

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: SHERATON GATEWAY HOTEL
600 AIRPORT BOULEVARD
BURLINGAME, CALIFORNIA

DATE: THURSDAY, JULY 12, 2007
1 P. M.

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

BRS FILE NO. : 78932

I N D E X

ITEM	DESCRIPTION	PAGE NO.
CALL TO ORDER		3
ROLL CALL		3
WELCOME AND INTRODUCTIONS		4
PUBLIC COMMENT BY POTENTIAL APPLICANTS		9
CONSIDERATION OF DRAFT CRITERIA AND REVIEW PROCEDURES		19
ADJOURNMENT		231

1 BURLINGAME, CALIFORNIA; THURSDAY, JULY 12, 2007

2 1 P.M.

3
4 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
5 MEETING TO ORDER. I'M DAVID LICHTENGER. I'M THE CHAIR
6 OF THE FACILITIES WORKING GROUP FOR THE CALIFORNIA
7 INSTITUTE OF REGENERATIVE MEDICINE. COPIES OF THE AGENDA
8 HAVE BEEN PASSED OUT AND ARE ALSO AT THE BACK OF THE
9 ROOM.

10 BOB KLEIN HAS A SHORT STATEMENT TO MAKE BEFORE
11 WE CALL ROLL.

12 MR. KLEIN: I'D JUST LIKE TO SAY THAT SHERRY
13 LANSING SPOKE WITH ME YESTERDAY FROM PORTUGAL AND WAS
14 VERY INTERESTED IN THE PROCESS AND OUR PROGRESS, BUT SAID
15 THAT SINCE SHE CAN'T MAKE THE MEETING, SHE WAS GOING TO
16 RESIGN HER POSITION. IN PARTICULAR, SHE WAS CONCERNED
17 TOO THAT SINCE SHE'S ON THE UC REGENTS, SHE HAS CONFLICTS
18 IN A NUMBER OF INSTITUTIONS, AND SHE FELT IT WOULD
19 PROVIDE US AN OPPORTUNITY TO MOVE FORWARD QUICKLY HERE.
20 SHE DIDN'T KNOW THAT WE ALREADY HAD A QUORUM ASSEMBLED,
21 BUT SHE WANTED TO WISH US THE BEST AND INDICATE SHE WAS
22 SORRY THAT SHE WAS OUT OF THE COUNTRY.

23 CHAIRMAN LICHTENGER: THANK YOU, BOB. I'D LIKE
24 TO ASK RICK KELLER TO CALL THE ROLL.

25 MR. KELLER: DAVID LICHTENGER.

1 CHAIRMAN LICHTENGER: HERE.

2 MR. KELLER: DAVID SERRANO-SEWELL.

3 MR. SERRANO-SEWELL: HERE.

4 MR. KELLER: DEBORAH HYSEN. ED KASHIAN.

5 MR. KASHIAN: HERE.

6 MR. KELLER: JANET WRIGHT. JEFF SHEEHY.

7 MR. SHEEHY: HERE.

8 MR. KELLER: JOAN SAMUELSON.

9 MS. SAMUELSON: HERE.

10 MR. KELLER: MARCY FEIT. ROBERT KLEIN.

11 MR. KLEIN: HERE.

12 MR. KELLER: AND STUART LAFF.

13 MR. LAFF: HERE.

14 MR. KELLER: AND WITH THE CURRENT MAKEUP, SEVEN

15 CONSTITUTES --

16 MS. PACTER: A QUORUM. WE HAVE A QUORUM.

17 CHAIRMAN LICHTENGER: SO I'D LIKE TO INTRODUCE

18 THE CIRM STAFF PRESENT THAT WILL BE ASSISTING THE WORKING

19 GROUP TODAY. FIRST OF ALL, LORI HOFFMAN, THE ACTING

20 PRESIDENT; ARLENE CHIU, CHIEF SCIENTIFIC OFFICER; GIL

21 SAMBRANO, SENIOR OFFICER FOR SCIENTIFIC AND MEDICAL

22 RESEARCH FUNDING WORKING GROUP; TAMAR PACTER, OUR

23 GENERAL COUNSEL; RICK KELLER, WHO'S OUR SENIOR OFFICER

24 FOR SCIENTIFIC AND MEDICAL RESEARCH FACILITIES; AND PAT

25 BEAUPRE BECKER, THE SENIOR EXECUTIVE ASSISTANT TO THE

1 PRESIDENT.

2 AND NOW I'D LIKE TO ASK LORI HOFFMAN, ACTING
3 PRESIDENT, TO MAKE A FEW INTRODUCTORY COMMENTS. LORI.

4 MS. HOFFMAN: THANK YOU. I'M HAPPY TO REPORT
5 THAT THE FOUR PUBLIC MEETINGS HELD IN MAY AND JUNE WERE A
6 SUCCESS. THEY WERE WELL ATTENDED AND PROVIDED STAFF AND
7 THE WORKING GROUP WITH ALL OF THE INFORMATION WE
8 REQUESTED AND MORE. WE HAVE ATTEMPTED TO CAPTURE ALL THE
9 MAJOR POINTS IN TODAY'S PRESENTATION IN AN EFFORT TO
10 ASSIST YOU IN MAKING MANY IMPORTANT POLICY DECISIONS
11 REQUIRED FOR THIS NEXT FACILITIES GRANT.

