,

1 IN TERMS OF MATCHING FUNDS, WHAT WAS THE PERCENTAGE OF
2 MATCHING FUNDS THAT THIS INSTITUTION WAS CONTRIBUTING?
3 AND I'D ALSO ASK, SINCE THEY'VE CONSTRUCTED A WHOLE NEW
4 FACILITY, IS THERE ANY EVALUATION BY THE STAFF OF WHAT
5 THE COST IS OF THAT FACILITY AND ITS CONTRIBUTION TO
6 THE MISSION?

7 MR. KELLER: THE INSTITUTIONAL -- THE STAFF
8 SYNOPSIS OR THE PROJECT SYNOPSIS DISPLAYS THE BUDGET
9 SUMMARY AND ALSO INDICATES THE PERCENTAGE THAT THE
10 MATCHING AMOUNT REPRESENTS. FOR INSTANCE, ON THIS ONE
11 THE PRIOR EXPENDITURE MATCH, WHICH BASICALLY RELATES TO
12 ALTERATIONS, IS 421,621. WE'VE IDENTIFIED THAT
13 PERCENTAGE. WE DON'T HAVE A BASIS TO JUDGE HOW THEY
14 HAVE CONTRIBUTED TO THE LARGER ISSUE OF CIRM RESEARCH.

15 MR. KLEIN: I SAW THE \$400,000 NUMBER. WHERE
16 DOES THE PERCENTAGE APPEAR?

17 CHAIRMAN LICHTENGER: AT THE BOTTOM OF THE
18 STAFF SYNOPSIS, BOB. SHOULD BE IN THERE.

19 MS. FEIT: IT REPRESENTS 45 PERCENT OF THE
20 REQUESTED FUNDS.

21 MR. KELLER: IN RESPONSE TO YOUR QUESTION,
22 MR. CHAIRMAN, THE AMOUNT REQUESTED FOR EQUIPMENT,
23 943,933, RELATED TO THE 1560 ASSIGNABLE SQUARE FEET
24 THAT'S INVOLVED IN THE LAB, \$605 PER ASSIGNABLE SQUARE
25 FOOT FOR EQUIPMENT.

1 CHAIRMAN LICHTENGER: GREAT. THANK YOU. ED,
2 DO YOU HAVE ANY FURTHER TO ADD TO THE REVIEW?

3 MR. KASHIAN: I PREFER NOT MAKING MY SCORES
4 PUBLIC. I PUBLISHED THEM ON THE INTERNET; HOWEVER --

5 CHAIRMAN LICHTENGER: YOU SAID YOU PREFER TO
6 OR NOT TO?

7 MR. KASHIAN: MY POINTS OF VIEW ARE STRICTLY
8 OF A REAL ESTATE POINT OF VIEW. AND THIS APPLICATION,
9 THE PHYSICAL PLANT IS COMPLETED. SO THE LEAST AMOUNT
10 OF MONEY IS GOING INTO REAL ESTATE AND THE MAXIMUM
11 AMOUNT OF MONEY INTO MEDICAL EQUIPMENT AND TECHNIQUES.
12 I SLIGHTLY DOWNGRADED FROM THE MAXIMUM TWO AREAS. ONE,
13 TIMELINES AND MILESTONES. I FEEL SINCE THE PLANT IS
14 COMPLETED AND THEY'RE IN PROCESS, THEY COULD BE DOING
15 THIS A LITTLE FASTER. AND THEIR RESPONSIVENESS WAS
16 SLIGHTLY DOWNGRADED, BUT IT WAS A VERY HIGH SCORE FOR
17 ME, AND I STRONGLY RECOMMEND THAT IT BE GRADED THAT
18 WAY.

19 CHAIRMAN LICHTENGER: THANK YOU, ED. DO
20 MEMBERS HAVE ANY FURTHER QUESTIONS FOR THE PRIMARY OR
21 SECONDARY REVIEWER? IF NOT, ANY QUESTIONS? THEN I'D
22 ASK EVERYONE TO PUT THEIR PRELIMINARY SCORE DOWN IN
23 THEIR SCORE BOOK FOR APPLICATION 502. AND I'LL GIVE
24 EVERYONE A MINUTE TO DO THAT, AND THEN RICK IS GOING TO
25 TELL US WHICH IS THE NEXT APPLICATION WE'RE GOING TO

1 REVIEW.

2 MR. KELLER: MR. CHAIRMAN, AT THIS TIME I
3 WOULD RECOMMEND THAT YOU COULD GO BACK TO THE ORDER OF
4 REVIEW THAT WE HAD INDICATED WITH CL-1-00503-1 BEING
5 THE NEXT ITEM. MEMBER LANSING IS AVAILABLE BY
6 TELEPHONE AS SHE HAS BEEN ASSIGNED AS SECONDARY
7 REVIEWER FOR THIS. THE CHAIRMAN IS THE PRIMARY
8 REVIEWER AND THERE ARE NO OTHER RECUSALS.

9 CHAIRMAN LICHTENGER: THANK YOU, RICK. ARE
10 THE MEMBERS COMPLETE WITH THEIR PRELIMINARY SCORING, OR
11 DO YOU NEED ANOTHER MINUTE? LET'S GO TO ANOTHER MINUTE
12 BEFORE WE DIG INTO 503.

13 MS. LANSING: HELLO.

14 MR. KLEIN: SHERRY, WE DO HEAR YOU.

15 MS. LANSING: I CAN BARELY HEAR YOU, SO I'M
16 GOING TO CALL IN AGAIN. ACTUALLY NOW, IF YOU SPEAK
17 LOUD, I CAN HEAR YOU.

18 CHAIRMAN LICHTENGER: WE'LL TRY TO TALK A
19 LITTLE MORE CLOSELY TO THE MICROPHONE. HOW DOES THAT
20 SOUND, SHERRY?

21 MS. LANSING: THANK YOU.

22 CHAIRMAN LICHTENGER: OKAY. SO I WILL START.
23 I AM THE PRIMARY REVIEWER FOR APPLICATION 503, SO I'LL
24 GO AHEAD. WE'RE GOING TO HAVE RICK DO THE STAFF
25 SYNOPSIS FIRST.

1 MR. KELLER: ON CL-1-00503-1, THE REQUEST IS
2 FOR 1,981,068 IN CIRM FUNDING. THE PROPOSAL INCLUDES
3 CONSTRUCTION AND EQUIPMENT. THE PROPOSAL ALSO HAS AN
4 ELEMENT IN THE STAFF ANALYSIS THAT FALLS UNDER THIS
5 PREVIOUSLY DISCUSSED POLICY OF HANDLING THESE AS IF
6 THEY ARE REMEDIED.

7 IN THIS CASE THE PROPOSAL, AS IDENTIFIED IN
8 THE STAFF ANALYSIS, INCLUDED MATCHING
9 CHARACTERISTICS -- INCLUDED FUNDING, RATHER, FOR
10 INELIGIBLE COSTS ASSOCIATED WITH FURNISHINGS AND
11 RELOCATION COSTS THAT WERE NOT CONSISTENT WITH CIRM'S
12 DEFINITION OF EQUIPMENT. SO THOSE FUNDS OF 57,525
13 WOULD NOT BE ALLOWABLE COSTS UNDER CIRM'S GUIDELINES
14 FOR EQUIPMENT.

15 THE OTHER ISSUE IS THAT THE RFA SPECIFIES
16 THAT DESIGN FEES, ADMINISTRATIVE COSTS, AND
17 CONTINGENCIES SHOULD NOT EXCEED 25 PERCENT IN THE
18 AGGREGATE FOR CIRM FUNDING. SO THERE'S 54,276 OF
19 FUNDING INCLUDED IN THE PROPOSAL THAT RELATES TO THIS.

20 AND FINALLY, SO IN OUR APPROACH TO THIS, WE
21 WOULD, AS INDICATED IN THE PREVIOUS DISCUSSION, PROPOSE
22 THAT WE WOULD REDUCE THE GRANT AMOUNT, AND THE
23 APPLICANT WOULD HAVE TO PROVIDE FOR THE UNALLOWABLE
24 COSTS FOR THESE IN THIS AMOUNT.

25 CHAIRMAN LICHTENGER: SO I'D LIKE TO ASK

1 MEMBERS IF WE COULD HAVE A MOTION TO ACCEPT STAFF'S
2 RECOMMENDATION FOR APPLICATION 503-1, THAT CIRM SHOULD
3 REDUCE ITS GRANT AMOUNT, AND APPLICANT PROVIDES
4 INSTITUTIONAL FUNDS FOR THESE UNALLOWABLE EXPENSES. DO
5 WE HAVE A MOTION?

6 MR. KLEIN: IF I CAN ASK A QUESTION OF STAFF
7 FIRST? IS THAT PERMISSIBLE, MR. CHAIRMAN?

8 CHAIRMAN LICHTENGER: YES, PLEASE, BOB.

9 MR. KLEIN: RICK, I NOTICE ON THIS THAT THE
10 MATCH IS A MILLION FOUR SEVENTY-ONE. IT APPEARS TO BE
11 ABOUT 50 PERCENT. THAT'S SUBSTANTIALLY OVER THE
12 MINIMUMS. IS IT ALSO POSSIBLE THAT IN THE MATCH THERE
13 ARE QUALIFIED COSTS THAT ARE CONSIDERED, AND THEY NEED
14 TO REORDER THEIR BUDGET JUST AS A QUESTION?

15 MS. HOFFMAN: YES, THAT IS CORRECT. HOWEVER,
16 I THINK AT THIS POINT WE WOULD WANT TO JUST REMEDY THIS
17 CONDITION AS OPPOSED TO START REORDERING OR ASKING FOR
18 A NEW BUDGET.

19 MR. KLEIN: MY UNDERSTANDING IS FOR
20 SIMPLICITY AND TO HAVE A CONSISTENT REMEDY, THAT WE,
21 EVEN THOUGH THAT IS THE SITUATION, WE NEED TO BE
22 EFFICIENT AND CONSISTENT AND UNIFORM IN OUR APPROACH.
23 SO MY UNDERSTANDING IS I WOULD MAKE A MOTION THAT THEY
24 REMEDY THE COST IN THESE TWO CATEGORIES EITHER BY
25 PUTTING UP MORE MONEY, THE APPLICANT PUTS MORE MONEY UP

1 TO COVER THESE, OR THE CIRM WOULD REDUCE ITS GRANT BY
2 THE AMOUNT IN THE ALTERNATIVE; IS THAT CORRECT?

3 MS. HOFFMAN: IT'S ACTUALLY THE SAME, SO WE
4 WOULD REDUCE THE AMOUNT OF CIRM FUNDS FROM THESE
5 PARTICULAR LINE ITEMS THAT REPRESENT THE INELIGIBLE
6 COSTS, AND THEN THEY WOULD NEED TO PICK IT UP IN
7 INSTITUTIONAL COMMITMENT.

8 DR. WRIGHT: IS YOUR MOTION THAT THIS WOULD
9 BE INSTITUTED ACROSS THE BOARD FOR ALL PROPOSALS WHERE
10 THIS APPLIES?

11 MS. HOFFMAN: THAT IS CORRECT.

12 MR. KLEIN: SO I WILL MAKE THE MOTION THAT
13 WHEN THIS CONDITION APPLIES, THAT THIS BE INSTITUTED
14 ACROSS THE BOARD IN THOSE SITUATIONS SO WE HAVE A
15 UNIFORM RESPONSE IN ALL CASES WHERE WE HAVE THIS
16 TECHNICAL FINANCIAL ISSUE.

17 VICE CHAIRMAN SERRANO-SEWELL: POINT OF ORDER
18 TO THE CHAIRMAN LICHTENGER. AND THAT IS PER MR.
19 KLEIN'S MOTION, AS A POLICY MATTER, THAT'S WHAT WE'LL
20 DEAL WITH.

21 MS. LANSING: PLEASE TALK LOUDER.

22 VICE CHAIRMAN SERRANO-SEWELL: AS A POLICY
23 MATTER, THOUGH, I STILL THINK, AND PERHAPS WE'RE GOING
24 TO DO THAT, BUT IT'S ADVISABLE THAT WE FOR EACH
25 APPLICATION STATE ON THE RECORD WHAT THE REMEDY IS.

1 MR. KLEIN: MY UNDERSTANDING IS WE WILL HAVE
2 A MOTION ON EACH APPLICATION, SO WE WILL KNOW EXACTLY
3 WHEN WE'RE APPLYING IT. AND THERE WILL BE A SEPARATE
4 VOTE THAT HAS TO CARRY OR NOT CARRY ON EACH
5 APPLICATION. AS A POLICY MATTER, I'M STATING THAT THIS
6 IS INTENDED THAT THIS BE STATED IN A WAY THAT IT CAN BE
7 APPLIED UNIFORMLY. BUT IT IS ONLY TO BE VOTED ON IN
8 THIS CASE ON THIS APPLICATION.

9 VICE CHAIRMAN SERRANO-SEWELL: AT THE
10 DISCRETION OF THE WORKING GROUP.

11 MR. KLEIN: AT THE DISCRETION OF THE WORKING
12 GROUP.

13 DR. WRIGHT: I'LL SECOND THAT.

14 CHAIRMAN LICHTENGER: TAMAR, WOULD YOU LIKE
15 TO COMMENT?

16 MS. PACHTER: NO, I DON'T HAVE ANY COMMENT.
17 I THINK BOB'S GOT IT.

18 CHAIRMAN LICHTENGER: SO THEN WE HAVE A
19 MOTION ON THE FLOOR. DO WE HAVE A SECOND?

20 DR. WRIGHT: SECOND.

21 CHAIRMAN LICHTENGER: WE HAVE IT SECONDED BY
22 JANET WRIGHT. SO CAN WE GO AHEAD AND PROCEED WITH
23 DISCUSSION? DOES ANYONE HAVE ANY DISCUSSION WITH THIS
24 ITEM?

25 MS. FEIT: COULD YOU RESTATE THE MOTION?

1 MR. KLEIN: LET ME RESTATE THE MOTION. SO
2 THE MOTION IS THAT WHERE WE HAVE THE INELIGIBLE COSTS
3 IN THIS CASE FOR EXCEEDING THE DESIGN FEE
4 ADMINISTRATION CONTINGENCY CATEGORY AND EXCEEDING --
5 AND HAVING INELIGIBLE COSTS IN THE BUDGET FOR
6 RELOCATION OR SIMILAR ITEMS, THAT THE CIRM WILL REDUCE
7 THE AMOUNT OF THE GRANT BY THE AMOUNT OF INELIGIBLE
8 COST THAT WE'VE EXCEEDED THE BUDGET, SPECIFICALLY IN
9 THIS GRANT, BY THE AMOUNT SPECIFIED BY STAFF.

10 VICE CHAIRMAN SERRANO-SEWELL: THERE WAS A
11 SECOND FROM DR. WRIGHT.

12 CHAIRMAN LICHTENGER: SO WE HAVE A SECOND
13 FROM --

14 MR. KLEIN: AND MY UNDERSTANDING IS THAT IF
15 THIS IS APPROVED, THEN WE WOULD SCORE THIS GRANT AS IF
16 THOSE CONDITIONS ARE FULLY REMEDIED.

17 CHAIRMAN LICHTENGER: THAT'S CORRECT. ANY
18 OTHER COMMENTS OR DISCUSSION POINTS ON --

19 MR. KELLER: I'D ALSO LIKE TO COMMENT THAT
20 WITHIN THE STAFF ANALYSIS WHERE WE HAD IDENTIFIED
21 ISSUES, THE OTHER ISSUE THAT WAS IDENTIFIED WAS HOW
22 WILL THE FACILITIES WORKING GROUP RESOLVE THE
23 INCONSISTENT BUDGETS PRESENTED IN THE PROPOSAL? AND
24 THERE IS NO REMEDY FOR THAT BECAUSE IT IS A POLICY
25 DECISION FOR YOU TO CONSIDER AS YOU REVIEW.

1 CHAIRMAN LICHTENGER: VERY GOOD. THANK YOU,
2 RICK. SO ANY OTHER DISCUSSION OR QUESTIONS FROM
3 MEMBERS? IF NOT, THEN I'D LIKE TO HAVE A VOTE NOW ON
4 THIS MOTION. CALL THE ROLL.

5 MR. HARRISON: YOU CAN ACTUALLY JUST DO THIS
6 BY A VOICE VOTE.

7 CHAIRMAN LICHTENGER: ALL IN FAVOR SAY YES.
8 ANY OPPOSED? THEN I THINK IT'S UNANIMOUS, AND IT'S
9 PASSED. SO IT WILL BE SO RECORDED THAT WE WILL
10 CONSIDER THIS APPLICATION ACCEPTING STAFF'S
11 RECOMMENDATION HOW TO DEAL WITH THESE FINANCIAL ISSUES.
12 OKAY.

13 SO NOW I AM THE PRIMARY REVIEWER FOR
14 APPLICATION 503-1, AND I'M GOING TO PROCEED WITH THAT
15 NOW.

16 SO IN TERMS OF FEASIBILITY, THE PROJECT
17 SEEMED QUITE FEASIBLE. IT WAS A FAIRLY COMPLICATED
18 PROJECT, BUT THERE WERE NO MAJOR ISSUES THAT I NOTED IN
19 THE INFORMATION. THEY WOULD BE CREATING A 3,000 SQUARE
20 FOOT ASSIGNABLE NONLABORATORY SPACE TO PROVIDE SPACE
21 FOR A LABORATORY RESEARCH AND RELATED SUPPORT,
22 INCLUDING TISSUE CULTURE, SHARED EQUIPMENT, AND OFFICE
23 SPACE.

24 THE COST SEEMED TO BE VERY HIGH COMPARED TO
25 THE OTHER REVIEWED GRANT APPLICATIONS. THERE WAS SOME

1 INCONSISTENT INFORMATION REGARDING THE COSTS AS NOTED
2 BY STAFF. SO I DID HAVE SOME CONCERNS ABOUT THE COST
3 ON THIS APPLICATION, ESPECIALLY THAT WE HAD SOME
4 INCONSISTENT BUDGETING. BUDGET SHOWED DIFFERENT
5 NUMBERS FOR DIFFERENT ITEMS.

6 IN TERMS OF THE TIMELINESS AND MILESTONES,
7 THE OVERALL SCHEDULE SEEMED SOMEWHAT LONG CONSIDERING
8 ALL ASPECTS OF THE SCHEDULE. THE TOTAL PROJECT WAS
9 APPROXIMATELY 21 MONTHS.

10 THE INSTITUTIONAL COMMITMENT SEEMED QUITE
11 EXCELLENT. THEY MET THE MATCH. THEY WELL EXCEEDED THE
12 MATCH ON THIS ITEM. IT LOOKED LIKE THERE WAS A
13 150-PERCENT MATCH; IS THAT CORRECT, RICK?

14 MR. KELLER: YES. 150.

15 CHAIRMAN LICHTENGER: SO THIS WAS AN AREA
16 THAT I FELT VERY POSITIVELY ABOUT.

17 THE HISTORICAL PERFORMANCE SEEMED QUITE GOOD
18 TO EXCELLENT. THERE WERE NO CONCERNS THAT I HAD IN THE
19 APPLICATION.

20 AND THE RESPONSIVENESS SEEMED TO BE GOOD AS
21 WELL. VERY GOOD. SO I HAD NO CONCERNS WITH
22 RESPONSIVENESS.

23 SO I'D LIKE TO HAVE SHERRY LANSING DO THE
24 SECONDARY REVIEW NOW.

25 MS. LANSING: I TALKED OVER THIS WITH STAFF

1 BECAUSE I DID NOT HAVE THE KNOWLEDGE AND THE ABILITY TO
2 REVIEW THIS BY MYSELF. I, AFTER TALKING OVER IT WITH
3 STAFF, FELT VERY, VERY, VERY COMFORTABLE WITH
4 EVERYTHING THAT STAFF WAS RECOMMENDING, SO I SUPPORT
5 IT.

6 CHAIRMAN LICHTENGER: SHERRY, COULD YOU SPEAK
7 UP, PLEASE?

8 MS. LANSING: WHAT I SAID IS I DID NOT HAVE
9 THE ABILITY TO DO THIS ALONE BECAUSE I DON'T HAVE
10 ENOUGH OF A BACKGROUND IN ALL OF THESE AREAS. SO I
11 TALKED TO STAFF ABOUT THEIR RECOMMENDATIONS IN GREAT
12 DETAIL. AFTER I TALKED TO RICK, IN PARTICULAR, I FELT
13 VERY, VERY COMFORTABLE WITH EVERYTHING THAT THEY ARE
14 RECOMMENDING AND SAYING. AND SO I AGREE WITH IT
15 TOTALLY.

16 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
17 SHERRY. DO WE HAVE ANY QUESTIONS FROM THE MEMBERS FOR
18 EITHER THE PRIMARY OR SECONDARY REVIEWER?

19 MR. KLEIN: CAN I ASK STAFF A QUESTION?

20 CHAIRMAN LICHTENGER: PLEASE.

21 MR. KLEIN: RICK, WITH THE INCONSISTENT
22 BUDGETS THAT YOU REFERENCED, ARE WE GOING TO JUST
23 SPECIFY THAT ONE SET OF NUMBERS IS GOING TO BE TAKEN AS
24 THE REPRESENTED SET OF NUMBERS SO THAT WE CAN ELIMINATE
25 THIS INCONSISTENCY?

1 MS. HOFFMAN: AGAIN, BOB --

2 MR. KLEIN: WHAT IS YOUR RECOMMENDATION ON
3 THIS ITEM?

4 MS. HOFFMAN: THANK YOU. I DID THIS REVIEW
5 AS WELL, SO ALLOW ME TO SPEAK TO THIS. WHAT I DID IN
6 THE REVIEW, AS STATED, I USED THE LAST BUDGET, THE
7 BUDGET ON THE BACK END OF THIS APPLICATION, AS A GUIDE
8 AS WELL AS THE REQUIRED B.3 BUDGET AND ACTUALLY
9 DISREGARDED THE OTHERS BECAUSE IT JUST WOULDN'T HAVE
10 MADE FOR A VALUABLE ANALYSIS. I THINK THAT THAT'S WHAT
11 WE WILL CONTINUE TO DO.

12 THERE IS NO REMEDY TO THIS UNLESS WE WENT
13 BACK, OF COURSE, AND ASKED FOR A REFRAMING OF THE
14 APPLICATION. SO I THINK THAT SHOULD BE CERTAINLY TAKEN
15 INTO CONSIDERATION WHILE VOTING, THAT THERE WAS
16 DIFFICULTIES IN IDENTIFYING EXACTLY WHAT THE
17 INSTITUTION WAS ASKING FOR.

18 I WOULD ALSO LIKE TO NOTE, AND I WANTED TO
19 THANK MEMBER LANSING FOR TAKING STAFF'S ANALYSIS, THAT
20 ONE OF THE REASONS THAT THE MATCH IS SO HIGH IS THIS IS
21 A VERY COMPLEX RENOVATION, WHICH IS ALSO THE REASON FOR
22 THE 21 MONTHS. THERE'S A PIECE OF THIS THAT'S PROBABLY
23 SEISMIC AS WELL. SO I THINK THAT THAT'S IMPORTANT, AND
24 I JUST WANTED TO NOTE THAT, THAT THAT IS INFLUENCING
25 THE TIMEFRAME.

1 MR. KLEIN: BUT WE DO HAVE AN EFFECTIVE
2 BUDGET. WE'RE TAKING THE BUDGET AS YOU REFERENCED IT
3 SPECIFICALLY AND ELIMINATING THE INCONSISTENCY BY DOING
4 SO.

5 MS. HOFFMAN: AS MUCH POSSIBLE.

6 MR. KLEIN: I THINK YOUR POINT ABOUT THE
7 LEVEL OF THE MATCH IS VERY SIGNIFICANT BECAUSE,
8 ALTHOUGH IT'S COSTLY, THIS SO FAR EXCEEDS THE OTHER
9 MATCHES THAT WE'RE SEEING INSTITUTIONALLY, THAT ANY
10 COST EFFECT OF THIS RENOVATION IS FAR EXCEEDED IN THE
11 OFFSET OF THE TREMENDOUS AMOUNT IN THE MATCH. SO IT IS
12 A TREMENDOUS CONTRIBUTION. AS SAID BEFORE, THEY SHOULD
13 BE COMMENDED ON THE INSTITUTIONAL COMMITMENT THAT THEY
14 HAVE BROUGHT. AND EFFECTIVELY IN THE VALUE FOR THE
15 TAXPAYERS AND RESEARCH, IT GETS A LOT OF VALUE FOR OUR
16 DOLLARS BECAUSE OF THE SIZE OF THE MATCH.

17 CHAIRMAN LICHTENGER: THANK YOU, BOB. I
18 WOULD CONCUR ABOUT THE MATCH, AND THE INSTITUTIONAL
19 COMMITMENT WAS EXCELLENT. THE VICE CHAIR WOULD LIKE TO
20 SAY A FEW WORDS, BUT I JUST WANT TO COMMENT TO LORI'S
21 COMMENTS ABOUT THE SCHEDULE. I DO AGREE THAT THIS WAS
22 A FAIRLY COMPLICATED PROJECT, ALTHOUGH, AGAIN, I
23 THOUGHT THE SCHEDULE WAS SOMEWHAT EXTENDED EVEN GIVEN
24 THOSE CIRCUMSTANCES. VICE CHAIR.

25 VICE CHAIRMAN SERRANO-SEWELL: I THINK WHAT

1 MR. KLEIN HAS SHARED WITH THE WORKING GROUP ARE HIS
2 THOUGHTS, AND THEY'RE VALUABLE BECAUSE WE'RE ALL
3 INTERESTED IN HOW EACH ONE OF US ARE THINKING. BUT
4 IT'S GOING TO BE UP TO EACH ONE OF US, BASED ON OUR OWN
5 INDEPENDENT ANALYSIS, TO PROVIDE A SCORE. AS STAFF HAS
6 PRESENTED, SOME OF THE ISSUES THAT ARISE WITH EACH
7 APPLICATION ARE EASILY REMEDIABLE, IF THAT'S A WORD.
8 WE COULD JUST PASS A MOTION AND DEAL WITH IT THAT WAY
9 WHILE OTHERS ARE NOT.

10 AS NOTED FOR THIS PARTICULAR APPLICATION,
11 THERE ARE ISSUES WITH THE 54,000, WITH THEIR BUDGET.
12 IT EXCEEDS THE AMOUNT THAT'S ALLOWED UNDER THE RFA. ON
13 ITS FACE IT EXCEEDS THE AMOUNT THAT IT'S ALLOWED UNDER
14 THE RFA. SO FOR MY OWN ANALYSIS, THAT WILL HAVE AN
15 IMPACT ON COST. THAT WILL HAVE AN IMPACT ON HOW I
16 ASSIGN THE SCORE IN THE COST CATEGORY.

17 CHAIRMAN LICHTENGER: ARE THERE ANY FURTHER
18 QUESTIONS FOR STAFF OR THE PRIMARY OR SECONDARY
19 REVIEWER?

20 MR. KASHIAN: IN TERMS OF TIMELINES, ARE WE
21 DEALING WITH SCORING IT FOR THE TIMELINE FOR THE
22 PROJECT AS THEY PROPOSE IT, OR ARE WE MORE CONCERNED
23 WITH PROVIDING MONEY TO PEOPLE THAT HAVE MUCH SHORTER
24 TIMELINES THAT ARE ABLE TO PERFORM FASTER?

25 CHAIRMAN LICHTENGER: LORI, COULD YOU PLEASE

1 ADDRESS.

2 MS. HOFFMAN: THERE IS, IN FACT, NO SPECIFIC
3 REQUIREMENT IN THE ACT. AND I WOULD ASK JAMES TO CITE
4 THE ACT IN TERMS OF THE IMMEDIACY OF THE FACILITIES,
5 BUT I DO BELIEVE THAT THAT'S A POLICY ISSUE AND SHOULD
6 BE REFLECTED IN YOUR SCORING.

7 MR. KASHIAN: BOB, COULD I ASK YOUR OPINION
8 ABOUT THE SUBJECT?

9 MR. KLEIN: I WAS ACTUALLY READING ONE OF
10 THESE TECHNICAL PAGES ON THE CONSTRUCTION COMPLEXITY.
11 COULD YOU RESTATE IT, PLEASE?

12 MR. KASHIAN: I WAS WONDERING SHOULD WE BE
13 CONCERNED WITH NOT NECESSARILY THE TIMELINE IN WHICH
14 THEY'RE DOING THEIR PROJECT, OR DO WE HAVE A FINITE
15 AMOUNT OF MONEY, AND SHOULD WE PROVIDE MORE WEIGHT TO
16 THOSE PEOPLE THAT CAN COMPLETE THEIR PROJECT FASTER?

17 MR. KLEIN: WELL, I THINK --

18 MR. KASHIAN: THEY'RE FURTHER ALONG IN THE
19 PROCESS.

20 CHAIRMAN LICHTENGER: EXCELLENT QUESTION.

21 MR. KLEIN: I THINK EVERY MEMBER NEEDS TO
22 COME TO THEIR OWN CONCLUSION ON THAT. BUT FROM MY
23 INDIVIDUAL PERSPECTIVE, IN THIS PARTICULAR CASE, WITH
24 THE SHARED FACILITIES, WE APPEAR TO HAVE APPROPRIATE
25 AMOUNT OF FUNDING TO REACH ESSENTIALLY ALL OF THE

1 QUALITY PROJECTS TO THE EXTENT THIS COMMITTEE DEEMS
2 THEM QUALITY. IN THE MAJOR FACILITIES GRANT, THAT CAN
3 BE A VERY DIFFERENT SITUATION. BUT IN THIS PARTICULAR
4 CASE, IF WE HAVE A COMPLEX PROJECT AND THEY APPEAR TO
5 BE EXECUTING IT PROPERLY, I PERSONALLY, AS AN
6 INDIVIDUAL, WOULD SCORE THEM ON WHETHER THEY'VE
7 ACCOMPLISHED THE TASK FACING THEM IN AN APPROPRIATE
8 AMOUNT OF TIME BECAUSE PART OF OUR MISSION HERE IS TO
9 EXPAND THE NUMBER OF FACILITIES IN THE STATE GIVEN
10 APPROPRIATE QUALITY.

11 CHAIRMAN LICHTENGER: I'D JUST LIKE TO MAKE A
12 COMMENT. YOU KNOW, IN MY EXPERIENCE WITH PROJECTS,
13 THERE ARE THREE THINGS THAT TYPICALLY MATTER: COST,
14 SCHEDULE, AND QUALITY. AND IT'S A VERY RARE PROJECT
15 THAT GETS ALL THREE RIGHT. SO IF YOU PUSH ON ONE,
16 USUALLY THERE'S AN EFFECT ON THE OTHER TWO. SO AS I
17 SAID, YOU KNOW, AS THE PRIMARY REVIEW, I THOUGHT THE
18 SCHEDULE WAS SOMEWHAT EXTENDED, BUT, YES, A COMPLICATED
19 PROJECT. DEBORAH.

20 MS. HYSEN: JAMES, I WAS WONDERING IF THIS
21 ADDRESSES ED'S POINT. IN THE REQUIREMENTS OF THE
22 FACILITIES WORKING GROUP UNDER PROP 71, AND I GET THESE
23 NUMBERS ALL WRONG BECAUSE THERE'S SO MANY A'S, 1S, B'S,
24 2S. BUT IT DOES SAY PRIORITY FOR APPLICATIONS THAT
25 PROVIDE FOR FACILITIES THAT WILL BE AVAILABLE FOR

1 RESEARCH NO MORE THAN TWO YEARS AFTER THE GRANT AWARD.
2 SO IS THAT BASICALLY THE TIMEFRAME?

3 MR. HARRISON: RIGHT. THAT'S ONE OF THE
4 CRITERIA BY WHICH YOU ARE MEANT TO EVALUATE
5 APPLICATIONS. AND IT'S NOT AN ABSOLUTE REQUIREMENT.
6 IT'S A PRIORITY FOR APPLICATIONS THAT PROVIDE FOR A
7 FACILITY TO BE COMPLETED WITHIN THAT TIMEFRAME.

8 MS. HYSEN: SO PRESUMABLY THE FASTER THAT
9 THAT IS DONE, THE MORE PRIORITY. THERE'S A WEIGHTED.

10 MR. HARRISON: CORRECT.

11 CHAIRMAN LICHTENGER: WE HAVE A QUESTION FROM
12 JANET WRIGHT.

13 DR. WRIGHT: IT'S ACTUALLY JUST A COMMENT.
14 IN READING THROUGH THE PROPOSAL, I WAS NEITHER PRIMARY
15 NOR SECONDARY ON THIS ONE. I WAS A LITTLE CONCERNED
16 THAT THEY DESCRIBE, WELL, THE SPACE BEING AVAILABLE FOR
17 28 PI'S, ALL BASED AT THE HOST INSTITUTION BECAUSE I DO
18 THINK OF THESE SHARED LABS AS OPPORTUNITIES TO BRING
19 ADDITIONAL INVESTIGATORS INTO THE FIELD AND SHARE THE
20 RESOURCES. BUT THEY SPECIFICALLY CALL OUT IN THE
21 PUBLIC ABSTRACT AND IN THE BODY OF THE PROPOSAL THAT
22 THEY'VE ALREADY DEVELOPED RELATIONSHIPS WITH
23 INSTITUTIONS, THREE OF THEM THAT THEY MENTION, IN ORDER
24 TO BRING OTHER FOLKS IN.

25 CHAIRMAN LICHTENGER: YOU KNOW, I'D LIKE TO

1 RESPOND TO THIS BRIEFLY, AND THEN I WANT TO HAVE LORI
2 HOFFMAN ALSO RESPOND. THAT WAS AN EXCELLENT POINT,
3 JANET. I DID NOTICE CERTAIN QUESTIONS I HAD ON THIS
4 ISSUE WITH THIS APPLICATION AS WELL AS OTHER
5 APPLICATIONS IN TERMS OF THE PI QUESTION. SO I THINK
6 THIS IS SOMETHING THAT WE'RE GOING TO HAVE TO REVIEW IN
7 GREATER DETAIL UNDER THE VICE CHAIR'S DIRECTION ON THE
8 PROGRAMMATIC REVIEW, BUT I'M GOING TO ALLOW LORI
9 HOFFMAN TO RESPOND.

10 MS. HOFFMAN: WELL, IN FACT, THE CHAIRMAN IS
11 CORRECT. SO WHAT WE WERE FINDING AS WE WERE REVIEWING
12 ALL OF THEM, THAT MANY OF THE HOST -- MANY OF THE
13 APPLICANTS WERE PROPOSING THAT HOST INSTITUTION PI
14 NUMBER AS AN EXPANDED CAPACITY. AND SO IN THE
15 PROGRAMMATIC REVIEW, YOU WILL SEE BOTH NUMBERS,
16 CURRENTLY WHAT ARE CIRM-FUNDED PI'S AT THESE PARTICULAR
17 INSTITUTIONS, WHAT THE APPLICANT IS ASSUMING WILL BE
18 THEN THEIR USE INSIDE, AND THERE WILL BE ALSO A
19 REQUIREMENT THAT THESE SHARED LABS BE SHARED AND THAT
20 THERE BE SOME RECHARGE MECHANISM IN ORDER TO OPEN UP
21 THOSE LABS TO OTHER APPLICANTS OR OTHER PI'S THAT WILL
22 BE DOING THIS WORK AND NEEDING NIH-FREE SPACE.

23 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS BY
24 ANY OF THE MEMBERS?

25 MR. KLEIN: IS IT CORRECT THAT, IN FACT, ON

1 EACH OF THESE INSTITUTIONS, IN ORDER IN THIS PART OF
2 THE REVIEW TO MAKE IT VERY DIRECT, THAT YOU'VE ONLY
3 SHOWN THE PI'S RELATED TO THAT INSTITUTION, AS YOU'RE
4 SAYING; BUT AS DR. WRIGHT POINTS OUT, ALL OF THESE
5 INSTITUTIONS CLAIM THAT THEY WERE GOING TO SERVICE
6 OTHER INSTITUTIONS AND PROVIDE DIFFERENT LEVELS OF
7 BACKUP WHICH WE'RE GOING TO DISCUSS IN THE PROGRAMMATIC
8 REVIEW. BUT CONSISTENTLY WE'LL SEE, AS WE GO DOWN THE
9 LIST, THAT THE NUMBER OF PI'S REFERENCED IN THE
10 SUMMARIES REFERENCES THE NUMBER OF PI'S AT THE
11 INSTITUTION. IS THAT A CORRECT STATEMENT?

12 MS. HOFFMAN: EACH APPLICATION HAS DEALT WITH
13 THIS IN A SLIGHTLY DIFFERENT MANNER. IN MANY CASES YOU
14 WILL SEE THAT AN APPLICANT WILL STATE THAT THERE'S
15 CERTAINLY A LARGER NUMBER OF PI'S THAT COULD USE THE
16 FACILITY DEPENDING ON HOW MANY HOURS IN THE DAY THAT
17 IT'S OPEN OR DAYS OF THE WEEK. AND BECAUSE WE DID NOT
18 PROVIDE SPECIFIC GUIDANCE AND AN EFFORT TO PROVIDE THE
19 INFORMATION TO THE WORKING GROUP IN A CONSISTENT
20 MANNER, WE CHOSE TO SHOW THE HOST INSTITUTION'S PI'S
21 FOR THIS EXPANDED CAPACITY ISSUE AS WELL AS THEN IN
22 PROGRAMMATIC REVIEW SHOW YOU WHAT THE APPLICANT
23 CURRENTLY HAS AS CIRM-FUNDED PI'S.

24 CHAIRMAN LICHTENGER: DOES THAT ANSWER YOUR
25 QUESTION, JANET? ARE THERE ANY OTHER QUESTIONS ON THE

1 TECHNICAL REVIEW OF APPLICATION 503-1? IF NOT, I'D
2 LIKE TO HAVE EVERYONE WRITE DOWN THEIR PRELIMINARY
3 SCORE. I'VE GIVE EVERYONE A MOMENT.

4 RICK, WOULD APPLICATION 509-1 BE THE NEXT
5 APPLICATION TO BE CONSIDERED?

6 MR. KELLER: YES.

7 CHAIRMAN LICHTENGER: ARE THERE ANY FINANCIAL
8 ISSUES THAT STAFF HAS RECOMMENDATIONS ON THIS
9 PARTICULAR APPLICATION?

10 MR. KELLER: YES, THERE ARE.

11 CHAIRMAN LICHTENGER: WHY DON'T WE JUST GIVE
12 MEMBERS ANOTHER MINUTE BEFORE WE GO FURTHER. 509-1.
13 THANK YOU. ARE THE MEMBERS COMPLETE WITH THEIR
14 SCORING? OKAY. YES.

15 MR. KELLER: THE NEXT ITEM WOULD BE ITEM
16 CL-1-00509-1. THE PRIMARY REVIEWER IS MEMBER HYSEN,
17 SECONDARY REVIEWER IS MEMBER LANSING.

18 (NO RECUSALS ON PROPOSAL 509-1.)

19 MR. KELLER: THIS IS A REQUEST FOR A TOTAL OF
20 \$919,830 IN CIRM FUNDING. IT IS ALL FOR A SHARED
21 LABORATORY. THERE IS NOT A TECHNIQUES COURSE PROPOSED.
22 THE OPTIONAL TECHNIQUES COURSE IS NOT PROPOSED HERE.

23 THE ONE FINANCIAL ITEM THAT WE CAN RESOLVE
24 HERE UNDER YOUR PRIOR ARRANGEMENT IS THAT THE PROPOSAL
25 INCLUDES AN AMOUNT BUDGETED FOR ADMINISTRATIVE COSTS,

1 DESIGN, AND CONTINGENCY THAT EXCEEDS THE LIMITS
2 ESTABLISHED IN THE RFA BY \$25,204. AND CONSISTENT WITH
3 YOUR PREVIOUS ACTIONS, THAT WOULD BE RESOLVED, AS YOU
4 HAD STATED ON THE PREVIOUS ITEM, BY REDUCING THE CIRM
5 FUNDING AND COMMUNICATING THAT TO THE APPLICANT TO
6 HANDLE THAT.

7 CHAIRMAN LICHTENGER: SO, RICK, IS THAT YOUR
8 RECOMMENDATION TO HAVE A MOTION TO THAT EFFECT ON THIS
9 APPLICATION?

10 MR. KELLER: A MOTION AND A VOICE VOTE WOULD
11 BE APPROPRIATE.

12 CHAIRMAN LICHTENGER: GREAT. DO WE HAVE A
13 MOTION ON APPLICATION 509-1 TO ACCEPT STAFF'S
14 RECOMMENDATION THAT CIRM SHOULD REDUCE ITS GRANT AMOUNT
15 AND THE APPLICANT PROVIDES INSTITUTIONAL FUNDS FOR
16 THESE UNALLOWABLE EXPENSES? DO WE HAVE A MOTION?

17 DR. WRIGHT: SO MOVED.

18 CHAIRMAN LICHTENGER: SO JANET WRIGHT IS THE
19 MOTION.

20 MS. FEIT: SECOND.

21 CHAIRMAN LICHTENGER: AND MARCY FEIT IS THE
22 SECOND. CAN WE HAVE A VOTE? ALL THOSE IN FAVOR SAY
23 AYE. ANY OPPOSED? OKAY. IT'S UNANIMOUS THAT WE'RE
24 ACCEPTING STAFF'S RECOMMENDATION ON THE FINANCIAL
25 ISSUES ON APPLICATION 509.

1 DEBORAH, IF YOU COULD PLEASE DO THE PRIMARY
2 REVIEW.

3 MS. HYSEN: GOOD MORNING. SHERRY, CAN YOU
4 HEAR ME?

5 MS. LANSING: YES. I HEAR YOU FINE.

6 MS. HYSEN: THIS APPLICATION I SCORED IN THE
7 MID TO MID HIGH RANGE OF THE GROUP THAT I HAD. IT WAS
8 A PRETTY SOLID APPLICATION. THIS PARTICULAR SPACE IS A
9 900 SQUARE FOOT SPACE ASSIGNABLE AREA OF A MEDIUM SIZE
10 LAB, 1960 IN TOTAL. THE PER-SQUARE-FOOT COST IN THE
11 COLUMN YOU WILL SEE IS HIGH, BUT THAT'S NOT ATYPICAL OF
12 SMALL SPACE. YOU DON'T TEND TO LEVERAGE THE ECONOMIES
13 OF SCALE, SO YOUR SMALL SPACES TEND TO BE HIGHER PER
14 SQUARE FOOT. BECAUSE IT'S ONLY 900 SQUARE FEET, YOU
15 WILL SEE IN ONE OF YOUR SPREADSHEETS THAT THE COST PER
16 SQUARE FOOT IS RELATIVELY HIGH, BUT, AGAIN, NOT
17 LEVERAGING ECONOMIES OF SCALE, THAT'S NOT ATYPICAL. SO
18 I DIDN'T FIND THAT PROBLEMATIC.

19 SO FROM A FEASIBILITY STANDPOINT, I FELT THAT
20 THEY WERE IN GOOD SHAPE. THIS IS JUST AN UPGRADE OF AN
21 EXISTING FACILITY, AND THEY HAVE EXISTING MECHANICAL,
22 ELECTRICAL, AND PLUMBING SYSTEMS IN PLACE THAT THEY'RE
23 GOING TO EXPAND ONTO. SO IT SEEMED THAT THE BASIC
24 INFRASTRUCTURE THAT WOULD BE NEEDED WOULD BE IN PLACE,
25 BUT THERE ARE SOME MODIFICATIONS TO MAKE IT SPECIFIC TO

1 STEM CELL USE. SO I FELT THAT THERE WAS NOTHING REALLY
2 PROHIBITING THEM FROM PROCEEDING IN A TIMELY FASHION.
3 THEY DO RECOGNIZE SOME OF THE IMPEDIMENTS, SUCH AS
4 SECURING PERMIT AND REVIEW APPROVALS FROM THE NECESSARY
5 ENTITIES, SO THEY DID TAKE THAT INTO ACCOUNT. I GAVE
6 THEM A SCORE IN THE MIDRANGE -- ACTUALLY IN THE HIGH
7 RANGE. WE'RE NOT GIVING OUR SCORES.

8 CHAIRMAN LICHTENGER: YOU DON'T HAVE TO GIVE
9 A NUMERICAL SCORE. YOU SHOULD GIVE IT SOME INDICATION
10 OF, YOU KNOW, WHETHER IT WAS AVERAGE, ABOVE AVERAGE,
11 GOOD, EXCELLENT, OR BELOW AVERAGE OR POOR.

12 MS. HYSEN: IN THE FEASIBILITY RANGE, WE HAVE
13 THREE RANGES, LOW, AVERAGE, AND HIGH, AND I GAVE
14 THEM -- I PUT THEM IN THE HIGH CATEGORY.

15 CHAIRMAN LICHTENGER: WOULD THAT BE GOOD OR
16 EXCELLENT?

17 MS. HYSEN: WELL, I THINK THEY'RE ALL
18 SLIGHTLY DIFFERENT. IN THIS CASE IT WOULD BE
19 EXCELLENT.

20 CHAIRMAN LICHTENGER: GREAT. THANK YOU.

21 MS. HYSEN: AGAIN, I MENTIONED THE COST. I
22 FEEL THAT, CONSIDERING THE AMOUNT OF WORK, THERE'S
23 QUITE A BIT OF WORK TO MAKE IT SPECIFIC TO STEM CELL.
24 I FELT IT WAS VERY REASONABLE AND IN KEEPING WITH
25 TYPICAL CONSTRUCTION COSTS.

1 I DID NOTE, HOWEVER, THE DESIGN FEES
2 OVERAGES, AND I WAS CONCERNED ABOUT THAT. I'M GLAD
3 THAT THERE'S GOING TO BE ONE COMMON REMEDY BECAUSE I
4 NOTICED THROUGHOUT MY REVIEW THAT THERE'S SORT OF A --
5 I THINK THERE'S SOME APPLES AND ORANGES IN THE DESIGN
6 ADMINISTRATIVE FEES. I THINK SOME THINGS ARE INCLUDED,
7 MAYBE SOME THINGS AREN'T. IT'D BE NICE TO HAVE A
8 TEMPLATE THAT THEY CAN FOLLOW SO THAT THEY'RE ALL
9 SUBMITTING THE SAME INFORMATION.

10 TIMELINE AND MILESTONES, I THINK IT'S A
11 PRETTY REASONABLE CONSTRUCTION. THEY'RE AT THE
12 SCHEMATIC STAGE RIGHT NOW, SO THEY STILL HAVE TO
13 PROCEED WITH PRELIMINARY PLANS AND WORKING DRAWINGS
14 WHICH THEY ANTICIPATE TAKING OVER EIGHT MONTHS. THE
15 CONSTRUCTION TIME IS ACTUALLY FAIRLY SMALL. IT'S ABOUT
16 TWO AND A HALF MONTHS. THEY EXPECT AN OPERATIONAL
17 START OF JULY 1ST. I THINK THAT'S IMPORTANT FOR US TO
18 KNOW IN EACH CASE. I'D REALLY LIKE TO KNOW
19 OPERATIONALLY WHEN EACH OF THESE ENTITIES IS GOING TO
20 START BECAUSE I THINK, FOR ME, WE DO WANT TO LOOK AT
21 PRIORITY FOR GETTING THIS BALL ROLLING. I FELT THAT
22 THAT WAS ALL FAIRLY REASONABLE.

23 IN THE INSTITUTIONAL COMMITMENT, THEY DID
24 EXCEED THE 20-PERCENT MINIMUM BY -- I THINK THEY'RE AT
25 25 PERCENT. SO I FELT THAT WAS FAIRLY GOOD.

1 CHAIRMAN LICHTENGER: COULD WE JUST GO BACK
2 TO SCHEDULE? I HAD A QUESTION. SO YOU'RE SAYING IT'S
3 COMPLETION JULY 2008. SO OVERALL SCHEDULE ABOUT A
4 YEAR, CORRECT? HOW ARE YOU CLASSIFYING THAT SCHEDULE?

5 MS. HYSEN: LOOKING AT THEIR TIMEFRAMES.
6 MOST OF THESE GROUPS APPEAR TO BE STARTING UPON GRANT
7 AWARD. THERE'S A FEW THAT APPEAR TO GET THE BALL
8 ROLLING IN ADVANCE IN ANTICIPATION OF BEING FUNDED.
9 AND SO THE ONES THAT ARE STARTING, I THINK THE
10 EXPECTATION IS AN AWARD OF JULY OF '07; IS THAT TRUE,
11 RICK?

12 MR. KELLER: IF WE MAKE IT TO THE JUNE ICOC
13 AND BY THE TIME WE COMPLETE DUE DILIGENCE ON THESE, BUT
14 I THINK THAT'S REASONABLE.

15 MS. HYSEN: OKAY. I THINK THIS ONE DID
16 ANTICIPATE -- I THINK MOST OF THEM ANTICIPATED A JULY
17 1ST START DATE. AND SO THIS WOULD BE ONE YEAR IN TOTAL
18 FROM TAKING SCHEMATICS THROUGH THE PROCESS.

19 CHAIRMAN LICHTENGER: SO WOULD YOU CONSIDER
20 THAT GOOD OR ABOVE AVERAGE OR EXCELLENT?

21 MS. HYSEN: I GAVE THAT EXCELLENT.

22 MS. FEIT: DEBORAH, I HAVE A QUESTION ABOUT
23 THE OSHPD REVIEW. DO YOU THINK THREE MONTHS IS
24 REASONABLE?

25 MS. HYSEN: I HAVE A QUESTION THERE. IT'S

1 DEFINITELY SOMETHING WE NEED TO LOOK AT GOING FORWARD
2 BECAUSE THEY ALL HAVE DIFFERENT PERMITTING ENTITIES.
3 THIS IS OSHPD. THERE'S A STATE FIRE MARSHAL INVOLVED.
4 SOME HAVE THE STATE ARCHITECT, SOME HAVE VARIOUS
5 CITIES. AND WE ALL KNOW THAT THERE ARE BACKLOGS IN ALL
6 OF THESE ENTITIES. AND WHAT WE DON'T KNOW IS WHAT
7 THOSE BACKLOGS ARE. AND IT'S ALSO NOT FAIR TO TAKE A
8 TYPICAL HISTORICAL LOOK AT THOSE BACKLOGS BECAUSE
9 SOMETIMES, IF YOU MAKE IT AN URGENT PROJECT, IT SORT OF
10 MOVES TO THE HEAD OF THE PILE.

11 SO I ASSUME BECAUSE THEY HAVE DONE SOME
12 RECENT PROJECTS IN THEIR HISTORICAL PERFORMANCE, THEY
13 LISTED THREE PROJECTS, THAT THEY HAVE A GOOD HANDLE ON
14 EXACTLY THE TIMEFRAME FOR OSHPD. THIS IS NOT A NEW
15 INSTITUTION BY ANY STRETCH OF THE IMAGINATION. THEY
16 HAVE WORKED WITH OSHPD IN THE PAST. I BASICALLY ASSUME
17 THAT WHEN THEY LISTED THE TIMEFRAME, THAT THEY WERE
18 PRETTY ON TARGET. IF ANYONE WERE TO SAY TWO WEEKS,
19 THAT MIGHT BE QUESTIONABLE, BUT IT SEEMED THAT THIS WAS
20 A REASONABLE TIMEFRAME.

21 MS. FEIT: OKAY.

22 CHAIRMAN LICHTENGER: THANK YOU.

23 MS. HYSEN: AGAIN, INSTITUTIONAL COMMITMENT,
24 THEY DID EXCEED THE MINIMUM MATCH.

25 HISTORICAL PERFORMANCE, THEY CLEARLY HAVE

1 DEMONSTRATED THAT THEY DO THIS WORK ON AN ONGOING
2 BASIS. THIS IS A LARGE INSTITUTION. THEY LISTED ON
3 THEIR SUPPLEMENTAL APPLICATION THAT THEY HAVE PERFORMED
4 THREE SIMILAR PROJECTS. ONE HAD A FAIRLY SIGNIFICANT
5 CHANGE ORDER PERCENTAGEWISE. YOU KNOW, YOU DON'T KNOW
6 WHAT CAUSED THAT. IT MAY HAVE JUST BEEN AN UNFORESEEN
7 CIRCUMSTANCE, SO I WASN'T SURE HOW TO PARLAY THAT INTO
8 MY SUBMITTAL. BUT I HAVE TO BELIEVE THAT THEY HAVE A
9 PROJECT TEAM IN PLACE.

10 ONE THING THAT I NOTED ON THIS, AND I'D LIKE
11 TO SEE IN THE FUTURE, IS THAT THEY DON'T LIST THE
12 PROJECT DIRECTOR. AND IT'S ALWAYS NICE TO KNOW WHO THE
13 PROJECT DIRECTOR IS AND WHAT HIS OR HER EXPERIENCE WITH
14 THOSE PROJECTS HAS BEEN. I DON'T BELIEVE ANY OF MY
15 SUPPLEMENTAL INFORMATION INCLUDED THAT, ALTHOUGH SOME
16 IN THE APPLICATIONS DID SHOW THE PROJECT MANAGER AND
17 DESCRIBED THAT MANAGER'S EXPERIENCE. SO I ACTUALLY
18 RATED THEM IN THE AVERAGE SCORE BECAUSE OF THAT. EVEN
19 THOUGH IT SEEMED THAT THEY INDICATED THEY'VE DONE THIS
20 BEFORE, I DIDN'T HAVE A LOT OF THE ELEMENTS THAT I
21 NEEDED TO LOOK AT TO VERIFY THAT.

22 CHAIRMAN LICHTENGER: SHERRY, DO YOU --

23 MS. HYSEN: I STILL HAVE A COUPLE. AND THEN
24 FINALLY, IN RESPONSIVE, I FELT THAT THEY GENERALLY MET
25 ALL THE REQUIREMENTS OF THE RFA. AND I'LL JUST SAY

1 THIS FOR MOST OF MY APPLICATIONS. IT WASN'T CLEAR TO
2 ME THAT THEY WERE MEETING THE PREVAILING WAGE
3 REQUIREMENT AND THE CALIFORNIA PREFERENCE FOR SUPPLIES
4 OF GOODS AND SERVICES. I KNOW THAT WE HAVE THAT IN THE
5 GRANTS ADMINISTRATION POLICIES, BUT I WANT TO MAKE SURE
6 THAT THEY DO PROCEED WITH THAT, ESPECIALLY BECAUSE SO
7 MUCH OF THEIR EQUIPMENT THAT THEY'RE USING FOR MATCHING
8 FUNDS MIGHT BE PRIOR EXPENDITURES. I JUST WANT TO MAKE
9 SURE THAT THAT'S DONE. I KNOW THAT YOU'VE MADE A
10 MOTION FOR THAT.

11 CHAIRMAN LICHTENGER: SO I'D LIKE HAVE RICK
12 KELLER RESPOND TO THAT.

13 MR. KELLER: FOR THE STAFF REVIEWS, WE DID
14 IDENTIFY THAT AS A RECURRING ISSUE. AND SO THE FINAL
15 COMMENT UNDER THE FACILITIES WORKING GROUP ISSUES IN
16 ALL CASES IS THIS REFERENCE TO THE FACT THAT WE BELIEVE
17 THAT PREVAILING WAGE NEEDS TO BE CONFIRMED IN ALL
18 CASES. AND PART OF THE GRANT ADMINISTRATION POLICY IN
19 DECEMBER 7TH, I BELIEVE -- IT IS IN THE ACT IN TERMS OF
20 THE CALIFORNIA SUPPLIER GOAL. SO WE AGREE
21 WHOLEHEARTEDLY THAT THAT HAS TO BE PART OF THE -- WE
22 AGREE THAT THAT NEEDS TO BE PART OF THE OVERALL GRANTS
23 MANAGEMENT PROGRAM.

24 MS. HYSEN: THE OTHER THING THAT I FELT WAS
25 VERY RESPONSIVE, AND NOT ALL APPLICANTS DID IT, IS

1 IDENTIFYING THE INSTITUTIONS THAT THEY WOULD SHARE
2 THEIR LABORATORY SERVICES WITH. THEY ACTUALLY CALLED
3 OUT A COUPLE OF NEIGHBORING INSTITUTIONS. WHAT I DON'T
4 KNOW IS IF THEY'VE ACTUALLY DIALOGUED WITH THOSE
5 INSTITUTIONS BECAUSE IF YOU -- I HAPPEN TO HAVE A LAW
6 IN A CERTAIN GEOGRAPHICAL AREA, AND THEY ALL ARE
7 CALLING UPON THE SAME INSTITUTIONS AS SHARING WITH
8 THEM. SO I CAN'T IMAGINE THEY'RE GOING TO BE SHARING
9 IN THREE OR FOUR INSTANCES. SO I THINK THAT'S JUST
10 SOMETHING WE SHOULD KIND OF WATCH AS WE START TO NARROW
11 IT DOWN IS THAT THERE ARE MANY IN A GEOGRAPHICAL AREA
12 THAT ARE BEING PULLED IN A COUPLE DIRECTIONS. BUT IN
13 THIS CASE THEY DID MENTION IT, AND I THOUGHT THAT THAT
14 WAS A GOOD FIRST STEP. SO I GAVE THIS APPLICATION IN A
15 MID HIGH RANGE. I WOULD DEFINITELY RECOMMEND IT FOR
16 FUNDING.

17 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
18 DEBORAH. SHERRY, COULD YOU PLEASE ALSO DO THE
19 SECONDARY REVIEW FOR APPLICATION.

20 MS. LANSING: AGAIN, I CONSULTED WITH RICK
21 KELLER. AND BASICALLY I AGREE WITH EVERYTHING THAT WAS
22 PRESENTED JUST NOW.

23 CHAIRMAN LICHTENGER: GREAT. THANK YOU. ARE
24 THERE ANY QUESTIONS BY THE MEMBERS FOR DEBORAH OR
25 SHERRY ON THIS APPLICATION? BOB.

1 MR. KLEIN: I JUST HAD A COMMENT THAT I THINK
2 THAT DEBORAH'S POINT, THAT IT WOULD BE GOOD GOING
3 FORWARD ON HISTORICAL PERFORMANCE IF WE ASK, WHEN THERE
4 IS ANY MAJOR CHANGE ORDER EXPERIENCE ON PROJECTS, TO
5 GIVE US, IN THE HISTORY THEY CITE, TO GIVE US A GOOD,
6 THOUGHTFUL EXPLANATION OF HOW THAT OCCURRED. IT COULD
7 BE OSHPD DRIVEN, SO COMPLETELY OUTSIDE OF ANYONE'S
8 CONTROL. IT COULD BE AN INTERNAL ISSUE WITH THE
9 CONTRACTOR. BUT JUST ENOUGH INFORMATION ON THE FUTURE
10 ROUNDS THAT IT WILL HELP US UNDERSTAND THAT IF PRIOR
11 PROJECTS THEY HAD SOME SIGNIFICANT CHANGE IN THE
12 CONTRACT AMOUNT DURING THE COURSE OF THE CONSTRUCTION,
13 WE KNOW WHY.

14 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.
15 ANY QUESTIONS OR COMMENTS? SO I'D LIKE TO ASK MEMBERS
16 TO PUT DOWN THEIR PRELIMINARY SCORE FOR THIS
17 APPLICATION. I'M GOING TO CALL A THREE-MINUTE RECESS.

18 (A RECESS WAS TAKEN.)

19 CHAIRMAN LICHTENGER: IF EVERYONE COULD COME
20 TO ORDER. IF MEMBERS COULD TAKE THEIR SEATS AND
21 EVERYONE ELSE COME TO ORDER. THANK YOU. SO WE'LL BE
22 REVIEWING APPLICATION NO. 517-1. RICK, IN THIS
23 APPLICATION ARE THERE ANY FINANCIAL ISSUES THAT STAFF
24 NEEDS TO ADDRESS?

25 MR. KELLER: THERE ARE TWO ISSUES THAT WE

1 IDENTIFIED --

2 (PAUSE IN PROCEEDINGS.)

3 CHAIRMAN LICHTENGER: ARE WE WAITING FOR
4 SHERRY LANSING?

5 MS. KING: YES, WE ARE.

6 CHAIRMAN LICHTENGER: ACTUALLY I THINK WE
7 WERE GOING TO HAVE RICK REVIEW THE FINANCIAL ISSUES ON
8 THIS APPLICATION. IF IT'S OKAY WITH THE MEMBERS, I'D
9 LIKE TO START. RICK, PLEASE PROCEED.

10 (THERE ARE NO RECUSALS ON PROPOSAL
11 517-1.)

12 MR. KELLER: FOR THE APPLICATION 00517-1, WE
13 HAD IDENTIFIED THREE ISSUES IN THE STAFF ANALYSIS THAT
14 I'D POINT OUT TO YOU AT THIS TIME, TWO OF WHICH YOU MAY
15 WISH TO CONSIDER UNDER YOUR PREVIOUS PROCEDURE. ONE IS
16 THE FACT THIS THE APPLICANT DID NOT ADDRESS
17 SUFFICIENTLY, IN OUR MINDS, THE COST OVERRUN
18 REQUIREMENT THAT THE APPLICANTS BE FINANCIALLY
19 RESPONSIBLE IN THE EVENT OF COST OVERRUNS. OUR REMEDY
20 FOR THAT IS THAT WE WOULD INFORM THE APPLICANT THAT ANY
21 COST ISSUES SHALL NOT RESULT IN REDUCED SCOPE AND WOULD
22 BE THE FINANCIAL RESPONSIBILITY OF THE APPLICANT.

23 THE SECOND ISSUE DEALS WITH THE FACT THAT THE
24 MATCHING FUNDS IN THIS PROPOSAL ARE REFERENCED AS BEING
25 FROM A THIRD-PARTY SOURCE. AND WE BELIEVE THAT THE

1 APPLICANT WOULD NEED TO PROVIDE A MORE SECURE
2 EXPRESSION OF GRANT MATCHING FUNDS BEING AVAILABLE THAN
3 REFERENCING A THIRD PARTY.

4 SO, AGAIN, UNDER YOUR PROCEDURE, WHERE WE SEE
5 DIFFICULTY WITH THE MATCHING FUNDS, WE WOULD SUGGEST
6 THAT WE REQUIRE THAT THE APPLICANT IDENTIFY AN
7 APPROPRIATE SOURCE OF MATCHING FUNDS UNDER THIS
8 APPLICATION.

9 AND THEN, FINALLY, UNDER RESPONSIVENESS, THE
10 STAFF ANALYSIS INDICATES THAT THERE ARE ONLY THREE
11 INSTITUTIONAL-BASED PI'S ASSOCIATED WITH THIS PROPOSAL
12 AND IS SOMETHING THAT, AGAIN, NEEDS TO BE BASICALLY
13 ADDRESSED ON A POLICY BASIS.

14 MS. LANSING: I'M BACK ON THE LINE. I LOST
15 THE LINE. CAN YOU HEAR ME?

16 CHAIRMAN LICHTENGER: YES, WE CAN HEAR YOU.
17 THANK YOU, SHERRY.

18 MR. KELLER: SO I CAN SUMMARIZE THE PROJECT
19 517 AT THIS TIME IS A --

20 CHAIRMAN LICHTENGER: EXCUSE ME. I THINK WE
21 WANT TO TRY TO DEAL WITH THE FINANCIAL ISSUES FIRST.
22 SO I'D LIKE TO HAVE SOMEONE PROPOSE A MOTION TO ACCEPT
23 STAFF'S RECOMMENDATION WITH MAKING -- I DON'T RECALL IF
24 YOU STATED THIS, BUT THE INSTITUTION WILL GUARANTEE TO
25 COVER ANY COST OVERRUNS AS WELL. AND DO WE HAVE A

1 MOTION TO ACCEPT STAFF'S RECOMMENDATIONS?

2 VICE CHAIRMAN SERRANO-SEWELL: AS A POINT OF
3 ORDER, THIS IS DAVID SERRANO-SEWELL SPEAKING, IF IT'S
4 ACCEPTABLE TO YOU, CHAIRMAN, I WOULD LIKE TO TAKE FOR
5 THIS APPLICATION EACH RECOMMENDATION FROM STAFF
6 INDIVIDUALLY AND NOT HAVE IT IN ONE MOTION. SO I DON'T
7 CARE WHICH ONE WE CONSIDER FIRST, IF THAT'S OKAY WITH
8 YOU.

9 CHAIRMAN LICHTENGER: DULY NOTED, VICE CHAIR.
10 WE'LL PROCEED ALONG THOSE LINES AND PROCEED WITH EACH
11 MOTION SEPARATELY. SO THE FIRST MOTION, I'D LIKE TO
12 HAVE A MEMBER PROPOSE THAT CIRM SHOULD REDUCE ITS GRANT
13 AMOUNT -- I HAVE THAT WRONG. I'M SORRY. CIRM SHOULD
14 INFORM APPLICANT THAT ANY COST OVERRUNS SHALL NOT
15 RESULT IN REDUCED SCOPE, AND THE INSTITUTION WILL
16 GUARANTEE TO COVER ANY COST OVERRUNS; IS THAT CORRECT,
17 RICK, AS A FIRST MOTION?

18 MR. KELLER: YES.

19 MR. KLEIN: I SECOND THAT.

20 CHAIRMAN LICHTENGER: WHO'S PUTTING FORTH
21 THAT MOTION?

22 VICE CHAIRMAN SERRANO-SEWELL: SO MOVED BY
23 DAVID SERRANO-SEWELL. SECONDED BY MR. KLEIN.

24 CHAIRMAN LICHTENGER: IF WE COULD HAVE A
25 VOICE VOTE. ALL IN FAVOR SAY YES. ANY OPPOSED? SO

1 IT'S PASSED UNANIMOUSLY.

2 SO ON THE SECOND MOTION REGARDING MATCHING
3 FUNDS FROM A THIRD-PARTY SOURCE, THAT CIRM SHOULD
4 REQUIRE THAT THE APPLICANT IDENTIFY AN APPROPRIATE
5 SOURCE OF MATCHING FUNDS. AND, RICK, I WOULD ASSUME
6 THAT WE WOULD WANT SOME KIND OF FURTHER CLARIFICATION
7 OF A GUARANTEE AS WELL. SO IF WE COULD DULY NOTE THAT
8 IN THE MOTION AS WELL, THAT IT'S APPROPRIATE SOURCE AND
9 GUARANTEED.

10 MR. KLEIN: COULD I ASK. THE WORD
11 "GUARANTEE" MAY BE DIFFICULT TO INTERPRET. MAYBE WE
12 COULD SAY IDENTIFY WITH ADEQUATE ASSURANCE OF
13 PERFORMANCE ON THE MATCH.

14 CHAIRMAN LICHTENGER: BOB, THAT SOUNDS LIKE A
15 GREAT CLARIFICATION. THANK YOU. RICK, IF YOU COULD
16 NOTE THAT IN THE STAFF COMMENTS.

17 MR. KLEIN: ADEQUATE ASSURANCE OF PERFORMANCE
18 UNDER THE MATCH.

19 CHAIRMAN LICHTENGER: SO DOES SOMEONE -- CAN
20 SOMEONE MAKE A MOTION TO ACCEPT STAFF'S RECOMMENDATIONS
21 ON THE MATCHING FUNDS FROM A THIRD-PARTY SOURCE?

22 VICE CHAIRMAN SERRANO-SEWELL: I WOULD SECOND
23 THE MOTION.

24 MR. KLEIN: I'LL CONSIDER IT A MOTION. I'LL
25 MAKE THE MOTION.

1 CHAIRMAN LICHTENGER: BOB'S MADE THE MOTION.
2 SECONDED BY THE VICE CHAIR. ALL IN FAVOR SAY AYE.

3 MR. SHEEHY: I HAVE DISCUSSION.

4 CHAIRMAN LICHTENGER: SORRY ABOUT THAT.

5 MR. SHEEHY: I'M ACTUALLY GOING TO VOTE
6 AGAINST THIS. I JUST -- THE MATCH IS WRITTEN INTO PROP
7 71. I DON'T EVEN BELIEVE THIS IS RESPONSIVE. I JUST
8 TRIED TO LOOK UP THEIR STATED PARTNER ONLINE, AND THE
9 WEBSITE FOR THE PALO ALTO INSTITUTE OF MOLECULAR
10 MEDICINE DOESN'T COME UP. SO THERE IS NO INSTITUTIONAL
11 MATCH, SO THIS IS NOT RESPONSIVE FROM MY PERSPECTIVE.
12 I SEE NO EVIDENCE OF AN INSTITUTIONAL MATCH. THE
13 INSTITUTE THAT THEY'VE IDENTIFIED AS BEING THE MATCH,
14 I'VE LOOKED IT UP ONLINE. THE PALO ALTO INSTITUTE FOR
15 MOLECULAR MEDICINE --

16 MR. HARRISON: JUST TO BE CLEAR, WE SHOULD
17 LIMIT OUR REVIEW AND CONSIDERATION BASED ON THE
18 MATERIALS THAT HAVE BEEN PRESENTED BY THE APPLICANT.

19 MR. SHEEHY: I THINK LOOKING AT THEIR
20 APPLICATION, I JUST DON'T THINK THAT THIS -- THIS IS
21 NOT A CREDIBLE ASSERTION. SHOULD FURTHER FUNDING BE
22 NECESSARY, WE WILL RAISE FURTHER FUNDS AS NEEDED FROM
23 THE RELATIVELY WEALTHY LOCAL SILICON VALLEY COMMUNITY.
24 THAT IS NOT SOMETHING THAT WE CAN CONSIDER
25 RESPONSIVE --

1 CHAIRMAN LICHTENGER: JEFF --

2 MR. SHEEHY: -- AS RESPONSIVE TO A MATCH. I
3 THINK IT REALLY NEEDS TO BE ADDRESSED. IF IT COMES
4 BEFORE US, I THINK IN OTHER INSTANCES WHERE THERE'S A
5 LITTLE MORE WIGGLE ROOM, I'M COMFORTABLE WITH HAVING
6 STAFF PROVIDE A REMEDY, BUT I JUST DON'T SEE A REMEDY
7 HERE. I SEE THIS AS WISHFUL THINKING. WE'LL MAKE OUR
8 ALLOCATION, AND THEY'LL GO FIND THE MONEY, AND THAT'S
9 NOT A GOOD MATCH TO ME.

10 MS. HYSEN: DAVID, CAN I SUGGEST SOMETHING?
11 I'M THE PRIMARY REVIEWER ON HERE, AND I HAVE ALL OF THE
12 CONCERNS AND MORE THAT JEFF HAS RAISED. COULD WE, FOR
13 THIS ONE INSTANCE, GO THROUGH PRIMARY AND SECONDARY AND
14 THEN PERHAPS REVISIT THAT MOTION BECAUSE I THINK IT
15 WILL BE VERY CLEAR?

16 MS. LANSING: I'VE TALKED TO STAFF, AND I
17 THINK THIS APPLICATION BECOMES PRETTY CLEAR IF WE CAN
18 DISCUSS IT.

19 VICE CHAIRMAN SERRANO-SEWELL: POINT OF
20 ORDER, MR. CHAIRMAN. IF THAT'S THE WAY THE COMMITTEE
21 WISHES TO PROCEED, THAT'S FINE. BUT AS YOU ORIGINALLY
22 SET OUT, WHICH IS A GREAT PLAN, AND THAT IS OUR
23 PRELIMINARY SCORES ARE BASED ON THE ASSUMPTION THAT
24 THESE ISSUES HAVE BEEN ADDRESSED AND RESOLVED IN THE
25 APPROPRIATE MOTION AND IT PASSING THE FACILITIES

1 WORKING GROUP.

2 MS. LANSING: I CAN'T HEAR ANYBODY.

3 VICE CHAIRMAN SERRANO-SEWELL: I'M SORRY,
4 SHERRY. I'LL TRY TO SPEAK LOUDER. THE PROCESS THAT WE
5 SET FORTH THIS MORNING, SHERRY, WAS THAT WE WOULD
6 ADDRESS ANY ISSUES WITH AN INDIVIDUAL APPLICATION. WE
7 WOULD MAKE A MOTION, THE MOTION WOULD PASS, WE WOULD
8 HAVE A DISCUSSION, AND THEN WE WOULD ASSIGN OUR
9 PRELIMINARY SCORES BASED THE ASSUMPTION THAT THOSE
10 ISSUES HAD BEEN RESOLVED.

11 NOW, I WILL DEFER TO THE CHAIR IN THE BEST
12 WAY TO PROCEED; HOWEVER, AS A PROCEDURAL MATTER, IT
13 SEEMS TO ME THAT WE OUGHT TO RESOLVE THE ISSUES FIRST
14 BEFORE HAVING A DISCUSSION ON THE APPLICATION, BUT I'M
15 OPEN TO EITHER WAY.

16 CHAIRMAN LICHTENGER: YOU KNOW, I ACTUALLY
17 RECONSIDERED. I AGREE WITH THE VICE CHAIR THAT WE HAVE
18 TO KEEP A CONSISTENT APPROACH FOR ALL THE GRANT
19 APPLICATIONS. SO IN TERMS OF THIS PARTICULAR FINANCIAL
20 ISSUE, WE HAVE A MOTION THAT WAS SECONDED. ARE THERE
21 ANY OTHER MEMBERS THAT WOULD LIKE TO DISCUSS THE ISSUE?

22 MR. KLEIN: WHILE I AGREE WITH JEFF'S BASIC
23 COMMENTS AND DEBORAH'S BASIC COMMENTS, FROM A LEGAL
24 BASIS, TO MAKE SURE WE'RE PROVIDING UNIFORMITY IN
25 APPROACH, I THINK THESE -- FIRST OF ALL, THE MOTION

1 REQUIRES THERE BE ADEQUATE ASSURANCES. AND BY THE TIME
2 OF THE BOARD MEETING, IF THERE'S NOT ADEQUATE
3 ASSURANCES, JEFF'S PERSPECTIVE IS GOING TO BE
4 VALIDATED. SO I THINK THE KEY HERE, THOUGH, IS FROM A
5 LEGAL PERSPECTIVE TO HAVE A UNIFORM APPROACH, THAT
6 WE'RE ADDRESSING THE TECHNICAL FINANCIAL ISSUES ON ALL
7 OF THESE IN THE SAME MANNER. AS THE VICE CHAIR HAS
8 SAID, THAT UNIFORMITY IS IMPORTANT IN TERMS OF PROCESS.

9 AS WE GO THROUGH THE PRIMARY AND SECONDARY
10 REVIEW, I THINK IT'S GOING TO BECOME VERY CLEAR WHAT
11 JEFF AND DEBORAH ARE SAYING AND SHERRY LANSING IS
12 SAYING ON THIS ITEM.

13 VICE CHAIRMAN SERRANO-SEWELL: I WILL USE --
14 IF IT'S APPROPRIATE, THIS IS MY OPPORTUNITY TO SPEAK,
15 I'LL PASS THE MIC AND ASK, THEN, LORI HOFFMAN OR RICK
16 KELLER TO ADDRESS THE ISSUE OF THE MATCHING GRANT --
17 THAT'S WHAT WE'RE TALKING ABOUT RIGHT NOW -- AND
18 PROVIDE SOME BACKGROUND BECAUSE THAT WOULD INFORM MY
19 DECISION ON VOTING ON THE MOTION BEFORE US.

20 NOW, AFTER THOSE TWO HAVE SPOKEN, BECAUSE,
21 BOB, YOU STATED, ONCE WE TALK ABOUT IT, IT WILL BECOME
22 ABUNDANTLY CLEAR AND WE'LL ALL UNDERSTAND WHAT'S
23 HAPPENING. BEFORE WE HAVE THAT DISCUSSION, MAYBE WE
24 CAN DISCUSS ON THIS DISCRETE ISSUE, WHICH WILL INFORM
25 MY DECISION TO MAKE THE MOTION; AND THEN WHEN YOU ARE

1 DONE, I'D LIKE TO COMMENT, IF THAT'S ACCEPTABLE TO THE
2 CHAIR.

3 MS. FEIT: I AGREE WITH DAVID. FOR ME THEY
4 DID NOT MEET THAT ELEMENT OF THE RFA. THEY JUST WROTE
5 A SENTENCE, "WE'RE GOING TO GO OUT AND GET THE MONEY."
6 I THINK THAT THEY JUST DIDN'T MEET THAT ELEMENT OF THE
7 RFA. I DON'T KNOW THAT WE SHOULD TRY TO MITIGATE IT
8 HERE TODAY. FOR ME IT'S REALLY MISSING.

9 CHAIRMAN LICHTENGER: MARCY, I WANT TO MAKE A
10 COMMENT, THEN I'M GOING TO HAVE TAMAR COMMENT. AGAIN,
11 WHAT WE HAD SET FORTH EARLIER TODAY WAS THAT WE WERE
12 UNDER THE ASSUMPTION THAT THIS WAS SOMETHING THAT WOULD
13 BE CORRECTED, AND WE'RE GIVING ALL THE APPLICANTS THE
14 SAME OPPORTUNITY TO CORRECT THESE TYPES OF ISSUES. SO
15 TAMAR.

16 MS. PACTER: I WANT TO POINT OUT A COUPLE OF
17 THINGS. THIS IS KIND OF AN INTERIM PROCEDURE THAT
18 WE'VE ADOPTED FOR DEALING WITH ISSUES, AND HOPEFULLY
19 THE NEXT TIME WE'RE ALL SITTING HERE TO EVALUATE
20 GRANTS, WE'LL HAVE A DIFFERENT PROCEDURE FOR DEALING
21 WITH THESE KIND OF TECHNICAL FINANCIAL PROBLEMS.
22 THAT'S NO. 1.

23 IN USING THIS INTERIM PROCEDURE, ONE OF THE
24 IMPORTANT THINGS IS TO BE CONSISTENT WITH RESPECT TO
25 THESE KINDS OF TECHNICAL FINANCIAL DEFICIENCIES. BY

1 ADOPTING THIS MOTION AND ADOPTING THIS PROCEDURE, YOU
2 ARE NOT SAYING THAT THIS APPLICATION SHOULD BE FUNDED.
3 YOUR CONSIDERATION IS MUCH MORE COMPLEX THAN THIS
4 ISSUE, THIS SINGLE ISSUE. THERE ARE ASPECTS EVEN OF
5 THIS SINGLE ISSUE THAT ARE MORE COMPLEX THAN WHETHER
6 WE'RE GOING TO GIVE THE APPLICANT AN OPPORTUNITY TO
7 REMEDY THIS BEFORE IT GOES TO THE ICOC.

8 SO I WOULD RECOMMEND TO THE PANEL THAT IT
9 VOTE ON THE MOTION AND ADOPT IT FOR PURPOSES OF
10 PROCEEDING CONSISTENTLY WITH THIS PROCEDURE, AND THEN
11 MOVE ON TO ITS REVIEW OF THE REAL MERITS OF THIS
12 APPLICATION.

13 VICE CHAIRMAN SERRANO-SEWELL: IF IT'S MY
14 QUESTION, THEN I DON'T GET IT ANSWERED, WHICH IS OKAY.

15 CHAIRMAN LICHTENGER: DAVID, LET ME RECOGNIZE
16 JEFF.

17 VICE CHAIRMAN SERRANO-SEWELL: I HAD A
18 QUESTION.

19 CHAIRMAN LICHTENGER: WE'RE GOING TO GO TO
20 YOUR QUESTION. JEFF.

21 MR. SHEEHY: I JUST THINK, YOU KNOW, THAT FOR
22 THE REVIEW TO BE MEANINGFUL AND FOR US TO HAVE SOME
23 SORT OF STANDARDS AS REVIEWERS, THAT WHEN WE HAVE THE
24 APPLICATION THAT'S BEEN SUBMITTED BY THE APPLICANT THAT
25 IS SO CLEARLY DEFICIENT, THERE'S SOME THINGS THAT

1 EVEN -- I UNDERSTAND THE NEED FOR CONSISTENCY AND THAT
2 SOME THINGS DESERVE AN OPPORTUNITY TO BE REMEDIED, BUT
3 THIS TO ME -- IF THIS HAPPENED -- I MEAN I'LL GIVE YOU
4 AN EQUIVALENT IN THE SCIENTIFIC REVIEW. YOU DON'T HAVE
5 A SCIENTIST THAT CAN DO THE WORK, SO YOU SAY YOU'RE
6 GOING TO GO GET ONE. AND I THINK THE SCIENTIFIC REVIEW
7 WOULD LAUGH PEOPLE OUT OF THE SHOP FOR SAYING, WELL,
8 LET'S LET THEM REMEDY AND SEE IF THEY REALLY CAN GO OUT
9 AND RECRUIT ANOTHER SCIENTIST TO ACTUALLY DO THE WORK.

10 THERE HAS TO BE A CERTAIN BASELINE THAT WE
11 ESTABLISH AS A REVIEW PANEL OF QUALITY OF APPLICATION,
12 OR ELSE WE'RE JUST BASICALLY NOT EVEN REALLY ASKING FOR
13 APPLICATIONS. WE'RE ASKING FOR A WISH LIST THAT WE
14 WILL THEN GO BACK AND FORTH WITH UNTIL THEY ACTUALLY
15 GIVE US SOMETHING THAT WE CAN APPROVE AND FUND.

16 SO I PERSONALLY WILL NOT BE ABLE TO SUPPORT
17 THIS MOTION BECAUSE THIS IS NOT A CREDIBLE SENTENCE IN
18 THE CONTEXT OF THIS APPLICATION AND IN THE CONTEXT OF
19 THIS PROCESS.

20 CHAIRMAN LICHTENGER: JEFF, THANK YOU FOR
21 YOUR COMMENTS. THE VICE CHAIR WOULD LIKE TO MAKE SOME
22 COMMENTS, AND I'D LIKE TO HAVE A VOTE ON THIS MOTION.

23 VICE CHAIRMAN SERRANO-SEWELL: I ENCOURAGE MY
24 COLLEAGUES TO VOTE NO ON THE MOTION FOR THE FOLLOWING
25 REASON. AS MY COLLEAGUE, JEFF SHEEHY, POINTED OUT,

1 THERE ARE DEGREES OF DEFICIENCIES FROM A SCRIBNER'S
2 ERROR TO, IN MY MIND, WHAT THIS APPLICATION REPRESENTS,
3 JUST READING IT, THAT IT SEEMS SO SPECULATIVE, THE
4 MATCHING GRANT COMPONENT, THAT IT JUST DIDN'T MEET THE
5 RFA REQUIREMENTS. AND I DON'T THINK IT'S CURABLE
6 THROUGH A MOTION.

7 CHAIRMAN LICHTENGER: THANK YOU, VICE CHAIR.
8 AT THIS POINT I'D LIKE TO CALL A VOTE ON THIS MOTION.
9 JANET.

10 DR. WRIGHT: COULD YOU REPEAT THE MOTION?

11 MR. KLEIN: THE MOTION IS THAT THE SOURCE FOR
12 THE MATCHING FUNDS MUST BE IDENTIFIED AND THERE MUST BE
13 ADEQUATE ASSURANCES OF PERFORMANCE ON THAT MATCHING
14 FUNDS SOURCE THAT IS IDENTIFIED AS A REQUIREMENT OF
15 THIS APPLICATION.

16 MS. HOFFMAN: WOULD YOU LIKE ME TO READ THE
17 EXACT VERBIAGE? SO IT WILL READ CIRM SHOULD REQUIRE
18 THAT THE APPLICANT IDENTIFY AN APPROPRIATE SOURCE WITH
19 ADEQUATE ASSURANCE FOR PERFORMANCE OF MATCHING FUNDS.

20 VICE CHAIRMAN SERRANO-SEWELL: I SECONDED THE
21 MOTION.

22 CHAIRMAN LICHTENGER: SO I UNDERSTAND THAT
23 SOME OF THE MEMBERS HAVE SOME CONCERNS ABOUT THIS
24 MOTION AND THIS PARTICULAR APPLICATION. I, FOR ONE,
25 YOU KNOW, WILL VOTE FOR THE MOTION JUST TO KEEP A

1 CONSISTENT PROCEDURAL APPROACH. AND I DO BELIEVE THAT
2 ON THE NEXT ROUND OF GRANT APPLICATIONS THAT WE'LL BE
3 ABLE TO ESTABLISH SOME BETTER PROCEDURES FOR DEALING
4 WITH THESE ISSUES DOWN THE LINE.

5 SO I'D LIKE TO HAVE A ROLL CALL. ALL THOSE
6 IN FAVOR.

7 MS. KING: MARCY FEIT.

8 MS. FEIT: NO.

9 MS. KING: ROBERT KLEIN.

10 MR. KLEIN: YES.

11 MS. KING: SHERRY LANSING.

12 MS. LANSING: YES.

13 MS. KING: JOAN SAMUELSON. JEFF SHEEHY.

14 MR. SHEEHY: NO.

15 MS. KING: DAVID SERRANO-SEWELL.

16 VICE CHAIRMAN SERRANO-SEWELL: NO.

17 MS. KING: JANET WRIGHT.

18 DR. WRIGHT: YES.

19 MS. KING: DEBORAH HYSEN.

20 MS. HYSEN: NO.

21 MS. KING: EDWARD KASHIAN.

22 MR. KASHIAN: YES.

23 MS. KING: DAVID LICHTENGER.

24 CHAIRMAN LICHTENGER: YES.

25 MS. KING: THAT MOTION ACTUALLY CARRIES FIVE

1 TO FOUR.

2 CHAIRMAN LICHTENGER: OKAY. THANK YOU,
3 MELISSA. SO, DEBORAH, YOU ARE THE PRIMARY REVIEWER ON
4 THIS APPLICATION.

5 MS. HYSEN: WELL, I THOUGHT MY JOB WOULD BE
6 DIFFICULT BECAUSE THE LAST COUPLE APPLICATIONS WERE
7 HAPPILY ENDORSED, AND I WAS FEELING RATHER IN A
8 DIFFICULT POSITION BECAUSE I WAS NOT GOING TO ENDORSE
9 THIS APPLICATION. LET ME GIVE YOU SOME DETAILS AS TO
10 WHY I FELT THAT THIS WAS NOT SOMETHING I WOULD SUPPORT.

11 I FELT IN GENERAL IT WAS PREMATURE. THIS IS
12 AN ORGANIZATION -- AND I DIDN'T DO WHAT JEFF DID,
13 ALTHOUGH I WAS SORELY TEMPTED BECAUSE WE DID HAVE A
14 DISCUSSION IN OUR LAST MEETING THAT WE HAD TO LOOK AT
15 THE RFA AS OUR SOLE SOURCE, AND WE COULD NOT GO OUTSIDE
16 TO GET ADDITIONAL INFORMATION, AND I WAS REALLY WANTING
17 TO DO THAT BECAUSE IT LEFT ME WITH MORE QUESTIONS THAN
18 ANSWERS. THIS PARTICULAR APPLICANT IS PROPOSING A
19 JOINT VENTURE. AND WHILE WE OBVIOUSLY HAVE TRIED TO
20 ENCOURAGE COLLABORATION, I FELT THAT THIS JOINT VENTURE
21 WAS NOT REALLY FORMED IN TOTAL. IT SEEMED THAT IT WAS
22 SOMETHING THAT WAS VERY CURSORY, THAT IT WAS AN IDEA,
23 THAT IT WAS FORMING. AND I JUST FELT THAT THE
24 PRELIMINARY NATURE OF WHAT THEY'RE SUBMITTING CARRIED
25 THROUGH EVERY CATEGORY.

1 FOR INSTANCE, THEY PLAN TO LEASE SPACE IN A
2 VACANT BUILDING THAT WAS FORMERLY A MANUFACTURING
3 FACILITY. AND IT'S A FAIRLY SIGNIFICANT SPACE. AND
4 JUST SO YOU KNOW, THIS DOES INCLUDE A TECHNIQUES
5 COURSE. I THINK THIS IS OUR FIRST APPLICANT SO FAR
6 THAT INCLUDES A TECHNIQUES COURSE. AND GOOD SPACE IN
7 TERMS OF IT COULD HOUSE A LOT OF PI'S. I KNOW THEY
8 MENTIONED THREE PI'S, BUT IT'S A FAIRLY SUBSTANTIAL
9 SPACE, SO I'M JUST CURIOUS WHY THEY HAD SUCH A SMALL
10 AMOUNT.

11 BUT THE PROBLEM IS THAT THERE'S ONLY AN ORAL
12 COMMITMENT BY THE LANDLORD. AND THEY'RE EXPECTING TO
13 GET A THREE-YEAR RENEWABLE CONTRACT. SO IN MY MIND
14 THIS WAS NOT A COMPLETE DEAL. I THINK IT'S PROBABLY
15 REALLY HARD FOR SOMEONE TO START UP AN OPERATION LIKE
16 THIS FROM SCRATCH BECAUSE WE WANT TO SEE A COMMITMENT.
17 AT LEAST I WANT TO SEE A COMMITMENT. I WANT TO KNOW
18 THAT ONCE MONEY IS GIVEN, THAT THEY'RE READY TO GO. I
19 JUST FELT THAT THEY REALLY WEREN'T READY TO GO.

20 AND THE DRAWINGS WERE BASICALLY A FLOOR PLAN,
21 I ASSUME, PROVIDED BY THE LANDLORD WITH HANDWRITTEN
22 NOTES ABOUT WHAT THEY'RE PROPOSING TO DO. YOU KNOW,
23 COMPARED TO THE OTHER APPLICATIONS, WHICH CLEARLY WENT
24 TO A MORE DETAILED LEVEL OF DESCRIPTION, I JUST FELT
25 THAT THIS WAS NOT SOMEONE THAT WE SHOULD BE FUNDING.

1 SO FROM A FEASIBILITY STANDPOINT, I GAVE THEM
2 A VERY LOW SCORE.

3 CHAIRMAN LICHTENGER: OKAY.

4 MS. HYSEN: FROM A COST STANDPOINT, THEY WERE
5 VERY COMPETITIVE. THE COSTS FOR THIS WERE VERY
6 COMPETITIVE, PARTICULARLY ON A PER-SQUARE-FOOT BASIS
7 BECAUSE, UNLIKE ONE OF MY PREVIOUS APPLICANTS, THIS IS
8 A VERY LARGE LAB. AND SO THEY WERE ABLE TO LEVERAGE
9 THE ECONOMIES OF SCALE. SO THEY DID SEEM TO DO THAT.
10 BUT IT WAS VERY HARD FOR ME TO ANALYZE COSTS BECAUSE I
11 DON'T THINK THEY HAD A CLUE, BASED ON THEIR PLANS, SOME
12 OF THE MECHANICAL, ELECTRICAL, AND PLUMBING ISSUES THAT
13 MIGHT BE INVOLVED IN THIS FACILITY. THIS IS NOT
14 CURRENTLY A LAB FACILITY. IT'S A MANUFACTURING
15 FACILITY. AND IT'S AN OFFICE BUILDING TOO. THAT WAS
16 INTERESTING.

17 CHAIRMAN LICHTENGER: DEBORAH, I HAVE A
18 QUESTION ABOUT THIS. SO DID THEY CLEARLY IDENTIFY A
19 DETAILED BUDGET AND A PROJECT TEAM IN THEIR
20 APPLICATION?

21 MS. HYSEN: CAN I GET TO THAT IN A SECOND,
22 AND I'LL WRAP IT UP FOR YOU?

23 CHAIRMAN LICHTENGER: I'M NOT RUSHING YOU.
24 I'M JUST TRYING TO UNDERSTAND ON THIS PARTICULAR POINT
25 SOME MORE INFORMATION.

1 MS. HYSEN: LET ME FINISH THIS PIECE, AND
2 I'LL GO TO THAT. I JUST REALLY HAD A HARD TIME TRYING
3 TO SEE IF THESE COSTS WERE -- THERE'S NOTHING FOR ME TO
4 COMPARE WHETHER OR NOT THESE COSTS WERE REAL. SO I
5 GAVE THEM A VERY LOW SCORE ON THAT EVEN THOUGH ON A
6 PER-SQUARE-FOOT BASIS, I THINK IT'S ONE OF THE MORE
7 COMPETITIVE OF THE APPLICANTS.

8 TIMELINE AND MILESTONES, THEY PROJECT AN
9 EIGHT-MONTH CONSTRUCTION TIMEFRAME. I DON'T RECALL
10 WHAT THAT -- OCCUPANCY WOULD BE JULY OF '08. SO IT'S
11 CONSISTENT SOMEWHAT WITH THE OTHER APPLICATIONS THAT I
12 HAVE. BUT, AGAIN, I DON'T SEE ANY TIME THAT WAS
13 ALLOTTED FOR NEGOTIATING WITH THE LANDLORD. THEY
14 INDICATED THIS LANDLORD WAS INTERESTED IN DOING A LEASE
15 WITH THEM, BUT FOR THE PEOPLE ON THE REAL ESTATE SIDE,
16 WE KNOW HOW THAT WORKS. I MEAN THERE COULD BE A
17 SIGNIFICANT AMOUNT OF TIME NEGOTIATING THAT DEAL. I
18 JUST REALLY COULDN'T ASSESS MUCH MERIT TO THE TIMELINE,
19 SO I GAVE THEM A LOW SCORE FOR THAT AS WELL.

20 THE INSTITUTIONAL COMMITMENT IS AN
21 INTERESTING AREA BECAUSE ON THE SURFACE THEY INDICATED
22 THAT THEY DO HAVE OR CAN GET AN INSTITUTIONAL MATCH.
23 AND IF YOU LOOK AT THE RFA, AND THIS KIND OF GOES TO
24 THE REASON I SAID NO, THE RFA DIDN'T HAVE SOMEONE SIGN
25 ON THE DOTTED LINE TO ASSURE THAT THEY WOULD, IN FACT,

1 PROVIDE THE COMMITMENT. IN MY MIND, AND PLEASE JUMP IN
2 IF I'M INCORRECT, IN MY MIND, BY THE VERY NATURE OF
3 THEM SAYING THEY'RE GOING TO GET AN INSTITUTIONAL MATCH
4 MEANT THAT THAT WAS THEIR ASSURANCE. SO I FELT THAT
5 THEY DID MEET THAT. IN FACT, THEY EXCEEDED THE MINIMUM
6 MATCH ON PAPER. HOWEVER, AS JEFF INDICATED AND AS, I
7 THINK, RICK INDICATED, THEY HAVE THIS COMMITMENT FROM
8 OTHER PARTIES, SHALL WE SAY, AND IT DIDN'T APPEAR THAT
9 THESE OTHER PARTIES WERE A SIGNATORY TO THE RFA.

10 THE JOINT VENTURE, I DON'T BELIEVE THE JOINT
11 VENTURE PARTNER ON THIS, WHO SEEMS LIKE IT MAY BE A
12 SENIOR PARTNER, IS A SIGNATORY TO THE RFA. SO I DIDN'T
13 GET THE SENSE THAT THERE WAS A LEGAL BODY THAT WE COULD
14 GO TO AND DEAL WITH ON THIS ISSUE. IT COULD BE THAT
15 THEY ARE AND THEY JUST DIDN'T PUT THEIR TITLE AND THEIR
16 ORGANIZATION, BUT IT WASN'T CLEAR TO ME THAT BOTH
17 PARTNERS IN THIS VENTURE WERE SIGNATORIES TO THE RFA.

18 SO I GAVE THEM A MEDIUM SCORE ON
19 INSTITUTIONAL COMMITMENT JUST BECAUSE ON PAPER IT
20 LOOKED LIKE THEY MET THE REQUIREMENTS.

21 HISTORICAL PERFORMANCE, THE PROJECTS THAT
22 THEY SAY THEY HAVE DONE ARE EXTREMELY MINOR AND I DON'T
23 BELIEVE DEMONSTRATES THAT THEY HAVE DONE THIS KIND OF
24 WORK IN THE PAST. THEY DO INDICATE THAT THE PROJECT
25 SUPERVISOR IS ALSO THE PRESIDENT OF THE ORGANIZATION,

1 AND IT STRUCK ME THAT SOMEONE WHO'S A SCIENTIST MAY NOT
2 BE THE BEST FACILITY CONSTRUCTION MANAGER AND MAY NOT
3 HAVE THE TIME. I'M NOT SURE WE WANT TO HAVE THE
4 SCIENTIST'S ATTENTION DIVERTED TO MANAGING CONTRACTORS.
5 I WAS CONCERNED ABOUT THAT.

6 THEY DO INDICATE THERE IS ANOTHER SUPERVISOR
7 FROM THE INSTITUTE, BUT I COULDN'T TELL WHAT THAT TITLE
8 WAS, WHAT THE BACKGROUND WAS, SO IT LEFT ME WITH
9 WONDERING WHO WAS GOING TO BE RUNNING THIS AND THE FACT
10 THAT I DIDN'T THINK THEY HAD THE EXPERIENCE TO BACK IT
11 UP, SO ZERO ON THAT.

12 THE OVERALL IMPRESSION OF THIS RFA IN TERMS
13 OF RESPONSIVENESS, I FELT LIKE PERHAPS THERE ARE SOME
14 THINGS THAT COULD BE DONE IN THE FUTURE WITH THIS JOINT
15 VENTURE, BUT OVERALL I FELT IT WAS JUST PREMATURE.
16 THEY REALLY TO NEED TO GET THEIR DUCKS IN ORDER A
17 LITTLE BIT MORE, GET SOME OF THESE THINGS MORE CEMENTED
18 BEFORE THEY CAN POSSIBLY COME TO US AGAIN. I ACTUALLY
19 WOULD RECOMMEND THAT THIS NOT BE FUNDED.

20 CHAIRMAN LICHTENGER: DEBORAH, THANK YOU FOR
21 THAT VERY DETAILED ANALYSIS OF APPLICATION 517.
22 SHERRY, DO YOU HAVE ANY FURTHER CLARIFICATION OR
23 ANYTHING YOU WANT TO ADD?

24 MS. LANSING: I JUST WANT TO ADD THAT I AGREE
25 WITH EVERYTHING THAT WAS SAID. I FOUND IT EXACTLY THE

1 SAME WAY. AND, AGAIN, I CONSULTED WITH RICK, BUT THIS
2 IS ONE THAT WAS VERY CLEAR TO ME.

3 CHAIRMAN LICHTENGER: EXCELLENT. THANK YOU,
4 SHERRY.

5 DR. WRIGHT: PROBABLY NOT NECESSARY, BUT I
6 WONDER IF YOU'D COMMENT ON THEIR PROPOSAL FOR THE
7 COURSE SINCE THIS IS THE FIRST ONE WE'VE SEEN WITH A
8 COURSE?

9 MS. HYSEN: YEAH. IT'S --

10 CHAIRMAN LICHTENGER: DEBORAH, IF YOU THINK
11 IT'S CONSISTENT WITH THE OVERALL APPLICATION, IT MIGHT
12 FACILITATE THIS PROCESS IF YOU SAY IT'S CONSISTENT WITH
13 THE OTHER PART. IF IT'S DIFFERENT, TRY TO LET US KNOW
14 THAT AS WELL.

15 MS. HYSEN: WELL, IT SEEMED TO HAVE A BIT
16 MORE INFORMATION BECAUSE THE TECHNIQUES COURSE IS MEANT
17 TO BE A TRAINING OPPORTUNITY. MY IMPRESSION AS A
18 FACILITY MANAGER IS THE MORE SPACE YOU ALLOCATE TOWARDS
19 THAT, THE MORE POSSIBLE IT IS TO TRAIN SCIENTISTS. AS
20 OPPOSED TO SOME OF THESE VERY SMALL LABS, I DIDN'T
21 UNDERSTAND WHERE THEY COULD DO THE TRAINING IN THESE
22 LABS. BUT THIS ONE IN THE DRAWING SEEMED TO BE SET UP
23 IDEALLY TO DO THAT. THEY DID REFERENCE -- THIS IS ONE
24 OF THOSE APPLICANTS I MENTIONED EARLIER THAT'S IN A
25 VERY GEOGRAPHICAL AREA THAT'S VERY CLOSE TO A LOT OF

1 HIGH LEVEL EDUCATION INSTITUTIONS AND HOSPITALS AND DID
2 REFERENCE THAT THEY WOULD DRAW UPON THEIR EXPERTISE AND
3 BRING THEM INTO THIS TECHNIQUES COURSE.

4 ON PAPER IT LOOKED LIKE THIS ACTUALLY COULD
5 BE VIABLE; BUT, AGAIN, I THINK BECAUSE MY OVERALL
6 IMPRESSION OF THIS APPLICATION SEEMED THAT IT WAS
7 PREMATURE, I FELT LIKE MAYBE THE TECHNIQUES COURSE
8 MIGHT BE IN THE SAME DILEMMA.

9 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS OR
10 COMMENTS? BOB.

11 MR. KLEIN: I'D JUST LIKE TO SAY THAT WE'RE
12 HERE AND EVALUATING FACILITIES AND A SHARED FACILITY
13 AND THE ABILITY TO RUN AND OPERATE A SHARED FACILITY
14 AND BUILD IT. I COMPLETELY AGREE WITH THE COMMENTS
15 THAT HAVE BEEN MADE. THIS ISN'T MEANT TO BE A COMMENT
16 ON THE SCIENTISTS WHO WERE LISTED AND THE TECHNIQUES
17 COURSE WHO HAVE SOME EXCELLENT RESUMES. BUT UNDER
18 INSTITUTIONAL COMMITMENT, IT'S IMPORTANT THAT THERE'S
19 MORE THAN JUST A MATCH IN INSTITUTIONAL COMMITMENT IN
20 MY MIND. IF YOU HAVE AN INSTITUTIONAL PRESENCE WITH
21 THE STRUCTURE TO SUPPORT THE SCIENCE, YOU CAN
22 CONTRIBUTE A GREAT DEAL MORE TO THE ABILITY TO CARRY
23 OUT A SHARED LAB THAN MERELY HAVING SOME INDIVIDUAL
24 SCIENTISTS LISTED.

25 THERE DOESN'T SEEM TO BE AN INSTITUTIONAL

1 PRESENCE. IT'S MORE LIKE A VIRTUAL INSTITUTION HERE.
2 SO IN TERMS OF INSTITUTIONAL COMMITMENT, I DIDN'T THINK
3 THAT THEY MET OUR REAL INTENT IN SUPPLYING
4 INSTITUTIONAL COMMITMENT FOR THE FULL SCALE OF SUPPORT
5 SERVICES AND OTHER FUNCTIONAL INTERRELATIONSHIPS THAT
6 REALLY CAN CONTRIBUTE TO EFFECTIVELY CARRYING OUT A
7 SHARED LAB AND THE RESEARCH DONE THERE.

8 CHAIRMAN LICHTENGER: THANK YOU, BOB. ARE
9 THERE ANY FINAL COMMENTS OR QUESTIONS FOR THE PRIMARY
10 OR SECONDARY REVIEWERS ON APPLICATION 517? IF NOT, I'D
11 ASK EVERYONE TO RECORD THEIR PRELIMINARY SCORE ON THIS
12 APPLICATION. AND THEN, RICK, WOULD THE NEXT
13 APPLICATION NUMBER BE 504-1. YES. WE'VE DONE 502
14 ALREADY, CORRECT? SO NEXT ONE WOULD BE 504-1.

15 MS. LANSING: I'M RECUSED FROM THAT, SO I'M
16 GOING TO GET OFF THE PHONE NOW, SO YOU CAN NOT WORRY
17 ABOUT TALKING LOUDER.

18 CHAIRMAN LICHTENGER: THANK YOU FOR YOUR
19 HELP, SHERRY. HAVE A GREAT DAY.

20 MS. LANSING: THANK YOU AND THANK YOU FOR
21 ACCOMMODATING AND TALKING LOUDER. THANKS A LOT.

22 CHAIRMAN LICHTENGER: SO RICK, LORI.

23 MR. KELLER: 504.

24 CHAIRMAN LICHTENGER: SO WE HAVE SOME FOLKS
25 THAT NEED TO RECUSE THEMSELVES.

1 MR. KELLER: THIS IS A REQUEST FOR THE SHARED
2 LAB AND TECHNIQUES COURSE, \$2 MILLION FOR THE SHARED
3 LAB, 471,000 FOR THE SHARED LAB. AND I HAVE A CONFLICT
4 ON THIS ONE, SO WILL NOT PARTICIPATE. AND IT'S ALSO
5 NOTED THAT LORI HOFFMAN HAS A SIMILAR PRE-EMPLOYMENT
6 CONFLICT. OTHER CONFLICTS ARE MEMBERS LANSING AND
7 FEIT.

8 CHAIRMAN LICHTENGER: EXCELLENT. WHO, RICK,
9 WILL BE ABLE TO ANSWER ANY QUESTIONS WE HAVE ON STAFF
10 ISSUES AND QUESTIONS?

11 MR. KELLER: THE REVIEW THAT WAS PROVIDED WAS
12 CONDUCTED BY AN OUTSIDE EVALUATOR. HIS NAME IS ROBERT
13 MCGEE AND IS WITH THE HOWARD HUGHES RESEARCH
14 FOUNDATION.

15 CHAIRMAN LICHTENGER: IS HE AVAILABLE FOR US?

16 MR. KELLER: ACTUALLY HE'S OUT OF THE
17 COUNTRY, AND WE WERE, BECAUSE OF THAT DIFFICULTY, WE
18 WEREN'T ABLE TO TIE HIM IN TODAY.

19 CHAIRMAN LICHTENGER: OKAY. SO ARE THE
20 MEMBERS DONE WITH THE PRELIMINARY SCORING OF
21 APPLICATION 517? MOVING FORWARD. SO I'D LIKE TO --

22 MR. KELLER: THE PRIMARY REVIEWER FOR 504 IS
23 MEMBER KASHIAN AND SECONDARY REVIEWER IS MEMBER SHEEHY.
24 THERE ARE NO ISSUES IN THE STAFF ANALYSIS REGARDING
25 THIS PROPOSAL.

1 CHAIRMAN LICHTENGER: SO WILL YOU AND LORI BE
2 LEAVING THE ROOM? WORKS FOR ME.

3 (MEMBERS LANSING AND FEIT AND STAFF
4 MEMBERS HOFFMAN AND KELLER ARE RECUSED FROM APPLICATION
5 504-1 AND ARE NOT PRESENT IN THE ROOM.)

6 CHAIRMAN LICHTENGER: SO, ED, IF YOU COULD
7 PLEASE PROCEED WITH THE PRIMARY REVIEW.

8 MR. KASHIAN: THANK YOU. I FOUND THE
9 APPLICATION OVERALL TO BE A VERY GOOD CATEGORY FROM MY
10 POINT OF VIEW. AND THAT I GAVE IT UPPER PERCENTILE
11 GRADES IN ALL ISSUES EXCEPT FOR HISTORICAL PERFORMANCE.
12 I FELT LIKE THEIR PERFORMANCE IN THE PAST HAS BEEN NOT
13 UP TO MY STANDARDS.

14 THE COST ISSUE IS MEDIUM PERCENTILE FROM MY
15 POINT OF VIEW. BUT THE COMMITMENT AND THE FEASIBILITY
16 ARE EXCELLENT FROM MY POINT OF VIEW.

17 I'LL ANSWER WHATEVER QUESTIONS YOU'D LIKE. I
18 HAPPENED TO GET THIS ONE AT THE LAST MOMENT, BY THE
19 WAY.

20 MS. HYSEN: I'M JUST CURIOUS WHY YOU RATED
21 HISTORICAL LOW. STAFF ANALYSIS LOOKS LIKE IT'S
22 ACTUALLY VERY CLOSE TO COMPLETION DATE, CLOSE TO
23 DOLLARS, AND THEY SEEM TO GIVE THIS A VERY GOOD RATING.

24 MR. KASHIAN: IT DID.

25 CHAIRMAN LICHTENGER: ED, I HAVE THE SAME

1 QUESTION.

2 MR. KASHIAN: THE STAFF ANALYSIS, THIS IS ONE
3 AREA WHERE I DIFFER FROM THE STAFF ANALYSIS.

4 CHAIRMAN LICHTENGER: FAIR ENOUGH. DULY
5 NOTED. ED, I HAD A QUESTION ABOUT THE COST. IT
6 APPEARED THAT THE COST WAS \$911 ASSIGNABLE SQUARE FOOT
7 WHICH SEEMED TO BE HIGH TO ME.

8 MR. KASHIAN: IT IS HIGH, AND I GAVE IT, FROM
9 MY POINT OF VIEW, I GAVE IT A MEDIOCRE SCORE, BUT YOU
10 HAVE TO CONSIDER IT'S A PART OF THE UNIVERSITY
11 CALIFORNIA SYSTEM, AND THEY HAVE A WAY OF RUNNING UP
12 COSTS.

13 CHAIRMAN LICHTENGER: IN THE FUTURE IF YOU
14 COULD -- WE'RE GOING TO TALK ABOUT THESE APPLICATIONS
15 WITH NO NAMES, JUST APPLICATION NUMBERS. THANK YOU.

16 SO IN TERMS -- I JUST WANT TO TALK A LITTLE
17 BIT MORE ON COST BECAUSE, YOU KNOW, I KNOW THAT WE'VE
18 TALKED ABOUT THIS IN TERMS OF ASSIGNABLE AND GROSS PER
19 SQUARE FOOT. AND IT LOOKS LIKE, YOU KNOW, ON A
20 PER-SQUARE-FOOT BASIS IN THE STAFF ANALYSIS IT'S ABOUT
21 \$589 PER GROSS SQUARE FOOT, WHICH IS KIND OF CLOSE TO
22 WHAT STAFF IS CALLING REPLACEMENT VALUE. AND I BELIEVE
23 THAT STAFF HAD CONCLUDED THAT ANYTHING THAT WOULD BE 60
24 PERCENT OR LESS THAN REPLACEMENT VALUE FOR LAB SPACE
25 WOULD BE CONSIDERED GOOD VALUE FOR CIRM DOLLARS. SO I

1 JUST WANT TO KIND OF NOTE THAT FOR THE RECORD.

2 MR. KLEIN: THIS IS A MODULAR BUILDING, SO
3 IT'S NOT A RENOVATION. IT'S A NEW FACILITY. SO I
4 THINK IT SHOULD BE REALLY VIEWED IN CONTEXT OF FULL
5 REPLACEMENT VALUE BECAUSE IT IS A NEW BUILDING RATHER
6 THAN MANY OF THESE OTHERS ARE RENOVATIONS. AND THAT'S
7 THE STANDARD, I THINK, DAVID, YOU MIGHT HAVE BEEN
8 REFERENCING.

9 BUT THE OTHER POINT HERE IS THAT IN TERMS OF
10 THIS FACILITY, THE CRYOPRESERVATION CAPACITY, THE
11 CELLULAR RADIATION FACILITY THAT'S BUILT INTO THIS CAN
12 DRIVE UP SOME COSTS. AND SO I THOUGHT THAT, GIVEN --
13 IF I COMPARED IT, AS ED KASHIAN HAS SAID, TO THE FACT
14 THAT UNIVERSITIES OF CALIFORNIA ARE HELD TO HIGHER
15 CONSTRUCTION STANDARDS THAN PRIVATE INSTITUTIONS FOR
16 SEISMIC AND OTHER REASONS, THAT WE HAVE TO RECOGNIZE
17 THEY'RE CONSTRICTED BY THE LEGISLATION OF THE STATE.

18 AND REALLY I TRIED TO LOOK AT THIS IN THE
19 CONTEXT OF ON A COMPARATIVE BASIS WITH OTHER
20 INSTITUTIONS WHO WERE UC SYSTEMS, HOW DID THEY DO IN
21 TRYING TO DEAL WITH THOSE VERY TOUGH REGULATIONS?

22 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.
23 SO I HAVE ANOTHER QUESTION FOR ED. WHEN THEY TALK
24 ABOUT A MODULAR FACILITY, DO THEY GO INTO -- HOW MUCH
25 DETAIL DID THEY GO INTO IN TERMS OF WHAT KIND OF

1 MODULAR FACILITY?

2 MR. KASHIAN: I DIDN'T GET INTO THE DETAIL,
3 AND I DON'T FEEL LIKE THAT'S MY RESPONSIBILITY. THE
4 POINT IS IT IS A MODULAR FACILITY, AND THE RESULT OF
5 WHICH IS THAT I THINK THEY'RE TAILORING IT JUST FOR THE
6 GRANT FUNDS FROM THIS AREA. I PREFER INSTITUTIONS THAT
7 DEAL WITH PERFORMANCE OF A BUILDING OR CONSTRUCTION
8 THAT WOULD BE LONG-TERM LONG AFTER THIS INSTITUTE IS
9 DEFUNDED.

10 CHAIRMAN LICHTENGER: SO I'D LIKE TO -- THANK
11 YOU, ED. I'D LIKE TO HAVE THE SECONDARY REVIEW NOW.

12 MR. SHEEHY: SURE. AND I'M ACTUALLY GOING TO
13 GIVE ME SCORE, AND I CHANGED IT A LITTLE BIT FROM WHAT
14 I PUT OUT. I PROBABLY AM SCORING LOWER. SO I HOPE
15 PEOPLE WILL TAKE THAT. I THINK OUR OVERALL TENOR HERE
16 IS PROBABLY HIGHER THAN I'M SCORING. I FELT THAT THIS
17 WAS A VERY STRONG APPLICATION, AND I SCORED THIS AS 83.

18 AND LOOKING AT FEASIBILITY, ONE OF THE THINGS
19 THAT I THOUGHT WAS VERY IMPORTANT ABOUT THIS PROJECT IS
20 THAT THEY'VE ASSOCIATED WITH THEIR NONHUMAN PRIMATE
21 FACILITY. AND THAT ALREADY EXISTS IN SOME MANNER AS A
22 SHARED LAB FACILITY FOR PEOPLE DOING RESEARCH AROUND
23 THE STATE AND POSSIBLY -- AT LEAST I KNOW RESEARCHERS
24 IN CALIFORNIA TEND TO DO A LOT OF THEIR NONHUMAN
25 PRIMATE WORK AT THIS LAB. SO THAT ASSOCIATION FOR ME

1 SHOWS A REAL COMMITMENT TO A SHARED FACILITY. AND I
2 THOUGHT THAT IT WAS A VERY REASONABLE PROJECT, SO I
3 GAVE IT 15. I GAVE IT THE HIGHEST SCORE.

4 I HAD THE SAME PROBLEMS THAT ED HAD WITH THE
5 COST. THIS WAS THE HIGHEST COST IN MY BATCH, AND SO I
6 MOVED IT FROM A 9 TO A 12 BASED ON WHAT I'VE HEARD IN
7 THE LAST FEW MINUTES. AND IT WAS MITIGATED. THE COST
8 WAS MITIGATED BECAUSE IT ALSO HAD THE HIGHEST
9 INSTITUTIONAL MATCH OF ANY APPLICATION IN MY BATCH. SO
10 TO MY MIND THAT MITIGATES SOME OF THE COST.

11 THE TIMELINE, I GIVE IT AN 18. I THOUGHT IT
12 WAS STRONG BASED ON WHAT STAFF SAID. THOUGH I DO TAKE
13 ED'S POINTS, AND I MAY MOVE THAT DOWN A LITTLE BIT IN
14 MY FINAL SCORE.

15 THE INSTITUTIONAL COMMITMENT, AS I SAID
16 THEY'RE HIGHEST. THEY GET A 20 -- I PUT DOWN 18. THEY
17 GET A HIGH SCORE ON THAT. THEY MORE THAN MATCHED THAT.

18 HISTORICAL PERFORMANCE, I GAVE IT A LITTLE
19 BIT LOWER SCORE HERE. AND I DON'T KNOW -- I HAVE TO GO
20 BACK TO THE STAFF ANALYSIS IN MORE DETAIL. I HAVE TWO
21 DIFFERENT ANALYSES I THINK I'M WORKING FROM. WHAT I
22 REMEMBER READING IS THAT THEY HAD NOT DONE THIS TYPE OF
23 PROJECT BEFORE, SO THAT THEIR HISTORIC PERFORMANCE HAD
24 BEEN GOOD, BUT THIS IS THE FIRST TIME THEY'VE DONE A
25 PROJECT OF THIS TYPE. AND I CAN LOOK THAT UP IF YOU

1 WOULD LIKE.

2 AND THEN I THOUGHT IT WAS VERY RESPONSIVE. I
3 GAVE IT A 14; BUT, AGAIN, I WAS SCORING LOW. I COULD
4 EASILY GIVE IT A 15. THEY'RE CLEARLY PLANNING TO SHARE
5 THIS WITH OTHER RESEARCHERS AND IS VERY RESPONSIVE.

6 I ALSO WOULD NOTE THAT THERE'S A TECHNIQUES
7 COURSE ASSOCIATED WITH THIS EVEN THOUGH THAT THAT
8 DIDN'T MAKE IT -- I DON'T THINK THE STAFF REPORT CAUGHT
9 THAT. BUT I THINK THAT THAT SHOULD BE SCORED AS HIGH
10 OR HIGHER. ONE OF THE THINGS ABOUT THIS MODULAR
11 FACILITY IS THAT IT DOES SEEM TO CREATE AN AMPLE
12 OPPORTUNITY TO DO THE SHARED TECHNIQUES COURSE.

13 CHAIRMAN LICHTENGER: THANK YOU, JEFF. THAT
14 WAS A VERY DETAILED REVIEW. I APPRECIATE THAT.

15 MS. HYSEN: CAN I ASK A QUESTION? AND MAYBE
16 THIS HAS BEEN ADDRESSED. I JUST FORGOT. IF ONE OF THE
17 LAB FACILITIES IS NOT FUNDED, BUT THE TECHNIQUES COURSE
18 IS FUNDED, IS EVERY INSTITUTION PREPARED TO DO JUST THE
19 TECHNIQUES COURSE IF THEY DON'T GET THE FUNDS?

20 CHAIRMAN LICHTENGER: I THINK THAT'S -- I
21 THINK WE'D HAVE TO ASK STAFF THAT QUESTION. SO MAYBE
22 WE CAN -- CAN WE ADDRESS THAT? THERE HAS TO BE A
23 SHARED FACILITY TO BE FUNDED. AND THEN IF A SHARED
24 FACILITY IS FUNDED, THEN THE TECHNIQUES COURSE CAN BE
25 FUNDED, BUT NOT THE OTHER WAY AROUND.

1 MR. SHEEHY: EXACTLY. YOU'VE GOT TO HAVE THE
2 FACILITY BEFORE YOU CAN --

3 MS. HYSEN: THANK YOU. MAKES SENSE.

4 DR. WRIGHT: JEFF, IN THE COURSE WERE THEY
5 PLANNING TO TEACH THE PRIMATES HOW TO DO STEM CELL
6 RESEARCH?

7 CHAIRMAN LICHTENGER: THEN I WOULD DEFINITELY
8 RECOMMEND IT FOR FUNDING IF THEY'RE ABLE TO DO THAT.
9 OKAY.

10 SO, YOU KNOW, I PERSONALLY DON'T HAVE ANY
11 QUESTIONS FOR THE REVIEWERS. DID THE MEMBERS HAVE ANY
12 QUESTIONS FOR THE PRIMARY OR SECONDARY REVIEWERS? THE
13 ONLY COMMENT I WOULD LIKE TO MAKE, AND I WILL
14 ACKNOWLEDGE THAT I'M NOT AN EXPERT ON MODULAR
15 CONSTRUCTION, IS THAT IF WE WERE TO LOOK AT THE COST OF
16 THIS MODULAR CONSTRUCTION AND LOOK AT THE LENGTH OF
17 SERVICE THAT WE COULD EXPECT FROM THIS INVESTMENT
18 RELATIVE TO POTENTIALLY A GROUND-UP CONSTRUCTION, I
19 JUST THINK IT'S WORTH NOTING THAT I'M NOT AN EXPERT ON
20 THIS. THE LITTLE I KNOW ABOUT MODULAR CONSTRUCTION,
21 IT'S IMPROVED GREATLY OVER THE PAST FIVE TO TEN YEARS.
22 TYPICALLY WILL NOT HAVE THE SAME LIFE EXPECTANCY AS NEW
23 GROUND-UP CONSTRUCTION, BUT THAT'S JUST SOMETHING THAT
24 MEMBERS MAY TO WANT TO CONSIDER.

25 MR. KLEIN: I'D JUST LIKE TO SAY THAT GIVEN

1 THE SPEED OF CHANGE IN THIS AREA IN EQUIPMENT AND IN
2 SPACE, IN TEN YEARS YOU'RE PROBABLY GOING TO HAVE TO GO
3 BACK THROUGH ANY ONE OF THESE RENOVATIONS AND GUT REHAB
4 THEM AND REDO THEM. IT'S JUST THE SPEED AT WHICH THE
5 TECHNOLOGY CHANGES. AND ADDITIONALLY, AT THIS COST
6 LEVEL, AT THIS COST LEVEL PER SQUARE FOOT, THE MODULAR
7 CONSTRUCTION THAT I'VE BEEN FAMILIAR WITH WOULD, IN
8 FACT, HAVE, YOU KNOW, A 30-YEAR LIFE. THE FINANCING
9 REGULATIONS REALLY DRIVE THAT. THEY HAVE TO HAVE AT
10 LEAST A 30-YEAR LIFE TO BE ABLE TO GET INSTITUTIONAL
11 FINANCING AND BOND FINANCING. SO I'D EXPECT A VERY
12 LONG LIFE ON THIS LEVEL OF COST FOR MODULAR
13 CONSTRUCTION.

14 DR. WRIGHT: THIS IS A MORE GENERAL COMMENT.
15 BUT CONSIDERING THAT JEFF BROUGHT UP THE SCORING SPREAD
16 CONCEPT, YOU MIGHT WANT TO COMMENT ON ADVICE FOR US.

17 CHAIRMAN LICHTENGER: SO, YOU KNOW, EVERYONE
18 CAN -- THE MEMBERS CAN FEEL FREE TO USE THE FULL RANGE
19 OF SCORING ON THE APPLICATIONS. AND, YOU KNOW, JUST IF
20 IT'S A ZERO TO 20, YOU CAN CERTAINLY SAY A 10 IS AN
21 AVERAGE, BELOW 10 IS BELOW AVERAGE, AND 20 IS PERFECT.

22 AND THE ONLY OTHER COMMENT I WOULD MAKE --
23 THANK YOU FOR REMINDING ME ON THAT, JANET -- IS THAT WE
24 ARE COMPARING THE GRANT APPLICATIONS TO EACH OTHER.
25 NOT A PERFECT WORLD. SO WHEN WE ARE JUDGING THEM, WE

1 SHOULD COMPARE IT TO THE OTHER APPLICATIONS WE'VE
2 ACTUALLY RECEIVED, AND SO THAT WAY IT'S A TRULY FAIR
3 SCORING. THANK YOU.

4 SO I'D LIKE TO -- IF THERE ARE NO OTHER
5 COMMENTS, I'D LIKE TO HAVE MEMBERS PUT THEIR
6 PRELIMINARY SCORES IN.

7 VICE CHAIRMAN SERRANO-SEWELL: CHAIRMAN, IS
8 THE NEXT APPLICATION 505?

9 CHAIRMAN LICHTENGER: I BELIEVE IT IS.

10 VICE CHAIRMAN SERRANO-SEWELL: 505, I'M THE
11 SECONDARY REVIEWER. THIS IS WHILE EVERYBODY IS DOING
12 THEIR PRELIMINARY SCORES FOR THIS ONE. TO STAFF, I DID
13 MINE AND SUBMITTED MY SCORES ONLINE. SO DO I HAVE THAT
14 IN FRONT OF ME, WHAT I SUBMITTED ONLINE?

15 CHAIRMAN LICHTENGER: NOT NECESSARILY.

16 VICE CHAIRMAN SERRANO-SEWELL: I DON'T HAVE A
17 LAPTOP, AND I NEED THAT IN FRONT OF ME.

18 CHAIRMAN LICHTENGER: THAT'S FINE. ANY OTHER
19 MEMBERS THAT WOULD LIKE TO HAVE COPIES OF THEIR
20 SCORING? IF THEY DON'T HAVE IT, FEEL FREE TO TALK TO
21 PAT.

22 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.
23 YOU CAN GIVE ALL OF THEM TO ME NOW OR AS WE DO IT, BUT
24 I WAS ASSIGNED 505. YOU HAVE THE LIST. NEVER MIND.

25 CHAIRMAN LICHTENGER: SO DO THE MEMBERS NEED

1 ANY MORE TIME IN TERMS OF SCORING 504-1? WHY DON'T WE
2 GIVE IT ONE MORE MINUTE. AND THEN, RICK, IS 505-1 THE
3 NEXT APPLICATION?

4 (MEMBER LANSING AND STAFF MEMBER HOFFMAN
5 ARE RECUSED ON APPLICATION 505-1 AND ARE NOT PRESENT IN
6 THE ROOM.)

7 MR. KELLER: YES. THAT'S THE NEXT ONE. THE
8 PROPOSAL IS FOR \$2 MILLION IN CIRM FUNDING FOR A SHARED
9 LABORATORY. THE REVIEWERS ARE THE CHAIRMAN AND VICE
10 CHAIRMAN.

11 CHAIRMAN LICHTENGER: OKAY.

12 MR. KELLER: THE ONE STAFF ISSUE THAT WAS
13 IDENTIFIED ON THIS APPLICATION WAS THAT THE AMOUNT OF
14 CIRM FUNDING REQUESTED WAS \$1 MILLION. THE
15 CONSTRUCTION FUNDING FOR THE TOTAL PROJECT IS A MILLION
16 FOUR SIXTY-SIX; HOWEVER, MATCHING FUNDS OF 321,726 WERE
17 IDENTIFIED. ADDITIONAL PRIOR EXPENDITURES FOR
18 EQUIPMENT WERE IDENTIFIED THAT WOULD ACTUALLY PUSH THE
19 MATCHING FUNDS, CONSIDERING BOTH CASH AND FUNDS ALREADY
20 EXPENDED FOR EQUIPMENT, ABOVE THE 20 PERCENT, BUT IT IS
21 NOT -- WE SEE THAT THERE'S A BUDGET STRUCTURAL PROBLEM
22 HERE IN THAT THE PROJECT IS ABOUT 145,000 SHORT OF CASH
23 IN ORDER TO COMPLETE THE FULL SCOPE OF THE PROJECT
24 IDENTIFIED IN THE APPLICATION. SO WE'VE IDENTIFIED
25 THAT AS AN ELEMENT OF MATCHING FUNDS UNDER THE STAFF

1 ISSUE. UNDER YOUR PREVIOUS PROCEDURE, WE RECOMMEND
2 THAT YOU RESOLVE THAT BY ADOPTING THE REMEDY THAT CIRM
3 SHOULD REQUIRE THAT THE APPLICANT IDENTIFY AN
4 APPROPRIATE SOURCE OF MATCHING FUNDS WITH ADEQUATE
5 ASSURANCE FOR PERFORMANCE.

6 CHAIRMAN LICHTENGER: SO --

7 MR. KLEIN: I WOULD MAKE THAT MOTION.

8 DR. WRIGHT: I'LL SECOND.

9 CHAIRMAN LICHTENGER: BOB HAS MADE THE MOTION
10 RECOMMENDING ACCEPTING STAFF'S RECOMMENDATIONS ON
11 APPLICATION 505, SECONDED BY JANET WRIGHT. I'D LIKE TO
12 HAVE A VOICE VOTE. ALL THOSE IN FAVOR SAY YES. ANYONE
13 OPPOSED? OKAY. IT'S UNANIMOUS. THIS MOTION IS
14 CARRIED.

15 SO I WILL DO THE PRIMARY REVIEW FOR THIS
16 APPLICATION, AND THEN THE VICE CHAIR WILL DO THE
17 SECONDARY.

18 GIVE ME ONE MOMENT, PLEASE. SO THE PROPOSED
19 PROJECT WOULD RENOVATE ABOUT 4700 ASSIGNABLE SQUARE
20 FEET IN AN EXISTING RESEARCH BUILDING WHICH WOULD
21 PROVIDE SHARED LABORATORY AND SUPPORT SPACE IN STEM
22 CELL RESEARCH AS WELL AS AN ANALYTIC CORE LABORATORY,
23 AN FDA COMPLIANT HUMAN STEM CELL GDP SUITE, AS WELL AS
24 AN EXISTING GMP, GOOD MANUFACTURING PRACTICE, SUITE
25 DEDICATED TO NEW HUMAN STEM CELL LINES. AND I THOUGHT

1 THE PROPOSAL, THE GRANT APPLICATION WAS QUITE FEASIBLE.
2 I DIDN'T NOTICE ANY ISSUES IN THE INFORMATION. SO
3 THERE WAS NOTHING THAT JUMPED OUT AT ME. I THOUGHT IT
4 SEEMED WELL PREPARED.

5 THE COST SEEMED TO BE VERY GOOD TO EXCELLENT
6 COMPARED TO THE OTHER REVIEWED GRANT APPLICATIONS.
7 THERE WAS A FAIRLY HIGH LEVEL OF DETAIL PROVIDED
8 REGARDING THE COSTS, WHICH WAS NOT NECESSARILY MY
9 EXPERIENCE WITH OTHER GRANT APPLICATIONS. SO I THOUGHT
10 THAT INCREASED MY -- NOT ONLY WAS THE PER-SQUARE-FOOT
11 NUMBER EXCELLENT, BUT THE LEVEL OF DETAIL WAS QUITE
12 GOOD AS WELL.

13 THE SCHEDULE ALSO SEEMED TO BE VERY GOOD TO
14 SOMEWHAT AGGRESSIVE. AGAIN, IT WASN'T UNREALISTICALLY
15 AGGRESSIVE, BUT IT WAS AGGRESSIVE. AND I LIKED WHAT I
16 SAW THERE.

17 THE INSTITUTIONAL COMMITMENT, YOU KNOW,
18 WAS -- OVERALL COMMITMENT WAS QUITE HIGH. SO I THOUGHT
19 THAT WAS GOOD. AND, AGAIN, WE'RE ASSUMING THAT, AGAIN,
20 THE STAFF'S RECOMMENDATIONS ARE ACCEPTED. SO, AGAIN,
21 THE INSTITUTIONAL COMMITMENT, OVERALL COMMITMENT,
22 SEEMED QUITE HIGH. SO THAT WOULD BE VERY GOOD TO
23 EXCELLENT.

24 THE HISTORICAL PERFORMANCE APPEARED TO BE
25 AVERAGE TO SOMEWHAT ABOVE AVERAGE. THERE WAS, YOU

1 KNOW, THREE PROJECTS THAT THEY UNDERTOOK, THAT SOME
2 WERE BELOW BUDGET, SOME WERE OVER BUDGET, SOME WERE --
3 THEY SEEMED TO ALL BE COMPLETED WITHIN A MONTH OF
4 COMPLETED SCHEDULE. SO I THOUGHT IT WAS, YOU KNOW,
5 ABOVE AVERAGE WOULD BE THE WAY I WOULD CHARACTERIZE IT.

6 IN TERMS OF THE PROPOSAL, IT SEEMED TO BE
7 QUITE RESPONSIVE. SO, YOU KNOW, AGAIN, IT SEEMED TO BE
8 WELL PREPARED AND SEEMED TO ADDRESS THE RFA.

9 SO I'D LIKE TO HAVE THE VICE CHAIR NOW,
10 UNLESS THERE'S SPECIFIC QUESTIONS FOR ME REGARDING THE
11 APPLICATION.

12 VICE CHAIRMAN SERRANO-SEWELL: I SERVED AS
13 THE SECONDARY REVIEWER FOR THIS APPLICATION 505. AND I
14 HAVE TO SAY THAT MY COMMENTS AND AREA OF SCORING
15 MIRRORS VERY SIMILARLY THAT OF THE CHAIR. I HAD NO
16 MAJOR ISSUES WITH THE FEASIBILITY OF THE PLAN, NOR DID
17 I SEE FROM THE REVIEW OF THE APPLICATION ANY
18 SIGNIFICANT OBSTACLES THAT WOULD INTERFERE WITH THE
19 PROJECT. THERE WAS A WELL-DISCUSSED, DETAILED PLAN
20 ABOUT HOW THE MONEY WILL BE SPENT. SO I WAS HAPPY IN
21 THE COST CATEGORY.

22 SIMILAR COMMENTS IN THE TIMELINE AND
23 MILESTONES. I LIKE THAT AFTER SEVEN MONTHS THAT THE
24 PROJECT WOULD BE UP AND RUNNING AFTER THE AWARD.

25 THE INSTITUTIONAL COMMITMENT SEEMS TO BE

1 THERE AS WELL. THERE'S A 42-PERCENT MATCH.

2 THE HISTORICAL PERFORMANCE, I ALSO HAD SOME
3 ISSUES. IT SEEMED TO BE OKAY. I WOULD LIKE A LITTLE
4 BIT MORE SOLID PERFORMANCE IN THIS AREA, BUT IT WASN'T
5 LACKING IN ANY GLARING MANNER.

6 OVERALL THE APPLICANT WAS RESPONSIVE TO THE
7 RFA'S OBJECTIVES AND CRITERIA. MY ONLY NOTE, WHICH HAS
8 ALREADY BEEN RESOLVED BY THE MOTION, IS THE ADDITIONAL
9 \$150,000 NEEDED TO COMPLETE THE PROJECT. SO BASED
10 ON -- MY SCORING WILL REFLECT THAT MOTION. SO I WAS
11 OVERALL PLEASED WITH THIS APPLICATION, AND WE'LL SEE
12 HOW THINGS SHAKE DOWN, BUT INITIALLY I WOULD SAY FUND
13 THIS APPLICATION.

14 CHAIRMAN LICHTENGER: I WOULD CONCUR WITH THE
15 VICE CHAIR, THAT I WOULD, AGAIN, BASED UPON THE
16 FACILITIES CRITERIA, THAT I WOULD FUND THIS
17 APPLICATION. AGAIN, IT SEEMED TO BE WELL ABOVE AVERAGE
18 IN MOST CATEGORIES.

19 ARE THERE ANY QUESTIONS FROM THE MEMBERS FOR
20 THE VICE CHAIR OR MYSELF?

21 MR. KLEIN: ARE COMMENTS IN ORDER?

22 CHAIRMAN LICHTENGER: YES. COMMENTS.

23 MR. KLEIN: I'D JUST LIKE TO SAY THAT WITH 43
24 PERCENT OF THE COST FOR CONSTRUCTION GOING INTO
25 PLUMBING, HVAC, AND ELECTRICAL, THEY'VE GOT A REAL

1 SUBSTANTIVE JOB HERE. AND FOR THE COST TO COME IN THAT
2 LOW OVERALL, GIVEN A SUBSTANTIAL INVESTMENT IN HVAC,
3 ELECTRICAL, AND PLUMBING, I THINK, IS REALLY EXCELLENT.

4 AND ON THE HISTORICAL PERFORMANCE, SINCE THEY
5 HAVE TO GUARANTEE TO US THAT THEY'RE GOING TO COMPLETE,
6 AND WE'RE NOT GOING TO BE RESPONSIBLE FOR ANY CHANGE
7 ORDERS, UNLESS CHANGE ORDERS WERE A VERY HIGH
8 PERCENTAGE THAT WOULD ACTUALLY JEOPARDIZE THEIR ABILITY
9 TO PERFORM, I'M MORE CONCERNED ON THE ACTUAL TIMETABLE.
10 AND ON ACTUAL COMPLETION OF THE HISTORICAL PROJECTS WAS
11 ON TIME OR WITHIN ONE MONTH OF SCHEDULED COMPLETION.
12 THAT'S PHENOMENAL IN THIS KIND OF FACILITY.

13 SO I WAS EXTREMELY IMPRESSED WITH THIS
14 HISTORICAL PERFORMANCE BECAUSE TIMELINE IS GOING TO BE
15 MOST IMPORTANT TO US BECAUSE WE'RE NOT RESPONSIBLE FOR
16 A CHANGE ORDER IN TERMS OF PERFORMANCE. SO I WAS VERY
17 IMPRESSED.

18 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.

19 MS. HYSEN: DAVID, DID WE HAVE TO MAKE A
20 MOTION FOR THIS REGARDING THE DEFICIENCY OF 145,000, OR
21 WAS THAT DONE ALREADY?

22 CHAIRMAN LICHTENGER: WE DID IT ALREADY.

23 MS. HYSEN: NOT ENOUGH CAFFEINE.

24 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS FOR
25 THE VICE CHAIR OR MYSELF? AGAIN, I THINK, JUST TO

1 CONCUR WITH BOB'S ASSESSMENT, IT SEEMED TO BE A VERY
2 SUBSTANTIAL PROJECT, THAT THE COSTS WERE QUITE GOOD
3 COMPARED TO OTHER APPLICATIONS, AND THEY WERE ACTUALLY
4 ACHIEVING -- PROVIDING QUITE A BIT OF WHAT I WOULD ADD
5 AS STRATEGIC KIND OF GOALS FOR THE STEM CELL INITIATIVE
6 IN TERMS OF WHAT THEY WERE PROVIDING. THAT'S WHY, IN
7 TERMS OF RESPONSIVE, I THOUGHT IT WAS QUITE RESPONSIVE.

8 IF THERE'S NO OTHER COMMENTS, I'D LIKE TO GO
9 AHEAD AND PROCEED AND HAVE EVERYONE RECORD THEIR
10 PRELIMINARY SCORE.

11 DR. WRIGHT: I THINK IT WAS THE SECOND
12 HIGHEST IN TERMS OF PROVIDING SPACE FOR PI'S.

13 CHAIRMAN LICHTENGER: YES, IT WAS. OKAY.
14 I'LL GIVE EVERYONE ANOTHER MOMENT. RICK, THE NEXT
15 APPLICATION WOULD BE 506-1.

16 (MEMBER LANSING AND STAFF MEMBER HOFFMAN
17 ARE RECUSED FROM APPLICATION 506-1 AND ARE NOT PRESENT
18 IN THE ROOM.)

19 MR. KELLER: YES. 506-1, THE PRIMARY
20 REVIEWER IS MEMBER HYSEN, SECONDARY REVIEWER MEMBER
21 FEIT. THE REQUEST IS FOR 1,948,194 IN CIRM FUNDING.
22 THE PROPOSAL INCLUDES JUST A SHARED LABORATORY AND NOT
23 A TECHNIQUES COURSE. ON THE STAFF ANALYSIS WE HAVE TWO
24 ISSUES IDENTIFIED, THE ADMINISTRATIVE COST FOR DESIGN,
25 ADMINISTRATION, AND CONTINGENCY EXCEEDS THE RFA

1 GUIDELINES BY \$84,000. THERE'S ALSO NOT A CLEAR,
2 DEFINITIVE EXPLANATION OF COST OVERRUNS BEING COVERED
3 BY THE APPLICANT.

4 THIS IS IDENTIFIED IN THE STAFF ANALYSIS
5 NARRATIVE, BUT I HAD UNFORTUNATELY NOT PUT IT INTO THE
6 SUMMARY AT THE END. BUT THIS IS ONE OF THOSE THAT HAS
7 THAT CIRCUMSTANCE. AND, THEREFORE, THE REMEDY FOR THAT
8 IS TO INFORM THE APPLICANT THAT ANY COST ISSUES SHALL
9 NOT RESULT IN REDUCED SCOPE AND WILL BE THE
10 RESPONSIBILITY OF THE APPLICANT.

11 CHAIRMAN LICHTENGER: SO I'D LIKE TO PROPOSE
12 TWO SEPARATE MOTIONS. THE FIRST WOULD BE CIRM SHOULD
13 REDUCE ITS GRANT AMOUNT FOR UNALLOWABLE COSTS
14 IDENTIFIED IN THE BUDGET, AND APPLICANT PROVIDES
15 INSTITUTIONAL FUNDS FOR THESE UNALLOWABLE EXPENSES. DO
16 I HAVE THAT MOTION?

17 VICE CHAIRMAN SERRANO-SEWELL: YOU DO.

18 MR. KLEIN: I'LL SECOND THE MOTION IF DAVID
19 IS MAKING THE MOTION.

20 CHAIRMAN LICHTENGER: I'M MAKING THE MOTION.
21 IT'S SECONDED BY THE VICE CHAIR. SO I'D LIKE TO HAVE A
22 VOICE VOTE. ALL THOSE IN FAVOR ON THIS MOTION SAY YES.
23 ALL THOSE OPPOSED? SO IT PASSES UNANIMOUSLY.

24 MS. HYSEN: DAVID, BEFORE YOU MAKE A SECOND
25 MOTION, I HAVE AN ISSUE WITH THE STAFF ANALYSIS ON THE

1 OVERRUN. IF I COULD REFER YOU TO PAGE 5, THE FIRST
2 PARAGRAPH, THE LAST SENTENCE. IT APPEARS THAT THEY'VE
3 MADE AN ALLOWANCE FOR THE COST OVERRUNS TO BE SHARED BY
4 TWO OF ITS DIVISIONS. IS THAT NOT SUFFICIENT?

5 MR. KELLER: ON PAGE 9?

6 MS. HYSEN: SECTION B-1, IT'S MY PAGE 5 OF
7 THE RFA SUBMITTAL. ON THE LABORATORY RENOVATION PLAN,
8 I THINK -- IT'S JUST THE FIRST PARAGRAPH. AND IT'S THE
9 LAST SENTENCE. AND I CAN'T SAY WHO IT IS BECAUSE IT
10 WOULD IDENTIFY THE INSTITUTION, BUT IT DOES SAY
11 INCREASED CONSTRUCTION COSTS BEYOND THOSE FUNDED IN THE
12 GRANT WILL BE SHARED EQUALLY BY X AN X.

13 MR. KELLER: I THINK THAT THAT MAY BE A
14 JUDGMENT IN TERMS OF WE HAVE THE PROGRAM DIRECTOR
15 SIGNING THE APPLICATION. AND, AGAIN, IT'S KIND OF
16 IF -- I DON'T KNOW IF THOSE -- WHAT THE RESOURCES WOULD
17 BE AVAILABLE TO THOSE TWO. IT MIGHT BE SOMETHING THAT
18 THEY COULD CLARIFY IN THIS --

19 MS. HYSEN: THAT'S WHAT CONFUSED ME. IF THE
20 INSTITUTION IS SAYING IN ITS SUBMITTAL THAT THEY ARE
21 GOING TO COVER THE COSTS, I DON'T KNOW THAT I CAN, AS A
22 REVIEWER, QUALIFY WHETHER OR NOT THAT'S A TRUTHFUL
23 STATEMENT. SO I WOULD FEEL THAT THEY MET THE GUARANTEE
24 OF COST OVERRUNS.

25 CHAIRMAN LICHTENGER: SO, DEBORAH. BOB.

1 MR. KLEIN: I WOULD SUPPORT DEBORAH'S
2 POSITION BECAUSE THIS IS A MAJOR INSTITUTION WITH
3 FINANCIAL CAPACITY THAT'S CLEAR WHO'S MAKING A
4 COMMITMENT TO SHARE THOSE ADDITIONAL COSTS. SO I THINK
5 WE HAVE A CLEAR STATEMENT OF RESPONSIBILITY, WHICH WE
6 DON'T HAVE IN SOME OF THE OTHERS.

7 CHAIRMAN LICHTENGER: YOU KNOW, I WOULD LIKE
8 TO ASK COUNSEL, TAMAR, IF THERE'S ANY -- THERE'S NO
9 REASON TO HAVE A CLARIFICATION ON THIS AND CARRY THE
10 MOTION. THERE'S NO NEGATIVE EFFECT. AND THAT WAY
11 WE'RE DEALING WITH ALL THE APPLICATIONS THE SAME,
12 CORRECT?

13 MS. PACTER: THAT'S RIGHT. IF ALL THE
14 MEMBERS OF THE WORKING GROUP ARE READING THIS THE SAME
15 WAY, THERE ARE WAYS TO CLARIFY THAT IN THE
16 ADMINISTRATIVE PROCESS AS WELL TO MAKE SURE THAT, IN
17 FACT, EVERYBODY IS ON THE SAME PAGE ABOUT --

18 MS. HYSEN: THEY WON'T GET THIS INFORMATION
19 THAT I HAVE, I DON'T BELIEVE. IS THAT TRUE? THE
20 ANALYSIS WOULDN'T SHOW THIS SPECIFIC SENTENCE?

21 CHAIRMAN LICHTENGER: I DON'T HAVE A COPY OF
22 THE FULL APPLICATION.

23 MS. HYSEN: RIGHT. I THINK ALL THE REVIEWERS
24 ARE GETTING THE STAFF SYNOPSIS. IF THEY WERE TO GO BY
25 THAT WHEN MAKING THEIR SCORE, THEY WOULD HAVE THAT

1 INFORMATION AND NOT NECESSARILY THE INFORMATION THAT I
2 HAD ACCESS TO AS A PRIMARY REVIEWER.

3 MS. PACHTER: THAT MAY BE TRUE. I GUESS WHAT
4 I'M SAYING IS IF EVERYBODY'S UNDERSTANDING IS THAT THAT
5 CONDITION OF THE RFA HAS BEEN MET, THAT THE APPLICANT
6 HAS AGREED TO COVER COST OVERRUNS. THERE ARE WAYS IN
7 THE ADMINISTRATIVE PROCESS THAT WE CAN CONFIRM THAT SO
8 THE APPLICANT UNDERSTANDS THAT'S WHERE THE ICOC IS ON
9 THE ISSUE, THAT WE BELIEVE THEY'VE AGREED TO COVER
10 THOSE COSTS.

11 CHAIRMAN LICHTENGER: SO I GUESS I WOULD ASK
12 STAFF, SHOULD WE GO TO ANOTHER APPLICATION WHILE
13 STAFF -- RICK, IS YOUR FEELING THAT THIS ISSUE IS
14 ADDRESSED IN THEIR RESPONSE?

15 MR. KELLER: I THINK IT'S A JUDGMENT. IF YOU
16 FEEL COMFORTABLE THAT THAT'S SUFFICIENT ON THE BASIS OF
17 THE INSTITUTION, THAT'S CERTAINLY UP TO YOU. IT
18 BECOMES -- AS TAMAR WAS SAYING, IT JUST BECOMES
19 SOMETHING THAT'S WITHIN THE DUE DILIGENCE THAT WE WOULD
20 HAVE ON THE GRANT ADMINISTRATION. AND YOU DON'T HAVE
21 TO -- MY BAR MIGHT HAVE BEEN TOO HIGH HERE, I THINK.

22 CHAIRMAN LICHTENGER: THANK YOU, RICK.
23 DEBORAH, I GUESS BECAUSE I DON'T HAVE THAT INFORMATION
24 IN FRONT OF ME AND I DON'T SEE THAT -- UNLESS -- I'LL
25 OPEN THIS UP TO DISCUSSION IF THERE'S ANY. I DON'T SEE

1 ANY NEGATIVE CONSEQUENCES TO HAVING THIS MOTION PASS.
2 SO IF THERE AREN'T ANY NEGATIVE CONSEQUENCES, I'D LIKE
3 TO PROCEED WITH THE VOTE ON THIS.

4 WE DON'T HAVE A MOTION YET? SO I'D LIKE TO
5 PROPOSE THE MOTION THAT CIRM SHOULD INFORM THE
6 APPLICANT THAT ANY COST ISSUES SHALL NOT RESULT IN
7 REDUCED SCOPE, AND THE INSTITUTION WILL GUARANTEE ANY
8 COST OVERRUNS. DO I HAVE A SECOND?

9 DR. WRIGHT: SECOND.

10 CHAIRMAN LICHTENGER: JANET WRIGHT SECONDS.
11 I'D LIKE TO HAVE A VOICE VOTE. ALL THOSE IN FAVOR SAY
12 YES. ANY OPPOSED? EXCELLENT.

13 SO THOSE ARE THE ONLY TWO ISSUES, CORRECT,
14 STAFF ISSUES?

15 MR. KELLER: YES, THAT'S CORRECT.

16 CHAIRMAN LICHTENGER: DEBORAH, IF YOU COULD
17 PROCEED TO DO THE PRIMARY REVIEW ON THIS APPLICATION.
18 THANK YOU.

19 MS. HYSEN: IN THE FUTURE WHAT MIGHT BE
20 HELPFUL IS, PARTICULARLY WHEN THERE ARE DIFFERENT
21 DIVISIONS OR SCHOOLS WITHIN THESE UNIVERSITIES
22 PROVIDING THE MATCH, IT WOULD BE NICE THAT THEY WOULD
23 BE A SIGNATORY TO THE SIGNATORY PAGE BECAUSE I COULDN'T
24 TELL IF EITHER ONE OF THOSE SCHOOLS OR DIVISIONS
25 ACTUALLY COMMITTED TO IT. JUST FOR FUTURE REFERENCE.

1 I FOUND THIS GRANT TO BE THE MOST RESPONSIVE
2 OF ALL THE APPLICATIONS I REVIEWED. AND ABSOLUTE KUDOS
3 TO WHOEVER PREPARED THIS. IT WAS VERY, VERY THOROUGH.
4 IT LEFT ME WITH NO QUESTIONS. IT WASN'T MY HIGHEST
5 RANKED APPLICATION BECAUSE THE COST WAS QUITE
6 SIGNIFICANT, BUT I FELT THAT IT DID THIS INSTITUTION
7 PROUD. LET ME JUST SAY SO. WHOEVER THE GRANT WRITER
8 IS OUT THERE, KUDOS TO YOU.

9 THIS IS A REMODEL OF AN EXISTING SPACE. IT'S
10 ABOUT 2,000 SQUARE FEET. AND THEY'VE CLEARLY OUTLINED
11 ALL OF THE ISSUES FACING THEM. AND LET ME JUST SAY
12 THAT THIS INSTITUTE IN PARTICULAR DID, OF ALL THE
13 APPLICATIONS, DID PROVIDE SOME INFORMATION THAT NONE OF
14 OTHERS DID. THEY DID COMMIT TO PREVAILING WAGE, THEY
15 DID COMMIT TO PROVIDING A PREFERENCE TO CALIFORNIA
16 SERVICES AND GOODS PROVIDERS. I WAS VERY IMPRESSED
17 WITH THAT. AND THEY WENT ABOVE AND BEYOND AND
18 COMMITTED TO BUILDING THIS IN A GREEN BUILDING MANNER,
19 WHICH USES ENVIRONMENTALLY PREFERABLE BUSINESS
20 PRACTICES. AND BECAUSE THE OVERALL INTENT OF PROP 71
21 IS TO IMPROVE THE PUBLIC HEALTH OF CALIFORNIANS, I FELT
22 LIKE THAT WAS ABOVE AND BEYOND. AND I DON'T KNOW IF
23 OTHER INSTITUTIONS DID THAT AS WELL. BUT THEY EVEN
24 COMMITTED TO, IN THEIR SHARED FACILITIES, MAKING SURE
25 THAT IT WAS LOCATED NEXT TO TRANSIT SO THAT ITS

1 SCIENTISTS AND OTHERS COULD COME AND USE PUBLIC
2 TRANSIT.

3 SO THIS IS ONE OF THOSE REALLY GOOD
4 SUBMITTALS THAT REALLY DEMONSTRATED THAT IT HAD THE
5 PUBLIC'S INTEREST IN MIND.

6 FEASIBILITY-WISE, I FELT THAT THEY REALLY
7 UNDERSTOOD ALL OF THE OBSTACLES BEFORE THEM. THEY
8 CLEARLY UNDERSTOOD THEY HAD TO GO THROUGH THE STATE
9 ARCHITECTS REVIEW PROCESS, WHICH CAN GET LENGTHY, STATE
10 FIRE MARSHAL AS WELL. AND THAT THEY DO HAVE TO EXPAND
11 MECHANICAL, ELECTRICAL, AND PLUMBING SYSTEMS. SO I
12 GAVE THEM A VERY HIGH FEASIBILITY SCORE.

13 ON THE COSTS, YOU WILL SEE IN YOUR
14 SPREADSHEET THAT IT IS ONE OF THE MORE SIGNIFICANT
15 COSTS. IT'S UPWARDS OF THE REPLACEMENT VALUE
16 PREVIOUSLY DISCUSSED AS \$600. IT'S VERY CLOSE TO THAT.
17 AND QUITE FRANKLY --

18 CHAIRMAN LICHTENGER: EXCUSE ME, DEBORAH.
19 COULD I JUST JUMP IN? ONE CLARIFICATION. IT LOOKS
20 LIKE AFTER YOU GROSS THAT NUMBER, IT BECOMES 359 PER
21 SQUARE FOOT GROSS. IS THAT CORRECT, RICK? I THINK THE
22 NUMBER THAT HAS BEEN USED BY STAFF IS 600 PER SQUARE
23 FOOT GROSS.

24 MR. KELLER: THE ASSIGNABLE SQUARE FOOTAGE,
25 COST PER ASSIGNABLE FOOT WAS 598. AND THEN I THINK ON

1 AN EQUIVALENCY TO NEW CONSTRUCTION, IT WOULD BE 359, SO
2 THAT WOULD BE ABOUT 60 PERCENT OF NEW CONSTRUCTION.

3 CHAIRMAN LICHTENGER: JUST ONE FURTHER
4 CLARIFICATION. I JUST WANT TO HAVE FOR ALL THE
5 MEMBERS, BECAUSE THIS ACTUALLY WAS SOMETHING I
6 DISCUSSED WITH STAFF EARLIER, ON THIS COMPARISON SHEET,
7 WHICH EVERYONE HOPEFULLY SHOULD HAVE, THE COST PER
8 SQUARE FOOT ARE ASSIGNABLE, YET IN THE STAFF SUMMARY
9 AND AS WELL AS IN THE APPLICATIONS, YOU WILL SEE
10 ASSIGNABLE AND GROSS. IT'S JUST IMPORTANT WHEN YOU'RE
11 COMPARING, THAT YOU'RE COMPARING THE SAME NUMBERS.
12 SORRY, DEBORAH.

13 MS. HYSEN: EXCELLENT. THANK YOU. WHAT I
14 WASN'T CLEAR ABOUT -- WELL, IT DOES REPRESENT ONE OF
15 THE HIGHER ASSIGNABLE PER SQUARE FOOT OF ALL THE
16 APPLICATIONS. BUT WHAT I WASN'T CLEAR ABOUT IS BECAUSE
17 I HAD NO CONFIRMATION THAT THE OTHER APPLICANTS DID
18 CONSIDER PREVAILING WAGE, DID CONSIDER THE CALIFORNIA
19 PREFERENCE, AND DID CONSIDER THINGS LIKE GREEN BUILDING
20 DESIGN, THAT THEY HAVE INCORPORATED THOSE THINGS AND
21 PERHAPS THE OTHERS HAD NOT. SO I FELT THAT THEIR COST,
22 WHILE IN THE HIGH RANGE OF THE APPLICANTS, DEFINITELY
23 SEEMED TO INCLUDE ALL OF THE THINGS THAT THEY NEEDED TO
24 DO INCLUDE TO SATISFY THE RFA AND PROP 71.

25 ONE THING THAT I FELT REALLY DEMONSTRATED

1 THEIR COMMITMENT, BUT IT DOES SHOW UP IN THE COST
2 CATEGORY, IS THAT THEY'RE JUMP STARTING THE
3 CONSTRUCTION IN ANTICIPATION OF THE FUNDS. SO I FELT
4 THAT THAT REALLY SHOWS THAT THEY'RE COMMITTED TO STEM
5 CELL RESEARCH IRREGARDLESS OF OBTAINING THESE FUNDS.
6 BECAUSE OF THAT, THEY ACTUALLY ARE GOING TO GET A JUMP
7 START ON THEIR TIMELINES. BUT FROM A COST STANDPOINT,
8 I RATED THEM IN THE MID TO MID HIGH RANGE, GOOD TO
9 SOMEWHAT EXCELLENT JUST BECAUSE I FELT THAT THEIR COSTS
10 WERE VERY COMPREHENSIVE. THEY HAD A VERY COMPREHENSIVE
11 SET OF PLANS.

12 INSTITUTIONAL COMMITMENT, I THINK THIS IS THE
13 ONE THAT JUST MET THE 20-PERCENT REQUIREMENT; IS THAT
14 TRUE? OKAY. AND I RATED THEM AT THE HIGH RANGE JUST
15 BECAUSE I FELT THAT THE WAY THE RFA WAS WRITTEN, IT WAS
16 SIMPLY TO ASK WHETHER OR NOT THEY MET THE MATCHING
17 REQUIREMENT. I WOULD HAVE LIKED TO HAVE SCORED THIS
18 ONE PERHAPS A LITTLE BIT LOWER IN COMPARISON TO THE
19 OTHERS THAT ARE BRINGING THESE HIGH MATCHES, BUT I FELT
20 THAT THE RFA LIMITED ME TO STRICTLY MEETING THE
21 20-PERCENT REQUIREMENT.

22 HISTORICAL PERFORMANCE, I FELT THAT THEY WERE
23 VERY GOOD IN THIS AREA. THEY LISTED SOME PROJECTS THAT
24 WERE VERY COMPARABLE TO WHAT THEY'RE DOING. VERY SHORT
25 TIMEFRAMES FOR THESE PROJECTS. VERY LITTLE CHANGE

1 ORDERS. VERY CLOSE TO BUDGET. SO I FELT THAT THEY HAD
2 REALLY DONE A GOOD JOB THERE IN THE PAST, BUT THEY ALSO
3 MENTIONED THE STAFF THAT WOULD BE INVOLVED IN THIS.
4 AND I THINK THEY MENTIONED THE ENGINEER THAT WOULD BE
5 INVOLVED IN THIS. SO THEY DID DESCRIBE SOME OF THE
6 STAFF THAT HAVE HAD EXPERIENCE IN THERE, AND I FELT
7 THAT THAT WOULD REALLY BODE WELL FOR THE FUTURE OF
8 THIS. I GAVE THEM A LOW HIGH SCORE. THE LOW SIDE OF
9 EXCELLENT.

10 RESPONSIVENESS, I GAVE THEM THE HIGHEST SCORE
11 OF ALL THE ENTITIES I SCORED JUST BECAUSE I FELT LIKE
12 THEY MET THE SPECIFIC REQUIREMENTS OF THE RFA AND THEN
13 MADE SURE THEY INCORPORATED THE LEGAL REQUIREMENTS
14 CONTAINED IN THE PROPOSITION AS WELL AS ADDING TO IT
15 SUCH AS GREEN BUILDING DESIGN AND PUBLIC TRANSIT AND
16 OTHER THINGS THAT ARE QUALITATIVE. SO THERE'S NO
17 ABILITY TO RANK THEM NECESSARILY, BUT I THINK THEY JUST
18 ENHANCED THE OVERALL PROJECT.

19 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
20 DEBORAH. COULD YOU JUST CLARIFY YOUR THOUGHTS ON THE
21 TIMELINE AGAIN? THANK YOU.

22 MS. HYSEN: I WOULD ASSUME AT THIS JUNCTURE
23 THEY HAVE STARTED THIS PROJECT BECAUSE IT SEEMS TO ME
24 THAT THE WAY THE APPLICATION WAS WRITTEN THAT THEY HAD
25 OR WERE STARTING THIS PROJECT AT THIS POINT IN TIME.

1 IT'S MY BELIEF THAT IT'S ACTUALLY STARTED. I THINK
2 THEIR TIMELINE WAS MARCH.

3 THE PAYOFF IS THAT IT'S AN ACCELERATED
4 CONSTRUCTION SCHEDULE. AND SO THEY ANTICIPATED SEVEN
5 MONTHS OF CONSTRUCTION, MAY OF '08, WHICH A LOT OF MY
6 APPLICATIONS WERE JULY. SO THIS WAS REALLY, I THOUGHT,
7 PRETTY AGGRESSIVE.

8 CHAIRMAN LICHTENGER: THANK YOU. MARCY,
9 YOU'RE THE SECONDARY REVIEWER ON THE APPLICATION. ANY
10 OTHER QUESTIONS FOR THE PRIMARY REVIEWER FIRST?

11 MS. FEIT: THIS WAS A VERY COMPREHENSIVE
12 WRITTEN APPLICATION. THEY WENT INTO GREAT DETAIL ABOUT
13 WHAT THEY WERE GOING TO DO AND EVEN POINTED OUT THAT
14 THEY HAD USED AN INDEPENDENT ESTIMATOR TO HELP BASE
15 THEIR BUDGET ON, WHICH I THOUGHT WAS, YOU KNOW, ONE OF
16 THE GOLD STANDARDS OF HOW TO PUT A MAJOR PROJECT
17 TOGETHER. SO I THOUGHT IT WAS -- THEY ADDRESSED THEIR
18 CONTINGENCIES, SPECIFICALLY WHAT THEY WERE AND HOW
19 MUCH.

20 IN TERMS OF THE PROJECT TIMELINES, THEY WENT
21 INTO A GREAT DEAL OF DISCUSSION AROUND THE SCHEDULE,
22 WHEN THEY WOULD AWARD CONTRACTS, WHEN THEY WOULD GO OUT
23 TO BID, HOW MANY WEEKS IT WOULD TAKE, SO A GREAT DEAL
24 OF ATTENTION TO HOW THEY WERE GOING TO ACTUALLY PROCEED
25 AND HOW THEY WOULD GET TO MAY OF 2008. SO I HAD A HIGH

1 DEGREE OF CONFIDENCE AROUND THE FEASIBILITY OF THIS
2 PROJECT. I GAVE THEM A 15.

3 I GAVE THEM A 19 ON COST. WHILE I THINK, YOU
4 KNOW, THERE WAS JUST SO MUCH INFORMATION HERE, IT WAS
5 HARD TO DECIPHER, BUT I GUESS I WAS KIND OF CLOUDED BY
6 SOME OF THE OVERRUN DISCUSSION EARLIER. SO I GAVE THEM
7 A 19, WHICH IS STILL A VERY HIGH CONFIDENCE LEVEL.
8 WHEN YOU READ THE DETAIL AND HOW THEY PUT THEIR BUDGET
9 TOGETHER AND HOW THE INDEPENDENT ESTIMATOR AND THE
10 CONTINGENCY ALLOWANCES, THEY REALLY THOUGHT EVERYTHING
11 THROUGH. SO I HAD A HIGH DEGREE OF CONFIDENCE ON THE
12 COST SIDE OF IT, AND I GAVE THEM A 19.

13 IN TERMS OF TIMELINESS AND MILESTONES, I GAVE
14 THEM AN 18 BECAUSE, AGAIN, THEY HAVE A VERY DETAILED
15 DISCUSSION ABOUT THEIR SCHEDULE, HOW THEY'RE GOING TO
16 PROCEED WITH THE PROCESS, OUTLINED HOW THEY'RE GOING TO
17 GET TO MAY 8TH. AND I THINK IT WAS VERY AGGRESSIVE AND
18 COMMENDABLE, SO I GAVE THEM AN 18.

19 IN TERMS OF INSTITUTIONAL COMMITMENT, I GAVE
20 THEM A 20, AND I DID THAT BECAUSE, AGAIN, I WAS
21 IMPRESSED BY THE FACT THAT THEY WERE WILLING TO GO ON
22 RISK. THEY'RE GOING TO START PRELIMINARY PLANNING FOR
23 THE PROJECT WHEN THEY SUBMITTED THEIR APPLICATION FOR
24 THIS GRANT. AND SO I THINK THEY'RE BEING VERY
25 AGGRESSIVE TO SAY WE'RE COMMITTED HERE AND WE'RE GOING

1 TO MOVE AHEAD, AND WE WANT TO DO THIS PROJECT. SO I
2 WAS VERY IMPRESSED WITH THE DISCUSSION OF THEIR
3 COMMITMENT.

4 IN TERMS OF THEIR HISTORICAL PERSPECTIVE,
5 HOWEVER, I WAS NOT SO PLEASED WITH THAT. AND THE
6 REASON IS THERE WAS A DEGREE OF VARIABILITY IN HOW THEY
7 MANAGE THEIR PROJECTS. THEIR CHANGE ORDERS WENT
8 ANYWHERE FROM THREE TO 28. THE ONE PROJECT THAT HAD 28
9 CHANGE ORDERS, WHILE THE AMOUNT THAT WAS REALIZED
10 THROUGH THOSE CHANGE ORDERS WAS SMALL, AND SO THERE WAS
11 PROBABLY A LOT OF LITTLE THINGS, BUT THE ONE PROJECT
12 THAT HAD THREE CHANGE ORDERS, THE AMOUNT OF MONEY THAT
13 WAS INVOLVED WAS \$189,000 PLUS. SO I FELT LIKE THEIR
14 HISTORICAL PERSPECTIVE WASN'T QUITE THE GOLD STANDARD
15 THAT I SAW IN SOME OTHER GRANTS, BUT I GAVE THEM A SIX
16 ON THAT.

17 IN TERMS OF RESPONSIVENESS, I GAVE THEM A 15.
18 AGAIN, THIS WAS AN EXTREMELY WELL-DONE APPLICATION.
19 THE DRAWINGS ARE VERY DETAILED AND EASY TO SEE WHAT WAS
20 GOING TO GO ON. THEY HAD SPREADSHEETS FOR THEIR
21 BUDGET, AND IT WAS JUST A VERY WELL RESPONSIVE
22 APPLICATION. SO I WOULD HIGHLY RECOMMEND THIS FOR
23 FUNDING.

24 CHAIRMAN LICHTENGER: THANK YOU, MARCY. ANY
25 OTHER QUESTIONS FOR THE PRELIMINARY OR SECONDARY

1 REVIEWER?

2 MR. KLEIN: I THOUGHT DEBORAH'S POINT WAS A
3 VERY GOOD ONE ON GETTING ADDITIONAL DOCUMENTATION OF
4 COMMITMENTS GOING FORWARD IN OUR MAJOR FACILITIES
5 SUBMISSIONS, BUT RATHER THAN HAVE INDIVIDUAL DIVISIONS
6 THAT ARE COMMITTING TO OVERRUNS SIGNING ON THE
7 APPLICATION, WHICH WOULD MEAN THEY ENDORSE THE ENTIRE
8 APPLICATION, WHICH THEY MAY NOT HAVE CONTROL OVER, I'D
9 SUGGEST THAT WE TRY AND GET SOME DOCUMENTARY LETTER
10 FROM THEM FOR THE FILE INDICATING THEIR SPECIFIC
11 COMMITMENT TO THE PARTICULAR ITEM THAT THEY ARE
12 EVIDENCING IN THE OVERALL FILE.

13 THE OTHER THING THAT I WOULD SAY HERE IS THAT
14 BOTH REVIEWS HERE WERE REALLY OUTSTANDING IN PROBING
15 THE DEPTH OF RESPONSIVENESS HERE. SO I THOUGHT THAT
16 THEY WERE EXTREMELY RESPONSIVE AND GAVE THEM A VERY
17 HIGH SCORE IN THAT, EXTREMELY HIGH SCORE.

18 BUT IN INSTITUTIONAL COMMITMENT, EVEN THOUGH
19 THEY'VE GONE THROUGH AND DONE A LOT OF GREAT THINGS, I
20 GAVE THEM A HIGH SCORE, BUT NOT THE HIGHEST BECAUSE TO
21 GET THE HIGHEST SCORE, I THOUGHT THEY SHOULD SHOW
22 SIGNIFICANTLY MORE THAN THE MINIMUM MATCH.

23 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.
24 SO IF THERE ARE NO FURTHER COMMENTS OR QUESTIONS, I'D
25 LIKE EVERYONE TO PUT THEIR INITIAL SCORE FOR

1 APPLICATION 506. SO NEXT APPLICATION WILL BE 507.

2 MR. KELLER: IF IT'S THE PLEASURE OF THE
3 COMMITTEE, THIS WOULD BE A GOOD TIME TO BREAK FOR
4 LUNCH. YOU WANT TO KEEP GOING?

5 CHAIRMAN LICHTENGER: I'D LIKE TO TRY GET TEN
6 DONE.

7 MR. KELLER: AS LONG AS WE CAN MAKE SURE THE
8 LOGISTICS WORK, WE'LL GO.

9 CHAIRMAN LICHTENGER: I THINK WE'RE MAKING
10 GOOD PROGRESS. SO NEXT APPLICATION WOULD BE 507-1,
11 WHICH LOOKS LIKE STAFF HAS ONE COMMENT, CORRECT, RICK,
12 IN TERMS OF FINANCIAL ISSUES?

13 (MEMBER LANSING IS RECUSED FROM
14 APPLICATION 507-1 AND IS NOT PRESENT IN THE ROOM.)

15 MR. KELLER: YES. 507, PRIMARY REVIEWER IS
16 MEMBER LICHTENGER, THE CHAIR, AND SECONDARY REVIEWER IS
17 JEFF SHEEHY. THE REQUEST IS 1,983,000 FOR CIRM
18 FUNDING. THE REQUEST IS FOR JUST A SHARED LABORATORY.
19 THE STAFF ISSUE DEALS WITH THE COST OVERRUN, AND I
20 BELIEVE THIS IS ANOTHER CASE WHERE I WANT TO ADVISE YOU
21 OF THE BAR THAT WE USED IN TERMS OF THE VERBIAGE AND
22 HOW WELL IT EITHER RESPONDS OR DOES NOT RESPOND TO
23 ISSUES OF COST OVERRUNS.

24 IN THIS CASE THERE IS A STATEMENT THAT THE
25 OVERRUNS WOULD BE MANAGED IN SUCH A FASHION NOT TO GO

1 OVER BUDGET, AND THAT MODIFICATIONS WOULD BE THE
2 REMOVAL OF EITHER THE SMALLER TISSUE CULTURE ROOM OR
3 THE ADDITIONAL EQUIPMENT ROOM FROM THE SCOPE OF WORK.

4 AND IN OUR JUDGMENT, IF THE GRANT THAT'S
5 BEING APPROVED BY YOU ON THE BASIS OF A PARTICULAR
6 SCOPE OF WORK, THEN WE THINK THERE HAS TO BE INTEGRITY
7 TO THAT SCOPE OF WORK ON THE BASIS OF THE MONEY BEING
8 REQUESTED. SO ON THAT BASIS, WE DID NOT BELIEVE THAT
9 IT WAS RESPONSIVE TO THE COST OVERRUN COMMITMENT. SO
10 THAT WOULD APPLY -- THAT PROCEDURE FOR COST OVERRUN
11 WOULD APPLY TO THIS APPLICATION.

12 CHAIRMAN LICHTENGER: SO, RICK, I'D LIKE TO
13 MAKE A MOTION THAT CIRM SHOULD INFORM THE APPLICANT
14 THAT ANY COST OVERRUNS SHALL NOT RESULT IN THE REDUCED
15 SCOPE, AND THE INSTITUTION WILL GUARANTEE TO COVER ANY
16 OF THOSE COST OVERRUNS. DO I HAVE A SECOND?

17 MR. SHEEHY: SECOND.

18 CHAIRMAN LICHTENGER: JEFF SHEEHY WILL BE THE
19 SECOND. I'D LIKE TO HAVE A VOICE VOTE. ALL IN FAVOR
20 SAY AYE -- DISCUSSION. SORRY, JEFF.

21 MR. SHEEHY: JUST VERY BRIEFLY, AND I SUPPORT
22 THE MOTION. I WAS ACTUALLY -- I WAS THE SECONDARY
23 REVIEWER ON THIS, AND I THINK MY CONCERN ON THIS WAS
24 THE SAME AS DEBORAH'S. IT'S A LITTLE BIT MORE
25 COMPLICATED THAN RICK'S. WHAT THEY DID IS THEY

1 ACTUALLY HAVE A SIGNED LETTER FROM A -- TO COVER UP TO
2 7 PERCENT OF PROJECT COSTS IN CASE OF OVERRUNS. I JUST
3 WANT TO CLARIFY. I ACTUALLY FOUND THAT A STRENGTH IN
4 MY REVIEW, AND I ACTUALLY -- SO THAT WHEN I MAKE THAT
5 POINT LATER ON, I DON'T WANT TO SOUND LIKE I'M A NUT
6 CASE BECAUSE WE'VE JUST SAID THAT THEY DIDN'T DO IT.
7 WHAT THEY DID IS IDENTIFY 7 PERCENT. IF YOU LOOK AT
8 THEIR HISTORICAL -- I'LL GET INTO IT IN THE REVIEW.

9 I JUST WANTED TO MAKE THAT POINT, THAT IT
10 WASN'T JUST THAT THEY WERE GOING TO CUT BACK ON THE
11 SCOPE. THEY ACTUALLY IDENTIFIED UP TO 7 PERCENT, A
12 GUARANTOR FOR UP TO 7 PERCENT OF COST OVERRUN.

13 MR. KLEIN: SEVEN OR 77?

14 MR. SHEEHY: SO 7 PERCENT, A GUARANTOR FOR 7
15 PERCENT OF COST OVERRUN. AND IF THEY WENT OVER THAT,
16 THEN THEY WERE GOING TO TALK ABOUT CUTTING BACK ON
17 SPACE, BUT I DO SUPPORT THE MOTION.

18 MS. HYSEN: IS THAT 7 PERCENT PLUS THE
19 10-PERCENT CONTINGENCY?

20 MR. KELLER: IT IS THE CONTINGENCY.

21 CHAIRMAN LICHTENGER: THAT IS THE
22 CONTINGENCY.

23 MS. HYSEN: THAT IS THE CONTINGENCY. SO DOES
24 THAT NEGATE THE CONTINGENCY THEN?

25 CHAIRMAN LICHTENGER: NO.

1 MS. HYSEN: WHAT'S THE EXTRA 3 PERCENT THEN?

2 CHAIRMAN LICHTENGER: DEBORAH, SO I THINK
3 WHAT, IF I RECALL, BECAUSE I WAS THE PRIMARY REVIEWER,
4 THAT THEY COMMITTED TO ONLY COVER THE 7 PERCENT. I
5 THINK THAT'S THE ISSUE THAT STAFF HAD AND I ACTUALLY
6 HAD. JEFF, I UNDERSTOOD THAT YOU SAW THAT AS A
7 POSITIVE. I SAW IT AS A LESS THAN FULL COMMITMENT THAT
8 I WOULD HAVE BEEN LOOKING FOR. AND, AGAIN, I SUPPORT
9 STAFF'S RECOMMENDATION. AND I'D LIKE TO, IF IT'S OKAY
10 WITH EVERYONE, TO GO AHEAD --

11 VICE CHAIRMAN SERRANO-SEWELL: CALL THE
12 QUESTION.

13 CHAIRMAN LICHTENGER: -- WITH THE VOTE ON
14 THIS MOTION. ALL THOSE IN FAVOR SAY AYE. ANY OPPOSED?
15 SO THE MOTION PASSES FOR 507.

16 SO I AM THE PRIMARY REVIEWER, SO I'LL GO
17 AHEAD AND DO THAT NOW.

18 SO FIRST OF ALL, IN TERMS OF FEASIBILITY, THE
19 PROJECT SEEMED FEASIBLE. THERE WERE NO MAJOR ISSUES
20 THAT I HAD WITH THE APPLICATION. THEY WERE GOING TO BE
21 CONVERTING SOME EXISTING SPACE PREVIOUSLY USED AS A
22 VIVARIUM FOR USE AS A SHARED RESEARCH LAB SUITE WITH
23 FOUR TISSUE CULTURE ROOMS, FIVE EQUIPMENT ROOMS,
24 STORAGE ROOM, AND OFFICE SPACE.

25 THE APPLICATION HAD DOCUMENTATION ON THE

1 GENERAL SCOPE OF WORK, AND IT HAD SOME DETAIL IN TERMS
2 OF THE PLANNED RENOVATIONS OF THE SPACE. AGAIN, I
3 DIDN'T HAVE ANY ISSUES WITH THE FEASIBILITY AT ALL.

4 THE COSTS SEEMED TO BE AVERAGE COMPARED TO
5 THE OTHER REVIEWED GRANT APPLICATIONS. THERE WAS NO
6 DETAILED COST ESTIMATES IN TERMS OF HOW THEY WERE
7 PROVIDED IN THE RESPONSE. SO I WOULD HAVE LOOKED AND
8 LIKED TO SEE A LOT MORE DETAIL IN TERMS OF HOW THEY
9 CAME UP WITH THEIR NUMBERS.

10 THE TIMELINE AND MILESTONES WERE GOOD,
11 DEFINITELY ABOVE AVERAGE. I CHARACTERIZE THEM AS
12 DEFINITELY GOOD.

13 THE INSTITUTIONAL COMMITMENT SEEMED TO BE
14 AVERAGE TO SOMEWHAT BELOW AVERAGE IN MY ESTIMATE. YOU
15 KNOW, THEY HAD 24 PERCENT. SO I MEAN THEY MET THE
16 MINIMUM, BUT I FELT THEY COULD HAVE DONE BETTER. AND
17 SO THAT WAS SOMETHING THAT I WOULD HAVE LIKED TO HAVE
18 SEEN MORE COMMITMENT ON THEIR PART.

19 IN TERMS OF THE HISTORICAL PERFORMANCE, YOU
20 KNOW, I WAS SOMEWHAT DISAPPOINTED IN THIS AREA. YOU
21 KNOW, IT WAS OKAY; BUT, AGAIN, IT COULD HAVE BEEN
22 BETTER. I WOULD CHARACTERIZE IT AS AVERAGE TO SOMEWHAT
23 BELOW AVERAGE. THEY WERE HIGHER IN SOME CASES, AND
24 THEY WERE DEFINITELY BEHIND SCHEDULE ON SOME. NOW,
25 THEY WERE AHEAD ON ONE PROJECT. SO, AGAIN, I WOULDN'T

1 CHARACTERIZE THEIR HISTORICAL PERFORMANCE AS REALLY
2 PROBLEMATIC. I JUST DON'T THINK IT'S GOOD TO
3 EXCELLENT.

4 AND THE RESPONSIVENESS I THOUGHT, AGAIN,
5 OVERALL RESPONSIVENESS WAS QUITE GOOD. I DIDN'T HAVE
6 ANY MAJOR CONCERNS. IT WAS PUT TOGETHER WELL. AND,
7 AGAIN, I WOULD GIVE IT A GOOD TO VERY GOOD IN TERMS OF
8 MY RATING OF IT.

9 ANY COMMENTS OR QUESTIONS BEFORE JEFF DOES
10 THE SECONDARY REVIEW?

11 MR. SHEEHY: AND SORRY FOR THAT EARLIER BIT.
12 YOU KNOW, IT HELPS TO UNDERSTAND SOME OF THIS. I WAS
13 JUST TRYING TO CLARIFY THAT. AND THE FACT THAT THEY
14 CAME IN UNDER WHAT THEY SHOULD HAVE BEEN, IT'S VERY
15 HELPFUL TO KNOW THAT. SO THANK YOU.

16 SO I SCORED THIS AT 86. AND I FELT THAT --
17 LET ME START AT THE TOP HERE. IT SEEMED LIKE VERY
18 FEASIBLE. I AGREE WITH DAVID'S COMMENTS ON
19 FEASIBILITY.

20 COSTS, AGAIN, IT WAS NOT THE LOWEST IN MY
21 GROUP, SO I RATED IT JUST ABOUT AVERAGE FOR COST. BUT
22 IT'S IN A HIGH COST AREA, SO I DO THINK THAT THAT
23 MITIGATES AGAINST SOME OF THE COST. AVERAGE TO ABOVE
24 AVERAGE, RIGHT ON THE CUSP. I GAVE IT A 14 ON COST.

25 TIMELINE AND MILESTONES, IT SEEMED

1 REASONABLE. I GAVE IT 18 FOR THAT.

2 INSTITUTIONAL COMMITMENT, I GAVE 18 JUST
3 BECAUSE THEY MET THE MINIMUM. AND I DIDN'T WANT TO
4 PENALIZE THEM FOR -- I GENERALLY, IF THEY HAD A
5 SUBSTANTIAL COMMITMENT, WENT ALONG WITH THAT.

6 HISTORICAL PERFORMANCE, I'VE KIND OF
7 DOWNGRADED THAT BECAUSE OF WHAT I'VE JUST HEARD HERE TO
8 ABOUT A FIVE. THOUGH I WOULD NOTE THEY DID HAVE ONE
9 PROJECT THAT CAME IN SIGNIFICANTLY UNDER COST. AND I
10 DON'T KNOW WHETHER THAT'S A GOOD SIGN OR A BAD SIGN.
11 THEY COULD ACTUALLY -- I BELIEVE 20 PERCENT UNDER COST,
12 WHICH MAY BE AS MUCH OF A PROBLEM AS A GOOD THING.

13 AND THEN I GAVE IT A 15 FOR RESPONSIVENESS.
14 I THOUGHT IT WAS VERY RESPONSIVE.

15 CHAIRMAN LICHTENGER: THANK YOU, JEFF. DO
16 THE MEMBERS HAVE ANY QUESTIONS FOR THE PRIMARY OR
17 SECONDARY REVIEWER ON THIS APPLICATION? I'D LIKE TO
18 ALLOW EVERYONE A MOMENT TO COMPLETE THEIR SCORING.

19 VICE CHAIRMAN SERRANO-SEWELL: JUST AS A
20 PREVIEW, CHAIRMAN, I THINK AFTER THIS NEXT ONE, WHICH
21 IS 508, WE'LL THEN BREAK FOR LUNCH.

22 CHAIRMAN LICHTENGER: THIS WOULD BE OUR
23 EIGHTH?

24 VICE CHAIRMAN SERRANO-SEWELL: NO. I THINK
25 WE'VE DONE EIGHT. IF WE DO ONE MORE, IT WILL BE NINE.

1 MR. KLEIN: HE'S SUGGESTING A COMPROMISE.

2 VICE CHAIRMAN SERRANO-SEWELL: IT'S UP TO THE
3 CHAIRMAN.

4 CHAIRMAN LICHTENGER: I'M FLEXIBLE ON THIS
5 ISSUE. WE CAN POLL THE MEMBERS. ARE PEOPLE GETTING
6 HUNGRY? SO WHY DON'T WE DO ONE MORE AND THEN WE'LL
7 TAKE A BREAK. EXCELLENT COMPROMISE.

8 APPLICATION 508.

9 (MEMBER LANSING AND STAFF MEMBER HOFFMAN
10 ARE RECUSED ON APPLICATION 508 AND ARE NOT PRESENT IN
11 THE ROOM.)

12 MR. KELLER: APPLICATION 508 IS A REQUEST FOR
13 1,978,535 IN CIRM FUNDING. IT INVOLVES A SHARED
14 LABORATORY PROJECT ONLY. AND THE PRIMARY REVIEWER IS
15 MEMBER KASHIAN, THE SECONDARY REVIEWER IS VICE CHAIRMAN
16 SERRANO-SEWELL. THERE ARE ACTUALLY THREE ISSUES THAT
17 WE IDENTIFIED IN THE STAFF ANALYSIS.

18 ON MATCHING FUNDS, WE IDENTIFIED THE FACT
19 THAT THERE ARE PORTIONS OF THE MATCHING FUNDS THAT ARE
20 NOT RELATED TO EITHER PRIOR EXPENDITURES FOR EQUIPMENT
21 OR FOR SIMILAR RENOVATION PROJECTS. THIS REALLY
22 RELATES TO THE FACT THAT THERE'S SUPPLIES AND COSTS OF
23 STEM CELL LINES CITED, WHICH ARE BASICALLY SUPPLIES ON
24 THESE OTHER PROJECTS.

25 SECONDLY, RELATED TO THE MATCH IS THERE IS AN

1 EXPECTATION THAT FUNDING PROVIDED BY THE INSTITUTION
2 FOR FUTURE RECRUITMENT WOULD RISE TO A LEVEL SUCH THAT
3 IT COULD BE CITED AS A MATCH. WE, AGAIN, DON'T SEE
4 THAT AS BEING CONSISTENT WITH THE RFA, STATING THAT IT
5 NEEDS TO BE A SIMILAR PROJECT OR EQUIPMENT FUNDING
6 SINCE JANUARY OF '05. SO THAT WOULD BE THE MATCHING
7 ISSUE.

8 AND THEN WE WOULD ALSO NOTE THAT THE SAME
9 ISSUE YOU'VE DEALT WITH BEFORE ON THE OVERRUNS WHERE
10 THERE'S AN ISSUE CITED THAT THE SOLUTION TO COST
11 OVERRUNS WOULD INVOLVE A POTENTIAL REDUCTION IN PROJECT
12 SCOPE, WE WOULD, THEREFORE, TO BE CONSISTENT WITH YOUR
13 PREVIOUS PROCEDURES, SUGGEST MOTIONS ON BOTH MATCHING
14 FUNDS AND THE OVERRUN ISSUE.

15 VICE CHAIRMAN SERRANO-SEWELL: MR. KELLER, A
16 QUESTION ON THE MATCHING FUND QUESTION. THE
17 APPLICATION, AS I READ IT, SAID THAT THEIR MATCHING
18 GRANT WAS \$880,392? I THINK THAT'S CORRECT.

19 MR. KELLER: LET ME FIND IT.

20 VICE CHAIRMAN SERRANO-SEWELL: SURE. THIS
21 GOES TO THE ISSUES THAT YOU RAISED, THE ISSUE THAT
22 STAFF RAISED. POINT NO. 2 IS WHAT I'M SORT OF GETTING
23 AT. THE INSTITUTIONAL COMMITMENT THAT WAS REPRESENTED
24 IN THE APPLICATION IS \$880,392. AND THE PI THAT THEY
25 HAVEN'T YET HIRED, WHICH IS SOMEWHAT SPECULATIVE, THEY

1 SAID OF THAT 880,000 AND CHANGE, 400, HALF OF IT,
2 440,000 WAS THE MONEY THAT THEY THINK THEY MIGHT SPEND
3 SOMETIME IN THE FUTURE IF THEY HIRE SOMEONE AND THE
4 PERSON TAKES A JOB, ACCEPTS THE POSITION. SO THAT GOES
5 TO POINT NO. 2. IT WASN'T SPELLED OUT. IT'S SPELLED
6 OUT. THERE WASN'T A NUMBER ASSOCIATED WITH IT AS WE
7 HAVE FOR POINT NO. 1 WITH THE MATCHING FUNDS, THAT
8 BEING THAT 90,000.

9 MR. KLEIN: I'M TRYING TO UNDERSTAND. WHAT
10 WAS THE -- WHAT IS THE NET MATCHING AMOUNT AFTER YOU
11 EXCLUDE THIS RECRUITMENT?

12 VICE CHAIRMAN SERRANO-SEWELL: JUST THE
13 RECRUITMENT OR 90,000 AS WELL?

14 MR. KLEIN: THE 90,000 AS WELL.

15 MR. KELLER: IT WOULD BE ABOUT 350, IF MY
16 MATH IS CORRECT. YOU'D HAVE 440 THAT THEY HAD ALREADY
17 SPENT. OF THAT, WE'VE IDENTIFIED 90,000, WHICH WAS
18 ACTUALLY SUPPLIES, WHICH WOULD NOT BE SUFFICIENT TO
19 PROVIDE A 20-PERCENT MATCH FOR THEIR REQUESTED
20 1,978,535.

21 VICE CHAIRMAN SERRANO-SEWELL: MR. KLEIN,
22 THAT CONFIRMS THE MATH I DID. WHEN YOU CARVE OUT THOSE
23 TWO NUMBERS, IT'S 350,000, AS MR. KELLER SAID,
24 \$350,196.

25 MR. KLEIN: TO CLARIFY, THEY NEED TO COME UP

1 TO ABOUT --

2 VICE CHAIRMAN SERRANO-SEWELL: THEY NEED TO
3 COME UP TO 395,700.

4 MR. KLEIN: EXACTLY. GREAT. THANK YOU.
5 APPRECIATE THAT.

6 CHAIRMAN LICHTENGER: SO ARE THERE --

7 MR. KELLER: I JUST WAS REMINDING YOU YOU
8 NEEDED A MOTION.

9 CHAIRMAN LICHTENGER: I KNOW. THAT'S WHAT I
10 WAS GOING TO DO.

11 MR. KLEIN: I MAKE A MOTION THAT THEY BRING
12 THEIR MATCH UP TO THE REQUIRED AMOUNT.

13 CHAIRMAN LICHTENGER: SO I'LL SECOND THAT.
14 I'D LIKE TO HAVE A VOICE VOTE. ALL THOSE IN FAVOR SAY
15 AYE. ANY OPPOSED? OKAY. SO THAT MOTION PASSES.

16 AND THEN I'D LIKE TO PROPOSE -- WE NEED
17 ANOTHER MOTION, CORRECT, RICK, ON CIRM SHOULD INFORM
18 THE APPLICANT THAT ANY COST ISSUES SHALL NOT RESULT IN
19 REDUCED SCOPE. THE INSTITUTION WILL GUARANTEE TO COVER
20 ANY COST OVERRUNS. I PROPOSE THAT MOTION. DO I HAVE A
21 SECOND?

22 DR. WRIGHT: SECOND.

23 CHAIRMAN LICHTENGER: AND A VOICE VOTE. ALL
24 THOSE IN FAVOR -- ANY DISCUSSION ON THIS ISSUE? ALL
25 THOSE IN FAVOR SAY AYE. ANY OPPOSED? THE MOTION

1 CARRIES.

2 SO I'D LIKE TO HAVE THE PRIMARY REVIEWER. I
3 BELIEVE THAT'S ED KASHIAN.

4 MR. KASHIAN: THANK YOU. AS USUAL, I'LL BE
5 VERY SHORT. AS USUAL, I'LL BE VERY SHORT. THIS
6 PARTICULAR APPLICATION FOR ME LACKED INFORMATION,
7 LACKED RESPONSIVENESS, AND IT SEEMS TO ME LIKE A
8 QUALITY INSTITUTION THAT'S JUST ENTERING THE MEDICAL
9 RESEARCH FIELD, AND THEY'VE GOT SOME GRANT WRITER
10 TRYING TO FIGURE OUT HOW TO GET SOME MONEY TO HELP THEM
11 DO IT.

12 SO MY ANALYSIS IS THAT IT'S A VERY LOW SCORE
13 FOR ME INDIVIDUALLY, IN THE LOWER 30 PERCENT IN EVERY
14 CATEGORY, AND ESPECIALLY THE LENGTH OF TIME THAT IT
15 TAKES TO GET THIS FACILITY GOING.

16 CHAIRMAN LICHTENGER: GREAT. THANK YOU, ED.
17 I'D LIKE TO HAVE THE VICE CHAIR DO THE SECONDARY REVIEW
18 ON APPLICATION 508.

19 VICE CHAIRMAN SERRANO-SEWELL: I RECOGNIZE
20 THAT THE APPLICATION HAD THE SAME SORT OF PROBLEMS IN
21 EVERY CATEGORY: FEASIBILITY, COST, TIMELINES AND
22 MILESTONES, INSTITUTIONAL COMMITMENT, HISTORICAL
23 PERFORMANCE, AND GENERAL RESPONSIVENESS. AND THAT SAME
24 ANALYSIS WOULD APPLY TO THE TECHNIQUES COURSE AS WELL.
25 HOWEVER, I DON'T THINK I WAS AS -- I SCORED IT A LITTLE

1 BIT HIGHER, MORE IN THE MID RANGE. AND I COULD GO OVER
2 EACH ONE. I DON'T MIND SHARING MY SCORES.

3 FOR FEASIBILITY, I THOUGHT ON THE WHOLE THE
4 PLANS WERE REASONABLE AND DIDN'T HAVE ANY GLARING
5 PROBLEMS, SO I GAVE THAT AN 11.

6 FOR COST, THERE WERE SOME ISSUES WITH THE
7 COST. IT DIDN'T HAVE THE KIND OF BREAKDOWN THAT WOULD
8 HAVE BEEN HELPFUL IN DOING AN ANALYSIS. SO OUT OF 20,
9 I GAVE IT A 14.

10 THE TIMELINE AND MILESTONES, I DID HAVE SOME
11 PROBLEMS WITH THIS. THEY DID MAKE THE ASSUMPTION, AS
12 NOTED IN THE STAFF REPORT, THAT THE GRANTS WOULD BE
13 ISSUED IN MAY OR SOMETHING, AND THAT'S JUST NOT GOING
14 TO HAPPEN, SO THEY MADE SOME FALSE ASSUMPTIONS, WHICH
15 THEY REPRESENT TO US THAT THE PROJECT WILL BE DONE IN
16 FEBRUARY OF 2009. AND THAT'S -- WE KNOW THAT'S JUST
17 NOT GOING TO HAPPEN. SO I RANKED THAT A 10 OUT OF 20.

18 NOW, IN MY ORIGINAL SCORE, THE INSTITUTIONAL
19 COMMITMENT I ASSIGNED A ZERO SCORE. BASED ON TODAY'S
20 MOTION -- BECAUSE THEY DIDN'T MEET THE 20-PERCENT
21 GRANTS FOR REASONS WE DISCUSSED EARLIER. BUT GIVEN
22 THAT WE'VE MADE THE MOTION, AND THEN SORT OF BASED ON
23 THE ASSUMPTION THAT THEY WILL COMPLY, I'M GOING TO GIVE
24 THIS ONE A 15. YOU KNOW, I WOULD GIVE IT A LITTLE BIT
25 HIGHER SCORE BECAUSE THEY'LL HAVE TO MEET THE

1 INSTITUTIONAL COMMITMENT, ASSUMING THAT THEY ARE
2 AWARDED A GRANT, BUT THERE ARE OTHER ISSUES WITH THE
3 APPLICATION ITSELF THAT LEADS ME TO GIVE THEM THE 15
4 SCORE.

5 AND THEN FINALLY, COLLEAGUES, WITH THE
6 HISTORICAL PERFORMANCE, I SAW -- I RECOGNIZE THE ISSUES
7 MR. KASHIAN RAISED, ALTHOUGH I DIDN'T THINK IT WAS A
8 HUGE OBSTACLE TO GETTING THE PROJECT DONE. THEY'VE HAD
9 VARYING SUCCESS, AND THEY'VE HAD OVERRUNS AND DELAYS.
10 SO I ASSIGNED A SEVEN.

11 GENERAL RESPONSIVENESS, THIS IS AN
12 INSTITUTION THAT'S UP AND RUNNING. IT'S IN ITS
13 INFANCY, BUT IT DOES HAVE A COMMITMENT TO STEM CELL
14 RESEARCH, AND IT IS AN INSTITUTION THAT CIRM IS
15 FAMILIAR WITH. SO I GAVE THAT A 13.

16 CHAIRMAN LICHTENGER: GREAT. ARE THERE ANY
17 COMMENTS OR QUESTIONS FROM THE MEMBERS?

18 MR. KLEIN: IN LIGHT OF THE VICE CHAIR'S
19 COMMENTS, I'D LIKE EMPHASIZE THAT THIS IS CLEARLY
20 SOMETHING IN ITS INFANCY, BUT IT'S A MAJOR INSTITUTION
21 MAKING A COMMITMENT. AND ONE OF OUR ANNOUNCED GOALS
22 WAS TO EXPAND CAPACITY WITH THESE SHARED LABS. SO I
23 WAS HIGHER ON MY SCORING, ALTHOUGH LOWER THAN MOST OF
24 THOSE THAT WE'VE ALREADY REVIEWED, BECAUSE CERTAINLY
25 THERE ARE CHALLENGES TO PEOPLE GETTING INTO

1 CONSTRUCTION IN THIS MEDICAL AREA, BUT THEY HAVE THE
2 INSTITUTIONAL FINANCIAL CAPACITY TO PERFORM AND THE
3 BACKUP OF THE ENTIRE SYSTEM THAT THEY BELONG TO. SO I
4 BELIEVE THAT THEY WILL PERFORM, BUT I THINK THEIR
5 TIMELINE IS INFLUENCED BY THE FACT THEY LACK
6 EXPERIENCE, BUT THEY HAVE THE FINANCIAL STRENGTH AND
7 INSTITUTIONAL STRENGTH TO ASSURE US EFFECTIVELY THAT
8 THEY WILL PERFORM.

9 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.
10 ANY OTHER COMMENTS OR QUESTIONS? SO THERE SEEMS TO BE
11 A CONSENSUS THAT WE'RE GOING TO TAKE A LUNCH BREAK AND
12 RECONVENE. WHY DON'T WE CALL IT 1:30. LITTLE OVER 45
13 MINUTES. 1:30 SHARP.

14 VICE CHAIRMAN SERRANO-SEWELL: IF NO ONE
15 OBJECTS, I'LL ASSUME THAT'S ACCEPTABLE. SO 1:30, IS
16 THAT OKAY WITH EVERYONE? 1:30.

17 MR. KELLER: JUST REMIND YOU THAT LUNCH IS IN
18 THE KYOTO ROOM ON THE LOBBY LEVEL. AND THE NOTE HERE
19 SAYS HOTEL STAFF WILL LEAD US THERE. SO IT MUST BE A
20 YELLOW BRICK ROAD. THERE'S ALSO SECURITY IN THE ROOM
21 DURING LUNCH. SO FEEL FREE TO LEAVE ITEMS THAT YOU
22 WISH TO LEAVE WITH SOME ASSURANCE THAT THEY'RE SECURE.

23 (A RECESS WAS TAKEN.)

24 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
25 MEETING TO ORDER. MEMBERS, IF YOU COULD TAKE YOUR

1 SEAT, PLEASE. RICK, SO THE NEXT APPLICATION WOULD BE
2 510.

3 MR. KELLER: CORRECT.

4 CHAIRMAN LICHTENGER: OKAY. RICK.

5 MR. KELLER: 510 IS A REQUEST FOR A SHARED
6 RESEARCH LABORATORY PROJECT. THE TOTAL CIRM REQUEST IS
7 \$295,888. IT ALSO INCLUDES A TECHNIQUES COURSE AS PART
8 OF THE PART 1 APPLICATION.

9 THE RECUSALS ARE LANSING, SHEEHY, AND FEIT.

10 (MEMBERS LANSING, SHEEHY, AND FEIT ARE
11 RECUSED FROM APPLICATION 510 AND ARE NOT PRESENT IN THE
12 ROOM.)

13 CHAIRMAN LICHTENGER: OKAY.

14 MR. KELLER: THE REVIEWERS ARE MEMBER HYSEN
15 AND VICE CHAIR SERRANO-SEWELL. THE ONE POINT I WAS
16 TRYING TO MAKE WAS THAT THE TECHNIQUES COURSE, IN SOME
17 CASES THE APPLICANTS HAVE PROPOSED A TECHNIQUES COURSE
18 WITHIN THE PART 1 APPLICATION; THAT IS, WHERE THEY HAVE
19 REQUESTED FUNDING FOR PERSONNEL, SUPPLIES, AND
20 EQUIPMENT TO PUT ON A TECHNIQUES COURSE. THE PART 2
21 APPLICATION ALLOWED THOSE APPLICANTS WHO WERE PROPOSING
22 A TECHNIQUES COURSE TO REQUEST UP TO \$500,000 FOR
23 CONSTRUCTION AND EQUIPMENT RELATED TO THE TECHNIQUES
24 COURSE.

25 SO I WANT TO JUST MAKE IT PERFECTLY CLEAR

1 THAT THERE MAY NOT BE A REQUEST OF FUNDING BEFORE THIS
2 GROUP, SUCH AS THE CASE HERE, WHERE THE TECHNIQUES
3 COURSE IS NO ADDITIONAL COST BECAUSE IT'S BEEN
4 INCORPORATED INTO THE SHARED LABORATORY SPACE. AND SO
5 WHEN YOU MAKE JUDGMENTS ABOUT -- WHEN YOU SEE THE
6 GRANTS WORKING GROUP RESULTS ON THE STEM CELL
7 TECHNIQUES COURSE, IT MAY NOT LOOK SIMILAR TO WHAT YOU
8 SEE HERE IN TERMS OF THE NUMBER OF APPLICANTS WHO
9 ACTUALLY REQUESTED FUNDS UNDER PART 2 FOR EQUIPMENT OR
10 ALTERATIONS FOR THE STEM CELL COURSE. DOES THAT MAKE
11 SENSE?

12 CHAIRMAN LICHTENGER: SO, RICK, WHAT YOU'RE
13 STATING IS THAT IT PROVIDES BOTH FUNCTIONS AT NO
14 ADDITIONAL COST?

15 MR. KELLER: THAT'S RIGHT. IN THE
16 APPLICATION ITSELF WE ASKED FOR TELL US WHAT YOU NEED
17 FOR THE STEM CELL -- FOR THE SHARED LABORATORY. AND IN
18 SOME CASES IT WAS DIVISABLE FROM THE STANDPOINT THAT
19 THERE WERE SEPARATE SPACES IDENTIFIABLE. IN OTHER
20 CASES THE APPLICANTS DECIDED THAT THESE SPACES WOULD BE
21 MULTIPURPOSE SPACES OR SHARED-USE SPACES. THEREFORE,
22 THERE WAS NO ADDITIONAL MONEY ASKED OR PROPOSED AS PART
23 OF THEIR APPLICATION.

24 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
25 RICK. NOW I'D LIKE TO PROCEED TO THE PRIMARY REVIEWER.

1 DEBORAH.

2 MR. KELLER: WE HAVE NO STAFF ISSUES ON THIS,
3 BY THE WAY.

4 MS. HYSEN: OKAY. THIS APPLICATION OVERALL
5 FELL INTO THE MIDDLE OF MY APPLICATIONS IN TERMS OF ITS
6 MERITS, ACTUALLY TOWARDS THE HIGH SIDE OF THE MIDDLE.
7 THIS WOULD INVOLVE CONSTRUCTION OF -- LET ME GET MY
8 NOTES REAL FAST HERE. THIS IS A RENOVATION OF A
9 LABORATORY THAT WAS PREVIOUSLY USED AS A TISSUE CULTURE
10 LABORATORY. AND AS I NOTED, THE MAJORITY OF THE WORK
11 SEEMED TO BE MECHANICAL IN NATURE, AND IT SEEMED TO
12 ADDRESS DIFFERENT VENTING REQUIREMENTS SPECIFIC TO THIS
13 KIND OF LAB WORK VERSUS THE LAB WORK PREVIOUSLY
14 CONDUCTED AT THE SITE.

15 IT DID SEEM TO CONTEMPLATE ALL OF THE
16 UPGRADES THAT MIGHT BE NECESSARY. THE ONLY QUESTION I
17 HAVE, AND IT'S A MINOR ONE, IS THEY INDICATE THAT
18 EMERGENCY LIGHTING WILL BE BATTERY OPERATED. IT SEEMS
19 TO ME THAT THAT WOULD PROBABLY BE HARDWIRED
20 REQUIREMENT, BUT I DON'T QUITE KNOW IF THAT'S THE CASE
21 IN LAB FACILITIES.

22 THERE IS NO SPECIFIC MENTION OF THE
23 PERMITTING ENTITY OR THE PERMITTING TIME IN GENERAL,
24 BUT I ASSUME THAT THEY'RE AWARE OF THOSE REQUIREMENTS
25 AND THAT THEY WOULD INCORPORATE THEM. SO I GAVE THEM A

1 MID TO HIGH SCORE FOR THIS, FEASIBILITY, BECAUSE I
2 DIDN'T FEEL LIKE THE WORK WAS SIGNIFICANT, AND THAT
3 THERE WERE REALLY NO IMPEDIMENTS TO GETTING THE WORK
4 COMPLETED.

5 COST, YOU WILL NOTE, IT IS ONE OF THE LOWEST.
6 IT IS THE SECOND OR THIRD LOWEST OF ALL THE
7 APPLICATIONS. AND, AGAIN, THAT'S ON A PER-SQUARE-FOOT
8 BASIS. AND AGAIN, THAT'S BECAUSE IT DIDN'T SEEM THAT
9 THERE WAS MUCH WORK. AND BECAUSE IT'S A MEDIUM SIZE
10 LAB, ABOUT 1346 ASSIGNABLE SQUARE FEET, THEY'RE ABLE TO
11 LEVERAGE SOME OF THE ECONOMIES OF SCALE TO GET A LOWER
12 PER-SQUARE-FOOT COST.

13 ALSO, I DID STRUGGLE WITH THE PI'S ON A
14 COMPARATIVE BASIS BECAUSE IN THE RFA I DIDN'T ALWAYS
15 HAVE AN INDICATION OF WHAT THE PI'S WERE. SO I DIDN'T
16 REALLY KNOW HOW TO CALCULATE THIS. I THINK WE'LL HAVE
17 TO LOOK AT THE STAFF SUMMARY FOR THAT.

18 IN GENERAL, I FELT THAT, FROM A COST
19 STANDPOINT, THEY WERE ON THE HIGH SIDE, PARTICULARLY
20 BECAUSE IT WAS LOW ON THE PER-SQUARE-FOOT BASIS.

21 THE TIMELINE AND MILESTONES, THIS WAS ONE OF
22 THE EARLIEST COMPLETION TIMELINES OF ALL OF MY
23 APPLICANTS. THIS WAS A PLANNED OCCUPANCY OF JANUARY
24 WITH, I THINK, AN OPERATIONAL START DATE IN FEBRUARY IF
25 I'M NOT MISTAKEN. SO IT SEEMED THAT THEY WERE ABLE TO

1 BRING THIS FACILITY ONLINE FASTER THAN THE OTHER
2 APPLICANTS THAT I REVIEWED. I GAVE THEM A VERY HIGH
3 SCORE IN THE AREA OF TIMELINE AND MILESTONES.

4 THIS APPLICANT IN INSTITUTIONAL COMMITMENT
5 DID NOT PROVIDE A CONSTRUCTION MATCH, BUT THEY WERE
6 ABLE TO PROVIDE A MATCH IN EQUIPMENT THAT FAR EXCEEDED
7 THE 20-PERCENT MATCH, ROUGHLY 180 PERCENT. AND I THINK
8 IT WAS ALL MOVABLE EQUIPMENT. AND I WAS A LITTLE
9 CONFUSED ABOUT THAT BECAUSE I THOUGHT THAT WE -- THE
10 FACILITIES GROUP IS ONLY ABLE TO ASSESS CAPITAL OR
11 FIXED EQUIPMENT. AND I'M NOT SURE HOW WE CAN RATE THIS
12 BASED ON MOVABLE EQUIPMENT, SO I WAS HOPING YOU COULD
13 ANSWER THAT.

14 MS. HOFFMAN: YOU WOULDN'T BE ASKED TO RATE
15 THE GROUP 2 AND 3 EQUIPMENT OR MOVABLE EQUIPMENT. AT
16 THIS POINT YOU WOULD JUST BE ACCEPTING THE \$530,000 AS
17 A MATCH.

18 MS. HYSEN: SO EVEN THOUGH WE DON'T GET TO
19 OPINE AS THE MOVABLE EQUIPMENT, WE CONSIDER THAT AS THE
20 MATCH REQUIREMENT?

21 MS. HOFFMAN: YES. THE RFA IS WRITTEN IN
22 SUCH A WAY THAT THE 20-PERCENT MATCH FOR CONSTRUCTION
23 CAN BE CITED IN THE EQUIPMENT MATCH. AND THIS IS NOT
24 THE ONLY APPLICATION THAT DOES THAT.

25 MS. HYSEN: OKAY. I RATED IT THEN HIGH AS A

1 RESULT OF THE EXTENSIVE PERCENTAGE POINTS.

2 HISTORICAL PERFORMANCE, THE MANAGEMENT PLAN
3 WAS VERY GOOD ON THIS. THEY DETAILED THE SCOPE OF THE
4 WORK AND THE SEQUENCING OF THE PHASES. THEY ALSO
5 IDENTIFIED KEY IN-HOUSE AND OUTSIDE CONSULTANTS FOR THE
6 PROJECT. IT DOESN'T GIVE VERY SPECIFIC INFORMATION ON
7 THE PROJECTS OTHER THAN WHAT'S LISTED ON THE
8 SPREADSHEET IN THE HISTORICAL PERFORMANCE, BUT IT
9 SEEMED CLEAR THAT THEY HAVE DONE THIS WORK BEFORE.

10 THE RFA, I FELT IT WAS SHORT AND TO THE POINT
11 AND MET THE GENERAL CRITERIA. IT DIDN'T GO ABOVE AND
12 BEYOND. SO I RATED IT IN THE MID RANGE FOR THAT.
13 OVERALL THIS WAS SOLIDLY IN THE MIDDLE OF MY
14 APPLICATIONS.

15 CHAIRMAN LICHTENGER: THANK YOU, DEBORAH.
16 ANY QUESTIONS FOR DEBORAH OR COMMENTS? THE VICE CHAIR
17 WILL NOW DO THE SECONDARY REVIEW.

18 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. I
19 HAVE TO TELL YOU, COLLEAGUES, WHEN I WAS REVIEWING THIS
20 APPLICATION, AS I DO ALL OF THEM, I HAVE TO LOOK AT
21 WHAT'S IN THE DOCUMENT ITSELF. IT'S PUBLIC WHAT THESE
22 INSTITUTIONS ARE. SO MY REVIEW WAS BASED ON WHAT THEY
23 HAVE BEFORE US. I'LL BE INTERESTED IN THE SCIENTIFIC
24 WORKING GROUP'S OPINION ON THIS ONE, WHICH WE'LL KNOW
25 IN CLOSED SESSION. WON'T BE DISCLOSED TILL, I THINK,

1 THE JUNE 5TH MEETING OF THE ICOC.

2 ANYWAYS, I'LL GET STARTED. SO BASED ON WHAT
3 THEY SUBMITTED, I SCORED THEM IN THE MID TO HIGH RANGE
4 BECAUSE OF, YOU KNOW, THE FEASIBILITY OF THE PROJECT.
5 YES, THE PLANS ARE MINOR, AND I DIDN'T SEE ANY MAJOR
6 OBSTACLES. SO I GAVE THAT ONE A 12.

7 THE COST, I SAW NO MAJOR IMPEDIMENTS OR
8 ISSUES RAISED IN THE COST. I GAVE IT A 15.

9 THE TIMELINE AND MILESTONES, AGAIN, THE
10 APPLICATION, THERE WAS NOTHING GLARING THERE. SO I
11 ASSIGNED THAT A 15.

12 THE ISSUE I HAD WITH THE INSTITUTIONAL
13 COMMITMENT HAD TO DO WITH SOMETHING THAT WAS RAISED IN
14 THE STAFF REPORT. WAS THERE A MOTION ALREADY TO THAT
15 ISSUE ON THE INSTITUTIONAL COMMITMENT? THERE WAS
16 SOMETHING IN THE STAFF REPORT THAT SAID THAT THE
17 EQUIPMENT WAS PAID FOR THROUGH A GRANT BY ITS
18 FOUNDATION AND NOT THE APPLICANT ITSELF, SO ARGUABLY A
19 THIRD PARTY. YOU KNOW, I THINK THERE'S A CLOSE ENOUGH
20 CONNECTION BETWEEN THE FOUNDATION AND THE APPLICANT
21 THAT IT'S IRRELEVANT, BUT I DID TAKE NOTE OF THAT. IT
22 WAS ALSO MENTIONED IN THE STAFF ANALYSIS AS WELL. I
23 DON'T THINK IT WARRANTS A MOTION.

24 HISTORICAL PERFORMANCE, THEY DID PROVIDE SOME
25 INFORMATION. WHILE NOT ALWAYS ENTIRELY SIMILAR, THEY

1 DID SEEM TO HAVE A DECENT TRACK RECORD IN COMPLETING
2 THEIR PROJECTS ON TIME.

3 OVERALL, IS IT RESPONSIVE TO THE RFA CRITERIA
4 AND OBJECTIVES? YES. THEY DON'T HAVE A LOT OF
5 EXISTING THERE. AS I READ THE APPLICATION, THEY'VE
6 JUST HIRED STAFF, AND THEY'VE MADE THIS COMMITMENT TO
7 DO -- WELL, THEY VIEW THEIR CURRENT WORK AS A PROVIDER
8 OF BLOOD PRODUCTS. THEY VIEW CELLULAR THERAPIES BASED
9 ON STEM CELL TECHNOLOGY AS A NATURAL EXTENSION OF THE
10 MISSION OF BLOOD BANKS. I, FOR ONE, I ACCEPTED THAT AS
11 FACE VALUE THAT THAT'S, IN FACT, TRUE. I JUST ASSUME
12 IT'S TRUE. I DON'T KNOW. WE HAVEN'T HAD ANY SORT OF
13 BIG DISCUSSIONS ON THAT ISSUE PER SE AT THE ICOC THAT I
14 CAN RECALL. SO ON RESPONSIVENESS I GAVE IT A TEN. AND
15 THAT WOULD BE SAME FOR THE TECHNIQUES COURSE AS WELL.
16 SO THAT'S MY ANALYSIS.

17 CHAIRMAN LICHTENGER: VICE CHAIR, I HAD A
18 COUPLE OF QUESTIONS. SO YOU ASSIGNED IT WHAT COST WAS
19 YOUR SCORE?

20 VICE CHAIRMAN SERRANO-SEWELL: I GAVE IT A --
21 FOR COST, I GAVE IT A 15.

22 CHAIRMAN LICHTENGER: OKAY. EXCELLENT.
23 DEBORAH, IN TERMS OF RESPONSIVENESS, HOW DID YOU
24 CHARACTERIZE THE APPLICATION?

25 MS. HYSEN: WELL, THEY MET THE BASIC

1 CATEGORIES. THEY JUST DIDN'T SEEM TO ELABORATE IN A
2 LOT OF DETAIL AND PROVIDE THE DEPTH OF INFORMATION THAT
3 SOME OF THE OTHER APPLICATIONS THAT I SCORED HIGHER
4 DID. THIS WAS -- IF YOU WERE TO JUST LOOK AT WERE THEY
5 RESPONSIVE, WAS IT FEASIBLE, IF ALL THESE THINGS WERE
6 MET, AND THEY DID.

7 CHAIRMAN LICHTENGER: SO WOULD YOU SAY THAT'S
8 AVERAGE OR ABOVE AVERAGE?

9 MS. HYSEN: I PUT ABOVE AVERAGE.

10 CHAIRMAN LICHTENGER: GREAT. THANK YOU. ANY
11 OTHER MEMBER? BOB, YOU HAD SOME QUESTIONS?

12 MR. KLEIN: I JUST WANTED TO COMMENT THAT I
13 THINK THE INSTITUTIONAL COMMITMENT HERE IS MAJOR.
14 WE'RE GETTING A LOT OF LEVERAGE FOR THE BENEFIT OF STEM
15 CELL RESEARCH IN THE STATE. WHEREAS, THE LEVERAGE IS
16 IMPORTANT IN INSTITUTIONAL COMMITMENT HERE, IT WILL BE
17 EXTREMELY IMPORTANT TO US IN MAJOR FACILITIES WHERE TO
18 STRETCH OUR DOLLARS IN HIGH COST AREAS, WE'LL REALLY
19 NEED TO SEE SOME SUBSTANTIAL LEVERAGE TO BE ABLE TO
20 FUND ALL OF THE CENTERS AT THE LEVELS THAT IT IS THE
21 OBJECTIVE AND MISSION OF THIS INSTITUTE TO REACH.

22 ADDITIONALLY, WE'RE GOING TO COMMENT LATER ON
23 THE COURSE; IS THAT CORRECT, THE TECHNIQUES COURSE?
24 THERE'S GOING TO BE A LATER REVIEW?

25 MR. KELLER: WE WERE GOING TO GO THROUGH AND

1 BASICALLY SCORE, JUST TALLY THE SCORES SEPARATELY AND
2 HAVE THEM DISCUSSED IN PROGRAMMATIC REVIEW. YOU SHOULD
3 BE SCORING OR USING THE SCORECARD FOR THE TECHNIQUES
4 COURSE IF YOU HAVEN'T BEEN SO FAR BECAUSE THAT'S THE
5 WAY THEY WERE SET UP. WHAT WE HAD HOPED WAS THAT YOU
6 WOULD DESCRIBE ANY ASPECT THAT WAS PRESENTED ON THE
7 SPACE PLAN FOR THE TECHNIQUES COURSE THAT WOULD LEAD
8 YOU TO CONCLUDE THAT IT HAD TO HAVE A DIFFERENT SCORE
9 THAN THE INFORMATION THAT YOU WERE USING TO BASE AN
10 EVALUATION OF THE SHARED LAB PROPOSAL BECAUSE MOST OF
11 THESE ARE SYNONYMOUS IN TERMS OF INSTITUTIONAL
12 COMMITMENT AND THEIR ABILITY FOR HISTORICAL
13 PERFORMANCE. YOU WOULD PROBABLY THINK THAT THEY WOULD
14 BE ALIGNED, BUT IN SOME CASES I THINK EITHER
15 FEASIBILITY OR OTHER ISSUES CREPT IN. SO WE ALLOWED
16 THAT.

17 MR. KLEIN: ONE OF THE THINGS THAT WE MIGHT
18 THINK ABOUT IN THE FUTURE IS THE CREDENTIALS OF THIS BY
19 REPUTATION OF THIS INSTITUTION ARE QUITE SOLID
20 ACADEMICALLY, INTELLECTUAL CREDENTIALS. AND THE ISSUE
21 HERE IS THAT WE DON'T HAVE ALL THAT INFORMATION HERE.
22 BUT ON THE TECHNICAL BASIS, SO WE CAN ONLY EVALUATE FOR
23 TECHNIQUES SCORE WHAT WE HAVE HERE.

24 CHAIRMAN LICHTENGER: SO, BOB, THANK YOU FOR
25 YOUR COMMENTS. WE WILL DEFINITELY, I THINK, HAVE THE

1 VICE CHAIR TAKE THAT UP UNDER THE PROGRAMMATIC REVIEW.

2 MS. HYSEN: CAN I JUST ADD TO THAT TOO
3 BECAUSE THE TECHNIQUES, THERE WASN'T A WAY TO LOOK AT
4 THE TECHNIQUES COURSE DIFFERENTLY. THERE ARE SOME
5 TECHNIQUES COURSES WHERE THEY WENT INTO DETAIL ABOUT
6 WHO THE PROFESSORS WERE AND WHAT THEY WOULD TEACH, AND
7 IT WAS AN INCREDIBLE AMOUNT OF DETAIL AND IT REALLY
8 MADE YOU VERY INTERESTED IN THE QUALITY OF THAT
9 TRAINING PROGRAM. WHEREAS, SOME PEOPLE, THEY SAID THEY
10 WERE GOING TO DO A TECHNIQUES COURSE AND THEY WERE
11 GOING TO PROVIDE TRAINING. AND I FELT LIKE
12 QUALITATIVELY I WAS HOPING I COULD RATE THAT
13 DIFFERENTLY. I TENDED TO PUT THAT IN RESPONSIVENESS IF
14 I WERE TO CHANGE MY SCORE.

15 MR. KLEIN: I THINK THAT, AS I SAY, WE MIGHT
16 THINK ABOUT IN THE CASE THEY'VE MADE A VERY DETAILED
17 SUBMISSION ON THE TECHNIQUES COURSE, BUT WE DON'T HAVE
18 THAT INFORMATION HERE. AND SO IN SOME OF THE GRANTS,
19 WE HAVE MORE OF THE BACKGROUND TO THE TECHNIQUES
20 COURSE, PERSONNEL, ETC., IN THE FACILITIES PORTION THAN
21 WE HAVE IN OTHERS.

22 MR. KELLER: RIGHT. AGAIN, UNDER THE WAY THE
23 RFA WAS ORGANIZED, THEY WERE TO REQUEST CAPITAL AND
24 EQUIPMENT FUNDING FOR THE TECHNIQUES COURSE SEPARATELY.
25 AND THEY ELECTED TO NOT ASK FOR ANY IN THIS PROPOSAL.

1 SO THE SHARED LAB, EVEN THOUGH THEY'RE PUTTING ON A
2 COURSE, THEY DIDN'T ASK FOR ANY MONEY IN THIS PART 2 TO
3 SUPPORT IT.

4 MR. KLEIN: WE ARE SUFFERING HERE BY NOT
5 GETTING THE SUBMISSION THAT WOULD HAVE COME WITH THAT
6 REQUEST BECAUSE IN PRESENTING THE TECHNIQUES COURSE,
7 THEY PRESENTED LOTS OF MATERIAL.

8 MR. KELLER: IT MIGHT BE SOMETHING YOU
9 COULD -- IN TERMS OF HOW THIS GROUP FUNCTIONS AND THE
10 GRANTS WORK FUNCTIONS SO THAT THERE'S A BASICALLY
11 COMING TOGETHER AT THE ICOC, THIS, I THINK, IS A GOOD
12 EXAMPLE WHERE THOSE -- WHERE THE PERSPECTIVES ARE
13 DIFFERENT BY VIRTUE OF THE FACT THAT THE ROLE IS
14 DIFFERENT, AND THEN THE ICOC MAKES THE DECISION.

15 MR. KLEIN: I UNDERSTAND. AS DEBORAH HAS
16 INDICATED, IT'S VALUABLE TO US, EVEN IF YOU DUPLICATE
17 SOME OF THIS INFORMATION, TO HAVE IT IN FUTURE CASES
18 WHERE WE GET WHERE THERE'S AN OVERLAPPING
19 RESPONSIBILITY TO GET THE BACKGROUND MATERIALS ON BOTH
20 SIDES.

21 MR. KELLER: THAT WOULD BE THE CONFIDENTIAL
22 INFORMATION OF PART 1. THAT'S THE -- UNDER THE CURRENT
23 STRUCTURE OF THIS RFA, WE COULDN'T DO THAT FOR YOU.

24 MR. KLEIN: I UNDERSTAND.

25 CHAIRMAN LICHTENGER: BOB, THANK YOU FOR YOUR

1 COMMENTS. SO ARE THERE ANY OTHER COMMENTS OR QUESTIONS
2 FOR THE REVIEWERS ON THIS APPLICATION? OKAY. I'D LIKE
3 EVERYONE TO GO AHEAD AND WRITE DOWN THEIR PRELIMINARY
4 SCORE FOR THIS APPLICATION. CAN WE INVITE BACK JEFF
5 AND MARCY, PLEASE. THANK YOU.

6 RICK, LORI, I'D LIKE TO MAKE A MOTION NOT
7 DIRECTLY RELATED TO THE NEXT APPLICATION; BUT IF THERE
8 IS AN OVERSIGHT BY ANY OF THE MEMBERS TO FILL IN THEIR
9 SEPARATE SCORE FOR THE STEM CELL TECHNIQUES COURSE, I'D
10 LIKE TO MAKE A MOTION THAT WE, IF IT'S OMITTED AS AN
11 OVERSIGHT, THAT WE COUNT THE SAME SCORE AS THE SHARED
12 LABS. DOES THAT MAKE SENSE TO THE MEMBERS?

13 MR. KELLER: SO THE DEFAULT CIRCUMSTANCE IS
14 IF IT'S BLANK, TAKE THE SAME NUMBER.

15 CHAIRMAN LICHTENGER: PERFECT. I JUST WANT
16 TO CONFIRM THAT. SO I GUESS WE DON'T NEED TO MAKE A
17 MOTION ON THAT.

18 MR. KELLER: I WANT TO MAKE SURE THAT OUR
19 SCORING CHAIRMAN UNDERSTANDS THAT.

20 MR. KLEIN: SO IF THAT'S A MOTION.

21 MR. KELLER: I DON'T KNOW --

22 CHAIRMAN LICHTENGER: IT'S A QUESTION. DO WE
23 NEED IT AS A MOTION?

24 MR. KLEIN: PROBABLY. I WILL MAKE A SECOND
25 TO THAT MOTION.

1 CHAIRMAN LICHTENGER: SO ALL THOSE IN FAVOR
2 SAY AYE. ANY OPPOSED? OKAY. THE MOTION PASSES.

3 I JUST THOUGHT IT WOULD MAKE SENSE TO CLARIFY
4 THAT VERSUS ZEROS FOR THOSE.

5 SO THE NEXT APPLICATION IS APPLICATION 511.
6 RICK, I BELIEVE THERE IS A TECHNICAL ISSUE, FINANCIAL
7 ISSUE ON THIS APPLICATION.

8 (MEMBER LANSING IS RECUSED FROM
9 APPLICATION 511 AND IS NOT PRESENT IN THE ROOM.)

10 MR. KELLER: ITEM 511, THE PRIMARY REVIEWER
11 IS CHAIRMAN LICHTENGER AND SECONDARY REVIEWER IS MEMBER
12 FEIT. THE PROPOSAL IS FOR \$1,640,000 FOR A SHARED
13 RESEARCH LABORATORY PROJECT AND AN ADDITIONAL AMOUNT OF
14 496,231 FOR EQUIPMENT ONLY RELATED TO THE STEM CELL
15 TECHNIQUES COURSE.

16 HERE'S THE COMBINATIONS AND PERMUTATIONS. WE
17 HAVE THE REQUEST, BUT ACTUALLY NO CONSTRUCTION
18 ASSOCIATED WITH IT. THE ONE STAFF ISSUE THAT WE NEED
19 TO RESOLVE IS THAT THIS PROPOSAL MAKES, AGAIN, IN TERMS
20 OF MY INTERPRETATION OF THE IMPLICATIONS OF HOW THESE
21 APPLICANTS RESPONDED TO THE ISSUE OF COST OVERRUNS AND
22 TO MAKE SURE THAT THE COMMITTEE UNDERSTANDS THOSE, I'M
23 GOING TO TRY FIND THOSE IN EVERY INSTANCE SO THAT YOU
24 COULD MAKE A JUDGMENT.

25 IN THIS CASE THE PROPOSER IS SAYING THAT THE

1 CONSTRUCTION CONTRACT WILL BE PUT OUT FOR A COMPETITIVE
2 HARD BID, SO THE CONTRACTOR WILL BE OBLIGATED TO COVER
3 ANY OVERRUNS NOT CAUSED BY THE CLIENT. AGAIN, THAT'S
4 NOT USUALLY THE CASE. AND JUST A HARD BID DOES NOT
5 MEAN THAT THERE'S NO COST OVERRUN.

6 SECONDLY, IT GOES ON TO SAY THAT COST
7 EXCEEDING THE ORIGINAL CONSTRUCTION BUDGET WILL BE
8 COVERED BY VALUE ENGINEERING AND THE CONSTRUCTION
9 CONTINGENCY (EQUAL TO 10 PERCENT OF THE CONSTRUCTION
10 BUDGET). WITH THOSE TWO COMMENTS IN RESPONSE TO THE
11 COST OVERRUN, WE FELT IT WAS NOT CLEAR ENOUGH THAT WE
12 WANT TO PRESERVE THE SCOPE AND AT THE SAME TIME HAVE
13 THEM GIVE US A COMMITMENT. SO WE'RE RECOMMENDING, PER
14 YOUR PREVIOUS PROCEDURE, THE LANGUAGE RELATED TO COST
15 OVERRUN.

16 CHAIRMAN LICHTENGER: RICK, THANK YOU. I
17 WOULD CONCUR AS THE PRIMARY REVIEWER, AND I'D LIKE TO
18 MAKE A MOTION THAT CIRM SHOULD INFORM THE APPLICANT
19 THAT ANY COST ISSUES SHALL NOT RESULT IN REDUCED SCOPE,
20 AND THE INSTITUTION WILL GUARANTEE TO COVER ANY COST
21 OVERRUNS. DO I HAVE A SECOND?

22 DR. WRIGHT: SECOND.

23 CHAIRMAN LICHTENGER: DR. WRIGHT. SO I'D
24 LIKE TO HAVE ANY DISCUSSION. OKAY. I'D LIKE TO HAVE A
25 VOICE VOTE. ALL IN FAVOR SAY AYE. ANY OPPOSED? OKAY.

1 THE MOTION PASSES.

2 SO I WILL NOW DO THE PRIMARY REVIEW. SO
3 FIRST OF ALL, I WANT TO SAY THAT I DIDN'T SEE ANY
4 PROBLEMS IN TERMS OF FEASIBILITY. THERE WERE NO MAJOR
5 ISSUES IN THE INFORMATION. SO, YOU KNOW, THERE WAS
6 RENOVATING 4,000 SQUARE FOOT OF ASSIGNABLE SQUARE
7 FOOTAGE IN AN EXISTING BUILDING TO EXPAND AN EXISTING
8 STEM CELL LABORATORY, PROVIDE TISSUE CULTURE SPACE,
9 SUPPORT ROOMS, IMAGING EQUIPMENT, AND EXPAND AN
10 EXISTING VIVARIUM AS WELL. AS WE MENTIONED, THE
11 PROPOSAL ALSO INCLUDED A STEM CELL TECHNIQUES COURSE.

12 SO THE COST, IN ADDITION TO THE FEASIBILITY,
13 AGAIN, I THOUGHT I WOULD CHARACTERIZE IT AS GOOD TO
14 VERY GOOD. THE COST SEEMED TO BE EXCELLENT COMPARED TO
15 OTHER GRANT APPLICATIONS. IT WAS ABOUT \$202 PER
16 ASSIGNABLE SQUARE FOOT. THE OVERALL SCHEDULE SEEMED TO
17 BE SOMEWHAT AGGRESSIVE TO AGGRESSIVE. THIS WAS ONE OF
18 THE MORE AGGRESSIVE SCHEDULES THAT I'VE LOOKED AT.
19 LOOKED LIKE IT WAS APPROXIMATELY EIGHT TO NINE MONTHS.

20 THE INSTITUTIONAL COMMITMENT WAS GOOD TO VERY
21 GOOD. WHEN WE LOOKED AT THE PERCENTAGE THAT THEY HAD
22 MATCHING, AGAIN, THEY MET THE 20 PERCENT. THEY
23 ACTUALLY WENT TO 25 PERCENT.

24 THE HISTORICAL PERFORMANCE SEEMED TO BE
25 AVERAGE. AGAIN, AVERAGE WITHIN COMPARISON TO THE OTHER

1 APPLICANTS. NO MAJOR ISSUES. BUT, AGAIN, I WOULDN'T
2 CHARACTERIZE IT AS EXCELLENT OR BELOW AVERAGE.

3 AND THE RESPONSIVENESS SEEMED TO BE VERY GOOD
4 AS WELL. I THOUGHT THAT WAS VERY GOOD.

5 ANY QUESTIONS FOR THE PRIMARY REVIEWER?
6 OKAY. SO NOW I'D LIKE TO HAVE THE SECONDARY REVIEW
7 DONE, AND THAT WOULD BE MARCY.

8 MS. FEIT: YES. I AGREE WITH YOU ON MOST OF
9 YOUR COMMENTS. I GAVE IT A 12 ON FEASIBILITY. IN
10 TERMS OF COST, I DIDN'T SEE ANY ISSUES THERE EITHER. I
11 GAVE IT AN 18. TIMELINESS AND MILESTONE, 17.
12 INSTITUTIONAL COMMITMENT, YOU KNOW, BASED ON JUST
13 RETHINKING THIS, I'M GOING TO GIVE IT A 19. HISTORICAL
14 PERFORMANCE, I GAVE IT A 7. AND THEN RESPONSIVENESS, I
15 GAVE IT A 13.

16 I WOULD STRONGLY RECOMMEND THAT WE FUND THIS
17 PROJECT. THIS IS ONE OF THE FEW PROJECTS THAT HAS A
18 TECHNIQUES COURSE, AND THEY DID GO INTO QUITE A BIT OF
19 DETAIL EXPLAINING THE FACT THAT THEY WOULD BE TRAINING
20 NEW RESEARCHERS ON HOW TO HANDLE HUMAN EMBRYONIC STEM
21 CELLS. AND I THOUGHT THAT WAS VERY IMPORTANT, THAT
22 THEY WOULD BE ESTABLISHING THAT KIND OF PROGRAM. THEY
23 WENT INTO QUITE OF BIT OF DETAIL TALKING ABOUT WHEN
24 TUITION WOULD BE EXPECTED AND NOT EXPECTED AND UNDER
25 WHAT CIRCUMSTANCES. SO I THOUGHT THE COURSEWORK FOR

1 THE SHARED LAB TECHNIQUE TRAINING WAS EXCELLENT THE WAY
2 IT WAS LAID OUT AND QUALIFIED INSTRUCTORS.

3 MY OVERALL SCORE IS GOING TO END UP BEING 86,
4 I BELIEVE, BUT I THOUGHT THIS WAS A GOOD APPLICATION.
5 MY ONLY DISAPPOINTMENT IN THE APPLICATION WERE THE
6 DRAWINGS. I THOUGHT THAT THEY WERE VERY POOR. IT WAS
7 DIFFICULT, I THINK, FOR THE STAFF, WHEN THEY ANALYZED
8 IT, TO COME UP WITH ANY STRONG CALCULATIONS BECAUSE
9 THEY WERE NOT DONE TO SCALE. AND I THINK, YOU KNOW,
10 THIS INSTITUTE I WOULD HAVE EXPECTED MORE. SO THAT
11 WOULD BE MY ONLY NEGATIVE COMMENT.

12 CHAIRMAN LICHTENGER: I WOULD THANK YOU,
13 MARCY. I WOULD CONCUR WITH YOU ABOUT THE DRAWINGS AS
14 WELL. SO ARE THERE ANY QUESTIONS FOR EITHER REVIEWER?
15 ANY COMMENTS? OKAY. I'D LIKE EVERYONE TO RECORD THEIR
16 PRELIMINARY SCORES.

17 RICK, WOULD THE NEXT APPLICATION BE 512?

18 MR. KELLER: I THINK WE ARE GOING TO DEFER ON
19 512 TILL LATER IN THE MEETING.

20 CHAIRMAN LICHTENGER: WHAT WILL THE NEXT ONE
21 BE?

22 MR. KELLER: NEXT ONE WILL BE 514. THE
23 RECUSALS HERE ARE MEMBERS LANSING, SHEEHY, AND FEIT.
24 STAFF RECUSALS WERE SAMBRANO AND HOFFMAN.

25 (MEMBERS LANSING, SHEEHY, AND FEIT AND

1 STAFF MEMBERS SAMBRANO AND HOFFMAN ARE RECUSED FROM
2 APPLICATION 514 AND ARE NOT PRESENT IN THE ROOM.)

3 MR. KELLER: THE PROPOSAL IS FOR A SHARED
4 RESEARCH LABORATORY OF 986,592. THE PRIMARY REVIEWER
5 IS MEMBER KASHIAN AND THE SECONDARY REVIEWER IS MEMBER
6 WRIGHT.

7 THERE IS ONE STAFF ITEM HERE. I WANT TO
8 THANK JANET FOR A CAREFUL READING OF MY STAFF ANALYSIS
9 BECAUSE THERE IS A TYPO, AND I THINK WE CAUGHT IT, SO
10 GOT IT MATCHED OUT. ALTHOUGH I CHARACTERIZE THIS AS
11 THE MATCHING FUNDS, IT REALLY IS A FACTOR THAT DEALS
12 WITH THE BUDGETING OF THE ADMINISTRATIVE COSTS
13 EXCEEDING THE GUIDELINE IN THE RFA BY \$99,763. AND SO
14 WITH THAT, IT IS CONSISTENT WITH YOUR PREVIOUS ACTION
15 ON THESE TECHNICAL ISSUES. IT WOULD BE APPROPRIATE FOR
16 YOU TO REQUEST A MOTION TO APPROVE THAT APPLYING TO
17 THIS APPLICATION.

18 CHAIRMAN LICHTENGER: SO I'D LIKE TO PROPOSE
19 A MOTION THAT CIRM SHALL REDUCE ITS GRANT AMOUNT,
20 APPLICANT PROVIDES INSTITUTIONAL FUNDS FOR THESE
21 UNALLOWABLE EXPENSES. DO I HAVE A SECOND?

22 DR. WRIGHT: SECOND.

23 CHAIRMAN LICHTENGER: ANY DISCUSSION? I'D
24 LIKE TO HAVE A VOTE. ALL IN FAVOR SAY AYE. ALL
25 OPPOSED? OKAY. MOTION PASSES UNANIMOUSLY.

1 SO, ED, IF YOU WOULD PLEASE PROCEED TO DO THE
2 PRIMARY REVIEW.

3 MR. KASHIAN: I'D LIKE TO ASK MR. KELLER A
4 QUESTION BEFORE PROCEEDING. WHAT IS YOUR OPINION ABOUT
5 THE MATCH? ARE THEY ALLOWED TO APPLY THE OVERMATCH ON
6 EQUIPMENT TO THE PHYSICAL FACILITY?

7 MR. KELLER: JUST A SECOND.

8 MR. KASHIAN: WHILE HE'S LOOKING THAT UP, I
9 CAN PROCEED IF YOU WOULD LIKE.

10 MR. KELLER: I THINK THE ISSUE HERE WAS THAT
11 THEY HAD TWO SPECIFIC PIECES OF EQUIPMENT THAT THEY HAD
12 PURCHASED SINCE JANUARY. AND UNDER THE RFA, THEY ARE
13 CITING THOSE AS THE SOLE SOURCE FOR THE MATCH. AND I
14 THINK WE SIMPLY POINTED THAT OUT BY VIRTUE OF THE FACT
15 WHEN YOU SEE NO MATCHING FUNDS OPPOSITE CONSTRUCTION,
16 WE WANTED TO MAKE SURE YOU UNDERSTOOD THAT THEY HAD
17 IDENTIFIED AN ALTERNATIVE MEANS OF MEETING THAT MATCH.

18 MR. KASHIAN: AND HAVE ALREADY PAID FOR IT.

19 MR. KELLER: YES.

20 MR. KASHIAN: I CONSIDER THIS ONE OF THE
21 OUTSTANDING APPLICATIONS. THEY'VE JUST COMPLETED OR
22 ABOUT TO COMPLETE A MAJOR MEDICAL RESEARCH FACILITY AT
23 MISSION BAY ALONG WITH UCSF AND SOME OTHER INSTITUTIONS
24 THAT ARE DEDICATED TOWARD MEDICAL RESEARCH. THE
25 BUILDING IS STATE OF ART, AND IN MY MIND IT SHOWS

1 LONG-TERM COMMITMENT TO MEDICAL RESEARCH WAY BEYOND THE
2 CIRM ISSUES. I RATED THE FEASIBILITY 12. AND THE
3 COST, GIVEN SAN FRANCISCO STANDARDS, IS ACCEPTABLE TO
4 ME. I RATED IT HIGH. THE TIMELINES ARE A LITTLE BIT
5 WEAK FOR ME --

6 CHAIRMAN LICHTENGER: ED, COULD YOU SPEAK UP,
7 PLEASE. MOVE A LITTLE CLOSER TO THE MICROPHONE.

8 MR. KASHIAN: THE TIMELINE IS A LITTLE BIT
9 WEAK FOR ME.

10 CHAIRMAN LICHTENGER: ED, COULD YOU GO BACK
11 AND TALK ABOUT YOUR FEASIBILITY RATING AND COST AS
12 WELL.

13 MR. KASHIAN: SURE. THE FEASIBILITY TO ME IS
14 IN THE VERY HIGH PERCENTAGE, VERY HIGH AREA. AND THE
15 COST, GIVEN SAN FRANCISCO STANDARDS, IS ALSO VERY
16 ACCEPTABLE TO ME. THE TIMELINE IS A LITTLE BIT WEAK,
17 BUT I'M NOT ACQUAINTED WITH SAN FRANCISCO CONSTRUCTION
18 ISSUES. THE INSTITUTIONAL COMMITMENT IS OF THE HIGHEST
19 GRADE THAT I HAVE BECAUSE THEY'VE COMMITTED A LOT OF
20 MONEY TOWARDS A MAJOR FACILITY, NOT JUST STEM CELL
21 RESEARCH, BUT OTHER MEDICAL RESEARCH AND HAVE ALMOST
22 COMPLETED THE PROJECT. HISTORICAL PERFORMANCE, GIVEN
23 THAT COMPLETION, IS A HIGH, VERY HIGH MARK FOR ME, AND
24 SO IS RESPONSIVENESS.

25 THE FACT THAT THEY ALREADY PURCHASED THE

1 EQUIPMENT AND HAVE IT IN HAND AND CONSTRUCTION IS EN
2 ROUTE, I FEEL THIS MERITS, FROM MY POINT OF VIEW,
3 FUNDING AT THE HIGHEST LEVELS.

4 CHAIRMAN LICHTENGER: GREAT. THANK YOU, ED.
5 ANY QUESTIONS FOR THE PRIMARY REVIEWER? OKAY. JANET,
6 THANK YOU.

7 DR. WRIGHT: I COMPLETELY CONCUR WITH ED.
8 UNDER THE FEASIBILITY THEY MAKE A COMMENT ABOUT HAVING
9 TO GET A PERMIT APPROVED AND SAYING THEY EVEN HAD A
10 PLAN FOR A PERMIT EXPEDITER, WHICH WAS A VERY SCARY
11 PICTURE FOR ME, SOMETHING FROM THE SOPRANOS, MAYBE, OF
12 SENDING OUT A PERMIT EXPEDITER. I HOPE HE NEVER COMES
13 TO ME.

14 BUT ON THE MORE SERIOUS NOTE, I ACTUALLY
15 AGREE WITH ALL OF THIS. MY ONLY POINT IN TERMS OF THE
16 RESPONSIVENESS WAS I WOULD LIKE TO HAVE HEARD MORE
17 DETAIL ABOUT THEIR PLANS TO INCORPORATE OTHER
18 INVESTIGATORS OUTSIDE THE MOTHER INSTITUTION, BUT
19 PERHAPS THAT COMES IN THE PROGRAMMATIC AREA OR FROM THE
20 SCIENTIFIC REVIEW. VERY HIGH SCORES ALL ACROSS THE
21 BOARD.

22 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
23 JANET. ANY QUESTIONS FOR THE PRIMARY OR SECONDARY
24 REVIEWER? OKAY. SO I'D LIKE TO ALLOW EVERYONE A
25 MINUTE OR SO TO RECORD THE PRELIMINARY SCORES. OKAY.

1 RICK, WHAT WOULD BE THE NEXT APPLICATION THAT
2 WE REVIEW?

3 MR. KELLER: NEXT ONE IS CL-100518-1. THE
4 RECUSALS ON THIS ONE WOULD BE MEMBER FEIT, AND SHE'S
5 ALREADY OUT OF THE ROOM.

6 (MEMBERS LANSING AND FEIT ARE RECUSED ON
7 APPLICATION 518-1 AND ARE NOT PRESENT IN THE ROOM.)

8 MR. KELLER: THE PROPOSAL IS \$2 MILLION FOR A
9 SHARED RESEARCH LABORATORY OF CIRM FUNDS, 500,000 FOR
10 THE TECHNIQUES COURSE. ALL OF THAT IS EQUIPMENT
11 FUNDING. THE PRIMARY REVIEWER WOULD BE CHAIR
12 LICHTENGER AND JANET WRIGHT.

13 THERE ARE SEVERAL STAFF ISSUES HERE. THE
14 FIRST ONE APPLIES TO OUR USUAL PROCEDURE RELATED TO
15 COST OVERRUNS. WE DON'T FEEL THAT THE COMMITMENT IN
16 THE APPLICATION ADEQUATELY ADDRESSES THAT ISSUE.

17 SECONDLY, THERE IS AN ISSUE WITH THE FACT
18 THAT THE INSTITUTION IS BUDGETING 10 PERCENT OF THE
19 MATCH IN THE CONSTRUCTION CONTINGENCY ITSELF, AND WE
20 THINK THAT THERE NEEDS TO BE MORE CLARIFICATION ON THAT
21 ISSUE IN TERMS OF MAINTAINING THE MATCHING AMOUNT GIVEN
22 THE FACT THAT CONTINGENCY MAY OR MAY NOT BE EXPENDED.
23 WHEREAS, YOU MAKE A HARD BID, YOU WOULD EXPECT TO SPEND
24 THAT MONEY. IF YOU HAVE A CONTINGENCY, YOU MAY OR MAY
25 NOT SPEND IT.

1 THE OTHER FINANCIAL ISSUE IS THE
2 REIMBURSEMENT OF DESIGN COSTS OF 60,410. IN OUR REVIEW
3 OF THESE APPLICATIONS, YOU MAY HAVE NOTICED THAT WHERE
4 PEOPLE HAVE STARTED EARLY, THEY'VE USED THEIR OWN MONEY
5 AND HAVE COUNTED THAT AS TOWARDS THE MATCH TO GET THE
6 ARCHITECT STARTED OR TO DO SOME OF THE PRELIMINARY
7 WORK. IN THIS CASE THE CIRM FUNDS ARE BEING EMPLOYED
8 TO REIMBURSE THE INSTITUTION FOR THOSE FUNDS. SO IT'S
9 NOT A CIRCUMSTANCE THAT WE THINK THAT YOU WANT TO GET
10 IN THE BUSINESS OF BASICALLY REIMBURSING AFTER THE
11 FACT.

12 AND FINALLY, THERE'S \$500,000 FOR THE
13 TECHNIQUES COURSE, BUT THE MATCHING FUNDS WERE VERY
14 NEBULOUS, AND SO WE COULDN'T FIGURE OUT WHERE THAT WAS,
15 AND SO THERE DOESN'T APPEAR TO BE A MATCHING AMOUNT FOR
16 THAT.

17 MS. HOFFMAN: I JUST WANT TO ADD SOMETHING ON
18 THE MATCHING FUNDS. YOU WILL NOTE ON THE APPLICATION
19 THAT THE INSTITUTION REFERRED TO A \$20 MILLION AMOUNT
20 OF MONEY ON THE LEASE SPACE, WHICH IS ONE OF THE TWO
21 PROJECTS THAT THEY'VE CITED IN THIS APPLICATION. BUT,
22 AGAIN, BECAUSE THERE'S NOT A SPECIFIC DATE WHEN THAT
23 WORK HAPPENED, WE NOTED IT, BUT IT'S DIFFICULT TO THEN
24 INCLUDE IN THE MATCH BECAUSE THE BUDGET, THEY REFER TO
25 OVER FUNDS.

1 CHAIRMAN LICHTENGER: THANK YOU, LORI. I HAD
2 A SIMILAR SENSE OF THAT ISSUE. SO --

3 VICE CHAIRMAN SERRANO-SEWELL: I THINK THE
4 NEXT STEP WOULD BE TO MAKE MOTIONS. BUT ON THE
5 QUESTION, SO NO MATCHING FUNDS FOR THE TECHNIQUES
6 COURSE, THAT IS A REQUIREMENT OF THE RFA, THAT THERE BE
7 MATCHING FUNDS, CORRECT? THAT'S MY UNDERSTANDING.

8 MS. HOFFMAN: THAT IS CORRECT. IN THIS
9 PARTICULAR INSTANCE WHAT THE APPLICANT ASSUMED WAS THAT
10 THE \$20-MILLION MATCH THAT HAD BEEN IDENTIFIED IN THEIR
11 NARRATIVE WOULD COUNT; HOWEVER, IT WASN'T CITED IN THE
12 BUDGET.

13 VICE CHAIRMAN SERRANO-SEWELL: WASN'T STATED.

14 MS. HOFFMAN: WASN'T IDENTIFIED.

15 MR. KLEIN: AND WITH THIS PARTICULAR
16 INSTITUTION, IT'S KNOWN THAT THE BUILDING THAT THE 20
17 MILLION IS RELATED TO WAS ACQUIRED -- THE LEASEHOLD AND
18 THE IMPROVEMENTS WERE AFTER 2005, SO IT'S NOT STATED IN
19 HERE, BUT IT IS A FACTUAL ISSUE.

20 CHAIRMAN LICHTENGER: WHICH IS WHY WE'RE
21 GOING TO HAVE THE MOTION.

22 MS. HOFFMAN: AGAIN, IT'S DIFFICULT TO TELL.
23 AND, OF COURSE, IF THE LEASE ON THE SPACE GOES TO 2019,
24 ONE CAN ASSUME IT'S A 15- OR 20-YEAR LEASE. I THINK
25 THEY'VE HAD THE SPACE PRIOR TO 2005. SO SOME OF THE

1 RENOVATION, I DON'T KNOW, AGAIN, GIVEN THAT I ONLY HAVE
2 THE INFORMATION THAT'S PRESENTED IN THE APPLICATION, IT
3 WAS UNCLEAR.

4 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
5 LORI.

6 VICE CHAIRMAN SERRANO-SEWELL: THAT CAUSES
7 SIGNIFICANT CONCERN, THAT THIS INSTITUTION, IT WOULD
8 APPEAR, JUST MADE SUCH DISCREPANCY THAT THEY DIDN'T
9 PROVIDE MATCHING FUNDS. AND IT'S SO CLEARLY STATED IN
10 THE RFA THAT THEY'RE REQUIRED TO DO SO. WHETHER IT WAS
11 AN ERROR ON THE PART OF THE APPLICANT WRITER, I DON'T
12 KNOW. I ONLY HAVE THE INFORMATION BEFORE ME. SO ONCE
13 WE GET TO THE MOTION, DAVID, I'M STILL A LITTLE
14 UNDECIDED HOW I WANT TO VOTE, BUT WE NEED TO MOVE ON.

15 CHAIRMAN LICHTENGER: FAIR ENOUGH. I'D LIKE
16 TO MAKE THAT MOTION NOW ON THE STAFF RECOMMENDATION FOR
17 APPLICATION 518. ON THE FIRST ITEM, CIRM SHOULD INFORM
18 APPLICANT THAT ANY COST ISSUES SHALL NOT RESULT IN
19 REDUCED SCOPE, AND THE INSTITUTION WILL GUARANTEE TO
20 COVER ANY COST OVERRUNS.

21 DR. WRIGHT: SECOND.

22 CHAIRMAN LICHTENGER: SECOND FROM JANET
23 WRIGHT. SO ON THIS ISSUE I'D LIKE TO HAVE A VOICE
24 VOTE. ALL THOSE IN FAVOR SAY AYE. ALL THOSE OPPOSED?
25 OKAY. SO THAT WILL CARRY UNANIMOUSLY IN TERMS OF THE

1 COST OVERRUNS.

2 AND THEN THE SECOND MOTION I'D LIKE TO MAKE
3 IS ON THE MATCHING FUNDS. CIRM SHALL REQUIRE THAT THE
4 APPLICANT IDENTIFY AN APPROPRIATE SOURCE OF MATCHING
5 FUNDS AS PER STAFF'S RECOMMENDATION. DO I HAVE A
6 SECOND ON THAT?

7 MR. KLEIN: SECOND.

8 CHAIRMAN LICHTENGER: BOB KLEIN. AND VOICE
9 VOTE. ALL THOSE IN FAVOR SAY AYE.

10 VICE CHAIRMAN SERRANO-SEWELL: NO.

11 CHAIRMAN LICHTENGER: THOSE OPPOSED.

12 VICE CHAIRMAN SERRANO-SEWELL: NO. AYE.

13 CHAIRMAN LICHTENGER: SO THE MOTION CARRIES
14 WITH ONE OPPOSED.

15 I WAS THE PRIMARY REVIEWER ON THIS
16 APPLICATION, SO I'D LIKE TO GO AHEAD AND DO THAT NOW.

17 SO I THOUGHT THE PROJECT SEEMED QUITE
18 FEASIBLE. THERE WERE NO MAJOR ISSUES. I THOUGHT THEIR
19 PLANS WERE VERY CLEAR AND, YOU KNOW, WHAT THEY WANTED
20 TO DO WAS TO RENOVATE 3800 SQUARE FEET TO EXISTING
21 LEASED RESEARCH BUILDINGS. AND THEY PROVIDE THREE
22 SHARED RESEARCH LABORATORIES AND RELATED SUPPORT AREAS
23 AND THREE LABORATORIES AND OFFICE SPACE TO PROVIDE
24 ADDITIONAL TISSUE CULTURE SPACE. AND, AGAIN, IT SEEMED
25 VERY FEASIBLE. THE PLANS AND THE DETAILS WERE WELL

1 DONE.

2 THE COST SEEMED TO BE EXCELLENT COMPARED TO
3 THE OTHER REVIEWED GRANT APPLICATIONS. IT WAS
4 CERTAINLY -- I DON'T KNOW IF IT WAS THE HIGHEST SCORE,
5 BUT IT WAS CERTAINLY EXCELLENT AND CLOSE TO THE HIGHEST
6 SCORE IN TERMS OF COST.

7 I THOUGHT THE TIMELINE AND MILESTONES WAS
8 QUITE AGGRESSIVE, SO THAT WAS ONE OF THE BETTER
9 SCHEDULES I HAD SEEN, SO I THOUGHT IT WAS QUITE GOOD.
10 SO I'M GOING TO GIVE IT ONE OF THE HIGHEST SCORES ON
11 THE TIMELINE AND MILESTONES.

12 AND GIVEN THE MOTION THAT CARRIED, I THOUGHT
13 THE INSTITUTIONAL COMMITMENT IS EXCELLENT WHEN THE \$20
14 MILLION, I DON'T KNOW IF ALL THAT MONEY WAS SPENT AFTER
15 2005, BUT CERTAINLY I'M ASSUMING A SIGNIFICANT
16 PERCENTAGE OF THOSE DOLLARS WERE PROBABLY SPENT AFTER
17 THAT POINT. SO I WOULD HAVE TO SAY THE INSTITUTIONAL
18 COMMITMENT WOULD HAVE TO BE EXCELLENT. PROBABLY ONE OF
19 THE HIGHEST SCORES I'VE SEEN.

20 THE HISTORICAL PERFORMANCE, BASED ON THE
21 INFORMATION THEY GAVE US, WAS EXCELLENT TO VERY GOOD
22 BASED ON THE NUMBER OF CAPITAL PROJECTS AND DOLLARS
23 SPENT.

24 AND, AGAIN, THE PROPOSAL SEEMED VERY
25 RESPONSIVE. I HAD NO CONCERNS ABOUT THE

1 RESPONSIVENESS. I THOUGHT IT WAS QUITE WELL PUT
2 TOGETHER AND ADDRESSED THE RFA.

3 DR. WRIGHT: THE ONLY COMMENT I'D MAKE IS
4 UNDER THE INSTITUTIONAL COMMITMENT, NOT ONLY THE
5 DOLLARS, BUT ALSO THEY HAD VERY SPECIFIC PLANS FOR
6 FACULTY ACCESS AFTER THEIR GRANT EXPIRES.

7 CHAIRMAN LICHTENGER: GREAT. THANK YOU FOR
8 BRINGING THAT ISSUE UP. OVERALL I THOUGHT THIS WAS ONE
9 OF THE STRONGEST APPLICATIONS I REVIEWED, AND I WOULD
10 HIGHLY RECOMMEND THIS GRANT APPLICATION. ARE THERE
11 QUESTIONS FOR EITHER REVIEWER?

12 MR. KASHIAN: I'M UNCLEAR ABOUT THE STATUS OF
13 THAT \$20-MILLION GRANT, WHETHER THEY HAVE COMMITTED OR
14 NOT.

15 CHAIRMAN LICHTENGER: SO IT'S MY
16 UNDERSTANDING THAT THEY BASICALLY HAVE SPENT \$20
17 MILLION BUILDING OUT THESE FACILITIES, AND I THINK IT'S
18 A QUESTION OF GETTING VERIFICATION OF THOSE DOLLARS AND
19 HOW MUCH WAS SPENT AFTER 2005.

20 MR. KASHIAN: WHICH WAS ALLOCATED TOWARD THIS
21 ISSUE, AND HAS IT BEEN SPENT? THAT'S THE QUESTIONS I
22 HAVE.

23 MS. HOFFMAN: AND I ACTUALLY WOULD SUGGEST
24 THAT THE REMEDY THAT WE USED ON ALL THE OTHER
25 APPLICATIONS BE IMPOSED ON THIS AS WELL SO THAT THAT

1 WOULD BE CLEAR AND CONSISTENT.

2 AND I WOULD LIKE TO ANSWER THE VICE CHAIR'S
3 EARLIER COMMENT BECAUSE, INDEED, IT IS CORRECT, THAT
4 THERE IS NO MATCH ON THE TECHNIQUES COURSE. HOWEVER,
5 ON THE BUDGET ON C.3, YOU WILL NOTICE IN THE
6 CONSTRUCTION LINE, THEY PUT \$100,000 OF INSTITUTIONAL
7 COMMITMENT. HOWEVER, IN THE TECHNIQUES COURSE, THERE
8 IS NO CONSTRUCTION. IT IS ALL EQUIPMENT, MEANING THEY
9 DIDN'T NEED ANY ADDITIONAL SPACE. SO, AGAIN, I THINK
10 WHAT THEY'RE TRYING TO DO IS DRAW FROM THE \$20 MILLION,
11 BUT IN THE NARRATIVE, THEY NEVER REFERENCE BACK TO IT.

12 CHAIRMAN LICHTENGER: THANK YOU, LORI. ANY
13 FURTHER COMMENTS OR QUESTIONS?

14 MR. KLEIN: IS THE \$20 MILLION BEING
15 REFERENCED IS IN THE SPECIFIC LEASED BUILDING?

16 MS. HOFFMAN: IT APPEARS SUCH, YES.

17 MR. KASHIAN: ARE WE SUPPOSED TO SCORE THIS
18 AS IF THEY'RE GOING TO CLEAR THAT UP TO OUR
19 SATISFACTION OR NO?

20 MR. KLEIN: ON A FACTUAL BASIS, IT'S AN
21 INTERESTING POINT BECAUSE AS A FACTUAL BASIS, IT'S
22 KNOWN WHERE THE BUILDING IS, IT'S KNOWN THE BUILDING
23 WAS LEASED AFTER 2005. AND SO EVERYONE CAN --

24 CHAIRMAN LICHTENGER: WELL, I THINK BASED
25 UPON THE MOTION AND BASED UPON HOW WE'VE DECIDED TO

1 DEAL WITH THESE TECHNICAL ISSUES, ED, YOU HAVE TO MAKE
2 THE PRESUMPTION THAT, YES, THAT IS GOING TO BE CLEARED
3 UP AND THAT IS THE CASE. IF IT ISN'T, THEN OBVIOUSLY
4 THAT WOULD HAVE A SIGNIFICANT EFFECT UPON THE SCORING.

5 MS. HYSEN: WHAT IS THE SQUARE FOOT OF THIS
6 PROJECT?

7 MS. HOFFMAN: THERE'S TWO PROJECTS, PROJECT 1
8 AND PROJECT 2. AND THE FIRST PROJECT IS APPROXIMATELY
9 2500 SQUARE FEET, AND THE SECOND IS 1211.

10 MS. HYSEN: WHAT I DON'T UNDERSTAND IS IT
11 SAYS THE TOTAL COST OF RENOVATION OF WHATEVER THEY
12 LEASE IS 20 MILLION. THE PROPOSED PROJECT, WHICH IS
13 THE 2500 SQUARE FEET, WOULD RENOVATE AN ADDITIONAL 2500
14 SQUARE FEET. SO IS THE 20 MILLION SPENT ON OTHER
15 SQUARE FOOTAGE?

16 MS. HOFFMAN: THAT'S CORRECT. IN THE RFA ANY
17 FUNDS THAT WERE SPENT FOR A SIMILAR PROJECT FOR A STEM
18 CELL LAB COULD BE COUNTED AFTER JANUARY '05.

19 MS. HYSEN: EVEN IF IT'S NOT SPECIFICALLY TO
20 THE SQUARE FOOTAGE THAT WAS SUBMITTED?

21 MS. HOFFMAN: THAT'S CORRECT.

22 MS. HYSEN: THANK YOU.

23 MS. HOFFMAN: CHAIR, I WOULD ALSO LIKE TO ADD
24 THAT THERE WAS A THIRD ISSUE THAT I DO NOT BELIEVE
25 THERE WAS A MOTION. THIS IS THE ISSUE OF THE DESIGN

1 COST BEING OVER -- I'M SORRY -- THIS IS THE ISSUE OF
2 THE DESIGN COSTS HAVING BEEN INCURRED AND THEY'RE
3 SEEKING REIMBURSEMENT AS OPPOSED TO USING THAT AS A
4 MATCH, WHICH WOULD, OF COURSE, HELP TO SOLVE THE
5 MATCHING ISSUE.

6 CHAIRMAN LICHTENGER: WHAT IS STAFF'S
7 RECOMMENDATION ON THIS ISSUE?

8 MS. HOFFMAN: THAT I THINK AS A POLICY ISSUE,
9 AND I DON'T BELIEVE THIS HAS SHOWN UP ANYWHERE ELSE ON
10 ANY OF THE OTHER APPLICATIONS, BUT, IN FACT, IN THIS
11 INSTANCE, THESE FUNDS SHOULD NOT BE REIMBURSED, BUT
12 SHOULD BE USED AS AN INSTITUTIONAL COMMITMENT FROM THE
13 APPLICANT.

14 DR. WRIGHT: AS MATCHING, RIGHT? THAT'S WHAT
15 YOU MEAN FOR INSTITUTIONAL COMMITMENT?

16 MS. HOFFMAN: THAT'S CORRECT. IN FACT, THE
17 CIRM FUNDS WOULD BE REDUCED BY THE \$60,000.

18 CHAIRMAN LICHTENGER: I WOULD CONCUR WITH
19 THAT.

20 DR. WRIGHT: I WOULD SO MOVE THAT.

21 MR. KLEIN: SECOND.

22 CHAIRMAN LICHTENGER: SO DO WE NEED A VOTE ON
23 THAT? SO ALL THOSE IN FAVOR SAY AYE. ANY OPPOSED?
24 OKAY. THE MOTION CARRIES.

25 GREAT. IF EVERYONE COULD JOT DOWN THEIR

1 PRELIMINARY SCORES, AND THEN WE'LL MOVE ON TO THE NEXT
2 APPLICATION. I'LL GIVE YOU ONE MINUTE TO FINALIZE
3 THIS. RICK, WOULD THAT BE 519?

4 MR. KELLER: THAT IS CORRECT. THIS WOULD BE
5 AN APPROPRIATE TIME TO ASK MEMBER FEIT, TO INVITE HER
6 BACK INTO THE ROOM.

7 CHAIRMAN LICHTENGER: PLEASE, IF YOU COULD
8 HAVE SOMEONE FIND HER. THANK YOU.

9 MR. KELLER: RECUSALS ON 519 ARE LANSING,
10 SHEEHY, AND HOFFMAN.

11 (MEMBERS LANSING AND SHEEHY AND STAFF
12 MEMBER HOFFMAN ARE RECUSED FROM APPLICATION 519 AND ARE
13 NOT PRESENT IN THE ROOM.)

14 MR. KELLER: THE PROPOSAL IS FOR A SHARED
15 RESEARCH LABORATORY ONLY AND REQUESTS 1,423,775 FOR
16 CONSTRUCTION AND EQUIPMENT.

17 THE ONLY ISSUE THAT WE HAVE IS ONE OF
18 MATCHING FUNDS WHEREIN THE PROJECT THAT IS CITED AS A
19 SIMILAR PROJECT IN TERMS OF STEM CELL RESEARCH PROJECT
20 IS THE CONSTRUCTION OF THE BUILDING WHICH THE SHARED
21 LAB IS TO BE LOCATED IN. SO BASICALLY THIS APPLICANT
22 IS SUGGESTING THAT A PRO RATA SHARE OF A BUILDING IS A
23 QUALIFYING MATCH UNDER THE RFA, AND WE DON'T BELIEVE
24 THAT'S THE CASE. SO WE WOULD RECOMMEND THAT, UNDER
25 YOUR PREVIOUS PROCEDURES, THAT A MOTION TO IDENTIFY AN

1 APPROPRIATE MATCH SIMILAR TO THE OTHER PROPOSALS WOULD
2 BE IN ORDER.

3 CHAIRMAN LICHTENGER: I WILL PUT FORTH
4 STAFF'S RECOMMENDATION AS THE MOTION. DO I HAVE A
5 SECOND?

6 DR. WRIGHT: SECOND.

7 CHAIRMAN LICHTENGER: JANET WRIGHT IS THE
8 SECOND. ANY DISCUSSION? I GUESS NOT. ALL THOSE IN
9 FAVOR. ANY OPPOSED?

10 MR. KELLER: I DID MISSPEAK WHEN I SAID THIS
11 WAS THE ONLY ISSUE. THERE IS ALSO AN ISSUE OF A MINOR
12 AMOUNT. IN ORDER TO BE CONSISTENT, WE LOOKED AT THE
13 25-PERCENT ADMINISTRATIVE FEE AS A STRICT NOT TO EXCEED
14 NUMBER. IN THIS CASE IT'S \$4,000 OVER THAT AMOUNT, BUT
15 IT IS OVER.

16 CHAIRMAN LICHTENGER: SO WHAT IS STAFF'S
17 RECOMMENDATION?

18 MR. KELLER: YOU WOULD ADOPT A SIMILAR MOTION
19 TO CASES WHERE THE FINANCIAL DEFECT IS THAT THE
20 ADMINISTRATIVE DESIGN AND CONTINGENCY EXCEED THE RFA
21 GUIDELINE OF 25 PERCENT; THEREFORE, WE WOULD REDUCE THE
22 CIRM-FUNDED AMOUNT BY THAT AMOUNT, AND THE INSTITUTION
23 WOULD MAKE THAT AMOUNT AN INSTITUTIONAL COMMITMENT.

24 CHAIRMAN LICHTENGER: SO I'D LIKE TO PUT
25 FORTH THE MOTION ACCEPTING STAFF'S RECOMMENDATION ON

1 THIS ISSUE. DO I HAVE A SECOND?

2 DR. WRIGHT: SECOND.

3 CHAIRMAN LICHTENGER: ALL THOSE IN FAVOR SAY
4 AYE. ALL THOSE OPPOSED? OKAY. THE MOTION CARRIES
5 UNANIMOUSLY.

6 SO THE REVIEWERS ARE -- THIS WOULD BE ED
7 KASHIAN AS PRIMARY AND JANET WRIGHT.

8 MR. KASHIAN: ARE YOU GETTING TIRED OF ME?
9 THANK YOU. I RATED THIS IN THE ABOVE AVERAGE, BUT NOT
10 OUTSTANDING. THE WEAKNESS FROM MY POINT OF VIEW WAS IN
11 THEIR COMMITMENT IN TERMS OF MATCHING FUNDS. EVEN IF
12 THEY MEET OUR LOWER STANDARDS, I FEEL THAT IT HAS A
13 LOWER POTENTIAL. I THINK THAT THE COST IS ABOVE
14 AVERAGE, AND HISTORICAL PERFORMANCE IS EXCELLENT, AND
15 THE RESPONSIVENESS IS EXCELLENT. HOWEVER, THE
16 COMMITMENT OF FUNDS AND THE TIMELINE IS GOOD. THE
17 COMMITMENT TO FUNDS IS A WEAKNESS FROM MY POINT OF
18 VIEW. OVERALL RESPONSIVENESS -- OVERALL SCORE FOR ME
19 WAS ABOVE AVERAGE.

20 CHAIRMAN LICHTENGER: THANK YOU, ED. ANY
21 QUESTIONS FOR ED? JANET.

22 DR. WRIGHT: I WILL ADMIT TO HAVING AN
23 EMOTIONAL REACTION TO THIS PROPOSAL BECAUSE IT SEEMED
24 TO ME THAT THE PERSON WRITING THIS, AND HOPEFULLY THE
25 INSTITUTION REALLY GOT THE IDEA BEHIND THIS RFA OF

1 ENCOURAGING BUILDING A COMMUNITY OF SCIENTISTS AND
2 SPEAKING SPECIFICALLY TO THAT. SO I DEFINITELY RATED
3 IT HIGH IN TERMS OF INSTITUTIONAL COMMITMENT AND ALSO
4 RESPONSIVENESS. AND I FEEL LESS QUALIFIED TO COMMENT
5 ON THE OTHER THINGS.

6 CHAIRMAN LICHTENGER: OKAY. THANK YOU,
7 JANET. SO, RICK, CAN STAFF KIND OF MAYBE PERHAPS TOUCH
8 ON SOME OF THE FACTORS ON THIS PARTICULAR APPLICATION?

9 MR. KELLER: I THINK WHEN WE LOOKED AT IT, WE
10 THOUGHT THAT THE COST BASIS WAS PRETTY MUCH WHAT YOU
11 WOULD FIND IN A LABORATORY SETTING IN TERMS OF THE
12 AMOUNT OF WORK THAT WAS RELATED TO PLUMBING, HVAC, AND
13 ELECTRICAL. THE COST PER ASSIGNABLE SQUARE FOOT
14 RELATIVE TO NEW CONSTRUCTION WAS ABOUT 46 PERCENT,
15 WHICH, AGAIN, FOR LABORATORY WOULD BE ABOUT EXPECTED.
16 THAT DOESN'T COUNT THE COST OF THE ACTUAL BUILDING.
17 IT'S SIMPLY THE COST OF THE RENOVATIONS TO PROVIDE FOR
18 THE STEM CELL.

19 I THINK THE TIMELINE AND SCHEDULE IS PRETTY
20 MUCH CONSISTENT WITH WHAT YOU HAVE WITH A COMPLETION IN
21 APRIL OF 2008, WHICH IS PROBABLY A LITTLE BIT FASTER
22 THAN SOME OF THE OTHERS, BUT IT IS A REASONABLE,
23 AGGRESSIVE SCHEDULE.

24 AND I THINK I'VE GONE OVER THE INSTITUTIONAL
25 COMMITMENT ISSUE RELATIVE TO THE BUILDING COSTS AND HOW

1 THEY'RE BEING COUNTED.

2 CHAIRMAN LICHTENGER: GREAT. ANY MAJOR
3 ISSUES? ANYTHING JUMP OUT?

4 MR. KELLER: JUST THE TWO ISSUES THAT WE HAVE
5 ALREADY POINTED OUT IN TERMS OF THE \$4400 FOR THE
6 EXCESS ADMINISTRATIVE COSTS AND THE RESOLUTION OF THE
7 MATCH.

8 CHAIRMAN LICHTENGER: RESPONSIVENESS-WISE,
9 HOW DID STAFF VIEW THIS APPLICATION?

10 MR. KELLER: FROM THE STANDPOINT OF
11 DEVELOPING A SHARED RESEARCH LABORATORY, IT WAS
12 RESPONSIVE. AND, OF COURSE, THERE WAS NO TECHNIQUES
13 COURSE PROPOSED.

14 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
15 RICK. ANY OTHER QUESTIONS OR COMMENTS REGARDING
16 APPLICATION 519? GREAT. SO LET'S TAKE A MINUTE TO
17 WRITE DOWN OUR PRELIMINARY SCORES.

18 MR. KELLER: I THINK THE STAFF IS INVITING
19 MR. SHEEHY BACK INTO THE ROOM.

20 CHAIRMAN LICHTENGER: THIS WOULD BE
21 APPLICATION 520.

22 MR. KELLER: 520, AND THE RECUSALS HERE ARE
23 MEMBER LANSING AND STAFF MEMBER HOFFMAN.

24 (MEMBER LANSING AND STAFF MEMBER HOFFMAN
25 ARE RECUSED FROM APPLICATION 520 AND NOT PRESENT IN THE

1 ROOM.)

2 MR. KELLER: THE PROPOSAL IS A SHARED
3 LABORATORY WITH CIRM FUNDING OF 1,842,714. THE
4 PROPOSAL ALSO INCLUDES SPACE THAT WOULD BE SHARED USE
5 FOR A TECHNIQUES COURSE AND, THEREFORE, EQUIPMENT FUNDS
6 OF 499,265 ARE ALSO PROPOSED UNDER THE TECHNIQUES
7 COURSE ELEMENT. ALTHOUGH THAT, AS I MENTIONED, IS
8 ENTIRELY EQUIPMENT FUNDING.

9 WE HAVE UNDER THE STAFF ANALYSIS TWO ISSUES
10 THAT WE WANT TO BRING TO YOUR ATTENTION. ONE IS THAT
11 UNDER THE ISSUE OF RESPONSIVENESS, WE QUESTIONED HOW
12 THE FACILITIES WORKING GROUP MAY ADDRESS THE FACT THAT
13 A PORTION OF THE PLANNED INVESTMENT IS IN LEASE SPACE
14 THAT HAS A TERM THAT IS TO EXPIRE WITHIN THREE YEARS.
15 UNDER THAT SCENARIO, WE DON'T BELIEVE -- THE RFA
16 SPECIFICALLY REQUESTED INFORMATION IF IMPROVEMENTS WERE
17 TO BE MADE IN LEASED SPACE AND TO BE SUFFICIENTLY
18 AMORTIZED. WE WOULD WANT TO SEE EVIDENCE THAT IT'S
19 SECURED FOR THEIR USE FOR A REASONABLE PERIOD OF TIME,
20 HOPEFULLY BEYOND THE THREE-YEAR TERM OF THE SHARED
21 LABORATORY.

22 ALSO, ON THE MATCHING FUNDS -- THIS IS THE
23 SOMEWHAT UNUSUAL CIRCUMSTANCE THAT WE'VE IDENTIFIED IN
24 THE STAFF ANALYSIS, SO YOU HAVE NOT REVIEWED THIS
25 REMEDY BEFORE. OUR SUGGESTION IS THAT CIRM SHOULD

1 INSIST THAT LEASE TERM IS EXTENDED FOR A MINIMUM TERM
2 OF FIVE YEARS FROM THE DATE OF THE GRANT APPROVAL.

3 CHAIRMAN LICHTENGER: SO IS THAT STAFF'S
4 RECOMMENDATION?

5 MR. KELLER: YES.

6 CHAIRMAN LICHTENGER: AND THAT WOULD BE UNDER
7 THE SAME CATEGORY OF TECHNICAL ISSUES?

8 MR. KELLER: THIS WOULD BE IN THE SAME
9 CATEGORY THAT IF THIS DEFECT IS RESOLVED, THAT YOU
10 WOULD NOT CONSIDER THAT, SIMILAR TO OUR PREVIOUS
11 DISCUSSION OF STAFF ISSUES THAT ARE OF A FINANCIAL
12 NATURE, THAT YOU WOULDN'T CONSIDER THIS ISSUE. YOU
13 WOULD EVALUATE THE PROPOSAL, RATHER, UNDER THE
14 ASSUMPTION THAT THIS HAS BEEN RESOLVED.

15 MR. KLEIN: IF I CAN ASK A QUESTION. BY
16 MEMORY, IT'S ABOUT 290,000 CONSTRUCTION. THE REST IS
17 MOVABLE EQUIPMENT; IS THAT CORRECT?

18 MR. KELLER: THERE'S ACTUALLY TWO SITES
19 RELATED TO CONSTRUCTION. THERE'S LEASE SPACE WHERE THE
20 290 OCCURS, AND THEN THERE'S ALSO IMPROVEMENTS AT THE
21 INSTITUTION'S MAIN CAMPUS THAT WOULD INVOLVE
22 IMPROVEMENTS TO OWNED PROPERTY IN TERMS OF THE VIVARIUM
23 IMPROVEMENTS.

24 MR. KLEIN: THAT'S NOT AN ISSUE.

25 MR. KELLER: THAT'S CORRECT.

1 MR. KLEIN: THE ISSUE ARISES AS TO WHERE THE
2 290,000 IS, AND THE REST OF THE INVESTMENT AT THAT SITE
3 IS MOVABLE EQUIPMENT; IS THAT RIGHT?

4 MR. KELLER: I BELIEVE SO, YES.

5 MR. KLEIN: SO A QUESTION FOR YOU. THIS IS
6 GOING TO BE A UNIQUE CIRCUMSTANCE, BUT COULDN'T WE --
7 THIS IS A GOOD APPLICATION OVERALL FROM ANY OF MY
8 INDIVIDUAL PERSPECTIVES, SO I'D LIKE TO SEE IT
9 PRESERVED, BUT COULDN'T WE HAVE A RESOLUTION IN THE
10 ALTERNATIVE SO THAT THE MOTION WOULD STATE THAT THEY
11 EITHER AGREE TO EXTEND THE LEASE FOR FIVE YEARS FROM, I
12 WOULD SAY FROM THE DATE THAT THE SITE IS COMPLETED, SO
13 YOU GET THE USE OF IT TO AMORTIZE IT OVER THE FIVE
14 YEARS. SO FIVE YEARS FROM THE DATE THE IMPROVEMENT IS
15 COMPLETED, OR THEY CAN COMMIT TO MOVE THE MOVABLE
16 EQUIPMENT INTO DEDICATED STEM CELL RESEARCH SPACE AT
17 THE TIME THE LEASE IS EXPIRED AND PAY BACK THE 290,000.
18 THAT WOULD PROTECT OUR INVESTMENT AND MAKE SURE THAT
19 THE INVESTMENT THAT STAYS OUT IS, IN FACT, EFFECTIVELY
20 USED FOR STEM CELL RESEARCH.

21 MS. HYSEN: CAN I COMMENT AS THE PRIMARY
22 REVIEWER? IT APPEARS THAT THIS IS A PURPOSEFUL
23 SHORT-TERM LEASE IN THAT THEY JUST ENTERED INTO IT FOR
24 A SHORT DURATION. AND THEY SAY IT'S THE FIRST LEASE
25 THAT IT HAS ON THIS LAB SPACE IN THIS BUILDING, BUT

1 THEY HAVE LEASED OTHER SPACE IN THIS BUILDING SINCE
2 2001. AND THEY DO SAY THERE ARE NO ONGOING
3 NEGOTIATIONS TO EXTEND THE LEASE AND FEEL IT'S TOO
4 EARLY TO DO SO, BUT THEY DO SUGGEST THAT THEY'RE
5 COMMITTED TO THIS. AND, IN FACT, COMMITTED SUCH THAT
6 THE SHORT-TERM SPACE IS MEANT TO BE TEMPORARY IN THE
7 HOPES OF BUILDING A LONG-TERM SPACE.

8 SO I DON'T KNOW THAT THIS IS SOMETHING -- IT
9 DOESN'T SEEM TO ME THAT THIS IS SOMETHING THAT THE
10 CENTER IS WANTING TO BE IN FOR AN EXTENDED PERIOD OF
11 TIME WITH A LONG-TERM OPTION OF BUILDING A PERMANENT
12 SITE.

13 MR. KLEIN: AND I HAVE THE SAME CONCLUSION
14 WHERE IF THE EQUIPMENT IS MOVED TO THE LONG-TERM SITE
15 AND DEDICATED TO STEM CELL RESEARCH SPACE, WE GET THE
16 VALUE OUT OF THAT, SHARED. IT'S GOT TO BE DEDICATED IN
17 A SHARED VENUE. AND I THINK THAT'S A VERY ACUTELY
18 FOCUSED AND APPROPRIATE REFINEMENT. BECAUSE OUR
19 MISSION IS TO MAKE SURE THAT WE GET THE SHARED USE FOR
20 A LONGER TERM.

21 SO AS LONG AS WE RECOVER THE 290,000, TO THE
22 EXTENT THAT THEY DO NOT EXTEND THIS LEASE, WE'RE
23 PROTECTED, AND WE'RE GETTING A SHARED FACILITY AND
24 SHARED EQUIPMENT, WHICH IS OUR MISSION.

25 MS. HYSEN: THEY SPECIFICALLY STATE THEY'VE

1 LIMITED THEIR REQUEST FOR CONSTRUCTION AND PUT MORE OF
2 IT INTO EQUIPMENT WITH THE VERY NOTION OF BEING ABLE TO
3 MOVE IT TO A LONG-TERM SITE.

4 DR. WRIGHT: I HAVE A QUESTION FOR BOB. JUST
5 FROM A POLICY STANDPOINT, IT SOUNDS LIKE YOUR
6 SUGGESTION WOULD APPLY IN THIS CASE, BUT THIS MAY NOT
7 COME UP IN OTHER PROPOSALS.

8 MR. KLEIN: THIS IS THE ONLY CASE THAT STAFF
9 HAS IDENTIFIED WHERE THIS IS AN ISSUE. SO IT'S CUSTOM
10 TAILORED TO PROTECT OUR INTEREST IN THIS SPECIFIC
11 SITUATION.

12 CHAIRMAN LICHTENGER: BOB, I THINK I'D LIKE
13 TAKE A FIVE-MINUTE RECESS TO CONSULT WITH STAFF ON THIS
14 ISSUE. I THINK THIS IS -- JOAN, WELCOME. WELCOME. I
15 THINK I NEED TO GET SOME INPUT FROM STAFF ON THIS.

16 VICE CHAIRMAN SERRANO-SEWELL: WE STAND IN
17 RECESS FOR FIVE MINUTES.

18 (A RECESS WAS TAKEN.)

19 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
20 MEETING TO ORDER. SO REGARDING APPLICATION 520, DO WE
21 HAVE A MOTION TO DEAL WITH THIS TECHNICAL FINANCIAL
22 ISSUE?

23 MR. KLEIN: MY MOTION IS IN THE ALTERNATIVE,
24 AND I'LL EXPLAIN WHY IT'S IN THE ALTERNATIVE. MY
25 MOTION IS TO EITHER, A, EXTEND THE LEASE FOR FIVE YEARS

1 FROM THE DATE THE FACILITY IS COMPLETED, NOT THE DATE
2 OF THE AWARD, BUT FIVE YEARS FROM THE DATE THE FACILITY
3 IS COMPLETED SO WE GET A LONG-TERM USE OF THE FACILITY,
4 WHICH IS WHAT WE INTEND. OR, AS DEBORAH POINTS OUT,
5 IT'S QUITE CLEAR THAT THERE'S AN INTENT TO BE ABLE TO
6 MOVE TO A MORE PERMANENT FACILITY, WHICH IS A BENEFIT
7 TO OUR MISSION. IT'S A BENEFIT BECAUSE IT'S LONGER
8 THAN FIVE YEARS.

9 CHAIRMAN LICHTENGER: I DON'T THINK IT'S
10 NECESSARILY CLEAR. I THINK IT'S OPEN TO --

11 MR. KLEIN: IT'S MY INTERPRETATION, WHICH IS
12 WHY I FEEL WE SHOULD HAVE AN ALTERNATIVE CURE, WHICH
13 THE ALTERNATIVE CURE IS ON THE PORTION OF THE SPACE
14 THAT IS WHERE THERE'S -- WHICH IS UNDER THE LEASE WHERE
15 THERE'S CONSTRUCTION, WHICH IS, I BELIEVE, A \$290,000
16 AMOUNT; IS THAT CORRECT, STAFF? THAT IF THE LEASE IS
17 NOT EXTENDED, EXTENDED SPECIFICALLY FOR A SHARED LAB
18 USE, WHICH IS OUR MISSION HERE, THAT THE 290,000 WOULD
19 BE PAID BACK, SO WE PROTECT THOSE FUNDS FOR THIS
20 MISSION, AND THE MOVABLE EQUIPMENT, AS THE VICE CHAIR
21 HAS SAID, HAS TO BE MOVED TO A LOCATION FOR A SHARED
22 LAB USE, SHARED STEM CELL LAB USE.

23 SO IT IS IN THE ALTERNATIVE, AND THE REASON I
24 PUT IT IN THE ALTERNATIVE IS BECAUSE IT IS TO OUR
25 BENEFIT THAT THEY BUILD A MORE PERMANENT SPACE BECAUSE

1 THEN WE GET THE EQUIPMENT IN A LONG-TERM SPACE
2 DEDICATED TO OUR MISSION.

3 CHAIRMAN LICHTENGER: BOB, I'D LIKE TO OFFER
4 A FRIENDLY AMENDMENT TO THIS MOTION, THAT THE WORKING
5 GROUP IS OPEN TO HAVING CURABLE TECHNICAL ISSUES THAT
6 HAVE TO DO WITH THE FINANCIAL ASPECTS OF THE GRANT
7 APPLICATIONS THAT ARE SIMILAR IN NATURE TO WHAT YOU'RE
8 PROPOSING IF OTHERS ARE RAISED DURING OUR DISCUSSIONS.

9 MR. KLEIN: I THINK WE'VE UNIFORMLY PROVIDED
10 EVERYONE SOLUTIONS FOR TECHNICAL FINANCIAL SITUATIONS
11 LIKE THIS. THIS IS A UNIFORM APPROACH TO EVERYONE, AND
12 IN THIS SITUATION THESE FACTS WOULD REQUIRE THIS TYPE
13 OF SOLUTION TO GIVE THEM THE SAME OPPORTUNITY THAT
14 EVERYONE ELSE HAS BEEN GIVEN TO CURE TECHNICAL
15 FINANCIAL ISSUES.

16 VICE CHAIRMAN SERRANO-SEWELL: I WOULD SAY I
17 FOLLOW YOUR REASONING UP TO A CERTAIN POINT, AND SO I
18 WOULD RESPECTFULLY DISAGREE INSOMUCH AS HOW IT DEVIATES
19 FROM WHAT WE'VE DONE PREVIOUSLY.

20 AS I UNDERSTAND IT, WHAT WE'VE DONE
21 PREVIOUSLY IS WE HAVE TOLD THE APPLICANTS COMPLY WITH
22 THIS CONDITION OR YOU DON'T GET THE GRANT. AND IT'S
23 BEEN ONE ACT THAT THEY'VE HAD TO DO TO COMPLY. HERE
24 WE'RE PROVIDING THE APPLICANT A CHOICE. YOU CAN DO
25 EITHER A OR YOU CAN DO B, AND MAYBE IT'S A SUBTLE

1 DIFFERENCE, AND IT'S A DIFFERENCE WITHOUT A
2 DISTINCTION, BUT IT IS A DIFFERENCE.

3 SECONDLY, MY QUESTIONS ABOUT THE FIRST POINT
4 OF YOUR MOTION, BOB, THAT IS, WITH THE LEASE, THEY
5 WOULD HAVE TO STAY FOR FIVE YEARS. IT'S BASED ON THE
6 ASSUMPTION THAT THEY WOULD MAINTAIN THEIR EXISTING
7 LEASEHOLD, MEANING WHAT IF THERE WAS A LEASE
8 MODIFICATION? WHAT IF THEY DOWNSIZED THE SPACE? ALL
9 THESE THINGS THAT CAN HAPPEN IN A LEASEHOLD SITUATION.
10 NOW, WE'RE PRESENTED WITH THESE CHALLENGES BECAUSE WE
11 KNOW IN THREE YEARS THIS LEASE WILL EXPIRE. IT IS
12 PRESENTING US WITH SOME UNIQUE CHALLENGES. I JUST WANT
13 TO WALK IT THROUGH A LITTLE BIT MORE, GET SOME MORE
14 UNDERSTANDING, AND APPRECIATE, IN MY MIND, THE
15 DISTINCTIONS.

16 CHAIRMAN LICHTENGER: COUNSEL?

17 MS. PACHTER: IN ALL THESE CASES WE'VE BEEN
18 TRYING TO COME UP WITH A UNIFORM WAY OF DEALING WITH
19 THESE ISSUES, AND THIS IS REALLY A STOPGAP IN OUR
20 PROCEDURES. I TOO HAVE SOME CONCERN ABOUT OFFERING AN
21 ALTERNATIVE RESOLUTION IN A SITUATION WHERE WE HAVEN'T
22 PREVIOUSLY OFFERED AN ALTERNATIVE RESOLUTION TO OTHER
23 APPLICANTS. AGAIN, AT SOME LEVEL IT JUST INCREASES THE
24 VARIABLES. SO IF THERE IS A SINGLE SOLUTION THAT WE
25 THINK WILL WORK FOR THE APPLICANT, MY ADVICE WOULD BE

1 TO TRY TO FIND THAT, BUT CERTAINLY THERE'S NOTHING
2 ILLEGAL ABOUT OFFERING AN ALTERNATIVE.

3 CHAIRMAN LICHTENGER: ED, YOU HAD SOME
4 COMMENTS.

5 MR. KASHIAN: ROBERT, I TEND TO AGREE WITH
6 DAVID IN THAT WE SHOULD GIVE THEM AN OPPORTUNITY, AS WE
7 HAVE EVERYONE ELSE, TO CURE THIS DEFECT, BUT WE
8 SHOULDN'T OFFER SUGGESTIONS, ESPECIALLY ONE OF PAYING
9 MONEY BACK. IN OUR HOUSEHOLD WHEN I WAS GROWING UP,
10 THERE WAS A GOLDEN RULE. WHOEVER HAD THE GOLDEN RULE.
11 GETTING MONEY BACK IS GOING TO BE A MAJOR PROBLEM, AND
12 IT WILL BE AN ABSOLUTE ECSTASY FOR LAWYERS.

13 CHAIRMAN LICHTENGER: THANK YOU, ED. BOB.

14 MR. KLEIN: GETTING \$290,000 BACK FROM AN
15 INSTITUTION OF THIS SIZE, WHEN IT'S SO MUCH IN THEIR
16 INTEREST TO HAVE A LONG-TERM RELATIONSHIP WITH THIS
17 AGENCY, I THINK, WOULD SOLVE ITSELF. THE ONLY REASON
18 I'M PROVIDING AN OPTION IS IT'S IN THE INTEREST OF THE
19 AGENCY TO ENCOURAGE THEM, IN FACT, TO GET THIS INTO A
20 PERMANENT FACILITY. SO THAT IS AN IMPORTANT
21 DISTINCTION.

22 IF I WANTED TO MAKE IT ONLY -- IF I WANTED TO
23 LIMIT IT TO JUST EXTENSION OF THE LEASE, WE WOULD SOLVE
24 THE PROBLEM, BUT WE WOULDN'T CREATE SOME OPPORTUNITY
25 FOR ADDITIONAL BENEFIT FOR OUR AGENCY AND OUR MISSION,

1 AND THAT'S THE PURPOSE OF THE ADDITIONAL OPTION. NOT
2 TO BENEFIT THEM, BUT TO BENEFIT OUR MISSION AND THE
3 AGENCY.

4 VICE CHAIRMAN SERRANO-SEWELL: THAT'S THE
5 EXACT SAME ARGUMENT AN APPELLANT WILL MAKE IN PERHAPS
6 FILING A PROTEST. THERE COULD HAVE BEEN AN ALTERNATIVE
7 B THAT YOU DIDN'T CONSIDER, WORKING GROUP; AND,
8 THEREFORE, I WAS DEPRIVED OF THAT OPPORTUNITY. THAT
9 WOULD BE THE BASIS OF A PROTEST. THAT'S MY CONCERN,
10 BOB. THAT'S ALL. BECAUSE WE HAVEN'T DONE THAT ACROSS
11 THE BOARD, THAT CREATES A SITUATION IN WHICH A PARTY
12 HAS A STANDING TO MAKE A PROTEST.

13 DR. WRIGHT: I SHARE THE SENSE OF UNEASE
14 ABOUT ALTERNATIVES AND THE CLARITY, THE ATTRACTION OF
15 CLARITY WITH ONE RECOMMENDED CHOICE TO REMEDY THIS.
16 COULD PERHAPS THE STAFF OR DEBORAH, SOMEONE, SPEAK TO
17 THE UNIQUENESS OF THIS SITUATION, WHICH MIGHT INFLUENCE
18 ME TO OFFER ALTERNATIVES? HOW LIKELY ARE WE TO
19 ENCOUNTER THIS SPECIFIC SITUATION?

20 MR. KELLER: I THINK THE ISSUE IS TWOFOLD.
21 ONE IS THE PARTICULAR CIRCUMSTANCE OF LEASING, BUT I
22 THINK THE ARGUMENT THAT WAS ADVANCED WAS THAT IT'S A
23 MATTER OF HAVING A SECOND CHOICE, BEING WHETHER IT IS A
24 CHOICE TO PAY BACK FOR UNALLOWED EQUIPMENT OR WHATEVER.
25 SO I'M NOT REALLY ABLE -- IN TERMS OF THE LEASE ISSUE,

1 THIS IS PROBABLY THE ONLY PROPOSAL WHERE WE HAVE THIS
2 CIRCUMSTANCE.

3 CHAIRMAN LICHTENGER: SO IF THERE'S NO
4 FURTHER COMMENTS, THERE IS A MOTION ON THE FLOOR. DO
5 WE HAVE A SECOND FOR BOB'S MOTION?

6 MS. HYSEN: SECOND.

7 CHAIRMAN LICHTENGER: SO I HAVE A FEELING WE
8 MAY WANT TO CALL ROLL ON THIS ONE. AT YOUR
9 CONVENIENCE.

10 MS. KING: MARCY FEIT.

11 MS. FEIT: I DON'T KNOW. I'LL ABSTAIN FOR
12 THE MOMENT.

13 MS. KING: ROBERT KLEIN.

14 MR. KLEIN: YES.

15 MS. KING: JOAN SAMUELSON.

16 MS. SAMUELSON: PASS.

17 MS. KING: JEFF SHEEHY.

18 MR. SHEEHY: YES.

19 MS. KING: DAVID SERRANO-SEWELL.

20 VICE CHAIRMAN SERRANO-SEWELL: ABSTAIN.

21 MS. KING: JANET WRIGHT.

22 DR. WRIGHT: YES.

23 MS. KING: DEBORAH HYSEN.

24 MS. HYSEN: YES.

25 MS. KING: EDWARD KASHIAN.

1 MR. KASHIAN: NO.

2 MS. KING: DAVID LICHTENGER.

3 CHAIRMAN LICHTENGER: YES.

4 MS. KING: MARCY FEIT.

5 VICE CHAIRMAN SERRANO-SEWELL: DO YOU WANT TO
6 KNOW THE VOTE COUNT? WOULD THAT HELP MAKE THE
7 DECISION?

8 MS. FEIT: NO. IT'S JUST THAT I APPRECIATE
9 BOTH SIDES OF THE ARGUMENT. I USUALLY DON'T GET AT AN
10 IMPASSE. IT'S THE FIRST TIME FOR ME. I'LL SAY YES.

11 MS. KING: JUST WANTED TO CIRCLE BACK WITH
12 MEMBER SAMUELSON. JOAN SAMUELSON.

13 MS. SAMUELSON: YES.

14 CHAIRMAN LICHTENGER: SORRY, JOAN. YOU
15 PASSED. I GOT YOU. SO THE MOTION CARRIES.

16 MS. KING: MOTION CARRIES, SEVEN YESES, ONE
17 NO, AND ONE ABSTENTION.

18 CHAIRMAN LICHTENGER: I WOULD JUST LIKE TO,
19 YOU KNOW, AS I MENTIONED TO BOB, THAT THIS WORKING
20 GROUP IS OPEN TO OTHER TECHNICAL ISSUES, FINANCIAL
21 TECHNICAL ISSUES, THAT MAY ARISE DURING OUR DISCUSSION.
22 SO THIS IS NOT AN EXCEPTION. THIS IS SOMETHING THAT
23 OUR GOAL IS TO PROMOTE STEM CELL RESEARCH; AND IF IT
24 FURTHERS THE GOALS OF THE INSTITUTE, THEN WE CAN MAKE
25 EXCEPTIONS THAT ARE TECHNICAL IN NATURE.

1 ANYWAY, SO I THINK WE CAN NOW GO TO THE
2 REVIEWS OF THIS APPLICATION 520. THAT WOULD BE DEBORAH
3 HYSEN AS THE PRIMARY REVIEWER.

4 MS. HYSEN: DID YOU HAVE ANOTHER ISSUE ON
5 THIS, ANOTHER STAFF ISSUE? I THOUGHT YOU DID, MATCHING
6 FUNDS ISSUE.

7 MR. KELLER: YES. THE MATCHING FUND ISSUE IS
8 THE ONE THAT WE JUST CALLED OUT. IT'S A BIT ON THE
9 EDGE AGAIN ON THE BASIS THAT THE AMOUNT OF FUNDS THAT
10 ARE IDENTIFIED ARE A COMBINATION OF THREE SOURCES.
11 THERE'S CASH CONTRIBUTION FOR THE MATCH. THERE'S ALSO
12 IN-KIND DONATION OF EQUIPMENT, AND WE THOUGHT THAT THAT
13 WAS KIND OF AN AREA WHERE IT WAS DIFFICULT, THAT ALL OF
14 THIS MATCHING FUNDING IS BASICALLY PRIOR EXPENDITURES
15 THAT ARE KIND OF FOR THE EQUIPMENT PORTION. AND SO WE
16 WANTED THE WORKING GROUP TO BE AWARE OF THAT AND IF IT
17 PROMPTED ANY KIND OF ISSUES FOR YOU. I DON'T THINK
18 THERE'S A REMEDY HERE BECAUSE TECHNICALLY IT MEETS THE
19 REQUIREMENT.

20 CHAIRMAN LICHTENGER: RICK, COULD YOU GIVE A
21 LITTLE MORE GRANULARITY TO THAT ISSUE?

22 VICE CHAIRMAN SERRANO-SEWELL: SO THERE'S NO
23 ISSUE WITH CASH, RIGHT?

24 MR. KELLER: I THINK WHAT I MISSPOKE WAS THAT
25 THERE'S 362,000 IN EQUIPMENT WHERE THEY'VE OUT AND OUT

1 PURCHASED THE EQUIPMENT WITH CASH. SO THAT WAS THE
2 MISSTATEMENT THAT I MADE.

3 AND THEN THERE'S TENANT IMPROVEMENTS OF
4 61,000, GIFTS IN-KIND OF 71,000, WHICH marginally
5 EXCEEDS THE 20-PERCENT REQUIREMENT. WE'RE JUST
6 CONCERNED ABOUT SOME OF THE ISSUES OF HOW -- THAT
7 THERE'S A DIFFICULTY IN VALUING, I THINK, SOME OF THIS
8 IN-KIND EQUIPMENT DONATION, AND WHETHER OR NOT WE WOULD
9 WANT TO -- OR IF THE COMMITTEE HAS ANY STRONG FEELINGS
10 ABOUT HOW THAT SHOULD BE TREATED DIFFERENTLY THAN
11 EQUIPMENT THAT'S OUT AND OUT PURCHASED AND THEN CLAIMED
12 AS PART OF THE MATCH. THAT'S ABOUT AS GRANULAR AS I
13 CAN GET, CHAIRMAN.

14 CHAIRMAN LICHTENGER: SO THESE GIFTS IN-KIND,
15 THERE'S NO SPECIFIC INFORMATION, DEBORAH, ON THESE
16 GIFTS IN-KIND?

17 MS. HYSEN: IT'S NOT THE ONLY APPLICATION
18 THAT I RECEIVED THAT HAD PRIOR EXPENDITURES OF
19 EQUIPMENT THAT ARE TO BE USED AS A MATCH; IS THAT
20 CORRECT?

21 MR. KELLER: THAT'S CORRECT. BUT THIS IS THE
22 ONLY ONE THAT I'M AWARE OF WHERE A PORTION OF THE VALUE
23 IS BASICALLY AN IN-KIND DONATION TO THE APPLICANT THAT
24 THEN IS VALUED BY THE APPLICANT. AND IT HAS THAT -- IT
25 STARTS GETTING PRETTY FAR REMOVED FROM THE

1 INSTITUTIONAL COMMITMENT YOU'RE LOOKING FOR, THAT
2 SOMEBODY GAVE THEM EQUIPMENT AND NOW IT BECOMES PART OF
3 THE CIRM. AND IT'S NOT A MATTER OF ITS -- I THINK IT'S
4 KIND OF A POLICY ISSUE IN TERMS OF DOES THAT GIVE YOU
5 ANY PAUSE IN TERMS OF HOW YOU CONSIDER MATCHING FUNDS?

6 CHAIRMAN LICHTENGER: WHAT WAS THE PERCENTAGE
7 MATCH?

8 MS. HYSEN: THIS IS NOT A HIGH PERCENTAGE, AS
9 I RECALL.

10 MR. KELLER: THEY'RE A 22-PERCENT MATCH FROM
11 THESE SOURCES; AND AS I SAID, THERE'S A COMBINATION OF
12 EQUIPMENT PURCHASES, TENANT IMPROVEMENTS, THE GIFT
13 IN-KIND.

14 CHAIRMAN LICHTENGER: IF WE TOOK OUT THE GIFT
15 IN-KIND, WHAT WOULD THE PERCENTAGE BE?

16 MR. KELLER: I'M GOING TO HAVE TO CALCULATE
17 THAT BECAUSE IT INVOLVES A STEM CELL COURSE TOO.

18 CHAIRMAN LICHTENGER: SO USUALLY WE LIKE TO
19 HAVE THESE MOTIONS BEFORE WE REVIEW. I THINK IN THIS
20 CASE, IF IT'S OKAY WITH COUNSEL, WE'D LIKE TO GO AHEAD
21 AND PROCEED WITH THE REVIEW, AND WE CAN CIRCLE BACK ON
22 THIS ISSUE BEFORE VOTING. GREAT. DEBORAH, IF YOU
23 COULD GO AHEAD AND DO YOUR REVIEW NOW. THANK YOU.

24 MS. HYSEN: INTERESTINGLY ENOUGH, DESPITE OF
25 THE CONCERNS OF THE STAFF ANALYSIS, THIS IS ACTUALLY

1 ONE OF MY HIGHEST RATED APPLICATIONS. QUALITATIVELY IT
2 STOOD APART FROM THE OTHERS JUST IN THE SHEAR DETAIL.
3 IT DOES HAVE SOME ISSUES, AND I'LL GO INTO THAT AS THE
4 CATEGORY COMES THROUGH.

5 THE LEASE SPACE ISSUE DID GIVE ME SOME CAUSE
6 FOR CONCERN. I WOULD HAVE LIKED TO HAVE SEEN A MINIMUM
7 LEASE TERM THAT WE DEFINED AS LONG TERM BECAUSE WE SAID
8 THAT IT SHOULD GUARANTEE LONG-TERM ACCESS TO THE SPACE.
9 AND IT WOULD HAVE BEEN NICE TO HAVE A STATED TERM SO
10 THAT WE COULD COMPARE THAT TO. IN THIS CASE IT RUNS
11 THROUGH '09, WHICH IS CERTAINLY NOT LONG-TERM GIVEN
12 THEY'RE NOT GOING TO BE OPERATIONAL UNTIL, I THINK, THE
13 BEGINNING OF '08. THEY DID INDICATE THAT THEY HAVE --
14 THAT THEY WILL PROVIDE A LONG-TERM COMMITMENT TO THE
15 SHARED LAB FACILITY, MAYBE NOT NECESSARILY IN THIS
16 PARTICULAR LEASED SPACE. THEY ALSO INDICATE THAT THEY
17 DON'T INTEND TO NEGOTIATE TO EXTEND THE LEASE CURRENTLY
18 BEYOND THE 2009 TIMEFRAME, AND THAT SEEMS TO BE
19 PRIMARILY BECAUSE THEY HAVE A LONG-TERM COMMITMENT TO
20 BUILD A NEW FACILITY.

21 SO I DIDN'T DOWNGRADE THEM SIGNIFICANTLY FOR
22 NOT HAVING A LONG-TERM LEASE. AND MAINLY BECAUSE I
23 THINK THIS IS A TENANT THAT ANY LANDLORD WOULD WANT TO
24 HAVE. AND I CAN'T IMAGINE A LANDLORD NOT COMMITTING TO
25 CONTINUING THE LEASE. THE INVESTMENTS THAT WOULD BE

1 MADE IN A LAB FACILITY ARE SO MUCH DIFFERENT THAN A
2 TYPICAL OFFICE SPACE, AND YOU REALLY CAN'T LEVERAGE
3 THOSE FOR A NEW TENANT. SO I FELT IT WOULD BE IN THE
4 LANDLORD'S BEST INTEREST TO COOPERATE WITH THEM.

5 CHAIRMAN LICHTENGER: DEBORAH, I THINK WE
6 HAVE TO ASSUME, BECAUSE THE MOTION PASSED, THAT LEASE
7 WILL BE EXTENDED.

8 MS. HYSEN: THERE'S WAYS THEY CAN DO THAT.
9 IF THEY'RE NOT INTERESTED IN GOING FIVE YEARS BECAUSE
10 OF THIS NEW FACILITY, THEY COULD POSSIBLY NEGOTIATE.
11 AND ACTUALLY THAT'S A QUESTION I HAVE. COULD THEY
12 NEGOTIATE AN OPTION TO TERMINATE EARLY WITH THE
13 LANDLORD SUCH THAT THEY COULD MOVE INTO A NEW FACILITY?
14 THAT IS ONE OPTION. IT GIVES THEM SOME FLEXIBILITY TO
15 FULLY REALIZE THE VALUE OF THAT INVESTMENT, BUT NOT TIE
16 THEIR HANDS TO MOVE INTO A NEW FACILITY. THAT MIGHT BE
17 A SUGGESTION FOR THEM. BECAUSE I DON'T THINK WE WANT
18 TO TIE THEM INTO A FIVE-YEAR LEASE IF INSTEAD THEY
19 COULD MOVE INTO A LONG-TERM FACILITY.

20 FROM A FEASIBILITY STANDPOINT, I RATED FAIRLY
21 HIGH, KNOWING, HOWEVER, THAT THAT LEASE ISSUE DOES
22 CAUSE CONCERN. IN FACT, IN GENERAL, I WOULD RATHER
23 HAVE STATE-OWNED OR OWNED SPACE VERSUS LEASED SPACE.
24 JUST THE COMPLICATION OF A LANDLORD JUST ADDS ANOTHER
25 COMPONENT. BUT, AGAIN, I RATED IT HIGH.

1 COST PER SQUARE FOOT, I FELT THE PROJECT
2 SCOPE IS VERY, VERY DETAILED. AND I FELT THAT THE
3 COSTS WERE REALLY IN RANGE WITH THE OTHER APPLICANTS
4 THAT I RECEIVED. IT DEFINITELY LEVERAGES EXISTING
5 SPACE, AND IT DOES APPEAR TO BE A VERY EFFICIENT LAYOUT
6 OF THE FACILITY. SO I FELT THAT -- I RATED THIS IN THE
7 ABOVE AVERAGE SCORE.

8 TIMELINE AND MILESTONES, THE CONSTRUCTION IS
9 ESTIMATED TO TAKE ABOUT THREE MONTHS WITH A COMPLETION
10 OF APRIL OF '08. THIS SUBMITTAL IS SO THOROUGH, I
11 REALLY FELT VERY CONFIDENT THAT THEY COULD MEET THEIR
12 TIMELINES, AND MILESTONES ARE VERY CLEAR IN ALL OF THE
13 PHASES. I THINK THIS IS ONE THAT WAS PROPOSING A
14 DESIGN BUILD MODEL, AND I DON'T KNOW THAT ALL OF THEM
15 WERE. AND SO THAT YOU REALLY CAN EXPEDITE TIMEFRAMES
16 BY ANYWHERE UP TO 30 PERCENT IN SOME CASES. SO I FELT
17 THAT THAT WOULD BE REALISTIC IF THEY WERE, INDEED,
18 USING A DESIGN BUILD MODEL. AND I LIKE TO SEE THEM GET
19 THAT EXPERIENCE BECAUSE I'D LIKE TO SEE, WHEN WE AWARD
20 BIGGER FACILITIES, THAT THEY START TO LOOK AT THOSE
21 KINDS OF MODELS TO DELIVER BUILDINGS. I FELT THAT
22 WAS -- I DON'T KNOW ABOUT THE OTHERS, BUT THAT WAS MY
23 ONLY APPLICATION THAT WAS DESIGN BUILD.

24 THE INSTITUTIONAL LEVERAGE, IT MET THE 20
25 PERCENT IF YOU CONSIDER THE PRIOR MATCH. I ACTUALLY

1 ASSIGNED THE SAME VALUE TO GIFT IN-KIND THAT I WOULD TO
2 PRIOR EQUIPMENT PURCHASES. I FELT THAT THERE WAS A
3 VALUE. THEY STATED THE VALUE. I THINK ALL OF THESE
4 PRIOR EXPENDITURES, WE SHOULD BE DILIGENT IN
5 QUESTIONING WHETHER OR NOT THOSE ARE, IN FACT,
6 LEGITIMATE EXPENDITURES, AND THAT THE USEFUL LIFE
7 HASN'T BEEN MAXIMIZED DURING THAT TIMEFRAME. SOME OF
8 THESE USEFUL LIVES MAY BE TWO TO THREE YEARS; AND IF
9 THEY'RE PURCHASED A YEAR AND A HALF AGO, THEY'VE BURNED
10 THROUGH A LOT OF THAT TIME PERIOD. SO I FELT THAT THAT
11 REALLY HAS TO BE SOMETHING THAT'S LOOKED AT FOR ALL
12 CAPITAL EQUIPMENT PURCHASES.

13 HISTORICAL PERFORMANCE, I GAVE THEM A VERY
14 HIGH SCORE. THEY HAVE A TEAM ASSEMBLED ALREADY, AND
15 THEY SEEM TO HAVE A REAL GOOD HANDLE ON WHAT THEY'RE
16 PROCEEDING WITH. THEY DID NOT DISCUSS THE STAFF
17 SUCCESS WITH PREVIOUS DESIGN BUILD PROJECTS. IN THEIR
18 HISTORICAL PERFORMANCE, IT'S NOT CLEAR THAT THEY'RE ALL
19 DESIGN BUILD. AND SO I FELT THAT THAT COULD HAVE BEEN
20 ENHANCED A LITTLE BIT.

21 OVERALL I THOUGHT THIS WAS AN EXTREMELY
22 THOROUGH APPLICATION, AND I RATED IT THE HIGHEST SCORE
23 FOR RESPONSIVENESS.

24 CHAIRMAN LICHTENGER: THANK YOU, DEBORAH.
25 JEFF, I BELIEVE YOU HAD THE SECONDARY REVIEW.

1 MR. SHEEHY: AND I SCORED IT 80, AND THE
2 LEASE WAS AN ISSUE. I KNOW WE HAD THE FIX, BUT I
3 STILL -- I CAN ONLY GIVE IT AN AVERAGE SCORE FOR
4 FEASIBILITY, SO I GAVE IT 10 FOR FEASIBILITY. I GAVE
5 IT THE HIGHEST SCORE FOR COST, 20, BECAUSE IT WAS --
6 AND THIS KIND OF MITIGATED EVEN WITHIN THE CONTEXT OF
7 THE LEASE FOR SOME OF THE LEASE. THIS WAS BY FAR THE
8 LOWEST COST ONE IN MY BATCH. AND I THOUGHT THAT THAT
9 WAS IMPRESSIVE.

10 TIMELINE AND MILESTONES WERE GOOD. I GAVE
11 THEM 20 FOR THAT.

12 THE INSTITUTIONAL COMMITMENT, 13, AVERAGE
13 SCORE. THERE'S SOME AMBIGUITY THERE, AND I JUST DIDN'T
14 FEEL COMFORTABLE GIVING THEM A HIGH SCORE.

15 HISTORICAL PERFORMANCE, I AGREE WITH DEBORAH,
16 10.

17 RESPONSIVENESS, I ONLY SCORED THEM 7. AGAIN,
18 IT'S THE ISSUE WITH THE LEASE THAT MADE ME FEEL
19 UNCOMFORTABLE, SO THAT GIVES ME AN 80. THE ONE THING I
20 DID DO WAS BUMP THEM UP TO 90 FOR THE TECHNIQUES
21 COURSE, AND I WOULD EVEN POTENTIALLY GO UP HIGHER
22 BECAUSE THE TECHNIQUES COURSE IS ONLY FOR THREE YEARS
23 ANYWAY. SO THE LEASE ISSUE IS NOT RELEVANT THERE.

24 OVERALL IT WAS A VERY STRONG PROPOSAL, BUT
25 THE LEASE IS JUST SOMETHING THAT KIND OF THREW IT OUT

1 OF WHACK FOR ME.

2 MS. HYSEN: LET ME JUST ADD THAT I WOULD
3 ELEVATE BASED ON THE TECHNIQUES SCORE AS WELL. I JUST
4 DIDN'T KNOW WHAT CATEGORIES TO ELEVATE THAT NUMBER, BUT
5 I THINK IT REALLY BROUGHT IT TO ANOTHER LEVEL. THEIR
6 TECHNIQUES COURSE WAS EXTREMELY THOROUGH IN ITS
7 RESPONSE.

8 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
9 DEBORAH. JEFF, THANK YOU. ANY QUESTIONS FOR THE
10 REVIEWERS?

11 MR. KELLER: JUST WANTED TO REPORT BACK. YOU
12 HAD ASKED THE QUESTION THAT IF THE IN-KIND DONATION
13 WERE REMOVED FROM THE MATCH, WHERE WOULD THAT LEAVE
14 THEM? THE CURRENT MATCH IS ABOUT \$496,000. IF WE --
15 THAT'S 22 PERCENT. A MINIMUM MATCH OF 20 PERCENT WOULD
16 BE 468,396. IF WE TAKE OUT THE IN-KIND, THE VALUE OF
17 THE PURCHASED EQUIPMENT AND OTHER RENOVATIONS IS
18 424,728. SO IT WOULD BE A SHORTFALL OF 43,668 IN A
19 MATCH THAT WOULD GET THEM TO 20 PERCENT.

20 MR. KLEIN: WE HAVE A RESOLUTION WE PASSED TO
21 FIX THAT; IS THAT RIGHT?

22 MR. KELLER: NO. YOU DEALT WITH THE LEASE,
23 BUT DID NOT DEAL WITH THIS MATCH FUND.

24 CHAIRMAN LICHTENGER: I GUESS I HAVE A
25 QUESTION FOR THE MEMBERS. WOULD WE VIEW AN IN-KIND

1 DONATION POTENTIALLY AS WE REVIEW ANY KIND OF PRIOR
2 EXPENDITURE ON EQUIPMENT? I MEAN WOULD WE VALUE IT AND
3 LOOK AT IT THAT SAME WAY, THE SAME WAY WE NEED TO
4 VERIFY PRIOR EXPENDED FUNDS?

5 MS. FEIT: I'M JUST REAL UNCOMFORTABLE WITH
6 THIS MATCH BECAUSE WE SAW THEIR GRANTS WHERE THERE WAS
7 EXTREME LEVERAGE WITH CASH, AND THIS SEEMS TO BE JUST
8 SKATING BY. AND I THINK FOR AN INSTITUTION LIKE THIS,
9 THAT'S NOT APPROPRIATE. AND I THINK THAT IN-KIND IS A
10 SLIPPERY SLOPE. WHEN YOU START SAYING WHAT'S THE
11 VALUE, WELL, WHAT DID IT COST TO MANUFACTURE? HOW MUCH
12 IS HIS COST? IS IT WHOLESALE? IS IT AT COST, YOU
13 KNOW? DID THEY ADD THE SHIPPING IN? YOU GET INTO A
14 SLIPPERY SLOPE OF WHAT IN-KIND REPRESENTS. I'M JUST --
15 I THINK THIS IS A ZERO FOR MATCH. I REALLY DO. I
16 THINK THEY FELL VERY SHORT OF THE SPIRIT OF MATCH, AND
17 THIS IS AN INSTITUTION THAT CAN AFFORD TO PUT SOME
18 DOLLARS OUT HERE FOR LEVERAGE. I'M JUST DISAPPOINTED
19 IN THAT.

20 CHAIRMAN LICHTENGER: MARCY, THANK YOU FOR
21 THOSE INSIGHTFUL COMMENTS.

22 MR. KELLER: MR. CHAIRMAN, IT MIGHT BE
23 HELPFUL TO JUST READ THE ACTUAL REQUIREMENTS IN THE
24 RFA. THE REQUIREMENT FOR MATCHING FUNDS CAN BE
25 SATISFIED WHEN THE INSTITUTION CAN DOCUMENT FUNDS,

1 EXCLUDING OTHER GRANT FUNDS, COMMITTED TO SIMILAR
2 PROJECTS; I.E., RENOVATION OF LAB SPACE AND EQUIPMENT
3 PURCHASE AFTER JANUARY 1, 2005.

4 DR. WRIGHT: NOT DONATED, BUT PURCHASED.

5 CHAIRMAN LICHTENGER: SO ANY OTHER COMMENTS?
6 I THINK I'D LIKE TO MAKE A MOTION ON THIS ISSUE.

7 MS. HYSEN: WAIT. CAN WE GO BACK? IS THIS
8 THE ONLY APPLICATION, THEN, THAT WE'VE REVIEWED SO FAR
9 THAT BROUGHT SOMETHING ELSE TO THE TABLE IN TERMS OF A
10 MATCH?

11 MR. KELLER: SO FAR. IN TERMS OF THE
12 CREATIVITY OF THE APPLICANT?

13 MS. HYSEN: YOUR WORDS.

14 MR. KELLER: I THINK WE HAVE A COUPLE MORE TO
15 GO IN --

16 MS. HYSEN: NONE SO FAR, BUT MORE TO COME.

17 MR. KELLER: RIGHT. THERE MAY HAVE BEEN
18 OTHERS THAT WERE WELL ABOVE THE 20 PERCENT; AND IF
19 THERE WAS CITED MATCH THAT IN MY JUDGMENT MIGHT HAVE
20 BEEN ON THE BORDERLINE FOR THE RFA DEFINITION, IF WE
21 WOULD TAKE IT OFF, THEY WOULD STILL HAVE THE 20
22 PERCENT, I DIDN'T THINK IT WAS WORTH YOUR TIME. SO I
23 MIGHT NOT HAVE POINTED THAT OUT TO YOU IF IT HAD A DE
24 MINIMUS EFFECT ON YOUR DECISION.

25 MS. HYSEN: DO YOU FEEL THAT THE RFA WAS VERY

1 CLEAR, THAT THIS KIND OF MATCH MAY NOT BE ACCEPTED?

2 MR. KELLER: I THINK IN THE PARAGRAPH THAT I
3 READ, I THINK EQUIPMENT PURCHASE WAS VERY CLEAR.

4 CHAIRMAN LICHTENGER: SO I HATE TO CUT THIS
5 OFF, BUT WE DEFINITELY EXCEEDED OUR 15 MINUTES ON THIS
6 ONE. UNLESS SOMEONE HAS SOME REALLY IMPORTANT FURTHER
7 COMMENTS, I'D LIKE TO MAKE A MOTION THAT WE DEAL WITH
8 THIS ISSUE AS A TECHNICAL FINANCIAL ISSUE AND THAT CIRM
9 SHOULD REQUIRE THAT THE APPLICANT TO IDENTIFY AN
10 APPROPRIATE SOURCE OF MATCHING FUNDS FOR THESE DOLLARS
11 EQUAL TO OR EXCEEDING THE GIFTS IN-KIND IDENTIFIED IN
12 APPLICATION 520. DO I HAVE A SECOND?

13 VICE CHAIRMAN SERRANO-SEWELL: SECOND.

14 CHAIRMAN LICHTENGER: DAVID IS THE SECOND.
15 I'D LIKE TO HAVE A VOTE. ALL THOSE IN FAVOR SAY AYE.
16 ANY OPPOSED? OKAY. THE MOTION PASSES. AND --

17 MR. KLEIN: WE SHOULD SCORE WITH THIS BEING
18 CONSIDERED DEALT WITH?

19 CHAIRMAN LICHTENGER: CORRECT. THAT THOSE
20 FUNDS WILL BE IDENTIFIED AS ANOTHER APPROPRIATE SOURCE
21 OF MATCHING FUNDS, NOT A GIFT IN-KIND. IF EVERYONE CAN
22 PLEASE MARK DOWN THEIR PRELIMINARY SCORES ON
23 APPLICATION 520.

24 SO THE NEXT APPLICATION NUMBER WILL BE 521.

25 MR. KELLER: THAT'S CORRECT, MR. CHAIRMAN.

1 THE RECUSALS ARE TAKEN CARE OF, I BELIEVE, LANSING AND
2 HOFFMAN.

3 (MEMBER LANSING AND STAFF MEMBER HOFFMAN
4 ARE RECUSED FROM APPLICATION 521 AND ARE NOT PRESENT IN
5 THE ROOM.)

6 MR. KELLER: THE PROPOSAL IS FOR CIRM FUNDING
7 OF \$1 MILLION FOR CONSTRUCTION, 469,692 FOR EQUIPMENT.
8 THAT IS FOR A SHARED RESEARCH LABORATORY. THERE'S NOT
9 FUNDING REQUESTED FOR A STEM CELL COURSE. THE
10 REVIEWERS ARE MEMBER KASHIAN AND MEMBER SHEEHY.

11 CHAIRMAN LICHTENGER: ANY TECHNICAL ISSUES
12 RAISED?

13 MR. KELLER: THERE ARE NO ISSUES ON THIS OF A
14 FINANCIAL TECHNICAL NATURE.

15 CHAIRMAN LICHTENGER: WELL, THANK YOU. WELL,
16 ED, CAN YOU PLEASE CONDUCT THE PRIMARY REVIEW.

17 MR. KASHIAN: I'D BE HAPPY TO. RATHER THAN
18 TO ELABORATE ON EVERY GIVEN ISSUE, I PERSONALLY BELIEVE
19 THIS APPLICATION IS WELL BELOW AVERAGE, AND I SCORED IT
20 IN ALMOST EVERY CATEGORY IN THAT AREA. I ESPECIALLY AM
21 CONCERNED ABOUT TIMELINE AND HISTORICAL PERFORMANCE,
22 BUT MY OVERALL AVERAGE WAS WELL BELOW AVERAGE. MY
23 OVERALL SCORE WAS WELL BELOW AVERAGE.

24 MR. KELLER: I'M SORRY TO INTERRUPT YOU, BUT
25 I MADE A MISTAKE. BEFORE YOU DISCUSS THIS AND

1 FORMULATE THE SCORES IN YOUR MIND, I JUST WANTED TO
2 CORRECT THE FACT THAT WE DID HAVE IN THE NARRATIVE, BUT
3 NOT IN THE SUMMARY, THE NOTION OF CONCERN ABOUT HOW
4 THEY HANDLED THE ISSUE OF COST OVERRUNS ON THIS
5 PROPOSAL. WHY DON'T YOU GO RIGHT AHEAD.

6 CHAIRMAN LICHTENGER: ED, CAN YOU HOLD OFF
7 ONE SECOND? RICK, ARE YOU STATING THAT THIS WOULD --
8 SO IT WAS UNCLEAR WHETHER THEY WOULD COVER THE COST
9 OVERRUNS AND NOT REDUCE THE SCOPE? IS THAT WHAT YOU'RE
10 SAYING?

11 MR. KELLER: THAT'S RIGHT.

12 CHAIRMAN LICHTENGER: IS YOUR RECOMMENDATION
13 THAT WE HAVE --

14 MR. KELLER: THE USUAL, CUSTOMARY PROCEDURE
15 THAT YOU USED ON THE FACT THAT WE WANT TO MAKE SURE
16 THAT WE WOULD THEN COMMUNICATE TO THEM THAT THEY'RE
17 RESPONSIBLE FOR IT. SO I APOLOGIZE FOR INTERRUPTING,
18 BUT I WANTED YOU TO KNOW THAT BEFORE YOU --

19 CHAIRMAN LICHTENGER: THANK YOU. I SEE IT ON
20 THE LIST. THANK YOU. SO I'D LIKE TO MAKE THE MOTION
21 THAT CIRM SHOULD INFORM THE APPLICANT THAT ANY COST
22 ISSUES SHALL NOT RESULT IN A REDUCED SCOPE, AND THE
23 INSTITUTION WILL GUARANTEE TO COVER ANY COST OVERRUNS.
24 DO I HAVE A SECOND?

25 DR. WRIGHT: SECOND.

1 CHAIRMAN LICHTENGER: WE'VE GOT A SECOND.
2 I'D LIKE TO HAVE A VOICE VOTE. ALL THOSE IN FAVOR SAY
3 AYE. ANY OPPOSED? THE MOTION CARRIES UNANIMOUSLY.

4 SO, ED, SORRY ABOUT THAT.

5 MR. KASHIAN: I THINK I'VE STATED ALL I
6 WANTED TO STATE. I DON'T WANT TO BE TOO NEGATIVE
7 PUBLICLY ON AN OUTSTANDING INSTITUTION. THIS
8 PARTICULAR APPLICATION DOESN'T SUIT ME.

9 CHAIRMAN LICHTENGER: OKAY. CAN YOU GIVE US
10 A LITTLE BIT MORE GRANULARITY ON SOME OF THE -- HOW
11 ABOUT THE FEASIBILITY? WAS IT FEASIBLE?

12 MR. KASHIAN: I DON'T THINK SO. I RATED IT
13 VERY LOW. EVERY ONE OF THOSE SCORES -- I CAN GO
14 THROUGH IT AGAIN IF YOU WANT ONE AT A TIME.
15 FEASIBILITY IS A VERY LOW SCORE.

16 CHAIRMAN LICHTENGER: SO IT WAS BELOW AVERAGE
17 THEN?

18 MR. KASHIAN: WAY BELOW AVERAGE.

19 CHAIRMAN LICHTENGER: WOULD YOU SAY THAT'S
20 POOR OR BELOW AVERAGE?

21 MR. KASHIAN: NO. WAY BELOW AVERAGE.

22 CHAIRMAN LICHTENGER: ALL RIGHT. SAME WITH
23 COST?

24 MR. KASHIAN: THE COST IS THE SAME WAY. IT'S
25 EXTREMELY HIGH AND WELL BELOW AVERAGE.

1 CHAIRMAN LICHTENGER: OKAY. SAME WITH
2 TIMELINE?

3 MR. KASHIAN: TIMELINES IS 30 MONTHS OUT
4 AFTER, AND THEY HAVE NO EVIDENCE OF PLANS OR THINGS
5 THAT DEAL WITH THE ISSUES. SO I HAVE THAT VERY BELOW
6 AVERAGE.

7 CHAIRMAN LICHTENGER: OKAY. I THINK YOU'RE
8 PRETTY CLEAR ON THIS ONE.

9 VICE CHAIRMAN SERRANO-SEWELL: MR. KASHIAN,
10 JUST AS A POINT OF ORDER. YOUR COMMENTS ARE VERY
11 HELPFUL BECAUSE, AS WE DISCUSSED AT THE BEGINNING OF
12 THE MEETING, THERE WILL BE THIS SUMMARIZED REPORT IN
13 WHICH THE COMMENTS OF THE PRIMARY AND SECONDARY
14 REVIEWER, IN ADDITION TO THE DISCUSSION NOW, ARE
15 INCORPORATED. AND THAT'S WHY AN ADDITIONAL COLOR IS
16 HELPFUL.

17 CHAIRMAN LICHTENGER: JEFF, IF YOU COULD DO
18 THE SECONDARY REVIEW. THANK YOU.

19 MR. SHEEHY: SURE. AND I'M -- YOU KNOW, I
20 HAD INITIALLY SCORED IT HIGHER, BUT I THINK I'M
21 BRINGING IT DOWN IN LIGHT OF THE PRIMARY REVIEWER'S
22 COMMENTS AND WOULD PROBABLY SCORE THIS CLOSER TO 50
23 THAN WHERE I ORIGINALLY HAD IT BASED ON THOSE COMMENTS.

24 I DID HAVE A MAJOR ISSUE ON THE COST. IT WAS
25 ONE OF THE HIGHEST. AND SOME OF THE JUSTIFICATION FOR

1 THE HIGH COST SEEMED TO BE THE LOCATION. THERE SEEMED
2 TO BE ALMOST A CONFLUENCE OF FACTORS WITH THIS
3 PARTICULAR LOCATION THAT MADE IT POTENTIALLY RELATIVELY
4 HIGH COST, BUT AT THE SAME TIME NOT THE KIND OF
5 INFRASTRUCTURE IN PLACE TO DEVELOP THESE KINDS OF
6 FACILITIES, BUT IT WAS VERY HIGH COST.

7 IN TERMS OF FEASIBILITY, I DEFER TO THE
8 PRIMARY REVIEWER ON THAT AND WOULD DROP THE SCORE DOWN
9 THAT I HAD DRAMATICALLY.

10 THE INSTITUTIONAL COMMITMENT IS JUST BARELY
11 20 PERCENT. SO IT'S NOT A HIGH INSTITUTIONAL
12 COMMITMENT.

13 HISTORICAL PERFORMANCE, I AGAIN DEFER TO THE
14 PRIMARY REVIEWER, AS WELL AS ON THE RESPONSIVENESS.

15 SO I THINK THIS WOULD FALL TO THE BOTTOM OF
16 THE LIST. I THINK THIS IS THE LAST ONE FOR ME, BUT IT
17 WOULD DEFINITELY BE THE LOWEST SCORED ONE ON MY LIST.

18 CHAIRMAN LICHTENGER: OKAY. THANK YOU, JEFF.
19 BOB.

20 MR. KLEIN: QUESTION. I JUST MISSED -- I
21 APOLOGIZE. I MISSED THE -- WHAT WAS THE NATURE OF THE
22 FEASIBILITY ISSUE? I WASN'T IN THE ROOM. I'M SORRY.
23 IF YOU COULD JUST REPEAT THAT FOR ME.

24 MR. KASHIAN: I DIDN'T GO INTO A LOT OF
25 DETAIL ON THAT ISSUE. I SIMPLY SAID THAT IN MY OPINION

1 THIS DIDN'T MEET MY STANDARDS IN TERMS OF FEASIBILITY,
2 ALTHOUGH IT COULD BE DONE. THE AMOUNT OF FIX IT WOULD
3 TAKE AND THE LONG AMOUNT OF TIME IT WOULD TAKE DOESN'T
4 MEET MY PARTICULAR CRITERIA ON HOW TO DEAL WITH THIS
5 MONEY NOW.

6 MR. KLEIN: AND DID I UNDERSTAND CORRECTLY,
7 BECAUSE I DIDN'T REVIEW THIS ONE IN-DEPTH, IT WAS A
8 30-MONTH CONSTRUCTION PERIOD, SO IT GOES --

9 CHAIRMAN LICHTENGER: I DON'T THINK -- I
10 THINK THE TOTAL PROJECT SCHEDULE IS QUITE LONG.

11 MR. KLEIN: THIRTY MONTHS FOR DELIVERY, SO IT
12 GOES BEYOND THE TWO YEARS WHICH IS THE PREFERENCE BUILT
13 INTO THE INITIATIVE.

14 CHAIRMAN LICHTENGER: IT SAYS MARCH 2009, 19
15 MONTHS.

16 MR. KASHIAN: THE OVERALL PROJECT WAS 30
17 MONTHS FROM THE GRANT IF THEY HAD ENOUGH TIME TO DEAL
18 WITH CORRECTING THEIR PLANS AND GOING THROUGH THE
19 PRIMARY PLAN ISSUES.

20 MR. KLEIN: JUST TO UNDERSTAND, I'M TRYING TO
21 RECONCILE THE INFORMATION. THERE'S INFORMATION THAT
22 SAYS THAT THEY'RE GOING TO BE DONE IN MARCH OF '09; IS
23 THAT CORRECT?

24 MR. KELLER: YES.

25 MR. KLEIN: WHICH MARCH OF '09 IS HOW MANY

1 MONTHS OUT FROM US, ASSUMED JULY AWARD DATE?

2 CHAIRMAN LICHTENGER: TWENTY-ONE MONTHS.

3 MR. KELLER: WELL, IT WOULD BE 19 MONTHS.

4 FROM AUGUST '07 TO AUGUST '08 WOULD BE 12 MONTHS AND
5 AUGUST TO MARCH.

6 MR. KLEIN: SOME OF THE MONTHS HAVE ALREADY
7 ELAPSED, SO THEY'VE BEEN DOING SOME OF THE WORK ALREADY
8 IS WHAT EVIDENTLY IS THE CASE.

9 MR. KASHIAN: BUT THE DEMONSTRATION OF WHAT
10 THEY'VE DONE WASN'T ADEQUATE.

11 MR. KLEIN: I SEE.

12 MS. FEIT: I DO KNOW ANOTHER PRETTY LARGE
13 MEDICAL FACILITY IN THIS AREA, WITHOUT REVEALING WHERE
14 IT IS, AND THEIR RECENT COST PER SQUARE FOOT FOR THEIR
15 FACILITIES WAS OVER \$800. THAT MAY BE PARTICULAR TO
16 THAT GEOGRAPHY RIGHT NOW. I JUST WANTED TO BRING THAT
17 UP.

18 MR. KASHIAN: I HAVE A LOT OF EXPERIENCE IN
19 THE SAN DIEGO AREA CONSTRUCTIONWISE. AND IN MY
20 OPINION, FROM WHAT THEY'RE DOING, IS THEY DON'T HAVE A
21 SETS OF PLANS AND THEY DON'T HAVE ANY EXPERIENCE, SO
22 THEY'RE ESTIMATING VERY HIGH IN ORDER TO COVER THEIR
23 COST OVERRUNS, WHICH IS FINE IF YOU ARE SPECULATING ON
24 YOUR OWN MONEY. BUT OUR JOB IS TO GET IT OUT AND DONE
25 AS QUICKLY AS POSSIBLE.

1 MS. FEIT: I'M JUST COMPARING IT TO ANOTHER
2 FACILITY, A DIFFERENT COMPANY ENTIRELY AND WHAT THEY'RE
3 PROJECTED COSTS ARE IN THAT IMMEDIATE AREA.

4 CHAIRMAN LICHTENGER: MARCY, A COUPLE OF THE
5 APPLICATIONS THAT I REVIEWED WERE IN THAT AREA AS WELL,
6 AND THEY HAD SOME OF THE HIGHEST SCORING ON THE COST
7 ISSUES IN THE TWO HUNDREDS PER SQUARE FOOT. OKAY.

8 SO IF THERE ARE NO OTHER COMMENTS ON THIS OR
9 QUESTIONS. RICK, IS THERE ANY CLARIFICATION YOU MIGHT
10 LIKE TO MAKE ON THIS PARTICULAR APPLICATION?

11 MR. KELLER: I DON'T THINK SO.

12 CHAIRMAN LICHTENGER: OKAY. THANK YOU.

13 MR. KASHIAN: I'D LIKE TO MAKE A COMMENT, MR.
14 CHAIRMAN, ABOUT THE OVERALL ISSUE AND OUR JOB AS I
15 UNDERSTAND IT. I THINK IT IS PATENTLY UNFAIR FOR THOSE
16 PEOPLE THAT HAVE SPENT THE TIME AND EFFORT TO FILL OUT
17 THESE APPLICATIONS CORRECTLY AND NOT LEAVE ANY BLANK TO
18 BE GIVEN SECOND CHANCES AND BE GIVEN OPPORTUNITIES --
19 GIVEN A SECOND CHANCE TO MAKE UP A DEFICIT, THAT'S
20 FINE, BUT SUGGESTING HOW TO DO IT OR EXTENDING OPTIONS
21 IS NOT, I DON'T BELIEVE, OUR JOB.

22 CHAIRMAN LICHTENGER: ED, YOU KNOW, WE HAD
23 MOTIONS ON SPECIFIC TECHNICAL ISSUES THAT EVERYONE HAD
24 AN OPPORTUNITY TO VOICE THEIR CONCERNS AND MAKE
25 COMMENTS, AND WE VOTED ON THEM. CERTAINLY YOUR

1 COMMENTS ARE DULY NOTED. I APPRECIATE YOUR THOUGHT YOU
2 PUT INTO THOSE ISSUES, BUT I THINK WE'VE GOT TO MOVE ON
3 TO THE NEXT APPLICATION.

4 VICE CHAIRMAN SERRANO-SEWELL: JUST AS AN
5 ADD-ON, JUST BECAUSE THE MOTION PASSED AND WE SUGGESTED
6 A REMEDY DOESN'T MEAN WE HAVE TO ASSIGN IT THE HIGHEST
7 SCORE.

8 CHAIRMAN LICHTENGER: ABSOLUTELY NOT. YOU
9 SHOULD -- THE MOTION STATES THAT YOU SHOULD ASSUME THAT
10 THE ISSUE IS FIXED.

11 VICE CHAIRMAN SERRANO-SEWELL: YOU CAN STILL
12 GIVE IT A ZERO. YOU COULD.

13 CHAIRMAN LICHTENGER: THE SCORING IS
14 PARTICULAR TO YOUR OWN VIEW OF THE APPLICANT. OKAY.
15 NEXT APPLICATION.

16 MR. KELLER: 00523-1. AND THAT HAS RECUSALS
17 OF SHEEHY, FEIT, SAMBRANO, AND HOFFMAN.

18 (MEMBERS SHEEHY AND FEIT AND STAFF
19 MEMBERS SAMBRANO AND HOFFMAN ARE RECUSED FROM
20 APPLICATION 523 AND ARE NOT PRESENT IN THE ROOM.)

21 MR. KELLER: THE PROPOSAL IS FOR A SHARED
22 LABORATORY OF WHICH 1,999,692 WAS REQUESTED IN CIRM
23 FUNDS. THERE'S ALSO A TECHNIQUES SPACE IMPROVEMENTS
24 ASSOCIATED WITH THE TECHNIQUES COURSE OF 499,956.

25 THE PROPOSAL, AS WE VIEWED IT, INCLUDES A

1 TECHNICAL FINANCIAL ISSUE ASSOCIATED WITH THE DESIGN
2 AND ADMINISTRATIVE COSTS ASSOCIATED WITH THE PROJECT.
3 THAT COMES IN TWO RESPECTS. AS PART OF THE
4 CONSTRUCTION AMOUNT, A BUDGET OF 46,400 WAS IDENTIFIED
5 FOR SPECIAL INSPECTIONS. AND IN THE USUAL AND
6 CUSTOMARY BUDGETING OF PROJECTS, SPECIAL INSPECTIONS
7 ARE PART OF THE ADMINISTRATIVE CATEGORY. SO THAT
8 AMOUNT, WE BELIEVE, IS PART OF THAT ADMINISTRATIVE
9 BUDGET.

10 AND THEN WHEN WE LOOKED AT THE REMAINING
11 AMOUNT OR THE AMOUNT THAT HAD ACTUALLY BEEN BUDGETED
12 FOR THE DESIGN AND ADMINISTRATIVE AND CONTINGENCY
13 AMOUNT, THAT WAS \$174,600 ABOVE THE GUIDELINE. SO
14 BETWEEN THE TWO, THIS WOULD HAVE AN EXCESS OR UNALLOWED
15 COST OF \$221,000 ASSOCIATED WITH THE DESIGN AND
16 ADMINISTRATIVE AND CONTINGENCY AMOUNT.

17 OUR RECOMMENDATION WOULD BE THAT YOU WOULD
18 APPLY THE CIRM REMEDY, THAT WE WOULD REDUCE THE GRANT
19 AMOUNT, AND THE INSTITUTION IS TO PROVIDE THE FUNDS FOR
20 THESE UNALLOWABLE EXPENSES.

21 DR. WRIGHT: SO MOVED.

22 CHAIRMAN LICHTENGER: SO, JANET, YOU'RE
23 MAKING THAT MOTION. I'LL SECOND THAT MOTION. I'D LIKE
24 TO HAVE A VOICE VOTE ON THIS MOTION SUPPORTING STAFF'S
25 RECOMMENDATION. ALL THOSE IN FAVOR SAY AYE. ANY

1 OPPOSED? UNANIMOUSLY PASSED.

2 MR. KELLER: ONE OTHER ISSUE THAT WE RAISED
3 IN THE FACILITIES WORKING GROUP ISSUES IS THAT YOU NEED
4 TO DECIDE HOW YOU WANT TO ADDRESS THE ISSUE OF COST PER
5 SQUARE FOOT EXCEEDING THE AMOUNT THAT WOULD BE EXPECTED
6 FOR NEW CONSTRUCTION. AND, OF COURSE, THAT'S NOT A
7 FINANCIAL TECHNICAL ISSUE THAT WE CAN HELP YOU WITH,
8 BUT IS A POLICY ISSUE THAT YOU NEED TO DISCUSS.

9 CHAIRMAN LICHTENGER: OKAY. THANK YOU, RICK.
10 SO I WAS THE PRIMARY REVIEWER, SO I GUESS I'LL GO FIRST
11 ON THIS ONE.

12 IN TERMS OF FEASIBILITY -- RICK, DID YOU GIVE
13 A DESCRIPTION OF THE WORK?

14 MR. KELLER: DESCRIPTION OF THE WORK?

15 CHAIRMAN LICHTENGER: I'LL GIVE A BRIEF
16 DESCRIPTION. SO THE PROPOSED PROJECT WOULD RENOVATE
17 1200 ASSIGNABLE SQUARE FEET IN AN EXISTING RESEARCH
18 BUILDING TO EXPAND AN EXISTING STEM CELL LABORATORY AND
19 TO PROVIDE ADDITIONAL SPACE FOR SHARED TEACHING AND
20 INTERACTIVE SPACE IN SUPPORT OF A STEM CELL TECHNIQUES
21 COURSE, AS WELL AS ADDITIONAL DERIVATION, STEM CELL
22 GROWTH, AND PROPAGATION SPACE.

23 THE CONSTRUCTION COSTS, I'LL TALK ABOUT THAT
24 IN A MINUTE. IN TERMS OF FEASIBILITY, THE PROJECT
25 SEEMED FEASIBLE, BUT VERY COMPLICATED AND VERY

1 DIFFICULT. I DON'T DOUBT THAT THE PROJECT CAN GET
2 DONE. IT'S JUST THAT THE BUILDING IS IN AN OLDER
3 BUILDING THAT'S NOT PARTICULARLY WELL-SUITED FOR THIS
4 TYPE OF LAB SPACE. AND THERE'S A LOT OF REMEDIAL WORK
5 THAT NEEDS TO BE DONE TO THE BUILDING TO BRING IT UP TO
6 KIND OF CURRENT CODE AND CURRENT USES. SO BECAUSE OF
7 THAT -- AND ALSO, THERE WAS -- THERE WERE -- THE COSTS
8 SEEMED TO BE VERY, VERY HIGH COMPARED TO OTHER REVIEWED
9 GRANT APPLICATIONS.

10 AS MENTIONED ALREADY, WE TALKED ABOUT THE
11 PROJECT CONTINGENCY AND ADMINISTRATIVE COSTS, DESIGN
12 FEE ISSUE, AND WE'RE ASSUMING THAT THAT WILL BE
13 CORRECTED. AGAIN, THE COSTS SEEMED VERY HIGH ON A
14 PER-SQUARE-FOOT BASIS AND I BELIEVE WAS THE HIGHEST ON
15 A, YES, \$1585 PER ASSIGNABLE SQUARE FOOT. SO THAT WAS
16 DEFINITELY MY LOWEST SCORE ON A COST PER-SQUARE-FOOT
17 BASIS, EVEN TAKING INTO ACCOUNT SOME OF THE MITIGATING
18 FACTORS HERE.

19 THE NEXT ISSUE, THE OVERALL SCHEDULE SEEMED
20 TO BE WELL BELOW AVERAGE. AGAIN, IT'S A COMPLICATED
21 PROJECT, AND I UNDERSTAND THAT AFFECTS SCHEDULE, BUT,
22 AGAIN, IT WAS A VERY LONG SCHEDULE. I BELIEVE IT WAS
23 13 MONTHS.

24 THE INSTITUTIONAL COMMITMENT TO ME SEEMED
25 UNCLEAR AND BELOW AVERAGE. AND I DON'T KNOW IF I

1 MISREAD THIS, BUT IT SEEMED THAT THERE WAS NO CURRENT
2 FUNDING PROPOSED AND IT WAS ALL PRIOR EXPENDITURES; IS
3 THAT CORRECT, RICK?

4 MR. KELLER: FOR THE MATCHING FUNDS?

5 CHAIRMAN LICHTENGER: YEAH. IS THAT CORRECT?
6 SO IT SEEMED -- SO THE INSTITUTIONAL COMMITMENT, AGAIN,
7 IT SEEMED UNCLEAR TO ME AND BELOW AVERAGE.

8 VICE CHAIRMAN SERRANO-SEWELL: HOW IS IT
9 BELOW AVERAGE, DAVID?

10 CHAIRMAN LICHTENGER: BECAUSE THERE WERE NO
11 CURRENT FUNDS PROPOSED. IT WAS ALL PRIOR EXPENDITURES.

12 VICE CHAIRMAN SERRANO-SEWELL: THAT'S OKAY AS
13 LONG AS IT WAS EXPENDED AFTER 2005. I'M SORRY TO
14 INTERRUPT, BUT IT'S -- AND I'M THE SECONDARY REVIEWER,
15 SO WE'LL TAG TEAM IT. BUT WHATEVER YOUR SCORE IS FINE.
16 I'M JUST SAYING FOR INSTITUTIONAL COMMITMENT, THE RFA
17 GUIDELINES ARE WE CAN COUNT FUNDS EXPENDED AFTER
18 JANUARY OF 2005 IF IT FITS WITHIN A COUPLE OF NEAT
19 CATEGORIES, PURCHASE OF EQUIPMENT OR RENOVATION OF
20 SPACE.

21 CHAIRMAN LICHTENGER: YOU KNOW, I STAND
22 CORRECTED BY THE VICE CHAIR. I SEE NOW THE MATCHING
23 PERCENTAGE. I STAND CORRECTED.

24 VICE CHAIRMAN SERRANO-SEWELL: I THINK THE
25 AMBIGUITY IS THEY COULD HAVE BEEN A BIT MORE SPECIFIC

1 IN HOW THOSE DOLLARS HAVE BEEN SPENT. THEY MADE A
2 GENERAL STATEMENT, WE SPENT, I THINK, A MILLION DOLLARS
3 OR SO -- RICK, CORRECT ME IF I'M WRONG -- ON STEM CELL
4 RESEARCH THUS FAR. BUT IT WAS SORT OF LIKE THE OTHER
5 \$20 MILLION ONE. THEY DIDN'T REALLY GIVE THE KIND OF
6 SPECIFICITY THAT OTHER APPLICANTS DID. IT WAS
7 CONFUSING.

8 CHAIRMAN LICHTENGER: IT WAS A BIT CONFUSING,
9 BUT ACTUALLY THEIR PERCENTAGE IS QUITE GOOD AT 54
10 PERCENT. SO I WANT TO TAKE BACK MY COMMENT ON THIS.
11 THE VICE CHAIR HAS CORRECTED ME ON THIS, AND I STAND
12 CORRECTED ON IT. I WOULD SAY IF WE'RE COUNTING THE
13 PREVIOUS FUNDS, IT COULD HAVE BEEN CLEARER, BUT IT
14 SEEMS THE INSTITUTIONAL COMMITMENT IS GOOD.

15 THE HISTORICAL PERFORMANCE ACTUALLY SEEMED
16 QUITE GOOD. I WAS VERY PLEASED WITH THAT. I HAD NO
17 CONCERNS AT ALL ABOUT THE HISTORICAL PERFORMANCE. AND
18 THE PROPOSAL SEEMED GENERALLY QUITE RESPONSIVE.

19 SO TECHNIQUES COURSE, AGAIN, I VIEWED IT IN
20 THE SAME WAY. NO SIGNIFICANT DIFFERENCE. OVERALL, YOU
21 KNOW, COMPLICATED PROJECT THAT WAS COSTLY. AGAIN, SOME
22 MITIGATING FACTORS THAT AFFECT SCHEDULE AND COST, BUT,
23 AGAIN, QUITE A HIGH COST RELATIVE FOR WHAT WOULD BE
24 GAINED BY FUNDING THIS PROJECT. SO VICE CHAIR.

25 VICE CHAIRMAN SERRANO-SEWELL: WELL, LET ME

1 JUST -- YOU'VE IDENTIFIED SOME OF THE SAME ISSUES I
2 HAVE WITH IT, BUT I SORT OF LOOKED AT IT JUST A BIT
3 DIFFERENTLY. SO LET ME ASK YOU IN TERMS OF
4 FEASIBILITY, OR YOU CAN ASK ME QUESTIONS, ARE YOU
5 SAYING -- THIS IS WHAT I THINK I UNDERSTAND YOU TO SAY,
6 THAT THE COST PER SQUARE FOOT IS VERY HIGH.

7 CHAIRMAN LICHTENGER: ON FEASIBILITY, IT'S
8 REALLY HOW ACHIEVABLE THE PROJECT IS.

9 VICE CHAIRMAN SERRANO-SEWELL: I WOULD SAY
10 THE PROJECT IS FEASIBLE. MY ANALYSIS IS, WHILE THERE
11 ARE CERTAIN INHERENT CHALLENGES TO THIS PARTICULAR
12 BUILDING SITE, THE PROJECT IS FEASIBLE AS DEFINED IN
13 THE CRITERIA. IT ISN'T INFEASIBLE. IN MY MIND THERE
14 WERE NO MAJOR OBSTACLES THAT WOULD GET IN THE WAY OF
15 THIS PROJECT BEING COMPLETED AS A FEASIBILITY ISSUE.
16 FEASIBILITY, AT LEAST IN TERMS OF THIS PARTICULAR
17 APPLICATION, IS SO TIED TO COST IN MY MIND.

18 CHAIRMAN LICHTENGER: I WOULD AGREE WITH
19 THAT. AGAIN, I THINK THE PROJECT IS FEASIBLE; BUT, YOU
20 KNOW, AGAIN, IT'S A COMPLICATED, DIFFICULT PROJECT.
21 AND WHEN YOU HAVE AN OLDER BUILDING WITH THE ISSUES
22 THAT WE'RE TALKING ABOUT, THESE PROJECTS TEND TO TAKE A
23 LOT LONGER THAN PEOPLE THINK THEY WILL AND COST A LOT
24 MORE. I'M NOT SURE IT COULD COST MUCH MORE ON THIS
25 ONE, BUT SO THE FEASIBILITY TO ME SEEMED TO BE BELOW

1 AVERAGE BECAUSE OF THE MITIGATING FACTORS.

2 VICE CHAIRMAN SERRANO-SEWELL: I'M ALMOST
3 DONE WITH MY ANALYSIS, BOB. I GAVE IT A 12 IN
4 FEASIBILITY, BUT I HAD THE SAME QUESTIONS THAT YOU DO.
5 I JUST LOOKED AT IT A BIT DIFFERENTLY.

6 I DO HAVE QUESTIONS, THOUGH, IN TERMS OF
7 COST. I HAD THE VERY SAME ISSUES. THIS, AS RICK
8 RIGHTLY POINTED OUT, THIS IS A BROADER POLICY QUESTION.
9 IT'S NOT SOMETHING YOU CAN FIX BY A MOTION, AND EACH
10 ONE OF US ARE GOING TO DECIDE WHEN WE'RE ASSIGNING OUR
11 OWN SCORES HOW WE WANT TO DEAL WITH IT. BUT THE COST
12 IS VERY HIGH. BUT I WAS PLEASED THAT THE APPLICANT
13 WENT INTO SUFFICIENT DETAIL AS TO WHAT THOSE FACTORS
14 WERE. IT'S AN OLDER BUILDING. IT'S A VERY DENSE PART
15 OF AN AREA, WHICH POSES REALLY BIG CHALLENGES TO DOING
16 THIS KIND OF RENOVATION PROJECT. THOSE ARE JUST THE
17 FACTS. I THINK EACH INSTITUTION HAS TO DEAL WITH THEIR
18 OWN SET OF ISSUES. THAT DOESN'T MEAN THAT \$1500 PER
19 SQUARE FOOT IS THE RIGHT NUMBER. IT'S CERTAINLY OVER.
20 IT IS A FACTOR WHEN I DID MY COST.

21 CHAIRMAN LICHTENGER: I JUST WANT TO MAKE
22 SURE. I'M NOT SAYING NECESSARILY THAT THAT NUMBER
23 ISN'T INAPPROPRIATE FOR THE SCOPE, BUT I AM SAYING
24 RELATIVE TO THE OTHER APPLICANTS. IF WE JUST COMPARE
25 THE COSTS ON A PER-SQUARE-FOOT BASIS AND WHAT WE GAIN,

1 IT SEEMS VERY HIGH.

2 VICE CHAIRMAN SERRANO-SEWELL: I'M NOT DONE
3 WITH MY ANALYSIS. THIS IS AN INSTITUTION THAT HAS MADE
4 SIGNIFICANT CONTRIBUTIONS TO THE FIELD OF STEM CELLS.
5 THEY HAVE A PHENOMENAL AND HIGHLY CREDENTIALLED GROUP OF
6 PROFESSIONALS WHO ARE DOING SOME REALLY MIRACULOUS
7 WORK, AND SO THAT WAS A MITIGATING FACTOR FOR ME AS
8 WELL IN TERMS OF COST. NOW, I STILL GAVE IT A LOW
9 NUMBER.

10 CHAIRMAN LICHTENGER: I THINK THAT WOULD BE A
11 PROGRAMMATIC ISSUE VERSUS A TECHNICAL ISSUE.

12 VICE CHAIRMAN SERRANO-SEWELL: FINE. I
13 TOTALLY MESSED UP, BUT I GAVE IT -- I'LL TELL YOU WHAT
14 I DID. I GAVE IT A FEASIBILITY OF 11, A COST OF 14,
15 BECAUSE OF THE ISSUES THAT I'VE IDENTIFIED; TIMELINES
16 AND MILESTONES, I AGREE WITH YOU, BUT I GAVE IT A
17 HIGHER SCORE. I GAVE IT A 17. INSTITUTIONAL
18 COMMITMENT, I GAVE IT, NOTWITHSTANDING WHERE THE ONE
19 MILLION IS GOING TO BE SPENT, BUT I ASSUME THAT IT WILL
20 BE VERIFIED BECAUSE IT WILL HAVE TO, I GAVE IT A 20.
21 HISTORICAL PERFORMANCE, THEY HAVE A LOT OF HISTORY IN
22 DOING THESE KINDS OF PROJECTS.

23 CHAIRMAN LICHTENGER: I AGREED WITH YOU. I
24 SAID GOOD TO VERY GOOD, SO I THINK WE'RE ON THE SAME
25 PAGE ON THAT ONE.

1 VICE CHAIRMAN SERRANO-SEWELL: OKAY. I HAVE
2 THE LUXURY -- YOU HAVE THE LUXURY OF LOOKING AT MY
3 SCORES, AND I HAVE THE LUXURY OF LOOKING AT YOURS.
4 ANYWAYS, HISTORICAL PERFORMANCE, I GAVE IT A 9;
5 RESPONSIVENESS A 12; AND I THINK THAT TOTALED AROUND
6 80, BUT I WAS CONCERNED ABOUT THE HIGH COST AS WELL.

7 CHAIRMAN LICHTENGER: THANK YOU, VICE CHAIR.
8 BOB, YOU HAD SOME COMMENTS.

9 MR. KLEIN: FIRST OF ALL, I'D JUST LIKE TO
10 SAY THAT IN LOOKING AT FEASIBILITY AND THE COMPLEXITY
11 OF THE PROJECT, THEIR PRIOR PROJECTS HAVE SIMILAR
12 RANGES OF COMPLEXITY. THEIR PRIOR PROJECTS HAVE
13 SIMILAR RANGES OF COMPLEXITY. SO HISTORICAL
14 PERFORMANCE IS VERY IMPORTANT HERE IN LOOKING AT
15 FEASIBILITY.

16 AND IT SAYS ACTUAL COST FOR THE THREE
17 PROJECTS CITED FOR HISTORICAL PERFORMANCE WERE
18 PRECISELY THE SAME AS THE BUDGETED AMOUNT IN ALL THREE
19 CASES, AND PROJECT COMPLETION RANGED FROM EXACTLY ON
20 TIME TO THREE WEEKS AFTER SCHEDULED COMPLETION. NOW,
21 WITH COMPLEX PROJECTS, THAT REALLY SHOWS THEY HAVE THE
22 KNOWLEDGE AND THE EXPERTISE TO HANDLE THESE COMPLICATED
23 SITUATIONS. SO I WOULD HAVE JUDGED THEIR FEASIBILITY
24 HIGH BECAUSE THEY'VE GOT A PROVEN TRACK RECORD IN
25 MEETING THESE WHAT -- I ABSOLUTELY AGREE WITH DAVE

1 LICHTENGER -- IS A VERY COMPLICATED CHALLENGE HERE.
2 BUT IF YOU'VE GOT THE PERFORMANCE RECORD THAT SHOWS YOU
3 CAN HANDLE IT, I THINK YOU'VE GOT -- I PERSONALLY WOULD
4 SCORE THEM HIGHER ON FEASIBILITY WITH THAT PERFORMANCE
5 RECORD.

6 AS TO THE POINT ON COST THAT DAVID
7 SERRANO-SEWELL WAS RAISING, IT WAS IMPORTANT TO ME THAT
8 THE INSTITUTIONAL COMMITMENT IS HIGH BECAUSE IN MEETING
9 OUR MISSION, IF THE INSTITUTIONAL COMMITMENT IS HIGH,
10 THAT REALLY MITIGATES THE COST. THEY HAVE A HISTORICAL
11 PROBLEM. THEY HAVE -- EVERYBODY AGREES THEY HAVE
12 JUSTIFIED THE COST BECAUSE IT'S EXTREMELY DIFFICULT,
13 BUT THEY'RE MUCH HIGHER IN THEIR INSTITUTIONAL
14 COMMITMENTS THAN MANY OF THE OTHER APPLICATIONS. SO IN
15 TERMS OF VALUE, WHICH IS THE WAY I REALLY LOOK AT COST
16 FOR OUR MISSION, THAT INSTITUTIONAL COMMITMENT BEING SO
17 HIGH BRINGS DOWN THE EFFECTIVE COST FOR US AND
18 INCREASES THE VALUE WE RECEIVE.

19 CHAIRMAN LICHTENGER: AGREED, BOB.
20 ABSOLUTELY. OBVIOUSLY THE INSTITUTIONAL COMMITMENT
21 HERE IS HIGH FROM THE INSTITUTION. JANET, YOU HAD SOME
22 COMMENTS?

23 DR. WRIGHT: I WAS JUST GOING TO SAY,
24 SPEAKING OF VALUE, THAT'S 28 PI'S AT THE HOST
25 INSTITUTION FOR AN AMOUNT OF CIRM FUNDING THAT'S PRETTY

1 MUCH IN THE MEDIAN. IT'S ATTRACTIVE TO ME.

2 CHAIRMAN LICHTENGER: ANY OTHER COMMENTS
3 BEFORE WE PUT DOWN OUR PRELIMINARY SCORE? BOB, THANK
4 YOU FOR YOUR COMMENTS. AND WE'RE GOING TO TAKE A
5 TEN-MINUTE BREAK, RECESS. SO APPROXIMATELY TEN OF FOUR
6 IF WE COULD RECONVENE.

7 (A RECESS WAS TAKEN.)

8 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
9 MEETING TO ORDER. IF THE MEMBERS COULD TAKE THEIR
10 SEATS. GRAB A LAST-MINUTE COOKIE AND COFFEE, BUT LET'S
11 START THE MEETING.

12 RICK, THE NEXT APPLICATION WOULD BE 524; IS
13 THAT CORRECT?

14 MR. KELLER: 524 IS CORRECT.

15 CHAIRMAN LICHTENGER: I SEE THAT WE DO HAVE
16 SOME OF THESE FINANCIAL TECHNICAL ISSUES.

17 MR. KELLER: YES, WE DO, MR. CHAIRMAN. AND
18 THE RECUSALS ARE LANSING AND FEIT. I DON'T SEE MEMBER
19 FEIT IN THE ROOM. SO WE MAY PROCEED.

20 (MEMBERS LANSING AND FEIT ARE RECUSED
21 FROM APPLICATION 524 AND ARE NOT PRESENT IN THE ROOM.)

22 MR. KELLER: THE PROPOSAL IS BOTH A SHARED
23 LAB PROJECT OF 1,429,600, AND A SPACE -- ACTUALLY JUST
24 EQUIPMENT FOR A TECHNIQUES COURSE OF 498,300. THE ONE
25 TECHNICAL FINANCIAL ISSUE THAT WE IDENTIFIED ON THIS --

1 ACTUALLY THERE ARE TWO. I APOLOGIZE. WE IDENTIFIED,
2 AGAIN, DESIGN AND ADMINISTRATIVE COSTS EXCEED THE
3 GUIDELINE IDENTIFIED IN THE RFA, AS WELL AS EQUIPMENT
4 THAT IS NOT CONSISTENT WITH THE CIRM DEFINITION OF
5 EQUIPMENT AS IT WAS DECIDED IN THE POLICIES OF THE
6 ICOC.

7 WE'VE IDENTIFIED THE FACT THAT \$43,375 IS
8 ASSOCIATED WITH THESE UNALLOWABLE COSTS; AND,
9 THEREFORE, WE WOULD RECOMMEND THAT YOU APPLY THE
10 CUSTOMARY LANGUAGE THAT YOU'VE ADOPTED FOR THESE SORTS
11 OF COST OVERRUNS CONSISTENT WITH PREVIOUS APPLICANTS.

12 CHAIRMAN LICHTENGER: SO I'D LIKE TO MAKE A
13 MOTION THAT CIRM SHOULD REDUCE ITS GRANT AMOUNT OR
14 APPLICANT PROVIDES INSTITUTIONAL FUNDS FOR THESE
15 UNALLOWABLE EXPENSES.

16 MS. HYSEN: SECOND.

17 MR. KELLER: THAT'S CORRECT, MR. CHAIRMAN.

18 CHAIRMAN LICHTENGER: WE HAVE A SECOND WITH
19 DEBORAH. I'D LIKE TO HAVE A VOICE VOTE ON THIS ISSUE.
20 ALL THOSE IN FAVOR SAY AYE. ANY OPPOSED? SO THE
21 MOTION PASSES UNANIMOUSLY. YOU SAID ANOTHER ONE
22 REGARDING THE --

23 MR. KELLER: MATCHING FUNDS. IN THIS CASE
24 THE APPLICANT HAS IDENTIFIED -- AGAIN, GOING BACK TO
25 THE FACT THAT THIS IS ASSOCIATED WITH PRIOR EQUIPMENT

1 PURCHASES AS BEING IDENTIFIED AS THE SOURCE OF MATCHING
2 FUNDS. IN THIS CASE THE PRIOR MATCHING FUNDS CONSISTS
3 OF A CONSIDERABLE AMOUNT OF FUNDS SPENT ON EQUIPMENT.
4 WELL, THE INSTITUTIONAL COMMITMENT CONSISTS OF THE
5 EQUIPMENT THAT HAS BEEN PURCHASED WOULD BE MADE
6 AVAILABLE ONE DAY PER WEEK FOR THE USERS OF THE SHARED
7 RESEARCH LABORATORY. AND THE PRO RATA VALUE OF THAT
8 20-PERCENT USAGE WOULD BE \$469,220.

9 CHAIRMAN LICHTENGER: SO --

10 MR. KELLER: I'M SORRY. THAT'S THE MINIMUM.
11 THEY'RE SAYING THE MATCHING FUNDS ARE 359, I THINK,
12 WHICH ASSOCIATED WITH THE -- I'LL HAVE TO TAKE A LOOK
13 AT IT. THE FUNDAMENTAL ISSUE IS THAT WE HAVE THIS
14 SHARED, THIS PRO RATA CIRCUMSTANCE WHICH, AGAIN, WHEN
15 WE LOOK AT THE SITUATION, THE PROVISIONS WITHIN THE
16 RFA, WE HAVE CONCERNS THAT IT'S NOT A PROPER MATCHING
17 AMOUNT.

18 CHAIRMAN LICHTENGER: SO STAFF'S RECOMMENDING
19 THAT CIRM SHOULD REQUIRE THE APPLICANT TO IDENTIFY AN
20 APPROPRIATE SOURCE OF MATCHING FUNDS; IS THAT CORRECT?
21 EXCELLENT. I PROPOSE THAT AS A MOTION. DO I HAVE A
22 SECOND?

23 MR. KLEIN: POINT OF INFORMATION. IS THAT
24 FOR THE 324,000 THAT WAS IN THE ONE-DAY-A-WEEK MATCH?
25 THAT'S THE EQUIPMENT MATCH OF 324 ON YOUR CHART, RICK?

1 MR. KELLER: UH-HUH.

2 MR. KLEIN: THANK YOU FOR THE CLARIFICATION.

3 DR. WRIGHT: SECOND.

4 CHAIRMAN LICHTENGER: FINE. GREAT. ANY
5 DISCUSSION? SO THEN WE'LL HAVE A VOICE VOTE. ALL
6 THOSE IN FAVOR SAY AYE. ANY OPPOSED? NONE OPPOSED.
7 SO PASSES UNANIMOUSLY. EXCELLENT. OKAY.

8 DEBORAH, IF YOU COULD PLEASE GIVE THE PRIMARY
9 REVIEW.

10 MS. HYSEN: THIS PROJECT WAS MY NO. 1 PROJECT
11 IN TERMS OF RATING. THE ARCHITECTURAL DRAWINGS WERE
12 VERY SOLID. THEY WERE VERY DETAILED AND DEVELOPED A
13 VERY CLEAR SCOPE OF WORK BY WHICH YOU COULD RENOVATE
14 THIS 1500 SQUARE FOOT SPACE. IT'S USING MODULAR DESIGN
15 THAT DELIVERS THE PIPING OF SHARED LAB SERVICES TO THE
16 FACILITY IN QUESTION. I THINK THEY WERE ABLE TO
17 LEVERAGE THAT EXISTING CONFIGURATION TO REDUCE THEIR
18 CONSTRUCTION COSTS. I GAVE THEM A FEASIBILITY SCORE OF
19 15.

20 COST ON A PER-SQUARE-FOOT BASIS I THINK WAS
21 IN THE MID RANGE OF THE APPLICATIONS. SO I FELT IT WAS
22 FAIRLY COMPETITIVE IN THAT REGARD. AND I FELT THAT THE
23 LAYOUT WAS ABLE TO LEVERAGE THE EXISTING SYSTEM TO
24 LEVERAGE ITS DOLLARS. SO I GAVE THEM AN ABOVE AVERAGE
25 SCORE IN THIS ARENA.

1 THE TIMELINE AND MILESTONES, I THOUGHT THEY
2 WERE EXTREMELY DETAILED, PROVIDED AN ITEM-BY-ITEM COST
3 BREAKDOWN, PROVIDED A PROJECT TRACKING SPREADSHEET. I
4 LOVE TO SEE THOSE. I THINK IT WAS THE ONLY ONE IN MY
5 BATCH. I DON'T KNOW ABOUT OTHERS, BUT I REALLY LIKE TO
6 SEE SOMEONE PUT TOGETHER THAT KIND OF CHART BECAUSE IT
7 REALLY MIGHT EVEN ILLUSTRATE FOR THE PREPARER SOME
8 CRITICAL STEPS THAT MIGHT INTERFERE WITH THEIR
9 CONSTRUCTION. JUST GOING FORWARD, I'D REALLY LOVE TO
10 SEE THAT AS SOMETHING THAT THE APPLICANTS PUT TOGETHER.

11 THEY BELIEVE THE PROJECT CAN BE OPERATIONAL
12 BY THE END FEBRUARY 2008. THEIR TOTAL ELAPSED
13 CONSTRUCTION TIME WAS TWO MONTHS, WHICH I FELT WAS
14 DOABLE GIVEN THIS MODULAR SYSTEM THAT IS ABLE TO BRING
15 SOME OF ITS CRITICAL MECHANICAL, ELECTRICAL, ETC.
16 SERVICES TO THE SPACE. SO I SCORED THEM ABOVE AVERAGE
17 IN THIS CATEGORY.

18 INSTITUTIONAL COMMITMENT, I DID HAVE SOME
19 CONCERNS ABOUT THE CAVEAT ABOUT THE ONE-DAY USE. I
20 THOUGHT THAT WAS ODD AND THAT IT LIMITED THE TOTAL
21 COMMITMENT. SO I'M GLAD THAT WE ADDRESSED IT IN A
22 UNIFORM WAY. SO I RATED THIS, YOU KNOW, IN THE ABOVE
23 AVERAGE FOR INSTITUTIONAL COMMITMENT. AS I RECALL,
24 THEY MET THE MATCH IN THE TECHNIQUES COURSE AT THE
25 EXACT AMOUNT, BUT DID EXCEED IT IN THE TOTAL PROJECT

1 COST, I THINK, AT 41 PERCENT. SO I THOUGHT THAT WAS
2 GOOD.

3 THE TEAM THAT THEY SUBMITTED, IT SEEMED
4 PRETTY CLEAR THAT THEY HAD WORKED TOGETHER BEFORE. I
5 THINK THAT'S CRITICAL. I THINK THAT REALLY BODES WELL
6 FOR THE SUCCESS IF THIS IS A TEAM THAT'S COLLABORATED
7 IN THE PAST. THEY DIDN'T GIVE VERY SPECIFIC
8 INFORMATION ABOUT WHO WAS GOING TO BE DOING THIS WORK,
9 BUT THEY DID DESCRIBE SOME OF THE OUTSIDE CONSULTANTS
10 THAT THEY HAD USED TO PARTICIPATE. IT SEEMED LIKE THEY
11 HAD BEEN FAMILIAR WITH THIS INSTITUTION IN THE PAST, SO
12 THAT HELPS TOO TO HAVE YOUR OUTSIDE CONSULTANTS BE PART
13 OF SOMETHING YOU'VE DONE IN THE PAST. SO I RATED THEM
14 ON THE HIGH SIDE FOR THIS CATEGORY.

15 RESPONSIVE, I FELT THAT THEY'RE VERY
16 RESPONSIVE TO THIS RFA. SO I GAVE THEM A HIGH SCORE IN
17 THIS AREA AS WELL. THE TECHNIQUES COURSE, I FELT THAT
18 THIS IS REALLY WHERE THEY WERE ELEVATED PRETTY
19 SUBSTANTIALLY. I FELT THAT THEY WERE EXTREMELY
20 RESPONSIVE IN THEIR TECHNIQUES SCORE INFORMATION. IT
21 WAS VERY DETAILED. IT'S SEEMED CLEAR THAT THIS WAS A
22 FEASIBLE PROJECT AND THAT THEY WERE COMMITTED TO
23 TRAINING SCIENTISTS GOING FORWARD. SO THIS ACTUALLY,
24 IN MY MIND, ELEVATED THEIR SCORING.

25 CHAIRMAN LICHTENGER: DEBORAH, IS THAT IT?

1 MS. HYSEN: THAT'S IT. I WOULD HIGHLY
2 RECOMMEND THEM.

3 CHAIRMAN LICHTENGER: EXCELLENT. I'M SORRY.
4 I WAS DISTRACTED. ON THE RESPONSIVENESS, HOW DID YOU
5 CATEGORIZE THEM?

6 MS. HYSEN: HIGH. ON THE HIGH SIDE.

7 DR. WRIGHT: WE ARE IN CONCERT ONCE AGAIN,
8 DEBORAH. WITHOUT REPEATING IT, I GUESS I WOULD JUST
9 EMPHASIZE THE TIMELINE MILESTONES CHARTING THAT THEY
10 DID, EVEN I COULD UNDERSTAND HOW THIS THING WAS GOING
11 TO GET BUILT. AND I HAD TOLD ARLENE THAT SLIDE THAT
12 THE SCIENTISTS SHOWED OF ROCKET SCIENCE AND STEM CELL
13 SCIENCE, THE ONLY THING TOUGHER FOR ME WERE SOME OF
14 THESE BLUEPRINTS. I HAVE BLUEPRINT DYSLEXIA, SO I
15 REALLY APPRECIATED THIS TIMELINE MILESTONE THING.

16 IT WAS VERY CLEAR THEIR COMMITMENT TO
17 PROVIDING RESOURCES TO THE RESEARCHERS IN THE AREA, IN
18 THE REGION. AND THE TECHNIQUES COURSE, I WOULD AGREE,
19 THEY GOT EXTRA CREDIT FROM ME BECAUSE IT WAS CLEAR THAT
20 THEY WERE COMMITTED TO THEIR RESEARCH AND TRAINING
21 OPPORTUNITIES AND DEVELOPING THE LOCAL SCIENTISTS. SO
22 I SCORED IT VERY HIGH.

23 CHAIRMAN LICHTENGER: GREAT. COMMENTS?

24 MR. KLEIN: ON THIS PROJECT TRACKING CHART,
25 IT SEEMS LIKE IT'S -- IT SEEMS LIKE A BEST PRACTICE

1 MODEL. AND IF WE COULD MAYBE GET A COPY OF THAT SO
2 THAT WE COULD ALL SEE THAT BECAUSE ON A GOING FORWARD
3 BASIS, IT MIGHT BE A GOOD ITEM TO REQUEST.

4 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.
5 I THINK THAT'S A GREAT SUGGESTION, THAT WE CAN HAVE
6 STAFF FOR OUR NEXT -- AS PART OF THE NEXT ROUND OF
7 GRANT APPLICATIONS, WE'LL OBVIOUSLY WANT TO EXPLORE
8 THESE TYPES OF ISSUES IN DETAIL.

9 MS. HYSEN: I CAN TELL YOU IT WILL ABSOLUTELY
10 FACILITATE YOUR SITE VISITS AS YOU START TO LOOK AT
11 COMPLIANCE ISSUES BECAUSE YOU WILL BE ABLE TO LOOK AT
12 WHAT WAS INDICATED TO HAVE BEEN OCCURRING BY THAT POINT
13 IN THE CONSTRUCTION, AND YOU WILL BE ABLE TO VISUALLY
14 SEE IF IT, IN FACT, DID OCCUR. SO IT'S REALLY HELPFUL
15 FOR THAT.

16 CHAIRMAN LICHTENGER: I HAVE ONE QUESTION FOR
17 THE TWO REVIEWERS. ON THE HISTORICAL PERFORMANCE, I
18 NOTICED THAT PROJECTS THAT THEY HAD DONE WERE FAIRLY
19 SMALL. I JUST WANTED TO ASK HOW THE REVIEWERS VIEWED
20 THAT WITHIN THE OVERALL CONTEXT OF THE APPLICATION.

21 MS. HYSEN: I FELT THAT THEY WERE COMPARABLE
22 THOUGH TO WHAT WAS BEING PROPOSED HERE. I NOTICE THAT
23 IN SOME CASES, IF IT WAS A REALLY LARGE PROJECT THEY
24 WERE PROPOSING IN THE GRANT AND IT WAS A SMALL PROJECT
25 THEY HAD DONE PREVIOUSLY, I RATED THEM LOWER; BUT IF IT

1 WAS A COMPARABLE PROJECT TO THE PROJECT BEING
2 REQUESTED, IT SEEMED TO BE AN APPROPRIATE COMPARISON.

3 CHAIRMAN LICHTENGER: THANK YOU.

4 DR. WRIGHT: NOTHING ADDITIONAL TO ADD.

5 CHAIRMAN LICHTENGER: OKAY. IF THERE ARE NO
6 FURTHER COMMENTS OR QUESTIONS, THEN I'LL ASK EVERYONE
7 TO PUT THEIR PRELIMINARY SCORE FOR THIS GRANT
8 APPLICATION 24. TAKE A MOMENT TO DO THAT. AND NEXT
9 APPLICATION WOULD BE 12.

10 RICK, I THINK 12, THERE ARE NO TECHNICAL
11 FINANCIAL ISSUES; IS THAT CORRECT?

12 (MEMBERS LANSING, SHEEHY, AND FEIT ARE
13 RECUSED FROM APPLICATION 512 AND ARE NOT PRESENT IN THE
14 ROOM.)

15 MR. KELLER: THAT'S CORRECT. I THINK WE'VE
16 COVERED THE ONE ISSUE THAT WE RAISED IN THE NARRATIVE
17 THAT DEALS WITH THE FACT THAT THIS PROJECT IS ACTUALLY
18 UNDER WAY PRIOR TO THE GRANT ACCEPTANCE PERIOD OF TIME.
19 SO I THINK OUR PREVIOUS DISCUSSION AND ADOPTION OF THE
20 FACILITIES GRANT POLICIES WILL ADDRESS THAT.

21 CHAIRMAN LICHTENGER: GREAT. THANK YOU.
22 DEBORAH, NO REST FOR THE WEARY. IF YOU COULD PROCEED
23 WITH YOUR PRELIMINARY REVIEW.

24 MS. HYSEN: OKAY. THIS IS ONE OF THE LEASED
25 FACILITIES OF THE APPLICATIONS I RECEIVED. IT'S

1 ROUGHLY 1500 ASSIGNABLE SQUARE FEET. IT DOES HAVE A
2 FAIRLY LONG LEASE TERM. I WANT TO SAY TEN YEARS.
3 THEY'RE AT THE START OF THE LEASE TERM. RICK'S CORRECT
4 IN THAT THEY STARTED A RENOVATION, IT APPEARS TO BE, IN
5 MARCH USING A COMBINATION OF IN-HOUSE AND OUTSIDE
6 EXPERTISE. IT DOES APPEAR THAT THEIR PLANS ARE FAIRLY
7 SCHEMATIC AT THIS POINT. NOT A LOT OF DETAIL NARRATIVE
8 OF THE PROJECT SCOPE AND THE KINDS OF MAJOR SYSTEMS
9 WORK THAT WOULD BE NECESSARY TO RENOVATE THIS INTO A
10 LAB FACILITY. SO IT DOES APPEAR THERE IS SOME WORK TO
11 BE DONE. IT DOES APPEAR IT'S A NEW LEASE FOR THIS
12 ENTITY, BUT I BELIEVE THEY'VE LEASED OTHER SPACE IN
13 THIS BUILDING; IS THAT CORRECT, RICK?

14 MR. KELLER: YES. THIS IS BASICALLY AN
15 EXPANSION OF AN EXISTING LEASE.

16 MS. HYSEN: NORMALLY I WOULD BE CONCERNED
17 ABOUT THE LANDLORD'S DELAYS IN IMPROVEMENTS AND THINGS
18 LIKE THAT. GIVEN THAT THEY SEEM TO HAVE SOME
19 FAMILIARITY WITH THIS LANDLORD, I WOULD ASSUME THAT
20 THEY'RE AWARE OF WHAT REQUIREMENTS THE LANDLORD WOULD
21 HAVE FOR THEIR WORK TO BE DONE.

22 SO FROM A FEASIBILITY STANDPOINT, I RATED
23 THEM IN THE MID HIGH RANGE. IT WOULD HAVE BEEN HELPFUL
24 TO SEE MORE DETAILED PLANS, SOME MORE DETAILED SCOPE.

25 COST PER SQUARE FOOT FOR THIS APPLICANT IS IN

1 THE MID RANGE. THEY DIDN'T INCLUDE A GROSS SQUARE FOOT
2 NUMBER, SO IT'S BASICALLY THE ASSIGNABLE SQUARE FOOT
3 NUMBER. THERE'S NO WAY TO SEE WHAT RATIO CALCULATION
4 CAN BE MADE OF IT. BUT THE PER-SQUARE-FOOT COSTS FOR
5 ASSIGNABLE SQUARE FEET IS IN THE MID RANGE.

6 ONE THING THAT DID CONCERN ME HERE, AND I DID
7 RAISE IT PREVIOUSLY AND WE DID PROVIDE A UNIFORM
8 APPROACH TO THIS, BUT THE NOTION OF PREFERENCE FOR
9 CALIFORNIA SUPPLIERS. THIS HAPPENS TO BE ONE THAT
10 SUBMITTED A BID ESTIMATE FOR ITS EQUIPMENT. AND THE
11 EQUIPMENT IS THE BULK OF THIS REQUEST. IT'S WELL IN
12 EXCESS OF, I BELIEVE, 700,000. AND THE EQUIPMENT
13 SUPPLIER IS NOT A CALIFORNIA BUSINESS.

14 AND SO I JUST WANT IT TO BE CLEAR THAT WE
15 REALLY DO NEED TO ESTABLISH SOME PROCESS BY WHICH THEY
16 ALL AGREE TO PROCEED WITH SOME GOOD-FAITH EFFORT. I'M
17 CONCERNED, GIVEN THAT IT IS UNDER WAY AND GIVEN THE
18 LONG LEAD TIMES OF THESE ITEMS, THAT IT MAY BE TOO
19 LATE. I DON'T KNOW THAT ALL OF THE CONTRACTORS AND
20 OTHER SERVICE PROVIDERS ARE ALSO, BECAUSE THEY
21 APPARENTLY ARE UNDER CONTRACT IF THEY'RE CALIFORNIA
22 SUPPLIERS OF SERVICES, SO THAT MIGHT BE A CONCERN AS
23 WELL. I JUST RAISE THAT AS A CONCERN GIVEN IT IS UNDER
24 WAY, AND THERE MAY NOT BE AN OPPORTUNITY TO CANCEL
25 EXISTING CONTRACTS AND EXISTING PURCHASE REQUESTS. SO

1 I RATED THEM LOW FOR THAT CONCERN. AND IT MAY NOT BE A
2 LEGITIMATE CONCERN, BUT I FELT THAT I NEEDED TO AT
3 LEAST EXPRESS IT.

4 CHAIRMAN LICHTENGER: DEBORAH, I'M SORRY TO
5 INTERRUPT. I HAD A QUESTION FOR STAFF. ON THE
6 MATCHING FUNDS ON THE SYNOPSIS PAGE, THE NUMBERS DON'T
7 ADD UP. SO I DON'T KNOW IF IT'S A TYPO, BUT THE
8 MATCHING FUNDS ADD UP PROPERLY IN THE SPREADSHEET. SO
9 I'M -- BOB AND I ARE A LITTLE FUZZY ABOUT WHAT THE
10 MATCH ACTUALLY IS. SO IF YOU COULD LOOK AT THAT WHILE
11 DEBORAH IS FINISHING.

12 MS. HYSEN: BECAUSE THEY HAVE STARTED THEIR
13 CONSTRUCTION ALREADY, THEY'RE AT A POINT FURTHER ALONG
14 THAN SOME OF THE OTHERS. THEY PROPOSE A CONSTRUCTION
15 TIMEFRAME OF SEVEN MONTHS, WHICH SEEMS REASONABLE GIVEN
16 THE WORK THAT'S PROPOSED. THEY DO HAVE TO DEAL WITH A
17 CITY ENTITY THAT I WOULD PRESUME HAS A CERTAIN AMOUNT
18 OF TIME THAT THEY NEED TO COMPLETE THEIR REVIEWS. THAT
19 SEEMED LIKE THEY REALLY UNDERSTOOD THE TIMEFRAME THEY
20 NEEDED TO DO THIS WORK. SO I RATED THEM ABOVE AVERAGE
21 ON TIMELINE AND MILESTONES.

22 IN THIS CASE ON THE INSTITUTIONAL COMMITMENT,
23 IT SEEMS -- THIS WAS MY EARLIEST THAT I REVIEWED, SO MY
24 RECOLLECTION MAY BE FUZZY, BUT IT SEEMED THAT THEY DID
25 EXCEED THE MATCH REQUIREMENTS, AND THEY SEEMED TO BE

1 USING ALL NEW MONIES. PLEASE JUMP IN, STAFF, IF I'M
2 WRONG. IT WAS ONE OF THE FEW THAT I REVIEWED THAT WAS
3 USING ALL NEW MONIES. SO I FELT THAT THAT REALLY
4 ELEVATED THEIR LEVEL OF COMMITMENT, AND I RATED THEM
5 THE HIGHEST SCORE FOR THAT. IS THAT A TRUE STATEMENT,
6 RICK, THAT IS ALL NEW, THERE'S NO PRIOR? I THINK I HAD
7 PROBLEMS WITH THIS MATCH TOO.

8 CHAIRMAN LICHTENGER: RICK, DO WE NEED --

9 MR. KELLER: I'M JUST TRYING TO CATCH UP IN
10 TERMS OF WE DID FIND THE TYPOGRAPHICAL ERROR, AND I WAS
11 JUST GETTING TO THAT. THIS INDICATES THE MATCHING
12 FUNDS ARE FROM THE EQUIPMENT AND RENOVATION MATCH FROM
13 ITS YEARLY CAPITAL BUDGET FUNDS. SO WE'RE SEEING THAT
14 AS BEING A CASH MATCH FOR THIS CASE.

15 MS. HYSEN: OKAY. IN THE HISTORICAL
16 PERFORMANCE --

17 MR. KLEIN: BEFORE YOU GO ON TO THE NEXT
18 ITEM, SO I CAN UNDERSTAND, UNDER INSTITUTIONAL
19 COMMITMENT IT SAYS THERE'S 173,000 MATCHING FUNDS FOR
20 CONSTRUCTION, 210 FOR EQUIPMENT.

21 MR. KELLER: CORRECT.

22 MR. KLEIN: FOR A TOTAL 383, BUT THAT IS --

23 MR. KELLER: THAT IS THE AMOUNT THAT'S ON THE
24 SYNOPSIS. IT'S JUST THAT THE CONSTRUCTION AMOUNT,
25 INSTEAD OF BEING 173,250, IT'S 17,250.

1 MR. KLEIN: OKAY. AND ON THE CHART AS WELL,
2 THE SUMMARY CHART DOES NOT TRACK THE NARRATIVE. THE
3 SUMMARY COMPARISON OF PROJECTS. IT'S GREAT TO KNOW
4 THAT THIS IS A POSITIVE THING TO DISCOVER. AND,
5 DEBORAH, THANK YOU VERY MUCH THAT IN YOUR DESCRIPTION
6 WE FIND THAT, IN FACT, THAT THE MATCH IS SOLID. SO
7 THAT'S A VERY POSITIVE DISCOVERY.

8 CHAIRMAN LICHTENGER: I ASSUME THAT
9 PERCENTAGE, RICK, WOULD BE ACCURATE OF THE 29 PERCENT.
10 IF WE COULD JUST VERIFY THAT. BASED ON THE 383, MY GUT
11 IS --

12 MR. KELLER: 20 PERCENT WOULD BE 265,000, SO
13 WE'RE ABOVE. WE HAVE THE CORRECT AMOUNTS ON THE
14 MATCHING FUND TOTAL. IT'S JUST THAT THAT CONSTRUCTION
15 LINE WAS NOT CORRECT.

16 CHAIRMAN LICHTENGER: OKAY. THANK YOU, RICK.
17 GO AHEAD, DEBORAH. SORRY ABOUT THAT.

18 MS. HYSEN: THAT'S OKAY. ON THE HISTORICAL
19 PERFORMANCE, THE THREE PROJECTS THAT THEY LISTED ARE
20 RELATIVELY SMALL TO MIDSIZE, BUT IT'S BASICALLY
21 COMPARATIVE TO THE AMOUNT THAT THEY'RE REQUESTING. SO
22 THAT IN ADDITION TO THE FACT THAT THEY DO SAY THEY HAVE
23 A TRACK RECORD FOR FUNDING AND BUILDING FACILITIES FOR
24 ITS LAB PROGRAMS, ALTHOUGH THEY DON'T ELABORATE IN A
25 LOT OF DETAIL, I RATED THEM ON THE HIGH SIDE FOR

1 HISTORICAL PERFORMANCE.

2 RESPONSIVENESS, I RATED THEM IN THE HIGH
3 SCORE, ALTHOUGH I MUST REITERATE I DO HAVE SOME
4 CONCERNS WITH WHETHER OR NOT THEY ARE RESPONSIVE IN THE
5 CATEGORY OF GOOD FAITH EFFORT FOR CALIFORNIA
6 BUSINESSES. SO I HAD SOME CONCERN THERE.

7 CHAIRMAN LICHTENGER: COULD YOU REPEAT THAT,
8 YOUR VIEW ON THE RESPONSIVENESS?

9 MS. HYSEN: WELL, ALTHOUGH THE RFA DIDN'T
10 SPECIFICALLY STATE THE REQUIREMENT FOR DEMONSTRATING A
11 GOOD FAITH EFFORT TO PURCHASE GOODS AND SERVICES FROM
12 CALIFORNIA BUSINESSES, THE INTENT OF THE PROPOSITION IS
13 CLEARLY TO DO THAT VERY THING. AND WE DO HAVE IT IN
14 OUR GRANTS ADMINISTRATION POLICIES. SO TO SAY THAT
15 THEY WERE RESPONSIVE TO THE RFA, THEY WERE, HOWEVER NOT
16 NECESSARILY TO THE ADMINISTRATION POLICIES THAT WE'VE
17 ESTABLISHED OR PROPOSITION 71. SO I FEEL THAT THERE'S
18 A CONCERN THERE, AND I JUST DON'T KNOW HOW TO SCORE
19 THAT GIVEN THAT THEY MET THE TECHNICAL REQUIREMENTS OF
20 THE RFA.

21 CHAIRMAN LICHTENGER: I DON'T THINK YOU NEED
22 TO SCORE THAT ISSUE. I THINK WE CAN HAVE A PRESUMPTIVE
23 ASSUMPTION THAT THIS WILL BE COVERED IN OUR AGENDA ITEM
24 FOR TOMORROW.

25 MR. KLEIN: I'D LIKE TO COMMENT. AS DEBORAH

1 POINTS OUT, THE INITIATIVE DOES SET FORTH THIS
2 PREFERENCE. AND THAT WOULD BE A LEGITIMATE FUNDAMENTAL
3 DOCUMENT ASSUMED AS PART OF THE RFA. AND IT WOULD BE
4 APPROPRIATE TO SCORE IT IN THE RESPONSIVENESS, FROM MY
5 PERSPECTIVE, BECAUSE IT IS A PART OF THE STATED TERMS
6 OF THE INITIATIVE.

7 MS. HYSEN: JUST ON THAT PRESUMPTIVE ELEMENT,
8 I THINK WE COULD BE PRESUMPTIVE OF OTHERS WHERE IT'S
9 UNCLEAR IF THESE ESTIMATES ARE FROM CALIFORNIA
10 BUSINESSES. IN THIS CASE THE BID ITSELF INCLUDED IS
11 NOT FROM A CALIFORNIA BUSINESS. THEY ARE UNDER WAY AS
12 WE SPEAK. IT IS NOT CLEAR IF THEY'VE PURCHASED THESE
13 PIECES OF EQUIPMENT DUE TO LONG LEAD TIMES. MY CONCERN
14 IS I DON'T KNOW IF I CAN PRESUME.

15 CHAIRMAN LICHTENGER: I SEE WHAT YOU'RE
16 SAYING. I WASN'T AWARE OF THAT FACTUAL INFORMATION.
17 THAT ACTUALLY WOULD CHANGE MY OPINION ON THIS ISSUE.
18 SO I WASN'T AWARE THAT IT WAS FROM A NON-CALIFORNIA
19 ENTITY. SO OKAY. SO ANYTHING ELSE, DEBORAH, BEFORE
20 JOAN TAKES OVER?

21 MS. HYSEN: LET ME CLARIFY THAT IT IS A QUOTE
22 THAT WAS PROVIDED. WHAT'S UNCLEAR IS IF IT WENT BEYOND
23 A QUOTE AND BECAME A PURCHASE ORDER.

24 CHAIRMAN LICHTENGER: UNDERSTOOD. THANK YOU,
25 DEBORAH. JOAN, YOU'RE UP.

1 MS. SAMUELSON: I WAS JUST GOING TO MAKE A
2 BASEBALL ANALOGY, SO I'LL TAKE THE BAT. I DON'T HAVE A
3 LOT TO ADD. I'M GOING TO DEFER A LOT TO DEBORAH'S
4 EXPERTISE HERE. I HAD SOME OF THE SAME QUESTIONS ABOUT
5 LACK OF A DETAILED NARRATIVE UNDER FEASIBILITY. I'M
6 NOT AS CONCERNED ABOUT THE NORTH CAROLINA SUPPLIER,
7 ALTHOUGH I DO AGREE THAT THERE SHOULD BE A BASIC GOOD
8 FAITH ADHERENCE TO THE TERMS OF THE INITIATIVE, OF
9 COURSE. BUT WE COULD HAVE AN APPLICANT WHO PERFECTLY
10 ADHERES TO EVERY REQUIREMENT OF THAT SORT THAT ARE IN
11 THE INTEREST IN GENERAL OF CALIFORNIA'S ECONOMIC
12 PERFORMANCE AND SO ON. THAT COULD BE THE EQUIVALENT
13 OF, IF YOU WILL, LEAVING 20, 30 PEOPLE ON BASE IF YOU
14 NEVER GET ANYBODY HOME. AND SO I WOULD HATE FOR US TO
15 BE SO ATTENTIVE TO THE TREES THAT WE DON'T LOOK AT THE
16 FOREST. AND I GUESS THAT'S REALLY ENTIRELY A
17 DISCUSSION FOR THE PROGRAMMATIC REVIEW. HOW THESE TWO
18 INTERSECT ISN'T REALLY -- IT'S NOT CLEAR TO ME THAT WE
19 MIGHT NOT WANT TO TWEAK IT A BIT TO MAKE SURE THAT
20 OVERWHELMING ISSUE IS BEFORE US SOMEHOW AT ALL TIMES TO
21 GIVE A CONTEXT TO THESE OTHER ISSUES.

22 I HAD SOME OF THE SAME CONCERNS THAT YOU
23 MENTIONED ABOUT THE DESIGN CONCERNS AND SOME CONCERN
24 ABOUT THE ABILITY TO TRUST THEIR CALCULATIONS, AS YOU
25 SAID. THE NEW MONEY LOOKS GOOD. I THINK THAT'S ABOUT

1 IT.

2 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
3 JOAN.

4 MS. SAMUELSON: YOU'RE WELCOME.

5 CHAIRMAN LICHTENGER: ANY QUESTIONS FOR JOAN
6 OR DEBORAH? ANY COMMENTS?

7 MR. KLEIN: I'D JUST MAKE A COMMENT, NOT TO
8 OVERPLAY THE IMPORTANCE OF THIS, THAT IT IS A
9 PREFERENCE. FROM MY PERSPECTIVE INDIVIDUALLY, IT GOES
10 TO RESPONSIVENESS, BUT IT STILL MAY BE IN THE INTEREST
11 OF AN APPLICANT TO, IF THERE'S A SUBSTANTIAL DIFFERENCE
12 FROM OUT-OF-STATE OR A PIECE OF EQUIPMENT IS ONLY
13 UNIQUELY AVAILABLE FROM OUT-OF-STATE, IT'S THE MISSION
14 THAT THEY'VE GOT TO SERVE. SO IT'S A BALANCING ACT,
15 BUT I WOULD EXPECT THEM TO BUY THAT UNIQUE PIECE OF
16 EQUIPMENT OUT-OF-STATE BECAUSE IT IS A PREFERENCE. IT
17 WOULD BE GOOD IF THERE'S AN EXTREMELY EXPENSIVE PIECE
18 OF EQUIPMENT, FORMATTED CENTRIFUGE OR SOME EXOTIC PIECE
19 OF EQUIPMENT THAT'S VERY EXPENSIVE, IF IT IS UNIQUELY
20 AVAILABLE OUT-OF-STATE, THEY MIGHT TELL US THAT, AND
21 THEN THE PREFERENCE REALLY WOULDN'T APPLY BECAUSE YOU
22 CAN'T MEET THE PREFERENCE AND SERVE THE MISSION.

23 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.
24 ANY OTHER COMMENTS, QUESTIONS? SO IF EVERYONE COULD
25 JOT DOWN THEIR PRELIMINARY SCORES FOR APPLICATION 512.

1 WE'LL MOVE, LOOKS LIKE, TO APPLICATION 500. RICK, I'VE
2 NOTICED THAT THIS PARTICULAR APPLICATION HAS A
3 TECHNICAL FINANCIAL ISSUE.

4 MR. KELLER: YES, WE DO. RECUSAL ON 500-1 IS
5 LANSING.

6 (MEMBER LANSING IS RECUSED FROM
7 APPLICATION 500 AND IS NOT PRESENT IN THE ROOM.)

8 MR. KELLER: THE PRIMARY REVIEWER IS MEMBER
9 KASHIAN, AND THE SECONDARY REVIEWER IS MEMBER SAMUELSON
10 OR VICE CHAIR SERRANO-SEWELL.

11 THE ONE STAFF ISSUE HERE IS THAT THE PROPOSAL
12 IS BASICALLY A PROJECT THAT IS IN PROCESS AND WOULD
13 LIKELY BE CONCLUDED OR COMPLETED IN CONSTRUCTION SOON
14 AFTER THE GRANT IS APPROVED; AND, THEREFORE, ALL OF THE
15 ISSUES THAT YOU'RE CONTEMPLATING IN TERMS OF GRANT
16 ADMINISTRATION, IN TERMS OF PREVAILING WAGE, AND OTHER
17 ISSUES NEED TO BE ADDRESSED FOR THAT ISSUE.

18 I DON'T KNOW. WE'VE COVERED THAT IN THE
19 STAFF GRANT ADMINISTRATION POLICY, BUT THIS IS AN ISSUE
20 THAT WE BROUGHT UP. AND I THINK BECAUSE -- IT WAS THE
21 FIRST TIME IT WAS ENCOUNTERED IN THE PREVIOUS ORDER AND
22 SO --

23 CHAIRMAN LICHTENGER: THIS IS NOT A MATCHING
24 ISSUE, RICK?

25 MR. KELLER: I DON'T THINK SO.

1 MR. KLEIN: I'D JUST LIKE TO MAKE A COMMENT
2 THAT WE DON'T WANT TO PUT OURSELVES IN THE POSITION OF
3 PENALIZING COURAGE.

4 MR. KELLER: ABSOLUTELY NOT.

5 MR. KLEIN: IF THE ISSUE IS THAT SOMEONE HAS
6 REALLY PUT THEMSELVES ON THE LINE AND TAKEN A RISK TO
7 SERVE THE MISSION THAT WE'RE SERVING, I WOULDN'T WANT
8 TO PUT OURSELVES IN A POSITION THAT, BASED ON AUDITED
9 EXPENDITURES, THAT WE COULDN'T REIMBURSE CERTAIN COSTS
10 THAT HAVE BEEN INCURRED PRIOR TO THE DATE OF THE AWARD
11 IF THEY ARE LEGITIMATELY IN BUDGET, AUDITED FOR OUR
12 MISSION, AND WITHIN THE RFA.

13 VICE CHAIRMAN SERRANO-SEWELL: I GUESS THE
14 ONLY HITCH MIGHT COME UP, AND MAYBE IT WON'T, IS IF
15 THEY'VE ALREADY EXPENDED FUNDS SORT OF ON THE
16 ASSUMPTION THAT THEY'RE GOING TO GET A GRANT OR THEY'RE
17 BEING COURAGEOUS, WHATEVER, AND SUBSEQUENTLY WE DECIDE
18 THAT, THROUGH OUR GRANTS ADMINISTRATION POLICY, THAT WE
19 WON'T FUND A CERTAIN LINE ITEM. THAT'S THE RISK THEY
20 TAKE.

21 MR. KLEIN: EXACTLY.

22 VICE CHAIRMAN SERRANO-SEWELL: JUST WANTED TO
23 MAKE SURE I UNDERSTOOD THAT.

24 MS. HOFFMAN: EXCUSE ME. I WOULD JUST LIKE
25 TO POINT OUT THAT, IN FACT, ON 518-1, THAT, IN FACT,

1 THIS WORKING GROUP DID TAKE ACTION TO NOT REIMBURSE
2 PREVIOUSLY EXPENDED COST, THAT, IN FACT, WE WOULD USE
3 THAT AS A MATCH ONLY, BUT NOT REIMBURSE IT WITH CIRM
4 FUNDS.

5 MR. KLEIN: THEY WERE ABLE TO USE IT AS A
6 MATCH, SO THEY REALLY WEREN'T LOSING THE BENEFIT OF THE
7 EXPENDITURE.

8 MS. HOFFMAN: THAT'S CORRECT. BUT WE HAD
9 DECIDED THAT, INDEED, WE WOULDN'T REIMBURSE THEM. I
10 THINK THAT WHAT I HEARD, AND PERHAPS I HEARD
11 INCORRECTLY, THAT IF IT WAS AUDITABLE, THAT WE COULD
12 THEN TAKE CIRM FUNDS AND REIMBURSE THEM. AND I THINK
13 THAT RICK BRINGS UP AN INTERESTING ISSUE, THAT, OF
14 COURSE, TO GO BACK AND AUDIT AND MAKE SURE THAT THE
15 INSTITUTE HAS, INDEED, FOLLOWED ALL THE REQUIREMENTS
16 UNDER THE FUTURE GRANTS AGREEMENT --

17 MR. KLEIN: IF THEY DON'T QUALIFY UNDER THE
18 GRANT ADMINISTRATION POLICY BECAUSE THEY VIOLATED SOME
19 AGREEMENT, THEY DON'T QUALIFY.

20 MS. HOFFMAN: THEN I THINK MAYBE WE MIGHT
21 WANT TO GO BACK AND REVISIT 518 JUST TO MAKE SURE THAT
22 WE'RE CONSISTENT.

23 MR. KLEIN: WE'RE UNIFORM.

24 CHAIRMAN LICHTENGER: I WOULD AGREE THAT
25 MAKES GOOD SENSE. DO WE NEED TO DO THAT NOW, OR CAN WE

1 DO THIS ONE FIRST? LET'S DO THIS ONE. THEN WE'LL GO
2 BACK AND LOOK AT THAT SPECIFIC ISSUE FOR 518 TO MAKE
3 SURE THAT FAIRNESS IS ENSURED.

4 MS. HOFFMAN: THERE'S STILL A FINANCIAL
5 ISSUE. SO, RICK, WHY DON'T YOU WALK THEM THROUGH THAT
6 MATCHING FUND.

7 MR. KELLER: WE HAD INDICATED IN THE STAFF
8 ANALYSIS THAT, AGAIN, BECAUSE THIS IS AN EARLY ONE FOR
9 REVIEW, WE'VE ALREADY HAD THE CIRCUMSTANCE WHERE THE
10 SHARED LAB IS BASICALLY THE SITE FOR THE TECHNIQUES
11 COURSE. AND ONE OF THE THINGS WE POSED IS HOW WOULD
12 THIS BE -- THE IDEA THAT THERE'S AN EFFICIENCY, THIS IS
13 A POSITIVE CIRCUMSTANCE, THAT WE WERE TRYING TO CONVEY
14 THAT YOU'RE NOT REALLY GETTING ANY SCORING ON THE STEM
15 CELL TECHNIQUES COURSE BECAUSE THEY'VE GONE AND BEEN
16 EFFICIENT AND CLEVER IN PROVIDING THE OPPORTUNITY FOR
17 THAT COURSE TO OCCUR IN SHARED-USE SPACE. SO IT WAS
18 ACTUALLY A STAFF COMMENT OF SOME COMPLEMENTARY NATURE
19 COMPARED TO THE REST THAT WE'VE HAD TODAY.

20 CHAIRMAN LICHTENGER: FAIR ENOUGH. I
21 WITHDRAW MY COMMENT ABOUT THERE'S A TECHNICAL FINANCIAL
22 ISSUE ON THIS APPLICATION. SO ARE WE GOING -- LET'S GO
23 BACK TO THE PRIOR ISSUE. DOES THAT MAKE SENSE? SO
24 DOES STAFF HAVE A PROPOSED RESOLUTION TO THIS ISSUE?

25 VICE CHAIRMAN SERRANO-SEWELL: HOW DID WE

1 RESOLVE IT IN 518? REFRESH MY MEMORY.

2 MS. HOFFMAN: THERE WAS \$60,000 THAT APPROVAL
3 AT THE JUNE ICOC MEETING WOULD HAVE BEEN SPENT, AND
4 THAT PARTICULAR APPLICANT ASKED FOR REIMBURSEMENT, CIRM
5 WOULD REIMBURSE THEM FOR THE FUNDS. WHAT THE WORKING
6 GROUP DECIDED WAS THAT, IN FACT, FUNDS EXPENDED PRIOR
7 TO APPROVAL COULD BE USED AS MATCHING FUNDS, BUT NOT TO
8 BE REIMBURSED. SO THIS IS THE SAME ISSUE. IT'S JUST
9 ORDER OF MAGNITUDE SLIGHTLY DIFFERENT.

10 MR. KASHIAN: THAT'S EXACTLY THE WAY I VIEW
11 IT AS WELL.

12 MR. KLEIN: WHAT'S THAT MEAN?

13 MR. KASHIAN: WHAT IT MEANS IS THAT THEY'VE
14 DECIDED TO GO AHEAD AND DO THIS WHETHER OR NOT THEY GET
15 THE GRANT OR NOT. I CONSIDER THAT A POSITIVE. IF WE
16 CHOOSE -- IF WE CHOOSE TO REDUCE THE AMOUNT OF THE
17 GRANT, ALL THAT DOES IS INCREASE THEIR MATCHING SHARE,
18 WHICH I THINK IS WEAK TO BEGIN WITH. I DON'T THINK WE
19 OUGHT TO PENALIZE PEOPLE THAT ARE PROCEEDING AND ARE IN
20 THE TIMELINE.

21 MR. KLEIN: WE ALSO HAVE THE ISSUE THAT ON
22 MAJOR FACILITIES WITH LONG LEAD-TIME, PEOPLE ARE HAVING
23 TO SPEND A LOT OF TIME TO GET THE INFORMATION WE NEED.
24 SO IF WE'RE GOING TO START PENALIZING THEM FOR SPENDING
25 THE MONEY TO GET THE INFORMATION WE NEED, WE'RE PUTTING

1 OURSELVES IN A BAD POSITION.

2 MS. PACHTER: THIS IS MY ONLY CONCERN, AND I
3 MAY NOT UNDERSTAND EXACTLY WHAT WE'RE TALKING ABOUT.
4 BUT THE INITIATIVE PROVIDES AND THE RFA PROVIDES THAT
5 PAST -- FUNDS EXPENDED IN THE PAST AFTER JANUARY 1,
6 2005, MAY BE USED FOR MATCHING FUNDS. AND WHAT WE ARE
7 SAYING, IF WE SAY WE'RE GOING TO ALSO REIMBURSE, IS
8 THERE NO LONGER ANY DISTINCTION? IN OTHER WORDS, THE
9 APPLICANT CAN CHOOSE TO ASK US TO REIMBURSE IT, AND
10 THEN CAN'T USE IT FOR MATCHING FUNDS IF IT'S ALREADY
11 REIMBURSED, OR IS THAT WHERE WE'RE DRAWING A REAL
12 DISTINCTION? SO WE'RE SAYING IF YOU SPENT IT ALREADY,
13 YOU CAN USE IT AS YOUR MATCH, BUT WE'RE NOT GOING TO
14 REIMBURSE IT.

15 CHAIRMAN LICHTENGER: SO --

16 MR. KASHIAN: LET ME OFFER THIS ISSUE.

17 CHAIRMAN LICHTENGER: ED, CAN YOU HOLD ON ONE
18 SECOND, PLEASE. I JUST WANT TO THROW OUT A CONCEPT TO
19 THE GROUP. SO COULD WE POTENTIALLY AMEND THE MOTION
20 THAT WE PASSED EARLIER TO CLARIFY THIS ISSUE? IS THAT
21 POSSIBLE?

22 MR. HARRISON: YES.

23 CHAIRMAN LICHTENGER: SO WHAT IF THOSE
24 DOLLARS, FIRST, HAVE TO GO TOWARDS MATCHING TO MAKE
25 SURE THEY MEET THE MINIMUM REQUIREMENT, AND THEN ANY

1 DOLLARS SPENT CAN BE REIMBURSED AFTER THE MATCHING
2 COMPONENT IS MET?

3 MS. PACHTER: IF YOU'RE USING MATCHING FUNDS,
4 YOU HAVE NO INCENTIVE TO MATCH BEYOND THE 20 PERCENT.

5 MR. KLEIN: YEAH. YOU HAVE AN INCENTIVE
6 BECAUSE YOU'RE NOT GOING TO GET A HIGHER SCORE BECAUSE
7 YOU HAVE TO GO BEYOND THE MINIMUM TO GET A HIGHER
8 INSTITUTIONAL COMMITMENT SCORE. IF YOU JUST MEET THE
9 20 PERCENT, YOU KNOW, THERE ARE PEOPLE HERE THAT HAD
10 HIGH COSTS, THAT FROM AN INDIVIDUAL PERSPECTIVE, I ONLY
11 DEALT WITH THAT HIGH COST BECAUSE THEY MADE A
12 50-PERCENT MATCH. SO THERE'S A LOT OF REASONS TO HAVE
13 A HIGHER MATCH.

14 MR. SHEEHY: I'M VERY NERVOUS ABOUT
15 REIMBURSING. I'M FINE, IF PEOPLE HAVE SPENT MONEY,
16 ALLOWING THEM TO MAKE THE MATCH. IT SEEMS LIKE WE'VE
17 DONE A LOT OF WORK ON TRYING TO ACCOMMODATE THAT.
18 PAYING BACK MONEY TO SOMEONE FOR SOMETHING THAT THEY
19 DID BEFORE WE EVEN ISSUED AN RFA JUST RUBS ME VERY
20 WRONG. AND WE MAY DO SOMETHING DIFFERENT IN THE
21 CONTEXT. WE SHOULD NOT MAKE EVERY DECISION THAT WE
22 TAKE TODAY RELEVANT TO THE LARGE FACILITIES GRANT. WE
23 MAY DECIDE TO HAVE A DIFFERENT STRUCTURE; BUT IN THE
24 CONTEXT OF THIS GRANT FOR TODAY, I THINK THAT IT MAKES
25 ABSOLUTELY NO SENSE TO REIMBURSE. IT'S NOT THAT MUCH

1 MONEY INVOLVED.

2 MR. KASHIAN: YES. I DON'T THINK
3 REIMBURSEMENT IS THE ISSUE. I THINK THE ISSUE IS THAT
4 THEY'VE STARTED BUILDING THIS THING, AND THEY'RE USING
5 THEIR MATCHING FUNDS TO BEGIN WITH. IF THEY GET PAST
6 THE POINT OF USING THEIR MATCHING FUNDS, THEN YOU'RE
7 PLACED IN A POSITION OF REDUCING THE GRANT AMOUNT. WHY
8 WOULD YOU EVEN THINK ABOUT ANYTHING ELSE?

9 MS. HYSEN: CAN I READ THE PART OF THE RFA
10 THAT MAY SPEAK TO THIS BECAUSE IT SEEMS LIKE IT DOES?
11 COSTS INCURRED BEFORE THE TIME OF THE GRANT AWARD FOR
12 CONSTRUCTION OR RENOVATION OF SPACE OR ATSC RESEARCH
13 OUTSIDE THE FEDERAL GUIDELINES CANNOT BE REIMBURSED,
14 BUT MAY BE USED AS MATCHING FUNDS IF COSTS WERE
15 INCURRED AFTER JANUARY 1ST. IS THAT THE ANSWER?

16 CHAIRMAN LICHTENGER: I THINK THAT'S PRETTY
17 CLEAR, DEBORAH. THANK YOU FOR READING THAT. I DON'T
18 THINK WE WANT TO --

19 VICE CHAIRMAN SERRANO-SEWELL: YOU'RE
20 DANGEROUS.

21 MS. HYSEN: IT ALSO APPLIES TO EQUIPMENT.
22 YOU'RE NOT MY CHILD. WAIT TILL YOU SEE WHAT I DO TO MY
23 KIDS.

24 CHAIRMAN LICHTENGER: THAT WAS EXCELLENT,
25 DEBORAH.

1 MS. SAMUELSON: IT'S SO ANNOYING WHEN THOSE
2 NON-LAWYERS CITE THE STATUTE.

3 CHAIRMAN LICHTENGER: BOB.

4 MR. KLEIN: I'D JUST LIKE TO SAY I THINK
5 DEBORAH IS RIGHT.

6 CHAIRMAN LICHTENGER: SO GIVEN --

7 MR. KASHIAN: SHE ALWAYS IS.

8 CHAIRMAN LICHTENGER: DO WE NEED TO MAKE ANY
9 ADJUSTMENTS TO OUR PRIOR MOTION?

10 MR. HARRISON: NO.

11 CHAIRMAN LICHTENGER: SO CAN WE GO BACK TO --
12 DO WE NEED A MOTION ON THIS? CAN I HAVE STAFF PROPOSE
13 EXACTLY WHAT THAT MOTION WOULD BE, PLEASE?

14 MS. HOFFMAN: THE PROPOSAL WOULD BE THAT CIRM
15 SHALL NOT OR SHOULD NOT REIMBURSE FUNDS EXPENDED PRIOR
16 TO, AND I THINK THIS IS THE ISSUE A WELL, AWARD, AND IT
17 MAY BE THAT YOU WANT TO SAY APPROVAL BECAUSE APPROVAL
18 WILL HAPPEN IN JUNE, JUNE 5TH AT THE ICOC ONE WAY OR
19 THE OTHER, AND AWARD WILL HAPPEN SOMETIME AFTER THAT.

20 CHAIRMAN LICHTENGER: OKAY. SO I PROPOSE
21 STAFF'S --

22 VICE CHAIRMAN SERRANO-SEWELL: SO MOVED.

23 MS. HOFFMAN: EXCUSE ME. I WAS JUST REMINDED
24 THAT ANY OF THOSE FUNDS WOULD THEN BE APPLIED TO THE
25 MATCH.

1 CHAIRMAN LICHTENGER: OKAY. SO I'D LIKE TO
2 PROPOSE THE STAFF'S RECOMMENDATION ON THIS ISSUE. DO I
3 HAVE A SECOND?

4 MR. KLEIN: YOU'RE USING THE WORD "APPROVAL."
5 SHE GAVE YOU TWO CHOICES. WE'RE USING THE WORD
6 "APPROVAL"; IS THAT RIGHT?

7 VICE CHAIRMAN SERRANO-SEWELL: I THINK MS.
8 HOFFMAN SAID AWARD APPROVAL. THAT'S HOW I HEARD IT.

9 MS. HOFFMAN: I WOULD SUGGEST THAT WE USE THE
10 DATE APPROVAL SINCE IT'S A DATE CERTAIN OF JUNE 5TH.

11 CHAIRMAN LICHTENGER: OKAY. SO I PROPOSE
12 STAFF'S RECOMMENDATION AS THE MOTION. DO I HAVE A
13 SECOND?

14 DR. WRIGHT: SECOND.

15 CHAIRMAN LICHTENGER: SECOND, JANET. ALL IN
16 FAVOR SAY AYE. ANY OPPOSED? OKAY. SO THE MOTION
17 PASSES UNANIMOUSLY.

18 ED, YOU'RE GOING TO DO THE PRIMARY REVIEW
19 NOW.

20 MR. KASHIAN: I UNDERSTAND BOB WANTS TO --

21 MR. KLEIN: I'D JUST LIKE TO MAKE A COMMENT,
22 THAT IF WE PUT A PLACEHOLDER THAT WITH MAJOR
23 FACILITIES, THERE MAY BE VERY LARGE LEAD-TIME COSTS,
24 AND WE SHOULD LOOK CAREFULLY AT THE WORDING WE PUT IN
25 THE RFA ADDRESSING AND TAKING INTO THE ACCOUNT THE

1 MAGNITUDE OF THOSE COSTS AND HOW WE CAN TREAT THEM.

2 CHAIRMAN LICHTENGER: THANK YOU, BOB. ED, IF
3 YOU COULD PROCEED WITH THE PRIMARY REVIEW.

4 MR. KASHIAN: THANK YOU. I CONSIDERED THIS
5 ABOVE AVERAGE IN TERMS OF FEASIBILITY, HIGHEST
6 FEASIBILITY. OBVIOUSLY THEY'RE IN THE PROCESS OF DOING
7 IT.

8 COSTWISE IT'S IN THE MEDIUM HIGH RANGE, AND
9 THE TIMELINES ARE THE BEST I'VE SEEN IN ANY
10 APPLICATION. THEY'RE ALREADY STARTING AND DOING THE
11 WORK.

12 SO WHAT WAS WEAK, IN MY OPINION, IS WHAT
13 THEY'RE CURING THEMSELVES, WHICH IS THEIR MATCHING
14 FUNDS AND THEIR INSTITUTIONAL COMMITMENT, SO I THINK
15 THEY'RE GOING TO SOLVE MY PROBLEM THEMSELVES BECAUSE
16 WE'RE NOT GOING TO REIMBURSE THE MONEY.

17 THEIR PERFORMANCE IS ABOVE AVERAGE.
18 RESPONSIVENESS IS THE HIGHEST GRADE THAT I CAN GIVE
19 THEM. AND I RECOMMEND MAKING IT AS EASY AS POSSIBLE
20 FOR THEM WITHOUT VIOLATING OUR FISCAL RULES.

21 CHAIRMAN KLEIN: THANK YOU, ED. AND, DAVID.

22 VICE CHAIRMAN SERRANO-SEWELL: I'M THE
23 SECONDARY REVIEWER, AND I'LL JUST SAY ED HIT EVERYTHING
24 ABSOLUTELY ON POINT. FEASIBILITY THROUGH THE
25 RESPONSIVENESS THEY EXCEL. WE ADDRESSED THE

1 INSTITUTIONAL COMMITMENT IN A SORT OF FUN, ROUNDABOUT
2 WAY, BUT WE HAVE. IT IS AN INSTITUTION THAT HAS A
3 GENUINE COMMITMENT TO THIS FIELD OF SCIENCE, AND IT'S
4 AN APPLICATION THAT I WOULD RECOMMEND FOR FUNDING.

5 CHAIRMAN LICHTENGER: WHAT ABOUT HISTORICAL
6 PERFORMANCE?

7 VICE CHAIRMAN SERRANO-SEWELL: HISTORICAL
8 PERFORMANCE, THEY'VE DONE PROJECTS OF SIMILAR
9 MAGNITUDE, AND THEY HAVE A DECENT RECORD ON MEETING
10 THEIR DEADLINES AND BUDGETS.

11 CHAIRMAN LICHTENGER: GREAT.

12 DR. WRIGHT: DAVID, I HAVE A COMMENT. I ALSO
13 TOOK A LOOK AT THIS ONE, AND THE COURSE WAS, I THOUGHT,
14 TERRIFIC. THEY WERE GOING TO PUT THROUGH TWO TO THREE
15 OR FOUR PEOPLE A MONTH, TRAINEES, AND PLAN TO RUN THEIR
16 PROGRAM EVERY MONTH. THERE WAS NO TUITION, AND THEY
17 TALKED ABOUT CONTINUOUS ACCESS AFTER THE COURSE,
18 CONTINUOUS ACCESS FOR THOSE WHO WENT THROUGH THE COURSE
19 TO FACULTY AND THE EQUIPMENT.

20 MR. KASHIAN: THANK YOU. IT'S A GOOD POINT.

21 CHAIRMAN LICHTENGER: THANK YOU, JANET.

22 MS. HYSEN: SO DID THAT ELEVATE THE SCORES
23 FOR THE REVIEWERS, THE COURSE TECHNIQUES?

24 VICE CHAIRMAN SERRANO-SEWELL: I WOULD HAVE
25 ASSIGNED THE SAME SOURCE IN THE COURSE TECHNIQUES,

1 WHICH IS PRETTY HIGH.

2 CHAIRMAN LICHTENGER: SO IF THERE ARE NO
3 FURTHER COMMENTS, I'D LIKE TO TAKE A MOMENT AND HAVE
4 EVERYONE PUT THE PRELIMINARY SCORE DOWN FOR APPLICATION
5 500.

6 APPLICATION 501, RICK, IT APPEARS THAT THERE
7 ARE TECHNICAL FINANCIAL ISSUES ON THIS APPLICATION
8 NUMBER.

9 MR. KELLER: CORRECT. AND RECUSALS ON THIS
10 ONE ARE MEMBER SHEEHY AND MEMBER FEIT.

11 (MEMBERS LANSING, SHEEHY AND FEIT ARE
12 RECUSED FROM APPLICATION 501 AND ARE NOT PRESENT IN THE
13 ROOM.)

14 MR. KELLER: THE PROPOSAL IS FOR BOTH A
15 SHARED RESEARCH LABORATORY AND A STEM CELL TECHNIQUES
16 COURSE. THERE'S \$2 MILLION EACH FOR CONSTRUCTION AND
17 EQUIPMENT FOR THE SHARED LAB, AND A TOTAL OF 500,000,
18 MOST OF THAT IN CONSTRUCTION, FOR THE TECHNIQUES
19 COURSE.

20 THE PRIMARY REVIEWER IS CHAIRMAN LICHTENGER
21 AND SECONDARY REVIEWER IS MEMBER SAMUELSON.

22 CHAIRMAN LICHTENGER: DON'T WE HAVE TO GO
23 OVER THE TECHNICAL ISSUE FIRST?

24 MR. KELLER: I'M SORRY. ON THE ISSUE THAT A
25 PORTION OF THE FUNDS BASICALLY AS DESCRIBED IN THE

1 APPLICATION ARE UNALLOWABLE COSTS UNDER OUR DEFINITION
2 OF EQUIPMENT AND SO FORTH. SO THE APPLICABLE STANDARD
3 PROCEDURE THAT YOU'VE USED ON UNALLOWABLE COSTS WOULD
4 APPLY IN THIS CASE, THAT CIRM SHOULD REDUCE THE GRANT
5 AMOUNT, APPLICANTS PROVIDE INSTITUTIONAL FUNDS FOR
6 THOSE UNALLOWABLE EXPENSES WITH NO CHANGE IN SCOPE.

7 DR. WRIGHT: SO MOVED.

8 CHAIRMAN LICHTENGER: I SECOND IT. I'D LIKE
9 TO HAVE A VOICE VOTE. ALL THOSE IN FAVOR SAY AYE. ANY
10 OPPOSED? OKAY. MOTION PASSES.

11 SO GIVE ME ONE SECOND. I'LL DO THE PRIMARY
12 REVIEW ON THIS ONE.

13 MS. HYSEN: IS THERE A SECONDARY TECHNICAL
14 ISSUE REGARDING THE TECHNIQUES COURSE, OR IS THAT TO BE
15 DISCUSSED LATER?

16 MS. HOFFMAN: THAT'S JUST A POLICY ISSUE.

17 CHAIRMAN LICHTENGER: SO FEASIBILITY, THE
18 PROJECT WAS QUITE FEASIBLE. THERE WERE NO MAJOR ISSUES
19 NOTED IN THE INFORMATION, ALTHOUGH I WAS A LITTLE
20 TROUBLED BY THE LEVEL OF DETAIL AND THE LEVEL OF
21 PLANNING THAT WAS PROVIDED. AGAIN, VERY FEASIBLE
22 PROJECT. BUILDING OUT LABORATORY SPACE IN EXISTING NEW
23 BUILDING, PROVIDING A STEM CELL TECHNIQUES COURSE. SO,
24 AGAIN, THERE'S NO ISSUE IN TERMS OF FEASIBILITY.
25 AGAIN, COMPARED TO SOME OF THE OTHER APPLICATIONS, THE

1 LEVEL OF DETAIL COULD HAVE BEEN BETTER.

2 THE COST SEEMS TO BE VERY GOOD COMPARED TO
3 OTHER REVIEWED APPLICATIONS. IT WAS, AGAIN, NOT
4 EXCELLENT, BUT VERY GOOD, \$399 PER ASSIGNABLE SQUARE
5 FOOT. AND THE OVERALL SCHEDULE WAS GOOD TO SOMEWHAT
6 AGGRESSIVE. IT WAS ABOUT AN EIGHT-MONTH SCHEDULE, SO I
7 WAS PLEASED WHEN I SAW THAT. AND IT SEEMED APPROPRIATE
8 FOR WHAT WORK WAS BEING DONE.

9 THE INSTITUTIONAL COMMITMENT SEEMED TO BE
10 ABOVE AVERAGE. YOU KNOW, THEY EXCEEDED THE MATCH WITH
11 22 AND 21 PERCENT. I WOULD HAVE LIKED TO HAVE SEEN A
12 HIGHER LEVEL OF COMMITMENT, BUT, AGAIN, THEY DID EXCEED
13 IT.

14 THE HISTORICAL PERFORMANCE SEEMED TO BE VERY
15 GOOD TO EXCELLENT. ALTHOUGH ONE MAJOR PROJECT IS NOT
16 COMPLETED, AND IT WOULD HAVE BEEN HELPFUL TO HAVE MORE
17 INFORMATION ON THAT ONE. SO, AGAIN, I WAS VERY PLEASED
18 WITH THE HISTORICAL PERFORMANCE THAT THEY SHOWED.

19 YOU KNOW, THE OVERALL RESPONSIVENESS WAS
20 GOOD; BUT, AGAIN, I THINK THERE SHOULD HAVE BEEN A
21 GREATER LEVEL OF DETAIL COULD HAVE BEEN PROVIDED.
22 AGAIN, WHAT THEY PROVIDED WAS ACCEPTABLE, BUT IT JUST
23 GAVE ME SOME PAUSE. SO, AGAIN, IT WAS ACCEPTABLE, BUT
24 I WOULD SAY SLIGHTLY ABOVE AVERAGE.

25 ON THE TECHNIQUES COURSE I THOUGHT IT SEEMED

1 LIKE THEY WERE -- THE AREA THEY WERE TALKING ABOUT, THE
2 COSTS SEEMED TO BE HIGH RELATIVE TO THE AMOUNT OF WORK
3 THEY WERE DOING. SO IN TERMS OF THE COST ON THAT
4 PARTICULAR TECHNIQUES COURSE, I WAS NOT AS HAPPY WITH
5 THAT, SO I WOULD DOWNGRADE THE COST RATING TO THAT TO
6 BE SOMEWHAT LESS THAN THE COST TO DO THE SHARED LAB
7 SPACE.

8 SO OVERALL A GOOD APPLICATION, BUT I THINK
9 WITH SOME GREATER DETAIL, IT COULD HAVE BEEN AN
10 EXCELLENT APPLICATION.

11 SO ANY QUESTIONS FOR THE PRIMARY REVIEWER?

12 MS. HYSEN: I HAVE A QUESTION. THIS APPEARS
13 TO BE A VACANT OR COLD SHELL SPACE, MEANING THERE'S
14 REALLY NOTHING THERE EXCEPT FOR STAIRS OR ELEVATORS TO
15 IT?

16 CHAIRMAN LICHTENGER: I THOUGHT IT WAS A WARM
17 SHELL.

18 MS. HOFFMAN: IT'S ACTUALLY A CROSS BETWEEN A
19 COLD SHELL AND A WARM SHELL. THERE'S NO HOOK-UPS, BUT
20 IT'S ALL THERE.

21 CHAIRMAN LICHTENGER: A LUKE WARM SHELL.

22 MS. HYSEN: THERE'S A NOTATION THAT SOME OF
23 THE PRIMARY THINGS THAT ONE WOULD REQUIRE ON A FLOOR,
24 SUCH AS BATHROOMS, DON'T EXIST. AND PRESUMABLY YOU
25 WOULD NEED BATHROOMS FOR THE RESEARCHERS AND THE

1 TRAINEES, AND SOMEWHERE THAT'S GOT TO HAPPEN. ARE WE
2 CONCERNED AT ALL ABOUT THAT?

3 MS. SAMUELSON: IS THIS THE BUCK?

4 CHAIRMAN LICHTENGER: THIS IS ONE OF THE
5 EARLIER ONES I REVIEWED. I'D HAVE TO GO BACK AND CHECK
6 MY NOTES ON THIS, BUT I THINK IT WAS PRETTY CLEAR THAT
7 THEY WERE GOING TO BE PUTTING BATHROOMS IN.

8 MS. HOFFMAN: DAVID, IF YOU DON'T MIND. I'M
9 SORRY. IN FACT, THEY DO NOTE THAT THERE ARE NO
10 FACILITIES ON THIS FLOOR. AND IN THE FIRST PART OF THE
11 APPLICATION FOR THE SHARED LAB, THE APPLICANT DOES
12 SUGGEST THAT PERHAPS THESE FACILITIES WOULD BE DONE IN
13 THE TECHNIQUES COURSE; BUT THEN IN REVIEWING THE
14 TECHNIQUES COURSE, IN FACT, IT DOESN'T LOOK LIKE THESE
15 FACILITIES WILL BE PUT IN. SO I THINK YOUR COMMENT IS
16 CORRECT.

17 MS. HYSEN: I WAS CONCERNED BECAUSE IT LOOKS
18 LIKE IT'S INTENDED TO BE A MULTITENANT OR A
19 MULTI-OCCUPANT FLOOR. NO DISCUSSION OF COMMON AREA
20 HALLWAYS, DEMISING WALLS, BATHROOMS THAT I CAN SEE IN
21 THE ANALYSIS.

22 MS. HOFFMAN: CERTAINLY THE RESTROOMS ARE NOT
23 INCLUDED. I DO THINK THAT YOU WILL SEE THE WALL SPACE
24 GO UP. IT'S A 2800 SQUARE FOOT SHELLLED FLOOR, AND THIS
25 IS JUST ONE VERY SMALL PIECE OF IT. AND THE TECHNIQUES

1 COURSE WOULD THEN PROVIDE A MULTIPURPOSE ROOM FIT-OUT,
2 BUT, AGAIN, NOT WITH ALL THE AMENITIES FOR THAT
3 PARTICULAR FLOOR. SO, IN FACT, THE WAY IT'S BEEN
4 DESIGNED, IT'S NEAR A STAIRWELL, SO IT LOOKS LIKE IT
5 WOULD CERTAINLY BE EASY ENOUGH TO GET TO THE THIRD
6 FLOOR --

7 MS. HYSEN: BUT WOULD THAT BE ADA? I DON'T
8 THINK YOU CAN COUNT THAT --

9 MS. HOFFMAN: WELL, THERE'S ELEVATORS AS WELL
10 BECAUSE THIS IS THE THIRD FLOOR OF A FOUR-STORY
11 BUILDING.

12 MS. HYSEN: YEAH. I DON'T KNOW THAT THAT
13 WOULD QUALIFY HAVING TO GO TO ANOTHER FLOOR. I'M JUST
14 CONCERNED THAT IT SEEMS LIKE THIS ONE HAS SOME ISSUES
15 THAT MAYBE DON'T FALL UNDER THE PURVIEW OF THE
16 PARTICULAR SPACE, BUT CLEARLY YOU NEED A COMPLEMENT OF
17 CERTAIN KINDS OF AMENITIES ON THE FLOOR TO FUNCTION.

18 MS. HOFFMAN: AS I SAID, IN THE FIRST PART OF
19 THE APPLICATION, IT DOES SUGGEST THAT THE RESTROOM
20 FACILITIES WOULD BE INCLUDED IN THE TECHNIQUES COURSE.
21 AND GIVEN THE COST OF 465,000 FOR A MULTIPURPOSE ROOM,
22 IT COULD SUGGEST THAT THERE'S MORE IN THERE, BUT IT'S
23 NOT IDENTIFIED IN THAT SECTION OF THE APPLICATION.

24 MR. KLEIN: QUESTION FOR STAFF. IN OUR
25 ADMINISTRATION POLICY, DO WE HAVE A REQUIREMENT THAT

1 THEY MEET THE HANDICAPPED REQUIREMENTS, THE DISABLED?

2 MS. HOFFMAN: IT'S A LAW. IT DOESN'T NEED TO
3 BE IN OURS.

4 MR. KLEIN: IF, IN FACT, THERE'S A
5 REQUIREMENT FOR BATHROOMS ON A FLOOR, THEY'RE GOING TO
6 HAVE TO MEET IT.

7 CHAIRMAN LICHTENGER: CORRECT. IT WOULD BE
8 CODE. AND I MEAN I GUESS WE DON'T HAVE TO BE
9 PRESUMPTIVE, BUT WE COULD PUT IN --

10 MR. KLEIN: IT SOUNDS LIKE THEY HAVE
11 INDICATED THAT THEY'RE GOING TO ACCOMMODATE IN THE
12 TECHNIQUES COURSE THESE BATHROOMS. THEY DON'T SHOW
13 THEM, BUT, IN FACT, WE CAN STATE THAT WE WILL HOLD THEM
14 TO THEIR REPRESENTATION.

15 CHAIRMAN LICHTENGER: I THINK --

16 MS. HYSEN: CAN I JUST SAY QUICKLY THAT
17 THERE'S NO WAY BUILDING BATHROOMS THEY'RE GOING TO MEET
18 THEIR TIMELINE. AUGUST 2007, THAT WOULD BE IMPOSSIBLE
19 UNLESS THERE'S THIS NEW MODULAR BATHROOM THAT COMES
20 FULLY COMPLETE THAT YOU JUST STICK ON A RAW FLOOR.
21 THAT'S A BIT OF A CONCERN BECAUSE I DON'T KNOW CAN THAT
22 YOU BUILD A BATHROOM.

23 CHAIRMAN LICHTENGER: I THINK THEY COULD
24 BUILD A BATHROOM QUICKLY.

25 MS. HYSEN: IN A MONTH?

1 CHAIRMAN LICHTENGER: YEAH. IT WOULD BE
2 AGGRESSIVE, BUT YES. REMEMBER, THIS IS A SHELL SPACE
3 THAT THE PLUMBING AND THE RISERS IS ALL THERE. THEY
4 JUST HAVE TO DO THE FINISH WORK.

5 MR. KLEIN: POINT OF ORDER. JANET WRIGHT IS
6 BRINGING UP A DIAGRAM THAT SHOWS A BATHROOM. WE'RE
7 TRYING TO DECIDE IF IT'S ON THE FLOOR.

8 CHAIRMAN LICHTENGER: HOLD ON. I'M GOING TO
9 LOOK AT THE PLANS THAT THEY'VE GIVEN.

10 MR. KLEIN: AT THIS LEVEL OF DETAIL, CAN'T WE
11 MAKE THE NEEDS KNOWN AND DELEGATE THIS TO STAFF AND
12 FOCUS ON THE LARGER ISSUES?

13 CHAIRMAN LICHTENGER: I SEE BATHROOMS. I SEE
14 TWO TOILETS. SO I DO SEE AN ADA, IT LOOKS TO BE AN ADA
15 BATHROOM ON THE FLOOR.

16 VICE CHAIRMAN SERRANO-SEWELL: CHAIRMAN
17 LICHTENGER, MR. KASHIAN HAS A COMMENT.

18 MR. KASHIAN: WOULD YOU SAY, IN YOUR OPINION,
19 THEY UNDERESTIMATE THE CONSTRUCTION COST AND
20 OVERESTIMATE THE TIME?

21 CHAIRMAN LICHTENGER: SO --

22 MR. KASHIAN: AND IF THEY DO, DO THEY SHOW A
23 CLEAR ABILITY TO MAKE UP THE COSTS OTHER THAN WITH OUR
24 MONEY?

25 CHAIRMAN LICHTENGER: WELL, SO YOU'RE ASKING

1 ME TWO QUESTIONS. SO LET ME ANSWER THE FIRST. IN
2 TERMS OF THE OVERALL SCHEDULE, I SHOW THAT THEY'RE
3 COMPLETE MARCH '08, EIGHT MONTHS. SO I DON'T HAVE A
4 PROBLEM WITH THE SCHEDULE. I THINK THE SCHEDULE IS
5 SLIGHTLY AGGRESSIVE, AND I THINK IT'S DOABLE. GIVEN
6 THAT THEY'VE GOT A LUKE WARM SHELL HERE AND A KIND OF
7 GOOD INFRASTRUCTURE TO BUILD FROM, I THINK THAT'S VERY
8 DOABLE.

9 IN TERMS OF THE COST, I THINK THAT THE COSTS
10 ARE TOTALLY IN LINE WITH WHAT I WOULD HAVE EXPECTED TO
11 SEE HERE FOR THIS WORK OTHER THAN I THOUGHT THE COSTS
12 WERE SOMEWHAT HIGH FOR THE STEM CELL TECHNIQUES COURSE.
13 SO MAYBE THEY HAVE THE BATHROOM IN THE STEM CELL
14 TECHNIQUES COURSE.

15 MS. HOFFMAN: THEY DO HAVE THE BATHROOM IN
16 THE TECHNIQUES COURSE, SO I STAND CORRECTED. IN FACT,
17 IT DOES LOOK LIKE IT SHOULD BE IN THERE.

18 MS. HYSEN: AND TO ADD THAT CORRECTION, THE
19 ANALYSIS, THERE'S A TYPO. IT SAYS MARCH 2007, BUT IT'S
20 CLEARLY MEANT TO BE MARCH 2008. IT'S PROBABLY PRETTY
21 REASONABLE THAT THE BATHROOMS CAN BE DONE BY MARCH
22 2008.

23 MS. HOFFMAN: SO THEN HERE'S THE ISSUE. THE
24 BATHROOMS DON'T GET BUILT UNLESS YOU APPROVE THE
25 TECHNIQUES COURSE WITH THE SHARED FACILITY LAB.

1 CHAIRMAN LICHTENGER: ARE YOU TELLING US
2 THAT, OR YOU'RE ASKING US THAT?

3 MS. HOFFMAN: I'M TELLING YOU.

4 CHAIRMAN LICHTENGER: OKAY. THAT WASN'T
5 NECESSARILY CLEAR TO ME WHEN I READ THE APPLICATION.

6 MR. KLEIN: I THINK THAT CODE'S GOING TO TAKE
7 CARE OF THIS ISSUE. I THINK WE NEED TO FOCUS ON LARGER
8 ISSUES. AND JUST ON A FUNCTIONAL BASIS, IF THEY DON'T
9 GET THE TECHNIQUES COURSE, THEY'RE GOING TO HAVE TO PUT
10 BATHROOMS ON THIS FLOOR. SO I THINK WE SHOULD JUST
11 MOVE ON TO HIGHER LEVEL ISSUES.

12 CHAIRMAN LICHTENGER: I AGREE WITH THAT, BOB.
13 AGAIN, GOING BACK TO MY ORIGINAL COMMENTS, THAT THE
14 BATHROOM ISSUE DID NOT JUMP OUT AT ME. I MUST HAVE
15 SEEN IT ON THE PLANS, BUT, ANYWAY, A GREATER LEVEL OF
16 DETAIL COULD HAVE BEEN PROVIDED WITH THIS GRANT
17 APPLICATION.

18 SO ANY FURTHER QUESTIONS OR COMMENTS ON THIS
19 GRANT APPLICATION?

20 DR. WRIGHT: I HAVE A QUESTION. IT LOOKS
21 LIKE WE GET TEN PI'S WITH THIS PLAN AT A COST THAT'S
22 QUITE HIGH COMPARED TO OTHERS. CAN SOMEBODY TALK ABOUT
23 THAT?

24 MR. KLEIN: I SAW THEIR DOCUMENTS THAT THEY
25 SUBMITTED IN THEIR EXHIBITS FROM OTHER INSTITUTIONS

1 COMMITTING TO PARTICIPATE WITH THEM IS MY RECOLLECTION
2 OF THIS FILE.

3 MS. HOFFMAN: AGAIN, THIS IS THE ISSUE THAT
4 WE DEALT WITH EARLIER THIS MORNING. AND WE ONLY
5 IDENTIFIED THE HOST INSTITUTIONS, AND SO THEY ARE
6 INDEED SAYING THAT THERE WILL BE NINE. SO NINE OR TEN.
7 AND LATER IN PROGRAMMATIC REVIEW, WE'LL SHOW YOU HOW
8 MANY CIRM-FUNDED PI'S ARE IN THERE AS WELL. AND,
9 AGAIN, THE REASON THAT WE DIDN'T INCLUDE THE POTENTIAL
10 USE AS A SHARED LAB BECAUSE IN MANY OF THESE
11 APPLICATIONS IN THE REGIONAL AREAS, PI'S WERE COUNTED
12 MORE THAN ONCE, IN FACT, MANY TIMES THE SAME PI'S. SO
13 WE THOUGHT BEST TO JUST TALK ABOUT WHAT THE HOST
14 INSTITUTION PLANS FOR CAPACITY.

15 MR. KLEIN: AS A COMMENT TOO, BECAUSE
16 DIFFERENT INSTITUTIONS HAVE DIFFERENT AREAS OF
17 SPECIALIZATION, IN FACT, PI'S MAY SHARE FACILITIES IN
18 MORE THAN ONE LOCATION BECAUSE THEY HAVE DIFFERENT
19 EQUIPMENT AVAILABLE, BECAUSE THEY HAVE DIFFERENT
20 EXPERTISE. SO IF THEY'RE DOING A COLLABORATIVE
21 EXPERIMENT THAT NEEDS SPECIFIC EQUIPMENT, THEY MAY BE
22 SHARING A LAB AT ONE LOCATION, AND ANOTHER EXPERIMENT
23 THEY'RE WORKING ON, THEY NEED THE EXPERTISE AND
24 EQUIPMENT FACILITIES THAT ARE AVAILABLE AT ANOTHER
25 LOCATION. SO THEY MAY HAVE MORE THAN ONE LOCATION THAT

1 THEY PARTICIPATE IN. IT'S VERY DIFFICULT TO EVALUATE.

2 CHAIRMAN LICHTENGER: I AGREE WITH THAT, BOB.
3 I THINK THAT THIS PARTICULAR ISSUE FOR THE NEXT ROUND
4 OF GRANTS WE'LL HAVE TO FLESH OUT SOME MEANINGFUL WAYS
5 TO COMPARE THESE ISSUES.

6 SO ARE THERE ANY FURTHER COMMENTS?

7 MS. SAMUELSON: ONE THOUGHT ABOUT THAT. MY
8 HUNCH IS THAT THE PROGRAMMATIC REVIEW WILL FLESH THAT
9 OUT A BIT BECAUSE THIS IS ONE OF THOSE IN WHICH THE
10 CAPITAL IMPROVEMENT MISSION IS VERY WELL INTEGRATED
11 INTO THE RESEARCH MISSION AND THE END RESULT MISSION
12 THAT WE'RE ALL ABOUT. AND MY HUNCH IS THAT, FOR ONE
13 THING, IF THEY ARE DRIVING THAT IN THE WAY THAT IT
14 APPEARS AND THAT I'M SOMEWHAT FAMILIAR WITH, THAT WILL
15 FUNCTION AS A MAGNET TO BRING SCIENTISTS INTO THE SPACE
16 IN A WAY IN WHICH SIMPLY THE AVAILABILITY OF A STEM
17 CELL LAB WITHOUT THAT FOCUS MAY NOT.

18 CHAIRMAN LICHTENGER: THANK YOU, JOAN. SO,
19 VICE CHAIR, IF YOU COULD PLEASE GIVE YOUR PERSPECTIVE
20 AS THE SECONDARY REVIEWER ON THIS GRANT APPLICATION.

21 VICE CHAIRMAN SERRANO-SEWELL: I HAD THE
22 CHANCE TO TALK TO JOAN ABOUT THIS EARLIER TODAY, SO WE
23 BOTH TOOK A LOOK AT THIS. MY COMMENTS, THOUGH, HAVE TO
24 DO WITH THE -- I APOLOGIZE -- ACROSS THE BOARD I
25 THOUGHT IN EVERY AREA THEY DID WELL. I DON'T HAVE

1 MUCH. WE HAD A FULL SORT OF DISCUSSION ABOUT THIS
2 OTHER TOPIC, SO I DON'T WANT TO ADD TO IT.

3 I KNOW. MY ISSUE IS SOMETHING THAT STAFF
4 RAISED, AND I NEEDED SOME CLARITY AND DIRECTION ON IT
5 HAVING TO DO WITH THE TECHNIQUES COURSE, AND THE 400
6 PLUS THOUSAND DOLLARS REQUESTED AND SORT OF WHAT TO DO
7 WITH THAT. IT'S A BROADER POLICY QUESTION, AND I
8 WASN'T SURE HOW TO HANDLE IT. I GUESS IF WE DECIDE TO
9 FUND IT, THEN WE'RE FUNDING IT AT THAT 400,000. IS
10 THAT JUST SORT OF --

11 CHAIRMAN LICHTENGER: I THINK IT'S WORTH
12 TALKING ABOUT THIS ISSUE. SO IF STAFF COULD FRAME THE
13 ISSUE BECAUSE I'M ACTUALLY A LITTLE FUZZY ABOUT WHY
14 EXACTLY IS THIS AN ISSUE AND WHAT IS THE PROBLEM ON
15 THIS ISSUE, ON THE TECHNIQUES COURSE?

16 MS. HOFFMAN: THE GENERAL INTENT OF THE
17 TECHNIQUES COURSE TO PROVIDE CONSTRUCTION FUNDS AS WELL
18 AS EQUIPMENT FUNDS WAS TO MAKE SURE THAT THERE WAS
19 ENOUGH BENCH SPACE OR EQUIPMENT THAT WAS SPECIFIC FOR
20 TRAINING. AND WHAT WE FOUND IN THIS PARTICULAR
21 APPLICATION WAS MORE OF A CLASSROOM-TYPE ATMOSPHERE.
22 SO, IN FACT, THE REASON THAT WE BRING IT TO YOUR
23 ATTENTION AND THAT IT IS TRULY JUST A POLICY ISSUE IS
24 THAT THERE IS NO ADDITIONAL LAB SPACE BEING ADDED, BUT,
25 IN FACT, THERE IS A \$465,000 ONLY CONSTRUCTION COSTS,

1 AND IT WILL BE FOR THE OTHER FACILITIES AS WELL THE
2 MULTIPURPOSE ROOM.

3 CHAIRMAN LICHTENGER: SO I HAVE A QUESTION
4 FOR STAFF. TRAINING AS IN DEFINED NOT IN TERMS OF MORE
5 CLASSROOM TRAINING, MORE OF A --

6 MS. HOFFMAN: MANY OF THE TECHNIQUES COURSES
7 INCLUDED AUDIOVISUAL EQUIPMENT AND A SMALLER FACILITY
8 FOR A CLASSROOM. SO I DON'T WANT TO SAY THAT THIS IS
9 IN ANY WAY INELIGIBLE. OF COURSE, IT IS ELIGIBLE. I
10 JUST WANTED EVERYONE TO UNDERSTAND THAT THERE WAS, IN
11 FACT, NO ADDITIONAL LAB SPACE OR SPECIALIZED EQUIPMENT
12 THAT WAS INCLUDED IN THIS PARTICULAR REQUEST.

13 CHAIRMAN LICHTENGER: WHEN I HAD READ THIS
14 REVIEW EARLY ON, ACTUALLY I THOUGHT IT WOULD MAKE A
15 GOOD TRAINING AREA, BUT OBVIOUSLY NOT IN TERMS OF LAB
16 EQUIPMENT OR ANYTHING ALONG THOSE LINES, BUT, AGAIN,
17 MORE CLASSROOM STYLE EXACTLY. SO I GUESS IS THIS
18 SOMETHING, I THINK, WE CAN DEAL WITH IN THE
19 PROGRAMMATIC REVIEW?

20 VICE CHAIRMAN SERRANO-SEWELL: IT'S
21 TECHNICAL. WE COULD. THAT'S FINE. SURE.

22 CHAIRMAN LICHTENGER: BECAUSE I DON'T KNOW,
23 DOES THE RFA, IS IT SPECIFIC ENOUGH IN TERMS OF THE
24 STEM CELL TECHNIQUES COURSE EXACTLY WHAT THAT MEANS?

25 MR. KLEIN: JANET WRIGHT, THE CONSTRUCTION

1 EXPERT, HAS A FLOOR PLAN THAT WE SHOULD TAKE A LOOK AT
2 BECAUSE ON THE FLOOR PLAN SHE'S LOOKING AT, WE'RE
3 SHOWING CELL CULTURE SPACE ON THIS FLOOR.

4 MS. HOFFMAN: THAT'S RIGHT, JUST NOT IN THE
5 TECHNIQUES COURSE, BUT THAT IS INDEED CORRECT.

6 MR. KLEIN: SO THEY'VE ADJOINED THE
7 MULTIPURPOSE ROOM TO THE SHARED LAB SPACE.

8 MS. HOFFMAN: ABSOLUTELY. YES.

9 MR. KLEIN: THE INTENT FOR THEM WOULD BE TO
10 TAKE PEOPLE FROM THE CLASSROOM INTO THE SHARED LAB TO
11 TEACH THEM IN THE SHARED LAB. IT ISN'T THAT THE
12 TRAINEES WOULDN'T HAVE ACCESS TO A LAB. IT'S JUST THAT
13 THEY'RE USING CONTIGUOUS SPACE. IT'S A DIFFERENT
14 LAYOUT.

15 MS. HOFFMAN: ABSOLUTELY. IF I IN ANY WAY
16 INDICATED THAT SOMEHOW THIS WASN'T VIABLE SPACE, AGAIN,
17 IT'S NOT INELIGIBLE. IT JUST WASN'T CREATING ANY BENCH
18 SPACE, IT WASN'T ANY NEW LAB SPACE, AND THERE IS NO
19 REQUEST FOR SPECIALIZED EQUIPMENT FOR TRAINING. SO ALL
20 OF THAT HAS BEEN REQUESTED IN THE SHARED LAB REQUEST.

21 MR. KLEIN: DIFFERENT PEOPLE TOOK DIFFERENT
22 TECHNIQUES, BUT THEY ARE PROVIDING BOTH THE LAB SPACE
23 AND THE TEACHING SPACE.

24 MS. SAMUELSON: AND IT MAY BE THAT THERE'S A
25 PROGRAMMATIC REASON FOR THAT BECAUSE THIS GROUP IS ONE

1 WHICH IS EXPERT ALREADY IN THE TRANSLATION ASPECTS.
2 THEY MIGHT WELL BE AN AUDIENCE FOR THAT THAT WAS
3 MORE -- THAT WAS LESS -- THAT HAD MORE TO LEARN AND
4 THEY HAD MORE TO TEACH, IF YOU WILL.

5 CHAIRMAN LICHTENGER: I AGREE WITH YOU, JOAN.
6 THANK YOU FOR YOUR COMMENTS. SO I'D LIKE TO MOVE THAT
7 WE CAN HAVE A PRELIMINARY SCORE ON APPLICATION 501.
8 AND THEN WE'LL TAKE A MOMENT, AND THEN I BELIEVE, I'M
9 NOT A HUNDRED PERCENT SURE, THAT THIS WILL BE THE LAST
10 APPLICATION, 522.

11 MR. KELLER: YES. I COULD SAY NO, BUT IT
12 WOULD BE UNPOPULAR. IT IS THE LAST.

13 522, RECUSALS ARE LANSING AND HOFFMAN.

14 (MEMBER LANSING AND STAFF MEMBER HOFFMAN
15 ARE RECUSED FROM APPLICATION 522 AND ARE NOT PRESENT IN
16 THE ROOM.)

17 MR. KELLER: THIS IS A PROPOSAL FOR A SHARED
18 LAB AND A TECHNIQUES COURSE, AND THE IMPROVEMENTS
19 RELATED TO THE COURSES ARE INCLUDED IN THE SHARED
20 RESEARCH LABORATORY SPACE. IT'S A REQUEST FOR \$2
21 MILLION, MILLION DOLLARS OF CIRM FUNDING FOR
22 CONSTRUCTION, A MILLION DOLLARS FOR EQUIPMENT. THE
23 PRIMARY REVIEWER IS CHAIR LICHTENGER AND SECONDARY
24 REVIEWER MEMBER SAMUELSON.

25 CHAIRMAN LICHTENGER: ARE THERE ANY TECHNICAL

1 ISSUES ON THIS APPLICATION, RICK?

2 MR. KELLER: DOUBLE-CHECK. NO, THERE'S NOT
3 BECAUSE I THINK WE HAD ONE ISSUE, BUT IT WAS HANDLED BY
4 VIRTUE OF THE FACT THAT THERE'S SUFFICIENT MATCH TO
5 COVER THAT.

6 CHAIRMAN LICHTENGER: GREAT. THANK YOU.

7 MR. KASHIAN: MR. CHAIRMAN, I MAY HAVE
8 MISPLACED IT, BUT I DON'T HAVE A STAFF ANALYSIS FOR
9 522.

10 CHAIRMAN LICHTENGER: I'LL GIVE YOU MINE. I
11 HAVE AN EXTRA ONE HERE IF YOU BEAR WITH ME ONE SECOND.
12 HERE YOU GO.

13 GIVE ME ONE MOMENT, PLEASE. ALL RIGHT. SO
14 THE PROPOSED PROJECT WOULD RENOVATE 5,000 ASSIGNABLE
15 SQUARE FEET IN TWO EXISTING RESEARCH BUILDINGS TO
16 EXPAND STEM CELL RESEARCH CENTER SPACE AND PROVIDE
17 ADDITIONAL TISSUE CULTURE LAB SPACE, CELLULAR MOLECULAR
18 BIOLOGY LAB SPACE, AND RENOVATE SPACE TO PROVIDE A
19 SATELLITE STEM CELL LABORATORY AT THE INSTITUTION.

20 YOU KNOW, THE PROJECT SEEMED QUITE FEASIBLE.
21 THERE WERE NO MAJOR ISSUES I NOTED. I GAVE IT A FAIRLY
22 HIGH FEASIBILITY SCORE.

23 I ALSO THOUGHT THE COSTS SEEMED EXCELLENT
24 COMPARED TO THE OTHER GRANT APPLICATIONS. THAT WAS
25 \$222 PER SQUARE FOOT, ASSIGNABLE PER SQUARE FOOT, WHICH

1 I LIKE NUMBERS THAT START WITH TWOS OR ONES, SO I WAS
2 VERY PLEASED ABOUT THAT. AND I THOUGHT THE SCHEDULE
3 SEEMED SOMEWHAT AGGRESSIVE, SO, AGAIN, I WOULD SAY VERY
4 GOOD TO EXCELLENT TIMELINES AND MILESTONES.

5 IN TERMS OF THE MATCH, I THOUGHT THE MATCH
6 WAS QUITE GOOD, VERY GOOD TO EXCELLENT, BECAUSE WE HAD
7 42 PERCENT OVERALL, WHICH IS OVER DOUBLE WHAT WAS
8 REQUIRED. SO, AGAIN, I THOUGHT IT WAS VERY GOOD TO
9 EXCELLENT.

10 THE HISTORICAL PERFORMANCE SEEMED GOOD TO
11 VERY GOOD. COSTS WERE UNDER BUDGET. COSTS WERE UNDER
12 BUDGET, BUT SCHEDULE SLIPPED ON SOME OF THE PROJECTS,
13 WHICH, AGAIN, IS KIND OF UNFORTUNATELY SOMEWHAT NORMAL,
14 BUT COSTS WERE UNDER BUDGET. AND, AGAIN, I WOULD
15 DEFINITELY PUT THEM IN A VERY GOOD CATEGORY IN TERMS OF
16 THEIR HISTORICAL PERFORMANCE.

17 AND OVERALL THE PROPOSAL SEEMED RESPONSIVE TO
18 THE RFA. I GAVE IT A GOOD SCORE ON THAT. I THOUGHT IT
19 WAS A WELL-DONE APPLICATION. THERE WERE NO -- ALL THE
20 DIFFERENT CATEGORIES WERE VERY GOOD AND ABOVE. SO, YOU
21 KNOW, OVERALL I THOUGHT IT WAS AN EXCELLENT
22 APPLICATION, AND I WOULD RECOMMEND IT FOR FUNDING.

23 SO ANY QUESTIONS FOR THE PRIMARY REVIEWER
24 BEFORE WE GO TO THE SECONDARY REVIEWER?

25 MR. KLEIN: WHAT DID YOU SAY THE TIMELINE WAS

1 LIKE? WHEN ARE THEY GOING TO COMPLETE?

2 CHAIRMAN LICHTENGER: IT LOOKED LIKE IT WAS
3 ABOUT A TEN-MONTH SCHEDULE. SO MAY '08 BASED ON THE
4 JULY START DATE. AGAIN, THAT SEEMED VERY GOOD TO
5 EXCELLENT. AND SO EVERYTHING SEEMED GOOD ON THIS
6 APPLICATION. I REALLY DIDN'T HAVE ANY ISSUES WITH IT.
7 JOAN.

8 MS. SAMUELSON: I TRACKED YOUR FINDINGS VERY
9 CLOSELY. EXCELLENT MATCH UNDER COST. THE TIMELINE
10 LOOKED GOOD.

11 I HAVE A QUESTION ABOUT VALUATION OF
12 EQUIPMENT, WHETHER THERE ARE ISSUES ABOUT THAT AND
13 WHETHER THE STRONG MATCH HAD ANYTHING TO DO WITH -- IF
14 THERE'RE DIFFERENT ACCOUNTING CHOICES THAT CAN BE MADE
15 ABOUT EQUIPMENT. I'M JUST IGNORANT ABOUT THESE THINGS,
16 AND MAYBE IT'S A VERY CLEAR SUBJECT, AND I DON'T NEED
17 TO WORRY ABOUT IT.

18 MR. KELLER: I THINK I'M NOT SURE I
19 UNDERSTAND YOUR QUESTION. ON THE EQUIPMENT, WE'RE NOT
20 MAKING A JUDGMENT ABOUT ITS NECESSITY IN TERMS OF THE
21 PROGRAMMATIC.

22 MS. SAMUELSON: THE VALUE OF IT.

23 MR. KELLER: THE VALUE TO SCIENCE, WE'RE NOT
24 MAKING THAT JUDGMENT. WE'RE SIMPLY INDICATING AND
25 RECEIVING THE INFORMATION WHERE THE INSTITUTION SAID

1 WE'VE PREVIOUSLY PURCHASED THIS, AND UNDER THE RFA THEY
2 CAN COUNT THAT.

3 MS. SAMUELSON: AND THEY TYPICALLY USE THE
4 PURCHASE PRICE?

5 MR. KELLER: YES. IN MOST CASES THEY'RE
6 USING THE PURCHASE PRICE, AND THEN THERE ARE SOME --
7 WELL, WE ALLOWED THEM TO SIMPLY INDICATE ANYTHING
8 PURCHASED AFTER '05, SO WE DIDN'T ASK FOR A DEPRECIATED
9 COST ALLOCATION REQUIREMENT.

10 MS. HYSEN: DIDN'T WE ASK THEM TO STATE THE
11 USEFUL LIFE? I THOUGHT WE DID. NOT THAT MANY, IF ANY,
12 DID IT, BUT I THOUGHT THE RFA DID ASK FOR IT.

13 MR. KELLER: YES.

14 CHAIRMAN LICHTENGER: THEY WERE GETTING A
15 HIGH PERCENTAGE FOR THE MATCH, INCLUDING EQUIPMENT,
16 JOAN. I DID NOTICE THAT AS WELL. A MATCH IS A MATCH.
17 AND I WOULD LEAVE THAT UP TO THE GRANTS ADMINISTRATION
18 POLICY THAT THIS GROUP WILL BE WORKING ON TOMORROW TO
19 MAKE SURE THAT WE ENSURE THAT IT'S DONE PROPERLY.

20 MR. KLEIN: I HAVE A COMMENT THERE. I THINK
21 DEBORAH HAS BROUGHT THIS UP A COUPLE OF TIMES, IN FACT,
22 INCLUDING THE APPLICATION HERE, THAT WE HAVEN'T REALLY
23 EFFECTIVELY DOWNGRADED ANYONE ON NOT GIVING US THE
24 AMORTIZED REMAINING USEFUL LIFE OF THIS EQUIPMENT. SO
25 WE CAN'T KIND OF START NOW. HOWEVER, GOING FORWARD, IT

1 IS, I THINK, VERY IMPORTANT THAT WE SHOULD HAVE A TABLE
2 OF ANY EQUIPMENT USED FOR MATCHES ON FUTURE
3 TRANSACTIONS WHERE WE SHOW THE NET VALUE AMORTIZED, THE
4 NET USEFUL LIFE REMAINING VALUE, AND COUNT THAT TOWARDS
5 THE MATCH. SO YOU'RE NOT USING EQUIPMENT THAT IS --
6 YOU'RE COUNTING AT FULL VALUE. IN FACT, IT MAY BE AT
7 SIGNIFICANTLY DEPRECIATED VALUE.

8 MS. SAMUELSON: RIGHT. THAT WOULD BE MY
9 RECOMMENDATION TOO.

10 GOOD HISTORICAL PERFORMANCE. THAT'S ABOUT
11 IT.

12 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
13 JOAN. ANY COMMENTS FROM THE WORKING GROUP? OKAY. SO
14 THEN WHAT I'D LIKE TO DO IS, YOU KNOW, I WANT TO ALLOW
15 FOLKS FIVE TO TEN MINUTES TO REVIEW ALL THEIR FINAL
16 SCORES AND MAKE ANY ADJUSTMENTS THAT THEY FEEL THEY
17 NEED TO MAKE IN TERMS OF GOING BACK NOW ON SOME OF THE
18 EARLIER PRELIMINARY SCORES THAT THEY'VE GIVEN. AND
19 THEN WE WILL BE GOING -- AT THE END OF THAT, WE'LL BE
20 GIVING OUR SCORES TO RICK. AND THEN WE'LL BE GOING TO
21 A CLOSED SESSION AS CALLED FOR IN THE PROCEDURES.

22 SO PLEASE REVIEW YOUR SCORING BOOKS AND MAKE
23 ANY FINAL CHANGES. THE SCORING BOOKS WILL BE
24 COLLECTED, AND THE COMPOSITE SCORES OF ONE TO A HUNDRED
25 WILL BE CALCULATED AS AN AVERAGE OF THOSE WHO ARE

1 ELIGIBLE AND SCORE THE APPLICATION. THE SCORES WILL BE
2 AVAILABLE WHEN WE RETURN FROM CLOSED SESSION.

3 VICE CHAIRMAN SERRANO-SEWELL: SO IT'S MY
4 UNDERSTANDING, MR. CHAIRMAN, THAT WE ARE -- THIS
5 CONCLUDES ESSENTIALLY THE TECHNICAL ASPECT OF THE
6 REVIEW OF THESE APPLICATIONS. WE ARE TO TURN THEM INTO
7 STAFF. WE WILL THEN GO INTO CLOSED SESSION IN WHICH
8 WE'LL GET A SCIENTIFIC REPORT FROM DR. CHIU AND HER
9 STAFF; IS THAT RIGHT?

10 CHAIRMAN LICHTENGER: THAT'S CORRECT.

11 VICE CHAIRMAN SERRANO-SEWELL: HOW LONG DO
12 YOU WANT TO GIVE US TO DO THAT, SAY, TEN MINUTES?

13 CHAIRMAN LICHTENGER: HOW LONG? I'M FLEXIBLE
14 ON THIS ISSUE. MEMBERS, DO YOU HAVE ANY SUGGESTIONS
15 HOW MUCH TIME YOU NEED?

16 VICE CHAIRMAN SERRANO-SEWELL: WE CAN
17 INCORPORATE IT INTO A STRETCH BREAK.

18 MR. KELLER: MR. CHAIRMAN, I JUST WANT TO
19 MAKE SURE. WHEN WE LOOKED AT THIS, BY VIRTUE OF THE
20 FACT THAT WE HAVE A NUMBER OF CATEGORIES THAT WE WANT
21 TO RECORD FROM YOUR SCORE BOOKS AND SO FORTH, WE'RE
22 GOING TO NEED A CONSIDERABLE AMOUNT OF TIME TO
23 BASICALLY AGGREGATE THE SCORES. AS YOU CONSIDER THE
24 SCHEDULE FOR THE REST OF YOUR DAY OR EVENING OR NIGHT,
25 WE WANT TO MAKE SURE YOUR EXPECTATIONS ARE THAT WE'LL

1 NEED ABOUT AN HOUR TO BASICALLY DO THAT SCORING AND DO
2 A VERIFICATION OF IT AND THEN PREPARE THE GRAPHS THAT
3 ARE TYPICALLY USED IN THE PROGRAMMATIC REVIEW THAT
4 RELATE TO THAT. I WANTED YOU TO BE AWARE OF THAT.

5 CHAIRMAN LICHTENGER: HOW LONG DO WE
6 ANTICIPATE THE CLOSED SESSIONS TO TAKE?

7 DR. CHIU: LESS THAN HALF AN HOUR.

8 CHAIRMAN LICHTENGER: OKAY. SO I JUST --

9 MR. KLEIN: THERE MAY BE SOME DISCUSSION.
10 YOU MIGHT WANT TO ALLOW MORE TIME THAN THAT. IT MIGHT
11 BE 45.

12 CHAIRMAN LICHTENGER: IT'S TEN AFTER FIVE
13 NOW. SO IF WE ALLOW, LET'S SAY, 15 MINUTES TO FINALIZE
14 OUR SCORES AND TAKE A BREAK.

15 VICE CHAIRMAN SERRANO-SEWELL: RICK, IF WE
16 WERE TO GIVE THESE TO YOU IN NEXT FIVE MINUTES, I KNOW
17 PEOPLE WANT TO DO FIVE TO TEN MINUTES, WOULD YOU HAVE
18 THE GRAPHS AND WHATNOT READY BY 6:30 P.M.?

19 MR. KELLER: YES.

20 VICE CHAIRMAN SERRANO-SEWELL: WOULD THAT BE
21 A SUFFICIENT AMOUNT OF TIME? I KNOW YOU WANT TO VERIFY
22 AND LOOK AT IT AND TWEAK IT AND ALL THAT SORT OF STUFF.
23 THAT SEEMS REASONABLE TO ME. AT 6:30 P.M. THIS
24 EVENING, WE COULD, IF THIS COMMITTEE WANTS TO, PROCEED
25 WITH THE PROGRAMMATIC REVIEW; IS THAT RIGHT? IS THE

1 COMMITTEE UP TO THAT? I AM.

2 CHAIRMAN LICHTENGER: YEAH. I GUESS THE REAL
3 QUESTION IS --

4 VICE CHAIRMAN SERRANO-SEWELL: BETWEEN NOW
5 AND 6:30 P.M., WE CAN GO INTO CLOSED SESSION.

6 MS. SAMUELSON: WHEN IS DINNER?

7 CHAIRMAN LICHTENGER: I WAS JUST GOING TO
8 COMMENT ON THAT. I DON'T KNOW. ARE WE -- I KNOW I
9 GAVE EVERYONE A REAL LUNCH, BUT WHAT ABOUT A WORKING
10 DINNER? IS THERE ANY REASON WE WOULDN'T WANT IT? I
11 WOULD PROPOSE, AGAIN I'M TOTALLY FLEXIBLE ON THIS
12 ISSUE, THAT WE TAKE FIVE OR TEN MINUTES TO COMPLETE OUR
13 SCORING. WE RECONVENE IN 20 MINUTES TO START THE
14 TECHNICAL CLOSED SESSION. AND THEN DOES THAT MAKE
15 SENSE?

16 VICE CHAIRMAN SERRANO-SEWELL: I WANT TO MAKE
17 SURE THIS IS GOING TO WORK FOR THE ENTIRE COMMITTEE
18 MEMBERS. LET ME THROW ANOTHER PROPOSAL OUT THERE. IF
19 IT'S A BAD IDEA, JUST IT'S A BAD IDEA. BUT IS DINNER
20 READY NOW? WHEN WILL DINNER BE READY? MAYBE WE RESUME
21 AT SEVEN. I GUESS WE CAN GO INTO CLOSED SESSION NOW,
22 HAVE DINNER AT SIX, AND RESUME FOR PROGRAMMATIC AT
23 SEVEN OR 6:45 OR SOMETHING. DOES THAT WORK?

24 CHAIRMAN LICHTENGER: THAT WORKS.

25 MS. SAMUELSON: WELL, THIS MAY BE ONE OF

1 THOSE MOMENTS WHEN WE DON'T HAVE TO HIT THE ACCELERATOR
2 AS HARD AS WE CAN EVERY SPLIT SECOND, AND THERE'S A
3 BENEFIT TO FEELING RESTED FOR THE PROGRAMMATIC REVIEW
4 AND HAVING SOME DOWNTIME TO PREPARE FOR IT, TO GET OUR
5 PHONE CALLS OUT OF THE WAY.

6 CHAIRMAN LICHTENGER: SO WE NEED -- CAN WE
7 HAVE COMMENTS FROM OTHER MEMBERS?

8 MR. KLEIN: JUST BEING RESPONSIVE TO
9 EVERYONE, I THINK IF WE RECONVENED, AS JEFF INDICATED,
10 AT SEVEN, THE QUESTION -- AS DAVID SUGGESTED, AT SEVEN,
11 AT 7 O'CLOCK, DAVID, IF WE RECONVENED AT THAT TIME,
12 DOES THAT GIVE US ENOUGH TIME TO EAT AND HAVE THE
13 CLOSED SESSION?

14 CHAIRMAN LICHTENGER: I MEAN, ARLENE, HOW
15 LONG DO YOU THINK WE NEED FOR SOME DISCUSSION? NO
16 DISCUSSION. OKAY. SO IT SHOULD BE PRETTY SHORT. WHY
17 DON'T WE DO THIS. WHY DON'T WE GO WITH DAVID'S
18 SUGGESTION. WHY DON'T WE GO -- LET'S TAKE 20 MINUTES
19 NOW TO FINALIZE OUR SCORES, TAKE A BREAK, AND THEN
20 WE'LL MEET WITH ARLENE HERE. THEN WE'LL DO THE CLOSED
21 SESSION. THEN WE'LL TAKE A BREAK AND RECONVENE AT 7
22 O'CLOCK, AND THAT SHOULD GIVE EVERYBODY ROUGHLY 45
23 MINUTES OR SO. MAYBE 7:15, WOULD THAT MAKE EVERYBODY
24 HAPPIER? SO LET'S JUST KEEP IT AT SEVEN. LET'S GO
25 WITH THAT. SO LET'S JUST TAKE 20 MINUTES NOW TO

1 FINALIZE THE SCORES, TAKE A BREAK, AND THEN --

2 VICE CHAIRMAN SERRANO-SEWELL: I THINK WE
3 SHOULD POLL ALL THE MEMBERS. IF JOAN'S NOT FOR IT,
4 PEOPLE SHOULD JUST SAY WHAT THEY WANT TO SAY. IF JEFF
5 CAN'T MAKE IT, IF ED'S GOT TO GO, THEN WE NEED TO MAKE
6 A DECISION BASED ON ALL THE FACTS.

7 CHAIRMAN LICHTENGER: I'M OPEN TO
8 SUGGESTIONS.

9 MR. KASHIAN: I CAN RECONVENE AT 7:45.

10 VICE CHAIRMAN SERRANO-SEWELL: WOULD YOU MIND
11 IF WE RECONVENED AT 7:15?

12 MR. KASHIAN: NOT AT ALL, BUT I'M NOT GOING
13 TO BE HERE.

14 VICE CHAIRMAN SERRANO-SEWELL: THE EARLIEST
15 YOU CAN BE BACK IS 7:45.

16 MR. SHEEHY: I GUESS YOU'RE TALKING ABOUT A
17 DAY THAT STARTED FOR SOME OF US AT SEVEN. IT SEEMS A
18 LITTLE MARATHON. I'M NOT COMPLETELY SURE WHAT ALL WE
19 NEED TO DO TOMORROW AND HOW LONG WE'RE PLANNING TO BE
20 AT IT TOMORROW.

21 CHAIRMAN LICHTENGER: RICK, JEFF IS BRINGING
22 UP THE POINT. HE WANTS TO KNOW WHAT WE HAVE -- IF
23 WE -- I GUESS, JEFFREY, YOU'RE PROPOSING THAT WE PUSH
24 OFF THE PROGRAMMATIC REVIEW TILL TOMORROW?

25 MR. SHEEHY: I DON'T THINK THERE'S ANY REASON

1 WHY IT WOULD -- IT DOESN'T SEEM LIKE IT WOULD HURT TO
2 GET THE REPORT FROM THE SCIENCE FOLKS. I JUST -- YOU
3 KNOW, IF WE GET OUT OF HERE AT 9 O'CLOCK, THAT'S A
4 PRETTY LONG DAY. I WOULDN'T MIND WORKING THROUGH
5 DINNER. IT'S HARD TO, LIKE, HAVE DINNER, TAKE AN HOUR
6 OUT FOR DINNER.

7 CHAIRMAN LICHTENGER: I THINK --

8 MR. SHEEHY: I WOULD BE COMFORTABLE IF WE
9 WORKED THROUGH DINNER BECAUSE I FEEL LIKE I CAN GET
10 HOME BY NINE, BUT I'M NOT GOING TO SEE MY KID TODAY. I
11 DON'T WANT TO BELABOR THAT.

12 CHAIRMAN LICHTENGER: I'M OKAY WORKING
13 THROUGH DINNER. HOW DO THE OTHER MEMBERS FEEL? JOAN,
14 ARE YOU OKAY WITH THAT?

15 MS. SAMUELSON: YEAH.

16 CHAIRMAN LICHTENGER: WHY DON'T WE DO THAT.
17 LET'S JUST TAKE THE 20 MINUTES NOW TO FINALIZE THE
18 SCORES. THEN WE'LL RECONVENE FOR THE SCIENTIFIC CLOSED
19 SESSION, AND THEN WE WILL HAVE A WORKING DINNER, AND
20 WE'LL GO UNTIL PEOPLE START TO BURN OUT. HOW DOES THAT
21 SOUND, BUT NO LATER THAN WE'LL GO A COUPLE HOURS. HOW
22 IS THAT, INCLUDING DINNER?

23 MR. SHEEHY: PROGRAMMATIC MIGHT NOT BE THAT
24 ONEROUS.

25 CHAIRMAN LICHTENGER: SO THERE YOU GO. SO I

1 THINK WE'VE GOT CONSENSUS THAT WE'RE GOING TO TAKE THE
2 20 MINUTES FOR SCORING AND A BREAK, WE'RE GOING TO GO
3 INTO THE CLOSED SESSION 20 MINUTES FROM NOW, WHICH IS
4 ABOUT 5:35. THEN WE'LL FINISH THAT UP, AND THEN WE'LL
5 GO INTO A WORKING DINNER FOR THE PROGRAMMATIC REVIEW.

6 (A DISCUSSION WAS HAD OFF THE RECORD.)

7 (A RECESS WAS THEN TAKEN.)

8 VICE CHAIRMAN SERRANO-SEWELL: WE'LL
9 RECONVENE THE MEETING OF THE FACILITIES WORKING GROUP.
10 MY NAME IS DAVID SERRANO-SEWELL, THE VICE CHAIR. WE'RE
11 NOW GOING TO COMMENCE THE PROGRAMMATIC REVIEW OF THE
12 APPLICATIONS. AGAIN, I THINK WE ALL WANT TO THANK
13 DAVID LICHTENGER FOR DOING SUCH A GREAT JOB, CONTINUE
14 THAT MOMENTUM.

15 I WANT TO START WITH -- WE DON'T HAVE ALL THE
16 TABULATIONS JUST YET. THAT IS HAPPENING RIGHT NOW.
17 BUT AS A PRECURSOR, IF YOU WILL, THERE IS SOME
18 INFORMATION THAT MR. KELLER WILL SHARE WITH THE WORKING
19 GROUP THAT CAN GIVE US SORT OF A FLAVOR AND A CONTEXT
20 OF WHAT WE'RE DEALING WITH IN AIDING US WITH THE
21 PROGRAMMATIC PIECE OF THIS REVIEW. MR. KELLER.

22 MR. KELLER: THANK YOU. WHAT YOU HAVE HERE
23 IS A SERIES OF SLIDES THAT I'M GOING TO GO THROUGH THAT
24 ARE ACTUALLY JUST KIND OF SPREADSHEETS THAT I INTENDED
25 TO MAYBE TRY TO ADJUST AS WE GOT MORE INFORMATION, BUT

1 IT TRIES TO DEAL WITH TWO THINGS. ONE IS KIND OF THE
2 GROWTH ISSUE OF HOW DOES CIRM AND HOW YOU MAKE
3 DECISIONS RELATIVE TO SOME OF THESE SHARED LABS AS IT
4 RELATES TO WHAT PEOPLE HAVE PERCEIVED AS GROWTH IN THE
5 APPLICATION. SECONDLY, WHERE IS THE GROWTH? WHERE IS
6 IT OCCURRING SO THAT YOU CAN MAKE SOME JUDGMENTS ABOUT
7 COMPETING OR VALUE OF THE DOLLARS THAT YOU ARE PUTTING
8 INTO THE SHARED LABS.

9 BEFORE I START, I JUST WANT TO MAKE SURE THAT
10 IT'S UNDERSTOOD THAT THE INFORMATION THAT I'M GOING TO
11 BE PRESENTING IS PRESENTING IN THE BODY OF 22
12 APPLICATIONS, AND I BELIEVE THAT THERE'S NO NEED FOR
13 ANY RECUSALS, AND I DON'T BELIEVE THAT THERE'S ANY NEED
14 FOR ANY MOTIONS OR ACTIONS. THIS IS PURELY BACKGROUND
15 FOR YOU GO INTO AND DISCUSS THE MORE PRECISE RANKING
16 AND RECOMMENDATIONS ON THE PROGRAMMATIC REVIEW.

17 FIRST OFF, I WANTED TO MAKE SURE YOU
18 UNDERSTOOD KIND OF THE RELATIONSHIP BETWEEN THE CIRM
19 GRANTS THAT HAVE BEEN APPROVED OR OUT THE DOOR AND WHAT
20 THE NUMBER OF HOST PI'S THAT WERE ACTUALLY CALLED OUT
21 IN THE APPLICATIONS. AS YOU CAN SEE, THEY VARY
22 CONSIDERABLY FROM ONE CASE OF 47 PERCENT INCREASE OF --
23 WHEN I SAY CIRM GRANTS, I WANT TO MAKE SURE YOU
24 UNDERSTAND WHAT THAT NUMBER IS. IT'S THE SEED GRANTS,
25 THE TRAINING GRANTS, AND THE COMPREHENSIVE GRANTS, AND

1 IT INCLUDES TIER 1 AND TIER 2, MEANING THAT HAD THERE
2 BEEN FUNDS AVAILABLE IN TIER 2, IT WOULD HAVE BEEN
3 FUNDED. SO WE CROSS-REFERENCED BASICALLY THOSE
4 INSTITUTIONS THAT HAD A SHARED LAB PROPOSAL AND HAD
5 CIRM GRANTS UNDER THE BELT OR APPROVED. IN SOME CASES
6 THERE ARE GRANTS THAT HAVE BEEN RECEIVED AND PEOPLE DID
7 NOT PROPOSE A SHARED LAB.

8 SO WE HAVE 133 ON THAT LIST, AND THE HOST
9 PI'S WAS 383, SO YOU SEE AN INCREASE. IF ALL OF THEIR
10 PLANS COME TO FRUITION, THERE WOULD BE 250 MORE PI'S IN
11 THIS. YOU CAN SEE THE RANGE OF INCREASE FROM 47
12 PERCENT TO A THOUSAND PERCENT.

13 MR. KLEIN: WHAT DOES INCREASE MEAN? YOU
14 MEAN THE LABS WE'RE PROJECTING WOULD ALLOW THEM TO
15 INCREASE BY THIS AMOUNT, OR THEY PLEDGE TO INCREASE?

16 MR. KELLER: IT SIMPLY IS THE ARITHMETIC
17 DIFFERENCE EXPRESSED AS A PERCENT OF WHAT THEY PUT
18 DOWN. FOR INSTANCE, ON 508, FOR INSTANCE, THEY HAVE
19 THREE GRANTS, THEIR HOST PI'S IS 12, THERE'S AN
20 INCREASE OF NINE, WHICH IS A 300-PERCENT INCREASE OVER
21 THE CIRM GRANTS THAT THEY'VE RECEIVED.

22 MR. KLEIN: INCREASE MEANS THERE'S 300
23 PERCENT MORE PI'S THAN THE --

24 MR. KELLER: THAN THE BASE.

25 DR. WRIGHT: DOES THAT MEAN IF THEY RECEIVE

1 FUNDING FROM THE SHARED LABS? NO. ONE MORE TIME.

2 MR. KELLER: IT SIMPLY MEANS THAT IT WAS --
3 I'M NOT DOING THIS VERY WELL. I APOLOGIZE. WE WERE
4 CONCERNED THAT A LOT OF THE PROPOSALS INCLUDED PI'S
5 THAT WERE NOT YET FULLY ENGAGED IN STEM CELL RESEARCH.
6 AND SO WE TRIED TO DO SOME MEASUREMENT THAT WAS MORE OF
7 A BASIS OF REALLY TRUTHING THE NOTION OF WHAT KIND OF
8 ACTIVITY EXISTS IN THE PARTICULAR AREAS OF THE STATE
9 AND THE PARTICULAR INSTITUTIONS. WE CHOSE TO USE THE
10 CIRM GRANT, AND I JUST THOUGHT IT WAS KIND OF
11 INTERESTING TO SAY, OH, WELL, AND THE QUESTION WAS
12 POSED, WELL, HOW DO THOSE GRANTS COMPARE TO WHAT THE
13 APPLICANT SAID THEY EXPECT TO HAVE IF THEY GET A SHARED
14 LAB?

15 NOW, WE'RE NOT FUNDING THE RESEARCHERS IN THE
16 SHARED LAB PROPOSAL. WE'RE FUNDING THE OPERATION OF
17 THE LAB AND SO FORTH. SO YOU COULD ARGUE THAT A NUMBER
18 OF THOSE ARE SPECULATIVE ABOUT GROWTH IN THEIR PROGRAM,
19 NEW BUDGET CAPABILITIES, OR REDIRECTION OR WHATEVER,
20 BUT THIS JUST GIVES YOU THE RANGE.

21 MR. KLEIN: IN OTHER WORDS, IT'S A MEASURE OF
22 THE ACTUAL PERFORMANCE OF THE PI'S AS VERSUS THE CLAIMS
23 THAT THEY'RE ALL PERFORMING BECAUSE THERE'S A LOT OF
24 DIFFERENCE BETWEEN THEIR PERFORMANCE LEVELS.

25 MR. KELLER: WELL PUT, YES.

1 MS. HYSEN: RICK, DOES THIS REMEDY THE ISSUE
2 THAT I THINK LORI RAISED EARLIER, WHICH IS THAT THERE
3 WAS SOME DISCREPANCIES ON COUNTING PI'S, DOUBLE
4 COUNTING PI'S?

5 MR. KELLER: THAT'S RIGHT. WE'RE TRYING TO
6 MOVE THIS MORE TO A DISCRETE SET OF NUMBERS, WHICH WE
7 KNOW HOW MANY CIRM GRANTS THERE ARE. WE KNOW WHO GOT
8 THEM. SO WE'RE USING THAT NUMBER.

9 MR. KLEIN: RIGHT. BUT THIS DOESN'T ADDRESS
10 THE PI'S THAT THEY CLAIM ARE PREPARED TO SHARE WITH
11 THEM. IT DOESN'T ADDRESS -- SO ONE INSTITUTION MAY
12 HAVE FOUR LETTERS IN THE FILE ABOUT INSTITUTIONS THAT
13 INTEND TO SHARE THEIR FACILITIES. IN THE CASE OF A
14 PARTICULAR INSTITUTION THAT HAS A REAL IMPORTANT
15 SPECIALIZATION, LIKE HIGH THROUGHPUT SCREENING, THAT
16 MAY, IN FACT, IN A SHARED LAB BE HIGHLY UTILIZED
17 BECAUSE THEY HAVE A UNIQUE EXCELLENCE IN THE AREA. AND
18 THIS DOESN'T ALLOW US TO EVALUATE THAT.

19 MR. KELLER: THAT'S CORRECT.

20 VICE CHAIRMAN SERRANO-SEWELL: THIS IS A VERY
21 SORT OF DISCRETE SNAPSHOT.

22 MR. KELLER: RIGHT. AND I APOLOGIZE IF I
23 CAN'T GET THIS A LITTLE LARGER.

24 MS. SAMUELSON: CAN YOU PROVIDE A COPY OF
25 THAT CHART TO US?

1 MR. KELLER: CERTAINLY I CAN.

2 MS. SAMUELSON: GREAT.

3 MR. KELLER: I THOUGHT IT WOULD BE GOOD JUST
4 TO TAKE THOSE TWO NUMBERS THAT WERE ON THE PREVIOUS
5 CHART AND SHOW HOW THEY DISTRIBUTE ON THE BASIS OF
6 AREAS OF THE STATE. AND FOR SIMPLICITY PURPOSES, WE'RE
7 SAYING THAT THERE'S AN AREA TO THE FAR LEFT, SAN DIEGO,
8 SAN FRANCISCO NEXT, AND THEN THE THIRD GROUP IS LOS
9 ANGELES AREA, CONSISTENT WITH THE GROUPING THAT WE DID
10 ON THE GRANTS, AND THEN IRVINE, DAVIS, RIVERSIDE, SANTA
11 BARBARA, SANTA CRUZ. SO IT'S JUST ANOTHER DISPLAY OF
12 THE DATA THAT WAS IN THE PRIOR TABLE, AND RATHER THAN
13 PERCENTAGE, YOU CAN KIND OF SEE HOW MUCH IS NEW GROWTH
14 VERSUS BASICALLY THE PI'S THAT ARE IN PLACE OR HAVE
15 RECEIVED SOME CIRM FUNDING.

16 VICE CHAIRMAN SERRANO-SEWELL: RICK, THIS IS
17 JUST TO BE -- THERE'S A PURPLE BAR AND THEN THERE'S
18 SORT OF A YELLOW BAR; IS THAT RIGHT?

19 MR. KELLER: RIGHT. SO THE PURPLE BAR, THIS
20 IS HOW MANY CIRM-FUNDED PI'S AND GRANTS ARE AT THAT.
21 SO SEVEN VERSUS, LET'S SAY, ABOUT 18 AS THE APPLICANT'S
22 NUMBER OF PI'S AT THE INSTITUTION AND SO FORTH ALL THE
23 WAY ACROSS. SO CIRM GRANT, AGAIN, VALUE IS 14, WHICH
24 IS THE GRANTS IN TIER 1 AND 2, AND THEN THE HIGHER ONE
25 IS THE 19 THAT WERE CITED IN THEIR SHARED LAB PROPOSAL

1 AS INSTITUTIONAL-BASED PI'S. SO, AGAIN, A COMPARISON
2 OF THOSE TWO.

3 MR. SHEEHY: I'M STILL HAVING TROUBLE
4 UNDERSTANDING THIS. I'M TRYING TO UNDERSTAND. SO ARE
5 YOU SUGGESTING THERE'S NOT AS MANY PI'S AS THEY'RE
6 PUTTING ON THEIR APPLICATIONS?

7 MR. KELLER: I'M SUGGESTING THE NUMBER --
8 YES. I'M SAYING THERE ARE ASPIRATIONS IN TERMS OF HOW
9 MANY PI'S THEY EXPECT TO BE ENGAGED. WE WERE TRYING TO
10 GIVE YOU A MEASUREMENT THAT WOULD LOOK AT THAT AND SAY
11 WHAT'S A GOOD INDICATION OF WHAT REALLY EXISTS IN TERMS
12 OF THE CAPABILITY AT THAT INSTITUTION. THE PURPLE
13 BARS, BECAUSE IT'S 133 GRANTS, AS I MENTIONED, IN THE
14 UNIVERSE OF GRANTS AND TIER 1 AND TIER 2 GRANTS AS AN
15 INDICATION. YOU CAN ACCEPT IT OR REJECT IT. I'M JUST
16 SAYING THAT THAT IS A MEASUREMENT THAT WE THOUGHT WAS
17 IMPORTANT.

18 MR. SHEEHY: BECAUSE IF YOU LOOK, IT DOESN'T
19 SEEM LIKE THAT IT BECOMES A RELEVANT NUMBER TILL YOU --
20 WE'RE ONLY FUNDING TO ABOUT ROUGHLY THE 30-PERCENT
21 PAYLINE. SO WE'RE ONLY FUNDING ONE OUT OF THREE PI'S
22 TO BEGIN WITH. SO AN INSTITUTION, AS LONG AS -- THAT'S
23 WHERE I KIND OF -- IF WE WERE FUNDING EVERYBODY WHO WAS
24 A PI AT AN INSTITUTION WHO HAD APPLIED FOR A GRANT FOR
25 CIRM, THEN THAT WOULD MAKE SENSE AS A RELEVANT METRIC.

1 BUT GIVEN THAT WE'RE ONLY FUNDING ABOUT -- IN THE TWO
2 PURE SCIENCE ROUNDS THAT WE'VE DONE, WE'VE ONLY FUNDED
3 TO ABOUT THE 30-PERCENT PAYLINE.

4 MR. KELLER: THESE ARE FUNDED IN THE SECOND
5 TIER. THERE'S NOT A LOT OF THOSE, BUT I THINK YOUR
6 POINT IS WELL TAKEN, BUT YOU WOULD EXPECT, IF 30
7 PERCENT, THEN THERE WOULD BE PROPORTIONALITY. I'M JUST
8 SAYING LOOK AT THE VARIATION BETWEEN SOME, AS I
9 MENTIONED, 47-PERCENT INCREASE.

10 DR. CHIU: MAY I MAKE A STAB AT A SLIGHTLY
11 DIFFERENT WAY? I MAY NOT BE CORRECT. IF I LOOKED AT
12 THIS, THE YELLOW BARS PROBABLY I WOULD ASSUME ARE THE
13 NUMBER OF PI USERS THAT ARE PROPOSED BY THAT LAB IN THE
14 APPLICATION. WHEREAS, THE PURPLE BAR I WOULD TAKE AS A
15 REALITY CHECK BASED ON DATA WE HAVE, WHICH IS HOW MANY
16 TIER 1 AND 2 TOTAL ARE FROM THAT INSTITUTION. SO THAT
17 IS REAL DATA THAT WE HAVE.

18 VICE CHAIRMAN SERRANO-SEWELL: THE PURPLE BAR
19 IS THE CIRM TRAINING GRANTS, SEED, AND COMPREHENSIVE?

20 DR. CHIU: TIER 1 AND 2; IS THAT CORRECT,
21 RICK?

22 VICE CHAIRMAN SERRANO-SEWELL: THAT'S THE
23 PURPLE BAR.

24 DR. CHIU: THAT'S THE PURPLE BAR CUMULATIVE.
25 THAT GIVES YOU AN IDEA OF HOW MANY HUMAN EMBRYONIC STEM

1 CELL FOLKS ARE THERE THAT ARE AT LEAST TIER 2 QUALITY.
2 AND THEN THE GOLD BAR IS WHAT THEY THINK THEY HAVE.

3 MR. KLEIN: TWO THINGS. ONE IS ONE OF THE
4 INHERENT ISSUES OF COMBINING COMPREHENSIVE GRANTS WITH
5 SEED GRANTS IS IN THE COMPREHENSIVE GRANTS THERE MAY BE
6 12 DIFFERENT SCIENTISTS INVOLVED. SO THE UTILIZATION
7 RATE ON SCIENTISTS THAT ARE REPRESENTED THROUGH A
8 COMPREHENSIVE GRANT MAY REPRESENT A MUCH LARGER LEVEL
9 OF SCIENTIST INVOLVEMENT THAN A SEED GRANT. SO MIXING
10 THEM TOGETHER, I FIND, IS A MIXED INFORMATION; BUT ON A
11 MACRO LEVEL, IT'S PROBABLY USEFUL TO SHOW US WHERE THE
12 PRODUCTIVITY IS.

13 MR. KELLER: THAT'S RIGHT. I ADMITTED TO
14 BLUNT INSTRUMENT HERE, AND WE COULD HAVE USED DOLLARS,
15 BUT THEN OVERHEAD CREEPS IN AND OTHER VARIATIONS. WE
16 COULD HAVE USED GRANT YEARS BECAUSE SOME GRANTS ARE
17 FOUR, SOME ARE TWO, BUT THE IDEA WAS TO KEEP IT SIMPLE
18 HERE AND JUST SAY THIS IS HOW MANY GRANTS.

19 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY
20 OTHER COMMENTS OR QUESTIONS FROM THE COMMITTEE MEMBERS
21 ON THIS PARTICULAR GRAPH? SEEING NONE, YOU CAN MOVE TO
22 THE NEXT ONE.

23 MR. KELLER: I'LL TRY TO, AGAIN, MAKE THIS
24 MORE LEGIBLE. SO I THOUGHT -- THIS IS JUST KIND OF
25 INFORMATION JUST IN FURTHERANCE OF THE PURPLE BARS, HOW

1 MANY OF THOSE WERE ACTUAL GRANTS. THEN HOW MANY WERE
2 TIER 2 GRANTS THAT WERE NOT FUNDED BECAUSE FUNDS WERE
3 NOT AVAILABLE. AND IT'S INTERESTING TO NOTE THAT IT'S
4 JUST, AGAIN, COROLLARY. THAT WAS THE ONLY POINT IN
5 SHOWING YOU THIS IS THAT THE NUMBERS WERE PRETTY
6 CONSISTENT BETWEEN THE TIER 1 ADDS AND THE TIER 1 --
7 I'M SORRY -- THE TIER 2 ADDS AND THE TIER 1S. SO IT'S
8 TRYING TO GIVE YOU SOME COMFORT LEVEL WITH THAT
9 PROCESS.

10 SO IF WE KNOW WHAT THE GRANTS ARE, WE'RE
11 TRYING TO NOW UNDERSTAND WHAT ARE THE REGIONAL ISSUES.
12 SO I'M GOING TO SETTLE ON THE TIER 1 AND TIER 2 GRANTS
13 AS BEING KIND OF A METRIC FOR US. AND HOW DOES THAT
14 STACK UP AGAINST THE SHARED RESEARCH LABORATORIES? SO
15 IN THIS GRAPH I'M SIMPLY TAKING --

16 VICE CHAIRMAN SERRANO-SEWELL: WHY DON'T YOU
17 BUMP THAT UP TO, SAY, 80 PERCENT? IS THAT A HUNDRED?
18 IS THAT THE WHOLE GRAPH? PERFECT. THANK YOU.

19 MR. KELLER: WHAT WE'RE SAYING HERE IS THAT
20 WITHIN THOSE THREE METROPOLITAN AREAS THAT I MENTIONED,
21 SAN DIEGO, SAN FRANCISCO, AND LOS ANGELES, AND THEN
22 THOSE THAT HAVE MULTIPLE INSTITUTIONS ATTACHED TO THEM.
23 WHAT WE DID IS WE TOOK THE AMOUNT OF MONEY THAT THE
24 CIRM, THAT IS, THE AMOUNT THAT'S BEING FUNDED BY CIRM,
25 IN ORDER TO ESTABLISH THE SHARED LAB AND DIVIDED BY THE

1 NUMBER OF PI'S OR GRANTS THAT CIRM HAS ISSUED OR
2 GRANTED FOR THOSE. SO THAT'S GOING BACK TO THE PURPLE
3 BAR. SO THIS WAS TRYING TO LEAD UP TO THIS GRAPH, IF
4 YOU WILL.

5 AND SO ANOTHER WAY OF SAYING IT IS FOR -- SO
6 THERE'S TWO -- I HAVE TO GET THIS DOWN TO ONE PIECE.

7 DR. WRIGHT: IS THIS GETTING BACK TO THIS
8 COLUMN ON YOUR SYNOPSIS CHART OF THE COST PER PI? NO.

9 MR. KELLER: IT IS, BUT THIS IS A DIFFERENT
10 UNIVERSE BECAUSE WHAT PEOPLE WE WERE CONCERNED ABOUT
11 WAS USING THAT -- THE FIRST CHART WAS TRYING TO EXPLAIN
12 THAT THAT'S PROBABLY NOT A GOOD INDICATOR, THAT IT
13 WOULD BE BETTER TO USE -- AND WE DIDN'T HAVE THAT AT
14 THE BEGINNING BECAUSE WE HAVE NOW APPROVED SO MANY
15 GRANTS. SO IT WAS INTENDED TO GIVE YOU A COMFORT LEVEL
16 THAT IT'S A BETTER INDICATION. SO --

17 VICE CHAIRMAN SERRANO-SEWELL: I REALLY FEEL
18 LIKE I'M GETTING INTO YOUR HEAD, MR. KELLER. THIS IS
19 INTERESTING.

20 MR. KELLER: YOU WANT ME TO CONTINUE? LET ME
21 JUST EXPLAIN WHAT THE BLUE BAR MEANS, AND MAYBE IT WILL
22 MAKE GOOD SENSE TO YOU. FOR THESE FOUR APPLICANTS,
23 WHEN YOU CONSIDER HOW MANY CIRM GRANTS THERE WERE, THE
24 AVERAGE COST FOR THE SHARED LAB WAS ABOUT 200,000
25 PER -- 216,000 PER PI. SO YOU HAVE RELATIVE -- THE

1 LOWER THE BAR, THE MORE EFFICIENCY. IN GOING BACK TO
2 COMMENTS ABOUT ECONOMY OF SCALE BEING IN PLAY HERE,
3 IT'S CLEAR THAT AMONG THESE FOUR, THEY ALL HAVE
4 FAIRLY -- THE AMOUNT OF MONEY THAT CIRM IS BEING ASKED
5 TO INVEST IN SHARED LABS WILL GIVE RISE OR BE OUT --
6 WHEN ONE CONSIDERS HOW MANY GRANTS CIRM HAS APPROVED IN
7 THOSE FOUR LOCATIONS WITHIN SAN DIEGO, THAT IT IS
8 ALMOST VERY CLOSE IN TERMS OF THE AMOUNT OF FUNDS.

9 NOW, THE POINT OF THIS AND THE SCALE OF THIS
10 IS THAT IN SOME CASES THERE ARE SO FEW CIRM GRANTS,
11 THAT WHEN YOU CONSIDER THE COST OF THE SHARED LAB, AND
12 YOU'RE ONLY DIVIDING BY A VERY FEW NUMBER OF RESEARCH
13 GRANTS APPROVED BY CIRM, THEN YOU START GETTING A
14 NUMBER SUCH AS A MILLION DOLLARS AMONG THIS SAN
15 FRANCISCO ENTITY. AND THEN AS YOU CAN SEE, THE SMALLER
16 ONES, IRVINE, DAVIS, RIVERSIDE, SANTA BARBARA, THESE
17 ARE SINGLE INSTITUTIONS, AND THE FEWER -- SO WHAT I
18 WANTED TO DO IS SUPERIMPOSE ON THIS SO YOU CAN SEE IT
19 THE ACTUAL NUMBER OF -- MAYBE THIS ONE WILL EXPLAIN IT
20 A BIT. SO IN SAN DIEGO, IF WE AGGREGATE ALL OF SAN
21 DIEGO, THERE ARE 34. USING THE RIGHT AXIS, THE
22 DIAMONDS ARE HOW MANY CIRM GRANTS THERE ARE, AND THEN
23 THE BAR REPRESENTS THE ACTUAL SHARED LAB COST PER GRANT
24 OR PER PI. SO THE AMOUNT WE'RE SPENDING IN AGGREGATE
25 IN SAN DIEGO PER SHARED LAB IS DIVIDED BY 34.

1 MR. KLEIN: WAIT A MINUTE. THIS DOESN'T --
2 THIS DOESN'T RECONCILE FOR ME. BECAUSE THE SHARED LABS
3 IS AN INVESTMENT OVER A PERIOD OF YEARS. YOU'RE JUST
4 LOOKING AT A POINT IN TIME. AND WE PUT OUT A VERY
5 LIMITED NUMBER OF GRANT APPLICATIONS, SO WE MAY NOT
6 HAVE PUT OUT APPLICATIONS THAT HAPPEN TO FIT INTO THE
7 RANGE THAT THOSE SPECIFIC PI'S HAVE EXPERTISE AND COULD
8 COMPETE. SO I DON'T THINK THIS IS REALLY A RELEVANT
9 INDICATOR. IT'S LOOKING AT TOO SMALL A SAMPLE AND TOO
10 SHORT A TIME PERIOD.

11 IF YOU LOOKED OUT OVER FOUR YEARS OR FIVE
12 YEARS, I THINK YOU COULD DO THAT. I ACTUALLY THINK
13 THAT YOUR COST PER PI AT AN INSTITUTION IS MORE
14 RELEVANT, AND SOME KIND OF A SAMPLING OR A PERCENTAGE
15 OF THE PI'S IN AN AREA THAT COULD BENEFIT WOULD BE
16 RELEVANT, BUT I DON'T THINK WE HAVE ENOUGH DATA TO MAKE
17 THIS KIND OF AN ASSERTION, PARTICULARLY BECAUSE THE
18 VALUE OF THAT LAB IS OVER, YOU KNOW, FIVE OR SIX OR
19 SEVEN YEARS.

20 MS. SAMUELSON: IN FACT, IT'S A FIELD IN
21 WHICH OUR OBJECTIVE IS IF WE BUILD IT, THEY WILL COME,
22 RIGHT? OUR OBJECTIVE IS TO GROW SIGNIFICANTLY FROM
23 WHERE WE ARE NOW. SO TO HAVE THAT SORT OF RATIO IS
24 FINE. AND THAT'S ASIDE FROM THE FACT THAT -- YOU TAKE
25 THE MOST EXPENSIVE OPERATION IN ANY OF THESE AND

1 EXTRAPOLATE OUT THAT IT REMAINS THAT EXPENSIVE, IF ANY
2 OF THE MOST EXPENSIVE DEVELOPED, LET'S SAY, ONE
3 EFFECTIVE TREATMENT FOR PARKINSON'S DISEASE OR CYSTIC
4 FIBROSIS, NOBODY IS GOING TO CARE A WHIT. SO I'M NOT
5 SURE --

6 MR. KELLER: I COULD JUST COMMENT. I'M NOT
7 TRYING TO TELL YOU HOW TO WEIGH THIS INFORMATION IN
8 YOUR DECISIONS RELATIVE TO THE PROGRAMMATIC REVIEW. I
9 REVIEWED THE TRANSCRIPT FROM THE PREVIOUS MEETINGS, AND
10 THERE WAS DEFINITELY AN INDICATION THAT PART OF THE
11 PROGRAMMATIC REVIEW FOR THESE SHARED LABS SHOULD BE A
12 CONSIDERATION OF GEOGRAPHY. I AGREE WITH EVERYTHING
13 THAT'S BEEN SAID ABOUT WHAT WOULD BE A BETTER MEASURE
14 IN TERMS OF A LONGER PERIOD OF TIME. IF WE HAD THAT
15 DATA, IF WE ARE ABLE TO BE CLAIRVOYANT, WE COULD BE
16 EVEN MORE PRECISE IN HERE. I'M NOT SUGGESTING THAT
17 THIS LEADS YOU TO ANY PARTICULAR DECISION ABOUT ANY
18 PARTICULAR GRANT. I'M TRYING TO RESPOND TO THE NOTION
19 THAT THERE ARE DIFFERENCES.

20 SO, FOR INSTANCE, ON THIS CHART I THINK THE
21 MOST IMPORTANT ONE IS THAT WHILE THERE ARE THREE MAJOR
22 AREAS THAT WE'VE CITED HERE IN SAN DIEGO, SAN
23 FRANCISCO, AND LOS ANGELES, AND YOU WOULD EXPECT THAT
24 ECONOMY OF SCALE BY VIRTUE OF THE FACT THAT THERE'S 51
25 CIRM GRANTS THAT HAVE LANDED IN THE BAY AREA AND THE

1 AMOUNT OF FUNDING PROPOSED IN AGGREGATE FOR SHARED LABS
2 AVERAGES \$200,000, YOU WOULD EXPECT THAT TO BE THE BEST
3 VALUE. AND THIS IS STRICTLY A FINANCIAL.

4 AND I AGREE WITH THE CHAIRMAN IN HIS COMMENTS
5 ABOUT YOU COULD CERTAINLY MISS OPPORTUNITIES IF YOU
6 JUST MAKE DECISIONS ON FINANCES. HOWEVER, I THINK WHAT
7 IT REVEALS IS THAT IN THIS CASE IRVINE, WHICH HAS 14,
8 WHICH IS A MUCH SMALLER PORTION OF THESE EARLY GRANTS,
9 THEY HAVE BEEN ABLE TO MAINTAIN, AND IT'S A SINGLE
10 SITE, THEY HAVE BEEN ABLE TO MAINTAIN THE COST PER PI
11 AT A MUCH LOWER LEVEL THAN EVEN THESE GROUPINGS OF
12 THREE APPLICANTS IN THESE CITIES.

13 I THINK WHAT YOU TAKE AWAY FROM THIS -- I
14 THINK THE ONLY THING YOU CAN SEE HERE IS THAT IT'S
15 PRETTY OBVIOUS THAT THE MORE GRANTS YOU HAVE, THE MORE
16 LIKELY YOU'RE GOING TO HAVE A LOW COST PER PI FOR THE
17 SHARED LABS. AND THIS IS THE STATEWIDE AVERAGE. I
18 LEAVE IT AT THAT.

19 VICE CHAIRMAN SERRANO-SEWELL: THE
20 INFORMATION IS VERY HELPFUL, MR. KELLER. DAVID, DID
21 YOU HAVE A COMMENT?

22 CHAIRMAN LICHTENGER: I JUST WANT TO MENTION
23 I AGREE WITH BOB, BUT IT IS ONE ANALYTIC TOOL TO TAKE
24 INTO CONSIDERATION WHERE WE'RE LOOKING AT ALL THE OTHER
25 TOOLS. I JUST WANT TO SAY IT'S NOT THE ONLY ONE, BUT

1 IT IS ONE OF MULTIPLE THINGS THAT WE SHOULD CONSIDER.
2 THAT'S ALL I WANTED TO SAY.

3 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY
4 OTHER QUESTIONS OR COMMENTS TO THIS GRAPH? WE'LL GO TO
5 MARCY, THEN BOB.

6 MS. FEIT: IT DOES GIVE US A GEOGRAPHICAL --
7 STARTS TO GIVE US A GEOGRAPHICAL PERCEPTION OF HOW CIRM
8 FUNDING IS STARTING TO AFFECT IN THE DIFFERENT
9 GEOGRAPHIES, SO I APPRECIATE THAT BECAUSE THAT WAS A
10 TOPIC OF CONVERSATION AT THE LAST MEETING.

11 VICE CHAIRMAN SERRANO-SEWELL: BOB.

12 MR. KLEIN: IT DOES SHOW US THAT IRVINE IS
13 HIGHLY PRODUCTIVE AS AN EARLY INDICATOR ON A COST
14 BASIS. SO THERE'S INFORMATION THERE. IT'S JUST NOT
15 DETERMINATIVE LONG TERM, BUT THERE'S SOME GOOD EARLY
16 INDICATOR. AS MARCY JUST SAID, IT DOES TELL US, LOOK,
17 YOU REALLY HAVE FOUR FAIRLY ESTABLISHED AREAS IN
18 COUNTING IRVINE, AND THEN YOU HAVE SOME DEVELOPING
19 CAPACITY IN DAVIS, SANTA CRUZ, RIVERSIDE, AND SANTA
20 BARBARA.

21 VICE CHAIRMAN SERRANO-SEWELL: TOTALLY. VERY
22 HELPFUL.

23 MR. KELLER: THAT'S AS MUCH AS I REALLY
24 THOUGHT YOU WOULD TAKE AWAY FROM IT.

25 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.

1 MR. KELLER: I'LL JUST GO BRIEFLY OVER --
2 THERE'S ACTUALLY JUST THREE MORE SLIDES THAT TRY TO
3 BASICALLY GIVE YOU AN INSIGHT INTO EACH OF THESE THREE
4 GEOGRAPHIC AREAS THAT SAID, WELL, WHAT ABOUT THE
5 APPLICATIONS THAT WERE RECEIVED? AGAIN, IN THE SAN
6 DIEGO CIRCUMSTANCE, YOU WOULD FIND THAT OF THE FOUR,
7 AND THIS BASICALLY REPEATS WHAT WAS IN THAT LARGER
8 STATEWIDE, IT'S VERY CLEAR THAT THE MORE YOU HAVE IN
9 TERMS OF THE GRANTS, THE LOWER THE COST IS PER PI FOR
10 THE SHARED LAB. AND THIS IS THE STATEWIDE AVERAGE AND
11 SAN DIEGO AVERAGE.

12 NOW, WE CAN VERY QUICKLY GO TO THE NEXT,
13 WHICH WOULD BE THE BAY AREA, AND YOU CAN SEE THE SAME,
14 THAT IT'S A BIT DIFFERENT HERE BECAUSE WE HAVE SHARED
15 LAB PROPOSALS WHERE THERE ARE NO PI'S OR TRAINING
16 GRANTS THAT HAVE BEEN GIVEN BY CIRM. AND CERTAINLY
17 THAT DOESN'T SAY THAT THESE WOULDN'T BE INVESTABLE.
18 IT'S JUST THAT WE'RE TRYING TO, AGAIN, COMPARE AND GIVE
19 YOU INFORMATION ON THE GEOGRAPHIC DIFFERENCES OF THESE
20 SHARED LABS.

21 IN THIS CASE MOST OF THE SHARED LAB, THE
22 LOWEST COSTS ARE, OF COURSE, IN THE LARGEST ENTITIES.
23 AND, AGAIN, THIS IS NOT UNEXPECTED FOR LOS ANGELES
24 AREA, THAT THERE'S THE HIGHEST NUMBER OF CIRM GRANTS
25 THAT RESULT IN THE LOWEST COST. AND ALTHOUGH THESE --

1 SO THERE'S THREE GRANT RECIPIENTS IN THE LOS ANGELES
2 AREA THAT DON'T HAVE OR DID NOT PROPOSE A SHARED LAB.
3 AND SO OBVIOUSLY THESE WOULD TEND TO REDUCE AS ALL OF
4 THE PI'S ASSOCIATED WITH THESE INSTITUTIONS TO THE
5 EXTENT THAT THEY RECEIVE OR USE THE SHARED LAB WOULD
6 REDUCE THESE.

7 I THINK THAT'S AS FAR AS I WANT TO TAKE
8 THE --

9 MS. SAMUELSON: QUESTION. JUST FOR FUTURE
10 REFERENCE, DO YOU HAVE ANY DATA OR KNOW OF ANY
11 INDICATING SUCCESSFUL DEVELOPMENT OF EFFECTIVE
12 THERAPIES THAT COULD BE THROWN INTO THE MIX WITH THESE
13 NUMBERS?

14 MR. KELLER: I PERSONALLY -- WHEN YOU SAY
15 EFFECTIVE THERAPIES, THAT'S SOMETHING I WOULD HAVE TO
16 TURN TO THE SCIENCE OFFICE TO DEFINE.

17 MS. SAMUELSON: IT WOULD BE INTERESTING TO
18 SEE IT.

19 MR. KLEIN: THERE IS INFORMATION AVAILABLE ON
20 THE PATENT PRODUCTIVITY OF VARIOUS INSTITUTIONS IN
21 CALIFORNIA, BUT THAT DOESN'T NECESSARILY MEAN
22 THERAPIES. IF YOU TOOK THE PATENT PRODUCTIVITY AND YOU
23 CAN ALSO LOOK AT -- YOU COULD CREATE FROM THAT A STUDY
24 OF WHERE THE TRANSLATIONAL SUCCESSES HAVE BEEN, AND
25 THAT WOULD BE A VERY INTERESTING CHART.

1 MS. SAMUELSON: MAYBE FDA APPROVALS MIGHT BE
2 AN INDICATOR.

3 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY
4 OTHER CHARTS THAT YOU WANTED TO SHARE?

5 MR. KELLER: THIS WAS THE END. I'LL JUST
6 MENTION THERE'S TWO HERE THAT ARE ON STEM CELL COURSE.
7 AGAIN, SINCE WE DON'T HAVE THE SCORING, IT'S NOT GOING
8 TO MAKE A WHOLE LOT OF SENSE, BUT JUST SO YOU COULD SEE
9 THE COMPARATIVE INFORMATION. AGAIN, I'M TRYING TO
10 JUXTAPOSE WHERE THE CIRM GRANTS HAVE OCCURRED, AND THEN
11 DOWN HERE I'VE INDICATED HOW MANY OF THESE ARE TRAINING
12 GRANTS. SO THERE'S FOUR AT EACH OF THE LARGE
13 METROPOLITAN AREAS NOTED, AND THEN ONE AT EACH OF FOUR
14 OF THESE SIX AREAS. SO THESE ARE, AGAIN, THE SAME
15 NUMBERS OF CIRM GROUPS.

16 AND THEN WHEN WE LOOK AT WHERE THE CIRM --
17 WHERE THE CAPITAL FUNDING REQUESTS WOULD BE FOR, USING
18 THE RIGHT AXIS, THE NUMBER OF TECHNIQUES COURSES IN THE
19 LOCATION, RIGHT NOW IF YOU WERE TO APPROVE FIVE, WHICH
20 IS THE RFA, YOU WOULD HAVE TO TAKE NINE. THERE'S ONE
21 HERE WITH 34 GRANTS OF WHICH FOUR ARE TRAINING. IN
22 THIS LOCAL THERE'S 51 GRANTS, FIVE PROPOSALS FOR STEM
23 CELL TECHNIQUES COURSES. AND THEN JUST SO YOU SEE THE
24 RELATIONSHIP BETWEEN HAVING A STEM CELL COURSE FUNDED
25 BY CIRM IN THE AREA AND HOW THAT RELATES TO WHAT ARE

1 THE PREVIOUS ACTIONS TO GIVE OUT CIRM FUNDING AND, IN
2 PARTICULAR HOW, MANY TRAINING GRANTS.

3 SO THAT WAS THE LAST SLIDE THAT I HAD TO
4 SHARE WITH YOU, MR. CHAIRMAN.

5 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.
6 THIS INFORMATION, AT LEAST FOR ME PERSONALLY, IT TOOK
7 AWHILE TO GRASP, IF YOU WILL; BUT ONCE I GOT A HANDLE
8 ON IT, I THINK IT IS HELPFUL. IT IS VERY HELPFUL.

9 IS THERE ANY DISCUSSION WITH MR. KELLER ON
10 THE INFORMATION THAT HE'S JUST SHARED WITH US?

11 MS. SAMUELSON: COULD YOU PROVIDE COPIES OF
12 THESE?

13 VICE CHAIRMAN SERRANO-SEWELL: YES, HE WILL.
14 SEEING NO FURTHER DISCUSSION ON THIS POINT, I WOULD
15 ASSUME THAT THE TABULATIONS AND CALCULATIONS HAVEN'T
16 BEEN COMPLETED THUS FAR, OTHERWISE THEY'D BE IN HERE.
17 SO I'LL LEAVE IT UP TO THE COMMITTEE'S PLEASURE. WE
18 CAN STAND IN RECESS, OR WE CAN BEGIN A DISCUSSION ON
19 THE -- AS YOU KNOW, EARLIER TODAY, AS BOB REPORTED, THE
20 ICOC RATIFIED OUR DECISION OF FRIDAY, THE 13TH TO HOLD
21 HEARINGS TO GATHER INFORMATION ON THE GRANTS FACILITIES
22 \$222 MILLION RFA.

23 MR. KLEIN: I NEVER REALIZED THAT IT WAS
24 FRIDAY, THE 13TH.

25 VICE CHAIRMAN SERRANO-SEWELL: IT WAS FRIDAY,

1 THE 13TH.

2 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE A
3 MOTION THAT WE DON'T HAVE ANY FURTHER FACILITIES
4 WORKING GROUP MEETINGS ON FRIDAY, THE 13TH.

5 VICE CHAIRMAN SERRANO-SEWELL: I THOUGHT IT
6 WAS VERY PRODUCTIVE. IT WAS INTERESTING. ANYWAYS, WE
7 COULD BEGIN TO HAVE A DISCUSSION NOW ABOUT SOME OF THE
8 ISSUES WE WANT TO ADDRESS, IDENTIFY. IT'S BEEN
9 SUGGESTED THAT WE FOLLOW SORT OF A STUDY GROUP, THE
10 INTELLECTUAL PROPERTY TASK FORCE, THEIR INFORMATION
11 GATHERING. I KNOW MR. SHEEHY AND I THINK JANET AND
12 MARCY AS WELL, YOU SERVED ON THOSE COMMITTEES, SO YOU
13 HAVE A REALLY GOOD IDEA OF HOW WE MIGHT BE PRODUCTIVE.
14 I THINK IT'S IMPORTANT THAT WE ARE PRODUCTIVE. I LEAVE
15 IT UP TO THE PLEASURE OF THE COMMITTEE AS TO WHAT THEY
16 WANT TO DO.

17 MS. FEIT: THERE IS ONE POINT THAT I THINK WE
18 COULD DEBATE TONIGHT. IT MIGHT BE HELPFUL. I THINK
19 DEBORAH SUGGESTED THAT WE HAVE THE RFA FOR COMMENT,
20 PUBLIC COMMENT, THAT WE PUT IT OUT AND HAVE INTERESTED
21 PEOPLE COMMENT ON IT, A DRAFT OF IT. I THINK A
22 REFERENCE IS MADE TO ME THAT THAT COULD POSE A CONFLICT
23 OF INTEREST IF WE DID THAT. MAYBE WE WANT TO TALK
24 ABOUT THAT. I DON'T KNOW.

25 VICE CHAIRMAN SERRANO-SEWELL: YOU KNOW, BOB

1 IN YOUR DISCUSSION, I DON'T WANT YOU TO GO OVER IT
2 AGAIN, YOU CAN, BOB, BUT YOU HIGHLIGHTED THREE THINGS
3 THAT WE WOULD WANT TO ACCOMPLISH. AND THAT IS
4 IDENTIFYING THE RULES, THE PROCEDURES, I THINK.

5 MR. KLEIN: BASICALLY THERE ARE THREE
6 ELEMENTS: THE DEFINITIONS, THE RULES, AND POLICIES.
7 AND JUST TO REORIENT EVERYONE, I WOULD LIKE TO GIVE
8 SOME EXAMPLES, BUT BEFORE THAT, JUST SO WE'RE
9 RESPONSIVE TO MARCY, I WOULD SAY IN TERMS OF THE RFA
10 THING, IT MIGHT BE BEST IF WE HAD LORI HERE FOR THAT
11 PART OF THE DISCUSSION. SO SHE MIGHT BE ABLE TO
12 CONTRIBUTE.

13 BUT IN TERMS OF DEFINITIONS, CLEARLY WE NEED
14 TO PUT TOGETHER A LIST OF THINGS THAT WE NEED GOOD
15 DEFINITIONS ON. MATCHING FUNDS IS TOP OF THE LIST. WE
16 NEED TO DECIDE ON RULES, VERY SPECIFICALLY RULES. FOR
17 EXAMPLE, I'VE USED AS AN EXAMPLE BEFORE, IF YOU HAVE
18 A -- IF YOU'RE PUTTING AN APPLICATION FOR A SHARED
19 FACILITY, LIKE IN SAN DIEGO, AND YOU HAVE A GOOD
20 JUSTIFICATION FOR A VERY SPECIALIZED FACILITY LIKE THEY
21 MADE IN THE SHARED LABS WHERE EACH OF THE FOUR HAS A
22 DIFFERENT SPECIALIZATION, IS THERE A JUSTIFICATION FOR
23 THEM EXPANDING THOSE BECAUSE OF THE VALUE TO THE STATE
24 OF THAT EXPERTISE BEING FURTHER DEVELOPED.

25 SO CAN SOMEONE APPLY FOR BOTH AN INDIVIDUAL

1 FACILITY AND A SHARED FACILITY? IF THEY CAN, THEN THE
2 QUESTION IS IF THE ARGUMENT IS IN A SHARED FACILITY
3 THEY SHOULD BE ABLE TO AGGREGATE THE INDIVIDUAL CAPS ON
4 A GRANT, IF YOU DO AN INDIVIDUAL FACILITY, SHOULD
5 WHATEVER YOU USE UP IN THAT INDIVIDUAL FACILITY BE
6 DEDUCTED FROM THE AGGREGATED CAP THAT YOU'RE USING.

7 VICE CHAIRMAN SERRANO-SEWELL: MR. KLEIN,
8 THAT IS SOMETHING WE'VE GOT TO TACKLE. AS TO DEBORAH'S
9 IDEA, WHETHER IT'S OF BENEFIT TO ISSUE A DRAFT RFA,
10 LEAVE IT FOR COMMENT, I THINK THAT'S SOMETHING THAT A
11 LOT OF PUBLIC AGENCIES DO. THERE'S SOME REALLY STRONG
12 POLICY REASONS WHY.

13 MS. HYSEN: IT CAN BE DICEY IF YOU'VE
14 MODIFIED SIGNIFICANTLY TO ADDRESS ONE ENTITY'S
15 CONCERNS. IS THAT THE CONFLICT OF INTEREST ISSUE?

16 MS. FEIT: YES.

17 VICE CHAIRMAN SERRANO-SEWELL: SO WE'RE NOW
18 GOING TO SHIFT. WE HAVE THE INFORMATION AND THE SCORES
19 HAVE BEEN INPUTTED AND TABULATED, AND I THINK WE'RE
20 READY TO BEGIN NOW REALLY THE MEAT AND POTATOES OF THE
21 PROGRAMMATIC REVIEW; IS THAT RIGHT?

22 MR. KELLER: THAT'S CORRECT.

23 VICE CHAIRMAN SERRANO-SEWELL: LET'S PROCEED.

24 MS. SAMUELSON: DAVID, JUST ONE COMMENT. AND
25 I KNOW WE'RE ALL TRYING OUR BEST, BUT I HAVE TO JUST

1 ASK OUR COURT REPORTER HOW MANY HOURS SHE'S BEEN
2 WORKING TODAY. AND I HAVE TO SAY -- I JUST HAVE TO
3 WARN YOU. I CAN'T GIVE THIS MY BEST WORK PRODUCT AT
4 THIS POINT, HAVING STARTED AT SEVEN.

5 VICE CHAIRMAN SERRANO-SEWELL: COLLECTIVELY
6 WE'LL GET AS FAR AS WE CAN. AND WHEN WE HAVE TO PULL
7 THE PLUG, WE WILL, BUT I THINK WE CAN GET STARTED RIGHT
8 NOW. THANK YOU.

9 MR. KELLER: WE WOULD LIKE TO PRESENT AS
10 FIRST THE RESULTS OF THE SCORES FOR THE SHARED LABS,
11 AND LET YOU SEE THE DISTRIBUTION ON THE HISTOGRAPH, AND
12 THEN WE'LL COME BACK -- YOU CAN THEN MAKE SOME
13 JUDGMENTS ABOUT HOW YOU WANT TO BEGIN ESTABLISHING A
14 LINE, AND THEN WE WOULD COME BACK TO THE SHARED LABS AT
15 THE END.

16 VICE CHAIRMAN SERRANO-SEWELL: MR. KELLER,
17 VERY BRIEFLY, CAN YOU REFRESH THE COMMITTEE AS TO WHAT
18 EXACTLY ARE THE ELEMENTS OF THE PROGRAMMATIC REVIEW,
19 GEOGRAPHIC.

20 MR. KELLER: THEY WERE --

21 VICE CHAIRMAN SERRANO-SEWELL: IT'S NOT THE
22 TECHNICAL REVIEW. IT'S THE PROGRAMMATIC REVIEW, AND WE
23 IDENTIFIED CERTAIN AREAS IN WHICH WE WERE GOING TO
24 SPEAK TO IN THIS PORTION OF THE REVIEW; IS THAT RIGHT?

25 MR. KELLER: WELL, WE TALKED ABOUT

1 DISTRIBUTION OF THAT IN THE GEOGRAPHIC SENSE AND ALSO
2 THE NOTION OF EXPANSION. I THINK IT HAS TO DO WITH THE
3 MONEY AND HOW THAT WORKS IN TERMS OF HELPING IN TERMS
4 OF THE EXPANSION.

5 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.

6 CHAIRMAN LICHTENGER: I THINK --

7 MS. SAMUELSON: DAVID, DO YOU HAVE CRITERIA
8 IN FRONT OF YOU?

9 VICE CHAIRMAN SERRANO-SEWELL: I THINK THERE
10 WAS SOMETHING IN THE RFA, BUT I DON'T WANT TO GET ON A
11 SIDE TRACK HERE. JAMES, DID YOU WANT TO SAY SOMETHING?

12 MR. HARRISON: NO. I WAS JUST GOING TO SAY
13 THAT THE PROCEDURES THAT WERE ADOPTED, RECOMMENDED BY
14 THIS COMMITTEE AND ADOPTED BY THE BOARD, STATE THAT THE
15 PROGRAMMATIC REVIEW WILL GIVE CONSIDERATION OF
16 GEOGRAPHICAL AND OTHER FACTORS, AND THAT'S THE
17 DEFINITION.

18 CHAIRMAN LICHTENGER: I WAS JUST GOING TO SAY
19 THAT OBVIOUSLY EXPANDING INVENTORY OF STEM CELL
20 LABORATORIES ACROSS THE STATE IS A STRATEGIC PRIORITY
21 FOR CIRM, BUT IT CAN BE -- I THINK IT'S BROAD ENOUGH IN
22 THE PROGRAMMATIC REVIEW THAT WE CAN MAKE ANYTHING A
23 PRIORITY FOR THE GROUP.

24 VICE CHAIRMAN SERRANO-SEWELL: IF THERE ARE
25 NO FURTHER COMMENTS FROM THE COMMITTEE, AND IF THERE

1 ARE, PLEASE, OTHERWISE I'LL ASK STAFF TO BEGIN THEIR
2 DETAILED PRESENTATION.

3 MS. SAMUELSON: DAVID.

4 VICE CHAIRMAN SERRANO-SEWELL: ONE MOMENT.
5 ARE YOU READY? YES. MS. SAMUELSON, DID YOU HAVE A
6 FURTHER COMMENT?

7 MS. SAMUELSON: IF THIS IS THE MOMENT TO TALK
8 ABOUT OTHER RELEVANT CRITERIA. IF IT'S LATER, I'LL
9 CERTAINLY WAIT.

10 MR. KLEIN: HE NEEDS TO PRESENT HIS MATERIAL.

11 VICE CHAIRMAN SERRANO-SEWELL: LET'S GET AN
12 UNDERSTANDING OF WHAT WE HAVE BEFORE US.

13 MS. LEWIS: SOME OF YOU ARE FAMILIAR WITH
14 THIS CHART BECAUSE WE'VE USED IT BEFORE. AMY LEWIS.
15 HAPPY TO BE HERE.

16 MS. HYSEN: DOES THAT CHART GET BIGGER?

17 MS. LEWIS: IT DOESN'T GET BIGGER, AND I'LL
18 SHOW ON THE SCREEN. I'M SORRY. IT'S A PRETTY BAD
19 DISPLAY THERE, BUT I'LL WALK YOU THROUGH IT. IT'S
20 PRETTY SIMPLE, SO IT SHOULD MAKE SENSE.

21 VICE CHAIRMAN SERRANO-SEWELL: MS. LEWIS,
22 BEFORE YOU BEGIN, IF ANY COMMITTEE MEMBERS WANT TO MOVE
23 AND GET A CLOSER LOOK AT THAT, PLEASE DO.

24 MS. SAMUELSON: IS IT POSSIBLE TO PUT ON THIS
25 SCREEN AS WELL?

1 CHAIRMAN LICHTENGER: WHY DON'T WE LET
2 MS. LEWIS EXPLAIN IT.

3 MS. LEWIS: SO THE GRAPH THAT WE'RE LOOKING
4 AT IS A GRAPH OF THE SCORES, THE AVERAGE SCORES, FOR
5 EACH ONE OF THE SHARED LABORATORIES PORTIONS OF THE
6 APPLICATIONS. SO THERE ARE 22 SHARED LABORATORIES THAT
7 YOU SCORED. AND ON THE HORIZONTAL LINE THERE AT THE
8 BOTTOM, THOSE ARE THE AVERAGE SCORES. YOU'LL SEE THEY
9 RANGE FROM 1 TO 101, BUT THEY'RE ACTUALLY 1 TO 100. SO
10 THOSE ARE THE NUMBERS THAT YOU ENTERED.

11 THE FREQUENCY, THAT'S HOW MANY TIMES A SHARED
12 LABORATORY RETURNED AN AVERAGE SCORE OF A CERTAIN
13 NUMBER. AND YOU WILL SEE THAT GOES UP TO FIVE. SO
14 THERE HAPPEN TO BE A COUPLE OF APPLICATIONS THAT ENDED
15 UP HAVING THE SAME AVERAGE SCORE. THAT'S WHY YOU WILL
16 SEE SOME OF THE BARS ARE TALLER. SEVERAL APPLICATIONS,
17 FOUR OF THEM ACTUALLY, RETURNED THE SAME SCORE RIGHT
18 UNDER HIGH 80S, LOW 90S.

19 SO NORMALLY THE NEXT STEP WOULD BE TO TAKE A
20 LOOK HERE AND SEE IF YOU SEE A NATURAL BREAK IN THE
21 SCORES. AND IF YOU MIGHT WANT TO DRAW A LINE AND MAKE
22 A MOTION THAT YOU DON'T WANT TO TALK ANY FURTHER ABOUT
23 APPLICATIONS THAT SCORE UNDER A CERTAIN NUMBER.

24 VICE CHAIRMAN SERRANO-SEWELL: I SEE MARCY'S
25 HAND.

1 MS. FEIT: I THINK IT'S INTERESTING THAT
2 THERE'S ALMOST A NATURAL BREAK AT THE SCORE OF 73, AND
3 THAT WAS THE SAME BREAKING SCORE OF THE SCIENTIFIC
4 SCORES. I FIND THAT KIND OF SCARY.

5 VICE CHAIRMAN SERRANO-SEWELL: SO THE FIRST
6 TASK WOULD BE IF WE COULD FIND, I GUESS, THE TIER 3.
7 IS THAT WHAT WE'D WANT TO DO FIRST? THE TIER 3 WOULD
8 BE NOT RECOMMENDED FOR FUNDING AT THIS TIME. IF SO, IF
9 WE FIND A NATURAL BREAK. MARCY THREW OUT 73. ARE
10 THERE ANY OTHER COMMENTS ON THE TIER 3 QUESTION?

11 MS. SAMUELSON: IF WE'RE STARTING TO TALK
12 ABOUT NOT RECOMMENDING FOR FUNDING, I THINK I'D LIKE TO
13 THROW THIS ONE IN, WHICH IS IN TERMS OF FIGURING OUT
14 WHAT THE CRITERIA ARE THAT WE'RE MAKING OUR
15 DETERMINATION ON. UNLIKE THE GRANTS WORKING GROUP, WE
16 REALLY DIDN'T EVALUATE THE PROGRAMMATIC OBJECTIVES AND
17 EFFECTIVENESS OF THE APPLICANT. WE REALLY ZEROED IN ON
18 VERY TECHNICAL DETAILS. AND I'M NOT SURE IF WE KNEW
19 THAT ONE OF THOSE THAT WOULD BE DOWN AT THE BOTTOM HAD
20 A BRILLIANT, VERY TRANSLATIONAL, VERY EFFECTIVE PROGRAM
21 IN MIND, IT WAS VERY FOCUSED, AND SOME OF THEM DID.

22 VICE CHAIRMAN SERRANO-SEWELL: I THINK, JOAN,
23 IF WE WERE TO SAY -- THIS IS AN IF -- WE WERE TO SAY 73
24 WAS THE NATURAL BREAK FOR TIER 3, WE WOULD THEN GET A
25 CHART -- AND, STAFF, STOP WHEN -- NO. NO. THAT'S

1 WRONG -- WE WOULD THEN GET A CHART THAT WOULD SAY, LIKE
2 THE CHARTS WE'VE SEEN BEFORE, WHICH HAS THE APPLICATION
3 AND THEN THEIR SCORE FROM HIGHEST TO LOWEST. WOULD
4 THAT BE SOMETHING WE COULD LOOK AT? OKAY.

5 AND THEN AT THAT POINT WE CAN SEE, OKAY,
6 SHOULD THIS APPLICATION REALLY BE IN A TIER 2 OR A TIER
7 3. THAT'S PART OF A PROGRAMMATIC CONSIDERATION. BUT
8 RIGHT NOW I THINK WE WANT TO ACCOMPLISH INITIALLY, AND
9 THIS IS STILL A MOVING TARGET, IS WHAT WILL BE THE
10 BREAK? IT APPEARS FROM THE RAW DATA THAT IT'S 73.

11 CHAIRMAN LICHTENGER: I'D LIKE TO PROPOSE A
12 MOTION.

13 VICE CHAIRMAN SERRANO-SEWELL: OKAY.

14 CHAIRMAN LICHTENGER: THAT WE HAVE THE TIER 3
15 AT 73 AND BELOW, PRELIMINARILY BELOW 73. THAT WOULD BE
16 72 OR LESS.

17 VICE CHAIRMAN SERRANO-SEWELL: 72 OR LESS.

18 CHAIRMAN LICHTENGER: 72 OR LESS.

19 VICE CHAIRMAN SERRANO-SEWELL: THERE'S A
20 MOTION ON THE FLOOR.

21 MR. SHEEHY: SECOND.

22 VICE CHAIRMAN SERRANO-SEWELL: SECOND BY MR.
23 SHEEHY. IS THERE DISCUSSION ON THE MOTION?

24 MS. SAMUELSON: I'D LIKE TO FINISH MY
25 COMMENT, WHICH IS THAT WE'RE GOING -- WE'VE GONE A LONG

1 WAY DOWN THE ROAD, AND NOW WE'LL BE GOING FURTHER DOWN
2 THE ROAD TOWARD DECIDING IF A PROJECT GETS FUNDED OR
3 NOT. IF WE'RE GOING TO BUILD IT TO CREATE THOSE
4 OPPORTUNITIES FOR THE OTHER RESEARCHERS TO COME,
5 WHETHER OR NOT THE PLACE HAS AN EFFECTIVE PROGRAMMATIC
6 STRUCTURE AND MIGHT WELL CONSIGN SOMETHING TO THE TRASH
7 CAN THAT DOES WITHOUT EVEN LOOKING, IT DOESN'T MAKE ANY
8 SENSE TO ME.

9 VICE CHAIRMAN SERRANO-SEWELL: YOUR COMMENTS
10 ARE DULY NOTED, AND I THINK WE CAN GET INTO THEM. I
11 KNOW WE WILL ONCE WE HAVE THIS BREAK. SO THERE'S BEEN
12 A MOTION, A SECOND. IF THERE'S NO FURTHER DISCUSSION,
13 I'LL CALL FOR THE VOTE. IS THERE ANY DISCUSSION? BOB,
14 DID YOU HAVE SOMETHING YOU WANTED TO SAY?

15 MR. KLEIN: I WOULD JUST LIKE TO SAY, TO
16 ADDRESS JOAN'S CONCERN, THAT AFTER THIS -- THIS IS A
17 PRELIMINARY LINE. AFTER THE LINE IS DRAWN, WE CAN
18 EXAMINE IF THERE'S ANY PARTICULARLY NOTEWORTHY FACTS
19 ABOUT ANYONE BELOW THE LINE. IT'S A LINE THAT WE THINK
20 WILL HOLD UP, BUT IT DOESN'T MEAN WE CAN'T CONSIDER
21 LOOKING AT WHAT'S BELOW THE LINE.

22 VICE CHAIRMAN SERRANO-SEWELL: YES.

23 MR. SHEEHY: I JUST WANT MAKE A POINT TOO. I
24 THINK WE'VE ALL SCORED. SO WHAT DID YOU MEAN WHEN YOU
25 PUT DOWN 57? AND WHAT DID YOU MEAN WHEN YOU PUT DOWN

1 73? AND ACTUALLY WE COULD PROBABLY HAVE THIS VOTE AND
2 GO HOME. I THINK THAT THERE'S A REALLY CLEAR LINE. AT
3 LEAST FOR ME PERSONALLY, AND I SUPPORT THIS MOTION, 73
4 WAS -- THAT'S PROBABLY THE ONLY ONE THAT'S EVEN
5 QUESTIONABLE FOR ME BASED ON THE NUMERICAL RANGES THAT
6 I WAS USING IN MY HEAD TO SCORE THIS. SO I JUST WANT
7 TO PUT THAT OUT THERE.

8 VICE CHAIRMAN SERRANO-SEWELL: THAT'S AN
9 IMPORTANT DISCUSSION POINT. IS THERE ANY OTHER
10 COMMENTS ON THE MOTION? COUNSEL, DO WE NEED PUBLIC
11 COMMENT? NO. BECAUSE WE'RE GOING TO TAKE PUBLIC
12 COMMENT AT THE END. I SHOULD HAVE PROBABLY SAID AT THE
13 BEGINNING. I APOLOGIZE.

14 CHAIRMAN LICHTENGER: END OF THE DAY.

15 VICE CHAIRMAN SERRANO-SEWELL: WE'LL TAKE
16 PUBLIC COMMENT AT THE END OF THIS DISCUSSION, OUR
17 PROGRAMMATIC REVIEW DISCUSSION. AM I VIOLATING ANY
18 RULES BY SAYING THAT? FINE. THAT'S WHEN WE'LL TAKE
19 PUBLIC COMMENT. UNLESS THERE'S PUBLIC COMMENT THAT
20 WANTS TO TALK RIGHT NOW. I DON'T WANT TO DENY ANYBODY
21 THE CHANCE. I APPRECIATE THE PUBLIC THAT HAVE BEEN
22 SITTING HERE THROUGH THIS WITH US, SO I DON'T WANT TO
23 DENY ANYONE, BUT WE'RE NOT GOING TO TAKE PUBLIC COMMENT
24 ON EACH VOTE. WHAT I SHOULD HAVE SAID AT THE BEGINNING
25 OF THE DISCUSSION IS WE'LL TAKE PUBLIC COMMENT AT THE

1 END. I DIDN'T. OKAY. FINE.

2 WE'VE HAD A MOTION OF THE FLOOR. THERE'S A
3 SECOND. ALL THOSE IN FAVOR SAY AYE. ALL THOSE OPPOSED
4 SAY NO.

5 MS. SAMUELSON: NO.

6 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY
7 ABSTENTIONS? SEEING NO ABSTENTIONS, THE MOTION
8 CARRIES.

9 SO, STAFF, CAN WE GET -- DO WE NEED --

10 MR. KELLER: NOW WE'RE BASICALLY GOING TO GO
11 TO THE CHART THAT LISTS ALL THE PROJECTS --

12 VICE CHAIRMAN SERRANO-SEWELL: 72 OR BELOW.

13 MR. KELLER: -- SO THAT YOU CAN SEE THE RANK
14 ORDER.

15 (PAUSE IN PROCEEDING.)

16 VICE CHAIRMAN SERRANO-SEWELL: ARE YOU DONE
17 WITH THIS? ARE YOU GOING TO MAKE IT SORT OF SMALLER SO
18 WE CAN SEE THE 72 OR ABOVE? THAT WOULD BE HELPFUL.
19 DRAW THE LINE AT, WHAT, 508, 72 OR ABOVE THAT WOULD BE
20 HELPFUL.

21 CHAIRMAN LICHTENGER: AMY, DO YOU HAVE THE
22 STEM CELL TECHNIQUES COURSES MIXED IN THERE?

23 VICE CHAIRMAN SERRANO-SEWELL: WE'RE GOING TO
24 GIVE STAFF ONE MINUTE TO GET THE BUGS OUT OF THIS ONE.

25 MS. LEWIS, YOU'LL LET US KNOW WHEN YOU'RE

1 DONE AND YOU'VE GOT IT FIGURED OUT. IS IT POSSIBLE SO
2 I CAN JUST SEE EVERYTHING FROM 91 TO 73, WHATEVER IT
3 IS? JUST SO I HAVE A SNAPSHOT OF WHAT THOSE LOOK LIKE.
4 I CAN SEE IT ON ONE SCREEN AT THAT INITIAL PAYLINE.
5 MR. KELLER.

6 MR. KELLER: I WAS GOING TO FOLLOW UP ON
7 MEMBER SHEEHY'S QUESTION ABOUT IF YOU DRAW THE LINE
8 THERE, IF ALL YOU'RE LOOKING FOR IS THE AMOUNT, WE HAVE
9 THE CUMULATIVE AMOUNT, IF THAT WOULD HELP THE
10 COMMITTEE.

11 VICE CHAIRMAN SERRANO-SEWELL: YES.

12 CHAIRMAN LICHTENGER: MS. LEWIS, COULD YOU
13 SCROLL UP A BIT? THANK YOU.

14 VICE CHAIRMAN SERRANO-SEWELL: WE JUST WANT
15 THE TOTAL. FOURTEEN MILLION. FIVE MILLION TO PLAY
16 WITH.

17 COLLEAGUES, WHAT YOU SEE BEFORE YOU IS AT
18 THAT PAYLINE, 72 AND BELOW IS, CORRECT ME IF I'M WRONG,
19 THAT'S \$14,674,851.

20 MR. KLEIN: THAT'S ONLY CAPITAL, NOT
21 EQUIPMENT.

22 VICE CHAIRMAN SERRANO-SEWELL: RIGHT.

23 MS. HOFFMAN: THAT'S INDEED CORRECT BECAUSE,
24 YOU KNOW, THAT'S THE ONE CONSTRAINT THAT WE DO HAVE IS
25 THE AMOUNT OF CAPITAL FUNDING AVAILABLE.

1 MR. KLEIN: WE NEED TO KNOW THE NEXT COLUMN
2 AS WELL.

3 MR. KELLER: WE JUST NEED A MINUTE TO GET
4 THAT FORMULA BECAUSE THAT'S -- AS YOU CAN SEE, THE
5 SHARED LAB AND THE TECHNIQUES COURSE, AND WE WERE GOING
6 TO BRING THAT BACK IN, BUT WE'RE JUMPING AHEAD, SO TO
7 SPEAK, SO WE HAVE TO GET THAT CORRECTED.

8 MR. KLEIN: WHAT'S THE EQUIPMENT TOTAL?
9 THANK YOU.

10 VICE CHAIRMAN SERRANO-SEWELL: ANY OTHER DATA
11 WHILE THIS IS BEING PUT TOGETHER, THAT WOULD BE HELPFUL
12 TO THE COMMITTEE AS THEY'RE DESIGNING THIS?

13 (PAUSE IN PROCEEDINGS.)

14 VICE CHAIRMAN SERRANO-SEWELL: COLLEAGUES, IF
15 THERE'S NO OBJECTION, I'M GOING TO SAY LET'S STAND IN
16 RECESS FOR JUST FIVE MINUTES, GIVE STAFF A LITTLE BIT
17 MORE TIME TO PUT THIS TOGETHER, AND THEN WE'LL COME
18 BACK. WE CAN HAVE A FULLER DISCUSSION. WE'RE GOING TO
19 STAND IN RECESS FOR FIVE MINUTES.

20 (A RECESS WAS TAKEN.)

21 VICE CHAIRMAN SERRANO-SEWELL: WE'LL CALL THE
22 WORKING GROUP BACK INTO ORDER. THANK YOU FOR THE
23 RECESS. MR. KELLER, WHY DON'T YOU WALK THROUGH WHAT WE
24 HAVE NOW OF THIS REVISED CHART WITH THE ADDITIONAL
25 INFORMATION AND HOW BEST THE COMMITTEE MIGHT PROCEED OR

1 WHAT ITS OPTION MAY BE.

2 MR. KELLER: THE CHART YOU'RE LOOKING AT
3 TAKES THE HISTOGRAM THAT YOU MADE THE VOTE ON AND
4 ESTABLISHES THAT RED LINE. AND WHAT YOU'RE SEEING IS
5 IN THE ORDER BY AVERAGE SCORE FOR THE LAB. AND IN
6 ORDER TO SHORTEN OUR DUTIES THIS EVENING, WE'VE GONE
7 AHEAD AND JUST PUT THE AVERAGE SCORE FOR THE COURSE
8 THERE FOR YOU TO LOOK AT. AND THEN THE SHARED LAB
9 CAPITAL AMOUNT, WHICH IS IMPORTANT BECAUSE THE WAY THE
10 MONEY IS APPORTIONED IN PROPOSITION 71, THAT AMOUNT OF
11 MONEY IS A SEPARATE AND DISTINCT SUBCATEGORY WITHIN THE
12 \$3 BILLION AUTHORIZED BY THE ACT. SO WE HAVE TO KEEP
13 TRACK OF CAPITAL SEPARATE FROM EQUIPMENT AND OPERATING
14 EXPENSE. AND THE BUDGET FOR THE CAPITAL IS \$19
15 MILLION. SO --

16 VICE CHAIRMAN SERRANO-SEWELL: ARE WE WITHIN
17 THE BUDGET?

18 MR. KELLER: SO THE LAST COLUMN TO THE RIGHT,
19 IF YOU DRAW THE RED LINE, THE AMOUNT FOR CAPITAL
20 DOLLARS IS 14, PRETTY CLOSE TO, 808. AMY, THAT WOULD
21 ALSO INCLUDE THE AMOUNT OF FUNDS FOR CAPITAL ASSOCIATED
22 WITH THE TECHNIQUES COURSE?

23 SHE SAYS THAT SHE HAS DOUBLE-CHECKED IT, AND
24 THEY'RE THE SAME.

25 VICE CHAIRMAN SERRANO-SEWELL: IN TERMS OF

1 THE NEXT STEP PROCEEDING IN THIS PROGRAMMATIC REVIEW,
2 DID YOU WANT TO SHARE WITH US THE TECHNIQUES COURSE
3 STUFF? WAS THERE A CHART YOU WERE ASSEMBLING ON THAT
4 ISSUE?

5 MR. KELLER: WELL, WHEN YOU THINK ABOUT THE
6 PROGRAM, YOU HAD A DIRECTIVE OF 15 SHARED RESEARCH
7 LABORATORIES. SO I GUESS MY -- SO THE EXPANSION, THE
8 OBJECTIVE OF THE PROGRAM WOULD BE TO PLACE 15 OF THESE
9 THROUGHOUT THE STATE. IT SEEMS TO ME THAT YOU HAVE THE
10 ABILITY HERE TO TAKE A LOOK AND SAY, WELL --

11 VICE CHAIRMAN SERRANO-SEWELL: GEOGRAPHICALLY
12 WHERE ARE THESE.

13 MR. KELLER: WELL, THEY WILL BE
14 GEOGRAPHICALLY DISTINCT AS -- WELL, WE'VE SHOWED -- I
15 DID SHOW YOU HOW THEY LAID OUT IN GEOGRAPHY. IF ALL
16 THE ISSUE IS THAT YOU WANT TO TAKE A LOOK AT THE
17 MAXIMUM OPPORTUNITY --

18 VICE CHAIRMAN SERRANO-SEWELL: ONE OF OUR
19 OBJECTIVES, I MEAN IT'S SHARED, SO WE WANT TO MAKE SURE
20 THAT IT'S GEOGRAPHICALLY DISTRIBUTED THROUGHOUT THE
21 STATE SO FOLKS HAVE ACCESS TO IT IN ALL PARTS OF THE
22 STATE. SO I'M JUST LOOKING AT THE LIST IN THAT
23 CONTEXT.

24 MR. KELLER: IN THAT CONTEXT WITH THE GRAPHS
25 THAT I SHARED WITH YOU EARLIER TONIGHT, THIS WOULD FUND

1 ALL BUT RIVERSIDE, SANTA BARBARA, AND ONE BAY AREA
2 ENTITY IN REGENERATIVE SCIENCE INSTITUTE.

3 MS. SAMUELSON: WHAT CITY IS THAT LOCATED IN?

4 MR. KELLER: PALO ALTO.

5 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE A
6 MOTION THAT WE LOWER THE TIER 3 LINE TO 53 AND BELOW
7 FOR FUNDING.

8 VICE CHAIRMAN SERRANO-SEWELL: THAT WOULD
9 CAPTURE UC RIVERSIDE AND UC SANTA BARBARA.

10 CHAIRMAN LICHTENGER: CORRECT. YES.

11 MR. KLEIN: THAT'S A 52.

12 VICE CHAIRMAN SERRANO-SEWELL: 51 AND BELOW.

13 CHAIRMAN LICHTENGER: YES. 51 AND BELOW,
14 YES. YES.

15 MS. PACHTER: BEFORE WE GO FURTHER ON THIS
16 MOTION, WE NEED TO MAKE SURE THAT ANYBODY WHO IS
17 CONFLICTED OUT OF UC RIVERSIDE OR UC SANTA BARBARA --

18 VICE CHAIRMAN SERRANO-SEWELL: DOESN'T VOTE
19 ON THE MOTION.

20 MS. PACHTER: -- DOES NOT PARTICIPATE, HAS TO
21 LEAVE THE ROOM.

22 VICE CHAIRMAN SERRANO-SEWELL: THEY HAVE TO
23 LEAVE THE ROOM. SO WHO IS CONFLICTED ON UC RIVERSIDE
24 AND UC SANTA BARBARA?

25 MS. PACHTER: I'M LOOKING RIGHT NOW. JEFF

1 SHEEHY -- I'M SORRY. I'M SORRY. LANSING.

2 VICE CHAIRMAN SERRANO-SEWELL: JUST LANSING

3 IS CONFLICTED AND SHE'S NOT HERE.

4 MS. PACHTER: LANSING AND HOFFMAN.

5 VICE CHAIRMAN SERRANO-SEWELL: WHAT COMMITTEE

6 MEMBERS ARE CONFLICTED? JUST LANSING. CAN WE PROCEED,

7 COUNSEL?

8 MS. PACHTER: YES.

9 (MEMBER LANSING IS RECUSED ON THIS ITEM

10 AND IS NOT PRESENT IN THE ROOM.)

11 CHAIRMAN LICHTENGER: I'LL RESTATE THE

12 MOTION, CORRECTING IT, THAT I THINK THE TIER 3 LINE

13 SHOULD BE DRAWN AT 51 AND BELOW SO THAT UC RIVERSIDE

14 AND UC SANTA BARBARA WILL BE ABOVE THE LINE.

15 VICE CHAIRMAN SERRANO-SEWELL: THESE ARE FOR

16 GEOGRAPHIC CONSIDERATIONS. THAT'S ONE OF YOUR FACTORS?

17 CHAIRMAN LICHTENGER: YES.

18 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. IS

19 THERE A SECOND TO THE MOTION?

20 MS. FEIT: SECOND.

21 VICE CHAIRMAN SERRANO-SEWELL: SECOND FROM

22 MS. FEIT. DISCUSSION ON THE MOTION? THE MOTION IS TO

23 PUT --

24 MR. SHEEHY: I MEAN THIS IS REALLY A POLICY

25 DECISION FOR US. WHAT DID WE MEAN WHEN WE WROTE DOWN

1 OUR SCORES? OBVIOUSLY NOT VERY MANY OF US WROTE ABOVE
2 60. AND, YOU KNOW, THIS COMES UP IN THE SCIENTIFIC
3 WORKING GROUP, AND WHAT IS THE INTEGRITY OF YOUR
4 SCORING PROCESS? AND AT SOME POINT YOU HAVE TO DRAW A
5 LINE.

6 AND I PERSONALLY COULD NOT SUPPORT THIS
7 MOTION FOR THAT REASON. EVEN THOUGH FOR PROGRAMMATIC
8 REASONS, I COULD SEE FUNDING THESE TWO INSTITUTIONS. I
9 COULD NOT -- I JUST, IF AS A POLICYMAKER THE ICOC FELT
10 THAT THESE TWO INSTITUTIONS NEEDED -- THAT WE NEEDED TO
11 SEND RESOURCES TO THESE INSTITUTIONS, I THINK WE SHOULD
12 PUT OUT ANOTHER RFA. THERE'S ANOTHER WAY TO GET AT
13 THIS OTHER THAN JUST TAKING OUR PROCESS APART BECAUSE
14 THEN OUR SCORES LOSE ALL SIGNIFICANCE.

15 VICE CHAIRMAN SERRANO-SEWELL: ARE THERE ANY
16 COMMENTS? I'LL TAKE JANET AND THEN DAVID, AND THEN
17 WE'LL GET TO JOAN.

18 DR. WRIGHT: I WOULD JUST SAY THAT UNLESS I
19 WROTE THIS DOWN WRONG, WE'D WANT TO REMEMBER THAT THE
20 SCORE FOR UC RIVERSIDE WILL NOT BE ENTERED INTO AT THIS
21 POINT.

22 VICE CHAIRMAN SERRANO-SEWELL: MARCY, DID YOU
23 HAVE A COMMENT?

24 MS. FEIT: NO, I DIDN'T.

25 VICE CHAIRMAN SERRANO-SEWELL: DAVID AND THEN

1 JOAN.

2 CHAIRMAN LICHTENGER: JEFF, I UNDERSTAND YOUR
3 CONCERN. REMEMBER, WE HAVEN'T DECIDED IF WE'RE GOING
4 TO HAVE A TIER 2 AND TIER 1 AND WHAT THOSE TIERS
5 EXACTLY MEAN YET. SO WE'RE JUST DECIDING ON THE TIER 3
6 LINE.

7 VICE CHAIRMAN SERRANO-SEWELL: JOAN, YOU HAD
8 A COMMENT.

9 MS. SAMUELSON: YEAH. I THINK WHAT IT MAY
10 MEAN, IT DOES TO ME, IS THAT THE RANKING IS BASED ON
11 CRITERIA THAT ARE PERHAPS NOT AS IMPORTANT AS OTHER
12 CRITERIA THAT WE HAVEN'T DISCUSSED YET. AND WE DON'T
13 WANT TO EXCLUDE PERMANENTLY ANYTHING THAT MIGHT BE IN
14 THE BETTER POSITION ONCE WE HAVE THAT DISCUSSION.

15 VICE CHAIRMAN SERRANO-SEWELL: MARCY AND THEN
16 BOB.

17 MS. SAMUELSON: ONE MORE SENTENCE, DAVID.
18 SORRY. THIS ISN'T TO COMPLETELY DISCOUNT THE CRITERIA
19 THAT HAVE LED TO THIS RANKING. I THINK IT'S IMPORTANT
20 TO UNDERSTAND WHICH PROJECTS MIGHT HAVE BETTER
21 EFFICIENCIES IN SOME PART OF THE PROJECT, BUT THAT
22 ISN'T NECESSARILY -- THEY AREN'T NECESSARILY THE ONLY
23 OR MOST IMPORTANT CRITERIA.

24 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.
25 MARCY.

1 MS. FEIT: ONE WAY WE MIGHT WANT TO APPROACH
2 THIS, IF WE REALLY FEEL THAT WE WANT TO TAKE A LOOK AT
3 THIS SERIOUSLY, BECAUSE I THINK GEOGRAPHY IS A
4 CONSIDERATION, WE SAID IT IN THE BEGINNING IT WAS ONE
5 OF THE BASIC PRINCIPLES FOR DOING THIS. I TEND TO
6 AGREE WITH JEFF. I THINK FROM A PRINCIPLE POSITION, WE
7 SHOULDN'T DROP THE LINE JUST FOR THE SAKE OF DROPPING
8 THE LINE. I THINK WE SHOULD HAVE A SOLID REASON. I
9 DON'T THINK THERE'S ANYTHING WRONG WITH US GOING BACK
10 AND TAKING A LOOK AT THESE TWO PROJECTS AND FINDING OUT
11 WHAT -- I MEAN SEE WHAT EVEN THE STAFF ANALYSIS SAID IN
12 TERMS OF TO REFRESH US. I DON'T EVEN REMEMBER NOW AT
13 THIS POINT THIS LATE AT NIGHT TO SEE IF THERE WERE
14 AREAS TO MITIGATE, AREAS THAT COULD BE MITIGATED IF WE
15 BELIEVE GEOGRAPHY WAS IMPORTANT. I'M JUST BRINGING
16 THAT UP AS A WAY OF TAKING A LOOK AT THIS.

17 IF WE WANTED TO, THERE'S ONLY TWO OF THEM.
18 WE COULD REVISIT THEM BRIEFLY. I THINK WE DID THAT IN
19 THE GRANT WORKING GROUP. THERE WAS SOME DISCREPANCY
20 BETWEEN HOW PEOPLE FELT, AND WE JUST REVISITED THE
21 RESEARCH.

22 VICE CHAIRMAN SERRANO-SEWELL: I THINK THAT'S
23 A GOOD SUGGESTION. SO WE'LL SHIFT GEARS. BOB, I'M
24 SORRY. YOU HAD A COMMENT.

25 MR. KLEIN: I THINK IT'S IMPORTANT IN EACH OF

1 THESE SESSIONS WHEN WE DO THIS THAT, WHILE THIS IS
2 IMPORTANT TO US TO LOOK AT THE TOTAL OF ALL SCORES,
3 THAT WE SHOULD GET A CALCULATION THAT SHOWS WHAT
4 HAPPENS IF YOU THROW OUT ANY OUTLIER THAT HAS MORE THAN
5 A 20-PERCENT OR 15-PERCENT DEVIATION AT THE TOP OR
6 BOTTOM OF THE SCALE. BECAUSE, YOU KNOW, TO SEE
7 UNIVERSITY OF CALIFORNIA SAN FRANCISCO AT THAT LEVEL,
8 I'M WONDERING WHETHER THERE'S A BIG RANGE BETWEEN THE
9 PEOPLE AT THIS TABLE IN HOW WE RANKED IT.

10 SO WHAT WE WANT TO BE CAREFUL OF IS THAT
11 AVERAGES CAN BE MISLEADING, AND WE JUST, I THINK, WANT
12 TO CROSS VALIDATE BY LOOKING AT WHAT THE SCORES ARE
13 LIKE IF WE ELIMINATE MAJOR OUTLIERS.

14 VICE CHAIRMAN SERRANO-SEWELL: IS THAT
15 SOMETHING WE CAN DO, STAFF?

16 MS. HYSEN: MAJOR OUTLIERS AMONGST THE VOTERS
17 OR A CATEGORY?

18 MR. KLEIN: AMONGST US HERE AT THE TABLE SO
19 THAT IF THEY HAVE A SCORE THAT'S -- IF THEY HAVE SCORES
20 THAT ARE 20 PERCENT OFF AT THE TOP OR BOTTOM FROM THE
21 NEXT CLOSEST SCORE, THAT'S A SUBSTANTIAL DIFFERENCE.

22 MS. HYSEN: HOWEVER, I'M CONCERNED THAT THE
23 PRIMARY AND SECONDARY REVIEWERS HAVE THE MOST
24 INFORMATION ABOUT THAT. IF THEY ARE THE OUTLIERS,
25 ARE --

1 MS. FEIT: WE WON'T KNOW UNTIL WE VISIT THEM.

2 MR. KLEIN: WE WON'T KNOW UNTIL WE LOOK AT
3 IT.

4 VICE CHAIRMAN SERRANO-SEWELL: COUNSEL.

5 MS. PACHTER: I THINK THAT THIS MAY BE A
6 CONVERSATION THAT YOU WANT TO HAVE TOMORROW WHEN YOU'RE
7 TALKING BOTH ABOUT THE OPEN MEETINGS AND ABOUT
8 PROCEDURES FOR THE LARGE FACILITIES GRANTS. I DON'T
9 KNOW THAT WE CAN CHANGE THE PROCEDURE FOR THE
10 EVALUATION FOR THIS GRANT, THIS SERIES OF --

11 MR. KLEIN: WE HAD A MATHEMATICAL FORMULA IN
12 OUR PROCEDURES?

13 MS. PACHTER: YES.

14 MR. KLEIN: THEN I WOULD RECOMMEND THAT THIS
15 WOULD BE AN IMPORTANT CONSIDERATION, PARTICULARLY WITH
16 THE MUCH HIGHER DOLLAR AMOUNTS AT RISK IN THE MAJOR
17 FACILITIES, TO DISCUSS AND AGREE ON SOME STATISTICAL
18 VALIDATIONS THAT WE MIGHT USE TO MAKE SURE THAT WE'RE
19 GETTING A REAL VIEW OF CONSENSUS AND ELIMINATING ANY --

20 VICE CHAIRMAN SERRANO-SEWELL: BOB, THAT'S A
21 GOOD POINT, AND LET'S BRING IT UP FOR THE NEXT ROUND.

22 MR. SHEEHY: I THINK IF WE ARE GOING TO HAVE
23 A DISCUSSION OF THE REVIEW, WE CAN GO BACK TO THE
24 PRIMARY AND SECONDARY REVIEWERS ON EACH OF THE TWO
25 GRANTS. ED AND I WERE THE REVIEWERS ON UCSB. I THINK

1 THAT THAT PRETTY MUCH REFLECTS WHAT I PUT DOWN.

2 I JUST WANT TO MAKE THE POINT. WHEN WE --
3 ASSUMING THAT THIS DOES NOT MATCH UP EXACTLY WITH THE
4 SCIENTIFIC SCORES, IF WE WANT THIS TO HAVE ANY
5 INFLUENCE ON THE ICOC IN BEING DETERMINANT, THERE HAS
6 TO BE SOME CREDIBILITY TO THIS PROCESS. AND IF WE
7 START SCORING -- MOVING OUR LOW ONES UP, THIS IS NOT
8 GOING TO HAVE ANY IMPACT ON THE DECISION AT THE ICOC
9 BECAUSE THERE'S NO CREDIBILITY TO THIS PROCESS, AND WE
10 HAVE TO HAVE SOME STANDARDS.

11 VICE CHAIRMAN SERRANO-SEWELL: DAVID AND THEN
12 I'LL MAKE A COMMENT.

13 MR. SHEEHY: WE MIGHT AS WELL NOT HAVE BEEN
14 HERE TODAY.

15 CHAIRMAN LICHTENGER: I'D ACTUALLY LIKE TO
16 WITHDRAW MY MOTION.

17 VICE CHAIRMAN SERRANO-SEWELL: JEFF'S
18 REMINDING US. ULTIMATELY THIS IMPORTANT WORKING GROUP
19 IS MAKING ITS RECOMMENDATIONS TO THE FULL ICOC, AND THE
20 ICOC IS POPULATED WITH INTELLIGENT PEOPLE. THEY WILL
21 FULLY ANALYZE OUR DATA AND OUR INFORMATION. THEY'LL
22 WANT TO KNOW IN EXCRUCIATING DETAIL HOW WE CAME ABOUT
23 MAKING THESE SETS OF RECOMMENDATIONS. JEFF MAKES A
24 GOOD POINT. WHAT'S GIVEN IN THE SCIENTIFIC WORKING
25 GROUP AND THEIR RECOMMENDATIONS TO THE ICOC, QUOTE,

1 CREDIBILITY HAS BEEN THAT STRONG LOGIC AND HAVING A
2 LINE THAT YOU FINALLY HAVE TO DRAW IN THE SAND.

3 SO DAVID HAS WITHDRAWN THE MOTION. SO
4 CURRENTLY THINGS STAND AT 73, OR 72 AND BELOW.

5 MS. FEIT: I AGREE ABOUT NOT JUST ARBITRARILY
6 DROPPING THE LINE. AND I THINK THE INTEGRITY OF THE
7 WORK THAT'S DONE IS AT RISK HERE; HOWEVER, HAVING SAID
8 THAT, ONE OF THE ISSUES THAT WAS DRAWN UP AT THE
9 RESEARCH GRANT WORKING GROUP WAS AN ISSUE WAS BROUGHT
10 UP ABOUT CHILDREN, THE GENERIC CATEGORY OF CHILDREN,
11 THAT THERE WASN'T ENOUGH RESEARCH EMPHASIS MADE ON
12 RESEARCH BEING CONDUCTED FOR CHILDREN. AND SO THERE
13 WAS AN EFFORT TO MAKE SOME CHANGES IN THEIR DECISIONS
14 BASED ON THAT, IF I REMEMBER RIGHT.

15 ONE GRANT WAS MOVED UP, I BELIEVE. BUT
16 ANYWAY, I'M TALKING GENERICALLY, SO I'M NOT NAMING
17 ANYTHING. BUT WHAT I'M SAYING IS I THINK WE HAVE AN
18 OBLIGATION JUST TO DOUBLE-CHECK AND MAKE SURE THAT WE
19 ARE NOT ELIMINATING SOME FACTOR IN OUR THINKING.
20 THAT'S ALL. I AGREE WITH THE IDEA THAT WE SHOULD NOT
21 JUST ARBITRARILY DROP THE LINE FOR THE SAKE OF DROPPING
22 THE LINE AND SPENDING THE MONEY BECAUSE THAT ISN'T
23 APPROPRIATE. I JUST THINK IT'S A DUE DILIGENCE, A
24 FINAL DUE DILIGENCE ON OUR PART TO ENSURE THAT WE HAVE
25 TAKEN A HARD LOOK AT OUR LINE.

1 VICE CHAIRMAN SERRANO-SEWELL: WE'VE TAKEN A
2 HARD LOOK AT THE INFORMATION THAT'S BEEN GIVEN TO US.
3 WE'VE ASSIGNED THE SCORES, AND THEY'VE BEEN TABULATED,
4 AND THEY'RE BEFORE US.

5 MY QUESTION IS WHAT SORT OF DUE DILIGENCE ARE
6 WE TALKING ABOUT? WE HAVE TO PROVIDE A WORK PRODUCT TO
7 THE ICOC. AND JEFF BRINGS UP A GOOD POINT. MARCY, YOU
8 RAISED IT. 73, THAT JUST SEEMS TO BE THE NUMBER AND IT
9 CORRESPONDS. AND THESE THINGS HAPPEN. IT'S
10 INTERESTING, BUT I THINK THERE'S SOME VALIDITY TO THAT.

11 MR. SHEEHY: MAYBE WE CAN HEAR FROM THE
12 REVIEWERS. I PERSONALLY FEEL THAT THE UCSB -- I WAS
13 THE SECONDARY REVIEWER. THAT REFLECTS -- I DID NOT
14 SCORE THAT TO BE FUNDED.

15 VICE CHAIRMAN SERRANO-SEWELL: YOU WERE THE
16 SECONDARY REVIEWER. MR. KASHIAN, YOU WERE THE PRIMARY
17 REVIEWER FOR UC RIVERSIDE. DOES THAT -- IT'S RIGHT
18 THERE RANKED AT 55.

19 MR. KASHIAN: DAVID, I DON'T FEEL QUALIFIED
20 TO PARTICIPATE IN THIS CONVERSATION.

21 VICE CHAIRMAN SERRANO-SEWELL: SURE YOU CAN
22 BECAUSE YOU WERE THE -- WHAT DOES YOUR SCORE SAY?
23 ISN'T IT AROUND 55?

24 MR. KASHIAN: I DON'T UNDERSTAND THE QUESTION
25 AT HAND.

1 VICE CHAIRMAN SERRANO-SEWELL: THE QUESTION
2 IS YOU WERE THE PRIMARY REVIEWER FOR UC RIVERSIDE. YOU
3 GAVE IT A SCORE. YOUR SCORE HAS ALREADY BEEN
4 SUBMITTED. YOU DON'T HAVE TO DISCLOSE YOUR SCORE.
5 WHAT JEFF HAS SAID IS THE AVERAGE SCORE REPRESENTED
6 THERE IS HIS SCORE, NOT HIS SCORE, BUT IT'S CLOSE TO
7 HIS SCORE. IS IT ALSO CLOSE TO YOURS AS THE PRIMARY
8 REVIEWER? THAT'S SORT OF MY QUESTION. YOU DON'T HAVE
9 TO ANSWER IT. THE APPLICATION NUMBER WAS 508.

10 MR. SHEEHY: 521 IS THE ONE I'M TALKING
11 ABOUT.

12 VICE CHAIRMAN SERRANO-SEWELL: I'M SORRY.
13 YOU WERE TALKING ABOUT RIVERSIDE. I APOLOGIZE. SANTA
14 BARBARA, NOT RIVERSIDE. THAT'S 521. THAT'S SORT OF IN
15 SYNC WITH WHAT MR. SHEEHY HAS SAID?

16 MR. KASHIAN: YES.

17 MR. SHEEHY: I DISTINCTLY REMEMBER THE
18 DISCUSSION, THAT THERE WAS A CERTAIN THRESHOLD THAT
19 THIS NOT FELT HAD BEEN MET.

20 CHAIRMAN LICHTENGER: SO, ED, SO YOU WOULD
21 RECOMMEND THAT THAT APPLICATION WOULD NOT BE FUNDED; IS
22 THAT CORRECT?

23 MR. KASHIAN: THAT'S CORRECT.

24 CHAIRMAN LICHTENGER: THANK YOU.

25 MR. KLEIN: AT SOME POINT HERE CAN WE LOOK AT

1 THE OTHER COLUMNS RELATED TO THE TECHNIQUES COURSE AND
2 JUST HAVE A DISCUSSION ON THOSE? THE QUESTION IS,
3 DAVID --

4 VICE CHAIRMAN SERRANO-SEWELL: BEFORE WE GET
5 TO THAT, AND I WANT TO GET TO THAT, BOB. JEFF HAD THE
6 SUGGESTION AND WE'VE DONE THE EXERCISE WITH ONE OF
7 THEM. IF THERE'S NO OBJECTION FROM THE UC RIVERSIDE
8 PRIMARY AND SECONDARY REVIEWER, JUST TO SORT OF
9 GENERALLY SAY, YES, THAT WAS WHAT I GAVE IT, THAT SCORE
10 AS WELL. YOU DON'T HAVE TO. WHO WERE THE PRIMARY AND
11 SECONDARY REVIEWERS FOR UC RIVERSIDE? I THINK I WAS
12 THE SECONDARY.

13 MR. KELLER: MEMBER KASHIAN WAS PRIMARY.

14 VICE CHAIRMAN SERRANO-SEWELL: YOU SHOULD
15 HAVE HAD DESSERT WITH YOUR SON. UC RIVERSIDE AND THAT
16 IS 508.

17 MR. KASHIAN: AGAIN, THIS IS ONE OF THE TWO
18 VERY LOW SCORES THAT I HAD.

19 VICE CHAIRMAN SERRANO-SEWELL: I THINK IN
20 MY -- WAS I THE -- MR. KELLER, WAS I THE SECONDARY
21 REVIEWER FOR UC RIVERSIDE?

22 MR. KELLER: YES, YOU WERE.

23 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.
24 MAKE SURE I'M LOOKING AT THE RIGHT ONE. I GAVE IT A
25 HIGHER SCORE THAN WHAT IS THE AVERAGE SCORE BEFORE US.

1 IT'S IN THE MID 70S RANGE, AND THAT WAS BECAUSE I THINK
2 I GAVE THEM MORE POINTS IN THE MATCHING -- EXCUSE ME --
3 THE MATCHING GRANT COLUMN. IT'S MY RECOLLECTION THERE
4 WAS AN ISSUE WITH IT HAVING TO DO WITH SOME SPECULATIVE
5 FUNDS THEY MAY OR MAY NOT SPEND. I GAVE THEM THE
6 BENEFIT OF THE DOUBT PURSUANT TO THE MOTION THAT THEY
7 WOULD RESOLVE IT, SO I GAVE THEM A HIGHER SCORE.
8 ORIGINALLY I HAD SCORED IT VERY LOW ON THE
9 INSTITUTIONAL COMMITMENT SIDE. HAD I STUCK WITH THAT
10 ORIGINAL SCORE, IT WOULD HAVE BEEN AROUND WHERE ED IS
11 AT. HE HAD OTHER CONCERNS.

12 MR. KELLER: MR. CHAIRMAN, THIS IS THE ONE
13 WHERE THE FUTURE RECRUITMENT THAT HAD 90,000 OF
14 UNALLOWABLE COST, JUST TO REMIND YOU.

15 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.
16 THAT'S MY RECOLLECTION OF THAT ONE, UC RIVERSIDE.

17 MS. SAMUELSON: I'M LOOKING AT THE PUBLIC
18 ABSTRACT FOR UC RIVERSIDE, AND IT TALKS ABOUT AN
19 ENERGETIC INTERDISCIPLINARY GROUP OF YOUNG AND
20 ESTABLISHED INVESTIGATORS AND SPECIAL EXPERTISE IN
21 MOLECULAR DIMENSIONS OF PLURIPOTENCY AND GOES ON IN
22 GREAT DETAIL AND GREATER THAN SOME OF THE MUCH MORE
23 HIGHER SCORING PROPOSALS. AND I THOUGHT THIS WAS THE
24 POINT AT WHICH WE WERE GOING TO BRING IN THOSE FACTORS,
25 AT LEAST DO SOME BALANCING, IF NOT GIVE THESE KINDS OF

1 CRITERIA MORE IMPORTANCE, BOTH TO SPEND THIS MONEY WELL
2 AND TO FORECAST FOR THE FUTURE HOW WE WANT MONEY TO BE
3 SPENT.

4 MR. KLEIN: AND I THINK, JOAN, THERE'S SOME
5 GOOD POINTS TO BE MADE, BUT THERE'S SOME GOOD POINTS TO
6 BE MADE TOO WHEN WE GET TO THE ICOC ON THE SCIENCE SIDE
7 WHICH MAY HELP ADVANCE YOUR POINTS. AND SO MAYBE THE
8 PLACE TO GET THIS RESOLVED IS AT THE ICOC BECAUSE THIS
9 IS REALLY A FACILITIES SCORE.

10 VICE CHAIRMAN SERRANO-SEWELL: RIGHT.

11 MS. SAMUELSON: THEN I DON'T MEAN TO BE
12 DRAMATIC. I'M GROUCHY FOR OTHER REASONS THAT ARE
13 PROBABLY OBVIOUS, AND I APOLOGIZE. BUT I DON'T
14 UNDERSTAND WHY I, AS A PATIENT ADVOCATE, AM SPENDING MY
15 TIME THAT'S PRETTY PRECIOUS AND EXHAUSTED AT THE MOMENT
16 ON THIS PROCESS IF THAT'S THE SCOPE OF OUR WORK.

17 MR. KLEIN: I THINK --

18 MS. SAMUELSON: I'M AFRAID -- I'M GOING TO
19 GET DRAMATIC FOR ONE MORE MINUTE. I APOLOGIZE IN
20 ADVANCE. I AM AFRAID THAT FIVE YEARS FROM NOW WE'RE
21 GOING TO LOOK BACK AT THIS PHASE AND THINK WE WERE
22 PAYING FAR TOO MUCH ATTENTION TO CRITERIA THAT WERE FAR
23 LESS IMPORTANT THAN SOME OTHER THINGS IF URGENCY IS
24 IMPORTANT.

25 MR. KLEIN: JOAN, I WOULD JUST SAY THAT WHEN

1 YOU'RE IN AN ENVIRONMENT WHERE YOU CAN MAKE THE
2 ARGUMENT FROM BOTH SIDES, I MIGHT SUPPORT YOUR MOTION.
3 AND THAT BY BEING HERE ON THIS PANEL, YOU HAVE THE
4 INFORMATION YOU NEED WHEN YOU GET TO THE ICOC TO BE
5 ABLE TO ADDRESS BOTH SIDES OF THIS ISSUE.

6 MS. SAMUELSON: I DON'T WANT TO BE COMING
7 FROM BEHIND LIKE THIS PROCESS TO BE INVOLVED IN THE
8 HIGHEST PRIORITIES.

9 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE A
10 MOTION THAT ALL SCORES OF 73 AND ABOVE ARE TIER 1
11 SCORES THAT ARE RECOMMENDED TO THE ICOC FOR FUNDING.

12 VICE CHAIRMAN SERRANO-SEWELL: IS THERE A
13 SECOND TO THE MOTION?

14 MR. KLEIN: FOR 73 AND ABOVE, I'LL MAKE A
15 SECOND.

16 VICE CHAIRMAN SERRANO-SEWELL: DISCUSSION ON
17 THE MOTION?

18 MS. FEIT: I'M LISTENING TO WHAT JOAN IS
19 SAYING, AND FOR MANY, MANY MONTHS WE HAVE TALKED ON THE
20 ICOC AND MANY OF THE WORKING GROUPS ABOUT WANTING TO
21 FIND NEW TALENT. YOU CAN ALL REMEMBER THAT. AND MAYBE
22 THIS ISN'T THE ROUND TO DO IT, BUT I THINK JOAN IS
23 MAKING A GREAT POINT. WHAT WE'RE MISSING IN THIS
24 PROCESS IS THE ABILITY FOR US AS A WORKING GROUP TO
25 LOOK AT THESE GRANTS AND TRULY SAY, OKAY. WHAT'S

1 REALLY GOING ON HERE? AND WHAT ARE THEY GOALS?

2 I THINK AGAIN, BOB STATED, WE HAVE TO TALK
3 ABOUT WHAT THE DEFINITIONS, WHAT THE POLICIES ARE, AND
4 WHAT WE'RE LOOKING AT. BUT SHE IS MAKING A POINT THAT
5 I HAVE HEARD ON EVERY WORKING GROUP I'VE SAT ON AND
6 MANY, MANY OF THE ICOC MEETINGS ABOUT YOUNG, NEW BLOOD
7 AND TALENT. I THINK THAT IS EVIDENT SOMEWHAT IN THESE
8 TWO SCORES, THAT THESE ARE YOUNG INVESTIGATORS, AND
9 MAYBE THAT'S THEIR FAILURE, NOT KNOWING THE PROCESS.
10 THEY'RE NOT SEASONED. SO I'M JUST BRINGING THAT UP
11 BECAUSE I HEAR HER MESSAGE, AND I'VE HEARD IT FOR
12 MONTHS.

13 MS. PACTER: MR. CHAIR, I JUST WANT TO NOTE
14 THAT FOR PURPOSES OF THIS MOTION, MARCY FEIT AND JEFF
15 SHEEHY MUST BE RECUSED, SO THEY CAN'T PARTICIPATE IN
16 THIS DISCUSSION AND THEY NEED TO LEAVE THE ROOM. WE'RE
17 VOTING ON TIER 1, AND BOTH OF YOU HAVE CONFLICTS IN
18 TIER 1.

19 MR. SHEEHY: WE DON'T HAVE QUORUM ISSUES?
20 JUST MAKING SURE.

21 (MEMBERS SHEEHY AND FEIT HAVE CONFLICTS
22 AND HAVE LEFT THE ROOM.)

23 VICE CHAIRMAN SERRANO-SEWELL: THE MOTION
24 STILL STANDS.

25 CHAIRMAN LICHTENGER: I JUST WANT TO MAKE A

1 COMMENT TO MY OWN MOTION. SO MY ONLY CONCERN ABOUT
2 MAKING THE LINE WHERE WE HAVE IT CURRENTLY AND
3 RECOMMENDING EVERY ONE ABOVE THE LINE FOR TIER 1 AND
4 FOR FUNDING IS THAT I WANT TO MAKE SURE THAT WE'RE
5 GIVING THE RIGHT MESSAGE TO THE INSTITUTIONS FOR THE
6 NEXT ROUND OF GRANTS IN THAT, EVEN THOUGH WE MAY
7 RECOMMEND FUNDING ON THIS ROUND FOR THE SHARED
8 LABORATORIES AT THIS LEVEL, IT DOESN'T NECESSARILY MEAN
9 THAT WE WILL BE AS FORGIVING IN THE NEXT ROUND FOR THE
10 LARGER DOLLARS.

11 VICE CHAIRMAN SERRANO-SEWELL: OKAY. JANET,
12 DID YOU HAVE ANY COMMENTS YOU WANT TO MAKE?

13 DR. WRIGHT: I HAVE AN IDEA THAT PROBABLY
14 SHOULD BE SHOT DOWN OR IS ILLEGAL SOME WAY. I'LL
15 PROCEED SLOWLY SO YOU GUYS CAN STOP ME BEFORE I GET IN
16 TROUBLE. I USUALLY WATCH JAMES.

17 SO IT SEEMS TO ME THAT -- OKAY. IT'S
18 PROBABLY NOT GOING TO WORK -- THAT WE HAVE SOME
19 PROPOSALS THAT RANK HIGH ON SCIENCE AND RANK HIGH ON
20 THE FACILITIES SCORE.

21 VICE CHAIRMAN SERRANO-SEWELL: YES.

22 DR. WRIGHT: AND WE HAVE SOME THAT RANK LOW
23 ON BOTH. TO ME THE INTERESTING AREA IS THE AREAS WHERE
24 THE SCORES ARE IN CONFLICT. AND SO I WAS SORT OF
25 TEASING DAVID THAT I'D LOVE TO SEE A METRIC COMPARING

1 THE DIVERGENCE OF THE TWO SCORES.

2 VICE CHAIRMAN SERRANO-SEWELL: FROM
3 FACILITIES WORKING GROUP AND SCIENTIFIC WORKING GROUP?

4 DR. WRIGHT: RIGHT. AND SO I SORT OF CIRCLED
5 THE ONES THAT ARE MOST --

6 MS. PACHTER: THAT HAS TO WAIT TILL THE ICOC.

7 VICE CHAIRMAN SERRANO-SEWELL: YOUR IDEA IS
8 ABSOLUTELY ON POINT, AND IT'S GIVING A PREVIEW.
9 ABSOLUTELY RIGHT. AS AN ICOC MEMBER, JANET, THAT'S
10 WHAT WE'LL BE LOOKING AT. WHERE IS THIS CONVERGENCE?
11 WHERE IS IT NOT? WHERE ARE THE OUTLIERS? THOSE ARE
12 THE HARD QUESTIONS THAT THE ICOC WILL HAVE TO DEAL
13 WITH, AND STAFF WILL HAVE TO BE PREPARED TO COMMENT ON.
14 OTHERWISE WE WON'T BE ABLE TO MAKE AN INFORMED AND
15 EDUCATED DECISION. FOR THE PURPOSES OF THIS WORKING
16 GROUP AND THE TASK THAT IS BEFORE US TODAY IN THIS PART
17 OF THE REVIEW PROCESS, THE PROGRAMMATIC SIDE, WHERE
18 JOAN IS ABSOLUTELY RIGHT, WE CAN CONSIDER, QUOTE, OTHER
19 FACTORS, OTHER CONSIDERATIONS.

20 I'VE HEARD THE ARGUMENTS THAT UC RIVERSIDE,
21 WHILE IT IS A 55, IT DOES HAVE COMPONENTS THAT ARE
22 MERITORIOUS, AND PERHAPS THE LINE SHOULD BE AT 55. SO
23 WE SORT OF NEED TO MOVE ON.

24 DR. WRIGHT: SO IF WE VOTE, IF WE PASS YOUR
25 MOTION, I REALIZE THE ICOC CAN COME BACK AND RECONSIDER

1 THINGS THAT ARE BELOW THE LINE FOR FUNDING. BUT THE
2 MESSAGE WE'LL BE GIVING THEM IS WE'RE ACTUALLY
3 SUGGESTING THAT THEY NOT DO THAT.

4 VICE CHAIRMAN SERRANO-SEWELL: THAT WOULD BE
5 OUR RECOMMENDATION, YES.

6 DR. WRIGHT: THAT WORRIES ME A LITTLE BIT.

7 VICE CHAIRMAN SERRANO-SEWELL: LET ME ASK YOU
8 A QUESTION, JANET. DO YOU THINK THE LINE SHOULD BE AT
9 55 TO CAPTURE UC RIVERSIDE?

10 DR. WRIGHT: I WOULD.

11 VICE CHAIRMAN SERRANO-SEWELL: YOU'VE HEARD
12 FROM A COLLEAGUE WHO IS NOW NOT HERE, BUT MADE A VERY
13 VALID POINT. THAT IS, THE CREDIBILITY THAT THIS
14 WORKING GROUP HAS WITH THE ICOC MAY SOMEHOW BE DAMAGED
15 IF WE WERE SUBMIT TO THEM AT THE 55 LINE. NOW, WE NEED
16 TO BALANCE THAT. MAYBE IT WON'T BE UNCREDIBLE. MAYBE
17 THEY'LL THINK, YEAH, YOU DID A REALLY GOOD JOB AND YOU
18 WERE CONSIDERING THINGS THAT WERE OF RELEVANCE TO THE
19 ICOC'S CONSIDERATION. AND THANK YOU FOR BRINGING IT UP
20 TO OUR ATTENTION. THAT'S THE OTHER ARGUMENT YOU CAN
21 MAKE EVEN THOUGH THE SCORE IS 55 AND THE NEXT HIGHEST
22 IS 73. YOU COULD STILL MAKE THAT ARGUMENT WITH A CLEAN
23 CONSCIENCE. THAT'S THE DEBATE I'M HAVING AS WELL.

24 MS. PACTER: MR. CHAIR, I JUST WANT TO
25 CLARIFY FOR THE RECORD THAT THIS MOTION IS ONLY WITH

1 RESPECT TO THE SHARED LABS, AND THAT THE COMMITTEE WILL
2 STILL HAVE TO VOTE ON THE TECHNIQUES COURSE.

3 CHAIRMAN LICHTENGER: YES.

4 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU. I
5 DON'T SEE ANYBODY ON THIS SIDE. BOB, DID YOU HAVE A
6 COMMENT?

7 MR. KLEIN: JUST FOR JANET AND FOR JOAN, I
8 SEE A LOT OF GOOD REASONS TO MAKE ADVOCACY STATEMENTS
9 TO DEVELOP NEW TALENT FOR THOSE TWO INSTITUTIONS, BUT
10 WE REALLY HAVE TO DO IT, I THINK, AT THE ICOC BECAUSE
11 THIS IS OUR TASK. AND WE NEED TO DEFER THE ARGUMENT,
12 BUT BUILD OUR STRENGTH, JOAN.

13 MS. SAMUELSON: IF THAT'S THE CASE, WHY DOES
14 IT SAY THAT WE'RE SUPPOSED TO CONSIDER GEOGRAPHIC AND
15 ANY OTHER CRITERIA?

16 DR. WRIGHT: I THINK FOR THE SAME REASON,
17 JOAN, WE DO SO IN THE SCIENTIFIC REVIEW. IT'S THE SAME
18 THING. WE GO BY THE SCORE AND THEN WE READJUST BASED
19 ON GEOGRAPHY OR EXPANSION POTENTIAL. I THINK THERE'S A
20 PARALLEL THERE.

21 MS. SAMUELSON: EXCEPT THAT IT IS DIFFERENT
22 FROM THE RESEARCH FUNDING PROCESS WHERE THEY CONSIDER
23 SCIENTIFIC MERIT.

24 VICE CHAIRMAN SERRANO-SEWELL: YOU THINK A
25 MINORITY REPORT MIGHT BE IN ORDER FOR THOSE TWO

1 INSTITUTIONS?

2 DR. WRIGHT: I DON'T FEEL STRONGLY ENOUGH.

3 VICE CHAIRMAN SERRANO-SEWELL: I'M JUST
4 THROWING IT OUT THERE. SO THE MOTION'S ON THE FLOOR.
5 IT'S BEFORE THE COMMITTEE. IF THERE'S NO FURTHER
6 DISCUSSION, I'LL ASK MS. KING TO CALL THE ROLL CALL.

7 MS. KING: ROBERT KLEIN.

8 MR. KLEIN: YES.

9 MS. KING: JOAN SAMUELSON.

10 MS. SAMUELSON: NO.

11 MS. KING: DEBORAH HYSEN.

12 MS. HYSEN: NO.

13 MS. KING: EDWARD KASHIAN.

14 MR. KASHIAN: I HAVE TO ABSTAIN. I DIDN'T
15 PARTICIPATE IN THE ENTIRE DISCUSSION.

16 MS. KING: DAVID LICHTENGER.

17 CHAIRMAN LICHTENGER: YES.

18 MS. KING: JANET WRIGHT.

19 DR. WRIGHT: YES.

20 MS. KING: DAVID SERRANO-SEWELL.

21 VICE CHAIRMAN SERRANO-SEWELL: I WOULD VOTE
22 YES. CAN YOU GIVE US THE VOTE TALLY, PLEASE.

23 MS. KING: FOUR YESES, TWO NOES, AND ONE
24 ABSTENTION.

25 VICE CHAIRMAN SERRANO-SEWELL: SO THE MOTION

1 CARRIES.

2 THE TECHNIQUES COURSE. DEBORAH, WAS THERE
3 SOMETHING YOU WANTED TO SAY TO THE MOTION? IT'S BEEN
4 PASSED. WHAT'S ALSO IMPORTANT IS IT'S OKAY TO HAVE A
5 SPLIT VOTE; BUT IF WE'RE NOT CAPTURING SOMETHING IN
6 THIS DISCUSSION, DEBORAH, NOW IS REALLY THE TIME TO SAY
7 IT.

8 MS. HYSEN: IT'S A PERSONAL THING FOR ME. I
9 LIKE TO SUPPORT EXCELLENCE. I DON'T LIKE TO SUPPORT
10 MEDIOCRE. SOMETIMES MEDIOCRE TO ME SHOULD JUST KIND OF
11 DROP INTO THE BOTTOM PILE. I THINK -- I DON'T KNOW HOW
12 MUCH WE CAN SAY ABOUT THE PRIOR REVIEW. SO I FEEL I
13 CAN'T REALLY TALK ABOUT THIS, BUT I DON'T BELIEVE IN
14 THE NOTION IF YOU BUILD IT, THEY WILL COME. I DON'T
15 WANT TO BE CRITICIZED AS REAL ESTATE EXPERTS THAT WE'RE
16 SO ENAMORED WITH THE IDEA OF BUILDING THINGS, THAT WE
17 FORGET THE PURPOSE OF WHY WE'RE BUILDING THEM. SO MY
18 CONCERN IS ARE WE BUILDING BUILDINGS THAT WILL HOUSE
19 QUALITY SCIENCE.

20 VICE CHAIRMAN SERRANO-SEWELL: OKAY.

21 MS. HYSEN: AND TO ME I WOULD BUMP UP THE
22 NUMBER THAT DROPPED OFF HIGHER.

23 VICE CHAIRMAN SERRANO-SEWELL: YOUR ISSUE IS
24 THAT 73 IS TOO LOW?

25 MS. HYSEN: I BELIEVE SO, IN MY OPINION.

1 VICE CHAIRMAN SERRANO-SEWELL: IT'S DIFFERENT
2 THAN WHAT WE'RE SAYING. THANK YOU.

3 MS. HYSEN: THAT'S NOT THE MOTION? I THOUGHT
4 IT WAS THE MOTION.

5 VICE CHAIRMAN SERRANO-SEWELL: YOU'RE RIGHT.
6 AS I UNDERSTOOD WHAT YOU SAID, AND WE CAN TALK ABOUT IT
7 LATER, IT'S SORT OF A DIFFERENT TAKE ON WHAT WE WERE
8 DISCUSSING RIGHT NOW INSOMUCH AS PEOPLE WERE THINKING,
9 WELL, SHOULD WE DROP THE NUMBER LOWER TO 55 OR 52, AND
10 YOU'RE SAYING 73 IS TOO LOW TO BEGIN WITH.

11 MS. HYSEN: YES.

12 VICE CHAIRMAN SERRANO-SEWELL: I JUST WANTED
13 TO MAKE SURE I UNDERSTOOD IT. IT'S VERY INTERESTING.

14 MR. KLEIN: POINT OUT THAT IT ISN'T THAT THE
15 BUILDINGS AT 73 MAY BE NOT QUALITY BUILDINGS. FOR
16 EXAMPLE, UNIVERSITY OF CALIFORNIA SAN FRANCISCO
17 PROBABLY GOT A 73 BECAUSE IT'S SO EXPENSIVE, NOT
18 BECAUSE IT LACKS QUALITY. IT'S JUST EXPENSIVE.

19 BUT I WOULD ALSO POINT OUT THAT ON A PI
20 BASIS, THE UNIVERSITY OF CALIFORNIA SAN FRANCISCO HAS A
21 COST OF -- WHAT NUMBER IS IT --

22 VICE CHAIRMAN SERRANO-SEWELL: THE MOTION HAS
23 PASSED, SO YOU CAN ASK MARCY AND JEFF TO COME BACK IN,
24 I THINK.

25 MR. KLEIN: IT'S \$71,000 PER PI, SO IT IS

1 VERY EXPENSIVE PER SQUARE FOOT, BUT THE POTENTIAL
2 PRODUCTIVITY IS VERY HIGH.

3 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.

4 MS. HYSEN: CAN I JUST SAY ON THAT UCSF, I
5 WOULD PARTICULARLY RAISE UCSF BECAUSE I THINK WE WOULD
6 BE CRITICIZED VERY HARSHLY IF WE APPROVED A \$1585 PER
7 SQUARE FOOT BUILDING. HOWEVER, THERE IS A NOTATION IN
8 THE ANALYSIS THAT IF THE UNALLOWABLE COSTS ARE DROPPED
9 OFF, WHICH WE'VE SAID WE MUST DROP OFF ALL UNALLOWABLE
10 COST, IT DOES BRING IT INTO A REASONABLE \$600 A FOOT OR
11 SOMETHING LIKE THAT. AM I READING THAT WRONG? I WOULD
12 NOT SIT HERE TODAY AND SAY A \$1585 PER SQUARE FOOT
13 BUILDING SHOULD BE APPROVED.

14 VICE CHAIRMAN SERRANO-SEWELL: THAT'S SORT OF
15 THE STATEMENT THAT'S BEEN OUT THERE. MR. KELLER, DO
16 YOU CARE TO RESPOND? I DON'T WANT TO GET LOST. THE
17 MOTION'S PASSED, BUT I DID SORT OF INTRODUCE THE TOPIC
18 BECAUSE I WANTED GET SOME FURTHER BACKGROUND ON WHAT
19 DEBORAH WAS THINKING.

20 MR. KELLER: THE ANSWER IS THAT THE WAY THE
21 RECOMMENDATION WAS MADE, THE COST REMAINS THE SAME.
22 THE INSTITUTION IS STILL PICKING UP THOSE COSTS, SO THE
23 COST PER SQUARE FOOT REMAINS THE SAME.

24 MS. HYSEN: BUT IT'S A LITTLE BIT OF A
25 DIFFERENT SPIN THAT WE DIDN'T APPROVE COSTS IN EXCESS

1 OF \$1500 A FOOT. I UNDERSTAND THAT THE COSTS ARE \$1500
2 A SQUARE FOOT, BUT I DON'T THINK THAT WE CAN BE
3 DESCRIBED AS SUPPORTING THAT EXTRAORDINARY COST.

4 CHAIRMAN LICHTENGER: THEN WE SHOULD BE
5 LOOKING AT THE COST PER SQUARE FOOT FOR CIRM.

6 VICE CHAIRMAN SERRANO-SEWELL: DEBORAH'S
7 POINT IS WELL TAKEN. THE MOTION IS PASSED. WE'RE ON
8 TO THE NEXT TOPIC.

9 MR. KLEIN: I THINK DEBORAH'S POINT IS WELL
10 TAKEN. THE MATCHING FUNDS EXCEED THE TOTAL COST OF
11 CONSTRUCTION, WHICH IS A HUGE POINT.

12 VICE CHAIRMAN SERRANO-SEWELL: A HUGE POINT
13 AND A TALKING POINT FOR THIS ONE BECAUSE PEOPLE WILL
14 ASK. IT'S A LEGITIMATE LINE OF INQUIRY.

15 LET'S TALK ABOUT THE TECHNIQUES COURSE.

16 MR. KELLER: ON THE TECHNIQUES COURSE, YOU
17 HAVE APPROVED, BASED ON THE RED LINE AND THE FACT WHERE
18 THOSE SCORES ALIGN WITH THE RED LINE, EIGHT PROPOSALS.
19 THE DISTRIBUTION OF THOSE ARE ONE IN SAN DIEGO, ONE IN
20 DAVIS, FOUR IN SAN FRANCISCO, ONE IN IRVINE, AND ONE IN
21 LOS ANGELES.

22 MR. KLEIN: EIGHT? THEY DON'T ALL HAVE COSTS
23 ASSOCIATED WITH THEM. WHICH ONE DOESN'T?

24 MR. SHEEHY: REGENERATIVE SCIENCES.

25 MS. LEWIS: THIS ONE DOESN'T. SALK.

1 MS. HOFFMAN: THERE'S NO CAPITAL OR EQUIPMENT
2 COST, BUT THERE IS COST IN PART 1 THAT ARE THE
3 ADMINISTRATIVE COSTS.

4 VICE CHAIRMAN SERRANO-SEWELL: ARE WE WITHIN
5 THE SPENDING LIMIT WHERE WE'RE DELEGATED OR WHAT WE
6 HAVE THE AUTHORITY TO SPEND, MR. KELLER?

7 MR. KELLER: WE'RE WITHIN THE SPENDING LIMIT.
8 I GUESS THE ISSUE THAT THE WORKING GROUP NEEDS TO
9 DISCUSS IS THE FACT THAT THE RFA, NOT ONLY WAS THERE A
10 BUDGETS FOR DOLLARS, THERE WAS A BUDGET FOR AT LEAST A
11 TARGET OF FIVE STEM CELL COURSES.

12 VICE CHAIRMAN SERRANO-SEWELL: THROUGHOUT
13 CALIFORNIA. IS THAT WHAT YOU'RE SAYING?

14 MR. KELLER: THAT WAS THE WAY -- THE RFA
15 REQUESTED THIS OPTIONAL COURSE WITH THE INTENT OF
16 AWARDING FIVE. SO YOU WOULD BE SIGNIFICANTLY OVER
17 THAT.

18 MS. SAMUELSON: HOW MANY LABS WAS IT?

19 MR. KELLER: FIFTEEN.

20 MS. HYSEN: CAN I MAKE A COMMENT? I WAS
21 CONCERNED ABOUT THE DENSITY IN THE SAN FRANCISCO AREA,
22 AND IT SEEMED TO ME THEY WERE RELYING ON SHARING THESE
23 RESOURCES WITH THE SAME INSTITUTIONS. THEY WERE ALL
24 SAYING I WOULD SHARE WITH STANFORD OR I'D SHARE WITH
25 UCSF. IT SEEMED LIKE THERE WAS A DOUBLE COUNTING OF

1 SHARING. AND IF WE HAVE TO DROP ANY OF THEM OFF --
2 BECAUSE ONE OF THE REQUIREMENTS, I THINK THEY'RE
3 SUPPOSED TO NAME THE INSTITUTIONS THEY WOULD SHARE
4 WITH, AND THEY DIDN'T ALL DO THAT. THEY JUST CITED THE
5 FACT THEY WERE NEAR A LOT OF INSTITUTIONS. SO IT
6 SEEMED TO ME THOSE COULD MAYBE DROP OFF BECAUSE THEY
7 SEEMED THEY WERE TRYING TO TRAIN THE SAME PEOPLE OR
8 SHARE WITH THE SAME PEOPLE.

9 MR. KLEIN: I WAS UNDER THE IMPRESSION THAT
10 THEY, IN FACT, DID NAME THE INSTITUTIONS. AND THAT, IN
11 FACT, WE HAVE LETTERS THAT BACK THAT UP FROM THESE
12 INSTITUTIONS SO THAT THEY ACTUALLY GOT COLLABORATIVE
13 LETTERS.

14 MS. HYSEN: WE DIDN'T SEE THAT. I WAS JUST
15 GOING BY SOME GENERAL REFERENCE THAT THEY COULD SHARE
16 WITH THESE INSTITUTIONS.

17 MR. KLEIN: IN THE BIGGER FILE, IT DOES HAVE
18 THE BACKUP LETTERS.

19 MS. PACHTER: BE CAREFUL. ARE YOU TALKING
20 ABOUT SOMETHING THAT'S PART OF THE PART 1 APPLICATION?
21 BE CAREFUL.

22 MR. KLEIN: I DIDN'T SAY ANY NUMBERS. YOU'RE
23 RIGHT. BUT I THINK THAT IT WOULD BE IMPORTANT THAT,
24 AGAIN, WHEN WE GO TO MAJOR FACILITIES, THAT IN OUR
25 EXECUTIVE SESSION WE BE AWARE OF DOCUMENTATION. THAT

1 WOULD BE VERY HELPFUL. WE'RE LEARNING SOMETHING HERE.

2 VICE CHAIRMAN SERRANO-SEWELL: MS. HOFFMAN,
3 DID YOU HAVE A COMMENT?

4 MS. HOFFMAN: I WAS GOING TO SAY EXACTLY WHAT
5 GENERAL COUNSEL WAS GOING TO SAY, THAT IT WAS, INDEED,
6 IN PART 1, AND THAT SOME HAD LETTERS AND SOME DID NOT.

7 MR. KLEIN: IT IS IMPORTANT JUST CONCEPTUALLY
8 THAT VARIOUS INSTITUTIONS HAVE PARTICULAR EXPERTISE IN
9 DIFFERENT AREAS. SO THAT THE FACT THAT WE MIGHT -- IF
10 WE'RE ABLE TO FUND MORE COURSES, AS LONG AS AT THE ICOC
11 WE SEE THAT THERE'S LEGITIMACY TO THE DIFFERENT
12 EMPHASIS OF THOSE COURSES.

13 MS. HYSEN: SO WE COULD SAY WE APPROVE A
14 HIGHER AMOUNT, BUT SOMEONE SHOULD LOOK AT WHETHER OR
15 NOT THAT HIGHER AMOUNT PROVIDES A FULL COMPLEMENT OF
16 THE DIFFERENT EXPERTISES SO THAT THE FOUR IN SAN
17 FRANCISCO ARE DIFFERENT?

18 MR. KLEIN: THAT MAKES SENSE.

19 VICE CHAIRMAN SERRANO-SEWELL: JEFF, DID YOU
20 HAVE A COMMENT?

21 MR. SHEEHY: I DID. I GUESS I HAD A
22 DIFFERENT VISION OF WHAT THIS WORKING GROUP WOULD BE
23 DOING VIS-A-VIS THE TECHNIQUES COURSE, AND I REALLY SAW
24 THIS MERELY AS A FEASIBILITY. I THINK THAT THIS IS 90
25 PERCENT SCIENCE IN MY MIND. AND I JUST DON'T SEE --

1 ONCE WE'VE DECIDED TO FUND THE SHARED LAB, WHICH IS THE
2 REAL FACILITIES MEAT OF THE TECHNIQUES COURSE, THEN
3 REALLY THE OTHER CONTENT EVALUATION SEEMS TO ME TO BE A
4 SCIENTIFIC ISSUE. SO I PERSONALLY AM NOT, YOU KNOW,
5 GETTING INTO WHETHER TO FUND ALL OF THEM OR NOT. I
6 JUST DON'T THINK THAT THERE'S A LOT WE HAVE TO SAY
7 ABOUT IT OTHER THAN WHETHER OR NOT IT'S FEASIBLE WITHIN
8 THE PARAMETERS OF THE SPACE THAT THEY PUT OUT THERE.

9 VICE CHAIRMAN SERRANO-SEWELL: I WAS -- YEAH.
10 I THINK THAT'S ON POINT. WE SPENT THE BULK OF OUR TIME
11 DISCUSSING THE SHARED SPACE ASPECT OF THESE
12 APPLICATIONS, AND WE DIDN'T SPEND AS MUCH TIME ON THE
13 TECHNIQUES. AND I THINK THAT WAS FOR A REASON. MOST
14 OF THEM HAD TO DO WITH SHARED LAB SPACE, BUT ALSO OUR
15 FOCUS IN THE AREA OF EXPERTISE WITH THE EXPERTS ON THIS
16 COMMITTEE HAVE TO DO WITH REAL ESTATE ISSUES, NOT
17 TECHNIQUES COURSE ISSUES. SO IF WE ARE GOING FUND
18 SOMETHING WITH A SHARED LAB AND IT HAPPENS TO HAVE A
19 TECHNIQUES COURSE ASSOCIATED WITH IT, AND IF IT MEETS
20 THIS MINIMUM THRESHOLD, IT'S DOABLE, IT'S FEASIBLE,
21 THEN I SAY WE OUGHT TO FUND IT AND NOT GET INTO WHAT
22 THE CURRICULUM LOOKS LIKE.

23 CHAIRMAN LICHTENGER: I WOULD SECOND THAT.
24 ARE YOU MAKING THAT A MOTION?

25 VICE CHAIRMAN SERRANO-SEWELL: NO. AS CHAIR,

1 I WON'T MAKE ANY MOTIONS.

2 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE THAT
3 MOTION TO FUND ALL THE STEM CELL TECHNIQUES COURSES
4 WITH A 73 SCORE AND ABOVE.

5 MR. SHEEHY: DON'T WE HAVE CONFLICTS?

6 (MEMBERS SHEEHY AND FEIT HAVE CONFLICTS
7 AND HAVE LEFT THE ROOM.)

8 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU.

9 MR. KASHIAN: MAY I ASK THE COUNSEL A
10 QUESTION? COUNSEL, IN YOUR OPINION, HAVE I HEARD
11 ENOUGH ABOUT THIS ISSUE TO VOTE ON IT INTELLIGENTLY? I
12 WASN'T HERE PRIOR TO --

13 VICE CHAIRMAN SERRANO-SEWELL: YOU DIDN'T
14 MISS ANY SUBSTANTIVE DISCUSSION. YOU CAN VOTE.

15 MS. PACHTER: MR. CHAIR, CAN I ASK FOR A
16 CLARIFICATION ON THE MOTION. IS THIS A MOTION TO FUND
17 ALL THE TECHNIQUES COURSES FROM INSTITUTIONS WHICH HAVE
18 RECEIVED A SHARED LAB SCORE OF 73 OR ABOVE?

19 CHAIRMAN LICHTENGER: YES.

20 VICE CHAIRMAN SERRANO-SEWELL: THANK YOU FOR
21 THE CLARIFICATION. SO THE MOTION IS BEFORE US. IS
22 THERE A SECOND?

23 DR. WRIGHT: SECOND.

24 VICE CHAIRMAN SERRANO-SEWELL: SECOND FROM
25 DR. WRIGHT. DISCUSSION ON THE MOTION? SEEING NO

1 DISCUSSION, I'LL ASK MS. KING TO CALL THE ROLL.

2 MS. KING: ROBERT KLEIN.

3 MR. KLEIN: YES.

4 MS. KING: JOAN SAMUELSON.

5 MS. SAMUELSON: NO.

6 MS. KING: DAVID SERRANO-SEWELL.

7 VICE CHAIRMAN SERRANO-SEWELL: YES.

8 MS. KING: JANET WRIGHT.

9 DR. WRIGHT: YES.

10 MS. KING: DEBORAH HYSEN.

11 MS. HYSEN: NO.

12 MS. KING: EDWARD KASHIAN.

13 MR. KASHIAN: YES.

14 MS. KING: DAVID LICHTENGER.

15 CHAIRMAN LICHTENGER: YES.

16 VICE CHAIRMAN SERRANO-SEWELL: MOTION

17 CARRIES.

18 IS THERE ANY OTHER BUSINESS BEFORE US ON THE

19 PROGRAMMATIC REVIEW? I THINK WE'VE COMPLETED OUR TASK.

20 I WANT TO THANK EVERYONE. WE SPENT SO MUCH TIME ON THE

21 TECHNICAL SIDE, BUT IT REALLY BORE SOME RESULTS, I

22 THINK.

23 CHAIRMAN LICHTENGER: GREAT JOB.

24 VICE CHAIRMAN SERRANO-SEWELL: I ALSO WANT TO

25 THANK STAFF FOR HELPING US ALONG THE WAY THROUGH THIS

1 PROCESS. I KNOW THAT THE ICOC WILL BE PLEASED WITH OUR
2 EFFORTS. THEY'LL BE CONFRONTED WITH A DIFFERENT SET OF
3 CHALLENGES, AND THAT IS WHAT TO MAKE OF WHAT WE HAVE
4 GIVEN THEM AND WHAT TO MAKE OF WHAT THE SCIENTISTS HAVE
5 GIVEN. THEY'RE WELL EQUIPPED, TRUST ME, THEY'RE WELL
6 EQUIPPED TO DEAL WITH IT. AND I'M CONFIDENT THAT ONCE
7 THEY'VE MADE THEIR DECISION AND IT TRICKLES BACK TO
8 THIS FACILITIES WORKING GROUP, WE'LL APPRECIATE AND SEE
9 THEIR WISDOM AND BE PLEASED WITH THIS ROUND OF GRANTS.
10 AND IT HAS AND WILL ACCOMPLISH ITS PRIMARY OBJECTIVE,
11 AND THAT IS TO FUND AND NIH-FREE SPACE AND TECHNIQUES
12 COURSES.

13 CHAIRMAN LICHTENGER: IF IT'S OKAY WITH YOU,
14 MR. VICE CHAIR, I'M GOING TO TAKE BACK THE CHAIRMANSHIP
15 TO END THE MEETING. WE HAVE TWO ITEMS LEFT.

16 VICE CHAIRMAN SERRANO-SEWELL: YOU DON'T TAKE
17 ANYTHING FROM ME. I HAND IT BACK.

18 MS. PACHTER: MR. CHAIR, JUST A REMINDER
19 BEFORE YOU CLOSE THE MEETING, PUBLIC COMMENT.

20 CHAIRMAN LICHTENGER: THAT WAS EXACTLY THE --
21 I'D LIKE TO INVITE ANYONE WHO WOULD LIKE TO SPEAK FOR
22 PUBLIC COMMENTS, AND PLEASE LIMIT YOUR COMMENTS TO
23 THREE MINUTES OR LESS. PLEASE STEP UP TO THE PODIUM
24 AND STATE YOUR NAME AND AFFILIATION, PLEASE.

25 MR. SIMPSON: IT'S STILL JOHN SIMPSON AND

1 STILL FROM THE FOUNDATION FOR TAXPAYER AND CONSUMER
2 RIGHTS. I JUST -- HAVING WATCHED ALL OF THIS, IT DOES
3 SEEM TO ME THAT YOU FOCUSED ON WHAT I UNDERSTOOD THE
4 COMMITTEE TO BE FOCUSING ON, WHICH WAS PURELY THE
5 TECHNICAL FACILITIES FEASIBILITY. I SUSPECT AS THAT
6 GOES FORWARD, THERE WILL BE THE SCIENCE COMING, AND
7 THAT MAY, INDEED, PRODUCE WHAT I LIKE TO CALL FULL,
8 FAIR, FRANK EXCHANGES OF VIEWS AT THE ICOC, BUT THAT'S
9 PART OF THE PROCESS, I THINK. SO THIS SEEMS TO ME TO
10 BE, NOT THAT YOU NEED TO HEAR IT FROM ME, BUT IT SEEMS
11 TO HAVE WORKED THE WAY IT SHOULD BE WORKING. ALTHOUGH
12 I HAVE TO SAY THAT IT MIGHT HAVE GONE A LITTLE EASIER
13 IF SOME OF THE SCORES BY EVERYBODY WERE SPOKEN OUT LOUD
14 DURING THE PROCESS. THAT MIGHT HAVE MADE IT EASIER FOR
15 YOU ALL TO UNDERSTAND EACH OTHER.

16 JUST A QUESTION. IS THERE MORE TOMORROW?

17 CHAIRMAN LICHTENGER: THERE WILL BE MORE. IF
18 YOU WAIT A COUPLE MINUTES, I'LL TELL YOU WHAT THAT WILL
19 BE. THANK YOU FOR YOUR PARTICIPATION, YOUR PUBLIC
20 COMMENTS. WOULD ANY OTHER MEMBER OF THE PUBLIC LIKE TO
21 SPEAK? OKAY. SO, TAMAR.

22 MS. PACTER: ONE REMINDER FOR THE MEMBERS.
23 IN YOUR BOOKLETS PLEASE MAKE SURE, BEFORE YOU HAND THEM
24 IN TO STAFF, THAT YOU HAVE SIGNED THE AFFIRMATION, THAT
25 YOU DIDN'T VOTE ON ANY MATTERS FOR WHICH YOU ARE

1 CONFLICTED. IT'S THE LAST PAGE IN YOUR BOOKLET. MAKE
2 SURE THAT ALL THE SIGNATURES THAT BELONG IN THE BOOKLET
3 ARE THERE, SO WE HAVE THEM FOR OUR RECORDS FOR THE
4 AUDIT.

5 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
6 TAMAR.

7 SO I JUST HAVE TWO THINGS LEFT. SO WHAT TIME
8 DO WE WANT TO RECONVENE TOMORROW MORNING? DOES IT
9 PLEASE MEMBERS -- WE HAVE, WHAT, TWO ISSUES LEFT. WE
10 HAVE THE DISCUSSION OF FUTURE FACILITIES GRANTS AND
11 ALSO THE DRAFT FACILITIES ADMINISTRATION POLICY.

12 MR. KELLER: THEY WERE AGENDIZED TO BEGIN AT
13 9 A.M.

14 CHAIRMAN LICHTENGER: SO WE RECONVENE
15 TOMORROW AT 9 A.M. BOB, YOU HAVE A COMMENT?

16 MR. KLEIN: SINCE WE'RE GOING TO GET ANOTHER
17 LOOK AT THE GRANT ADMINISTRATION POLICY, I THINK; IS
18 THAT CORRECT? SO IT IS GOING TO BE VERY IMPORTANT
19 TOMORROW TO TAKE WHAT WE'VE LEARNED FROM HERE IN
20 TALKING ABOUT THE CRITERIA FOR THE MAJOR FACILITIES AND
21 GETTING ENOUGH INFORMATION OUT THERE THAT WE CAN HELP
22 DEVELOP THE AGENDA FOR THESE PUBLIC MEETINGS.

23 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB.
24 I JUST WANT TO MAKE ONE COMMENT TO THE WORKING GROUP,
25 ESPECIALLY DEBORAH, BECAUSE I HEARD WHAT YOU SAID ON A

1 FEW OF THESE ISSUES, AND I ACTUALLY UNDERSTAND YOUR
2 POINT. I THINK WHERE POTENTIALLY THE CONFLICT IS THAT,
3 YOU KNOW, I THINK THIS COMMITTEE REALLY IS BRINGING ITS
4 FACILITIES AND REAL ESTATE EXPERTISE IN TERMS OF THE
5 RANKINGS, AND IT ISN'T OUR RESPONSIBILITY TO JUDGE THE
6 OTHER ITEMS, SUCH AS THE SCIENTIFIC AND OTHER
7 CONSIDERATIONS. SO I THINK AS MUCH AS WE MAY WANT TO
8 PLAY THAT ROLE, THAT REALLY ISN'T WITHIN OUR PURVIEW
9 AND RESPONSIBILITY. SO --

10 VICE CHAIRMAN SERRANO-SEWELL: UNDER THE
11 PROGRAMMATIC WE CAN. UNDER PROGRAMMATIC, FOR THE
12 RECORD, UNDER THE PROGRAMMATIC REVIEW, WE CAN CONSIDER
13 ANYTHING -- NOT ANYTHING WE WANT. WE DON'T INFRINGE ON
14 THE JURISDICTION OF ANOTHER WORKING GROUP, BUT WE CAN
15 ESTABLISH FOR OURSELVES FOR THIS NEXT ROUND, DAVID, ON
16 THE PROGRAMMATIC REVIEW, IF THERE IS ONE, IF WE DECIDE
17 TO DO ONE, WHAT CRITERIA AND WHAT ISSUES WE WISH TO
18 DISCUSS THAT ARE OUTSIDE OF THE TECHNICAL REVIEW AND
19 ANALYSIS OF THOSE APPLICATIONS.

20 MR. KLEIN: AT LEAST WE CAN RECOMMEND THAT TO
21 THE ICOC.

22 MS. SAMUELSON: I HAVE A THOUGHT ON THAT, BUT
23 I'M GOING TO SAVE IT FOR TOMORROW.

24 CHAIRMAN LICHTENGER: THAT'S FINE, JOAN. WE
25 CAN SAVE IT TILL TOMORROW. SO WE'LL RECONVENE TOMORROW

1 AT 9 A.M. THANK YOU VERY MUCH FOR ATTENDING.

2 (APPLAUSE.)

3 MR. KLEIN: WE SHOULD THANK THE VICE CHAIR,
4 DAVID SERRANO-SEWELL, FOR LEADING US THROUGH THE
5 PROGRAMMATIC REVIEW.

6 (THE MEETING WAS THEN RECESSED AT 8:45
7 P.M.)

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE SCIENTIFIC AND MEDICAL 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

MIYAKO HOTEL
1625 POST STREET
SAN FRANCISCO, CALIFORNIA
ON
WEDNESDAY, MAY 2, 2007

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
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