12 AS DEFINED IN THE SCIENTIFIC STRATEGIC PLAN,
13 THE FACILITIES GRANTS ARE INTENDED TO MEET CURRENT
14 RESEARCH NEEDS, AS WELL AS EXPAND STEM CELL RESEARCH
15 CAPACITY WITHIN OUR STATE.

16 THE PURPOSE OF TODAY'S MEETING WILL BE TO
17 ESTABLISH THE CRITERIA, REQUIREMENTS, STANDARDS, AND A
18 METHOD FOR SCORING THE LARGE FACILITY RFA THAT WILL BE
19 THEN RECOMMENDED TO THE ICOC FOR THEIR CONSIDERATION.
20 THIS SET OF RECOMMENDATIONS SHALL TAKE INTO ACCOUNT
21 LESSONS LEARNED FROM THE SHARED RESEARCH LAB REVIEWS THAT
22 YOU RECENTLY UNDERTOOK AND THE INPUT FROM THE FOUR PUBLIC
23 MEETINGS.

24 SOME HIGHLIGHTS FROM THOSE PUBLIC MEETINGS
25 INCLUDE: CIRM IS A FUNDER, NOT AN OWNER OF THE

1 FACILITIES. TWO, MOST OF THE INSTITUTIONS APPLYING FOR
2 THESE FUNDS HAVE A COMPLEX SET OF CHECKS AND BALANCES IN
3 PLACE TO ENSURE SUCCESS OF THEIR CAPITAL PROJECT
4 DELIVERY. WE DO NOT NEED TO REINVENT THAT WHEEL. THREE,
5 WHILE THE ICOC REQUESTED A SINGLE RFA FOR THE ALLOCATION
6 OF THESE FUNDS, WE LEARNED THAT THERE ARE A RANGE OF
7 DIVERSE NEEDS, AND THE RFA SHOULD ALLOW FOR THESE NEEDS.
8 FOUR, AND LAST, FUTURE FLEXIBILITY IS IMPORTANT BECAUSE
9 WHATEVER PROGRAM SPACE NEEDS WE ADDRESS IN THIS NEXT RFA,
10 THEY WILL NOT BE THE SAME SPACE NEEDS REQUIRED IN THE
11 NEXT FIVE TO TEN YEARS. AND THIS IS REALLY A GOOD THING.
12 IT MEANS THAT THE SCIENCE IS PROGRESSING AND MATURING.

13 SO WITH THESE POINTS IN MIND, I TURN THE
14 MEETING BACK OVER TO THE CHAIR. THANK YOU.

15 CHAIRMAN LICHTENGER: THANK YOU, LORI.

16 ALTHOUGH THE FOUR PUBLIC MEETINGS WERE WELL
17 ATTENDED, WE'VE ALLOWED TIME ON THE AGENDA TODAY TO
18 PROVIDE AN OPPORTUNITY FOR PUBLIC COMMENTS FOR ANYONE WHO
19 WAS UNABLE TO ATTEND ANY OF THOSE FOUR MEETINGS. AFTER
20 THAT WE'LL DECIDE ON THE REQUIREMENTS AND CRITERIA FOR
21 EVALUATION OF THE LARGE FACILITY APPLICATIONS. THAT WILL
22 BE FOLLOWED BY A DISCUSSION OF THE OPTIONS FOR THE REVIEW
23 PROCESS. THESE OPTIONS HAVE A COMPLEXITY TO THEM THAT
24 WILL REQUIRE SOME DISCUSSION AND OUR FULL CONSIDERATION.
25 THEREFORE, WE'LL MEET AGAIN TO MAKE OUR FINAL

1 RECOMMENDATIONS TO THE ICOC AT THE AUGUST 8TH MEETING
2 ALONG WITH THE RECOMMENDED CRITERIA, EVALUATION
3 STANDARDS, AND SCORING PROCEDURES.

4 DOES ANYONE ON THE WORKING GROUP HAVE ANY
5 PROCEDURAL QUESTIONS OR SUGGESTED CHANGES TO THE AGENDA?

6 VICE CHAIR SERRANO-SEWELL: I HAVE ONE. I
7 DON'T THINK WE'LL HAVE TIME TODAY, CHAIRMAN, BUT IF WE
8 DO, TO TALK ABOUT THE PROCESS AND WHAT SOME OF THE
9 SUGGESTIONS STAFF HAS PUT FORTH TO US IF WE HAVE TIME.

10 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
11 MR. VICE CHAIR.

12 MR. KLEIN: AT SOME POINT IN THE DAY, I'D LIKE
13 TO ADDRESS THE ISSUE OF HOW WE MAKE OUR PAYMENTS. I HAD
14 THE BENEFIT OF TALKING WITH LORI HOFFMAN ON THIS ISSUE.
15 AND IF WE MAKE OUR PAYMENTS AS THE LAST PAYMENTS IN ON A
16 PROJECT, WE WILL HAVE OUR INTEREST OCCUR ON THIS
17 APPROXIMATELY TWO YEARS OUT SINCE IT TAKES TWO YEARS TO
18 COMPLETE THE FACILITY, AND THAT WOULD PUT US EFFECTIVELY
19 AT THE END OF THE PERIOD IN WHICH WE HAVE TO CAPITALIZE
20 OUR INTEREST ON GRANTS THAT ARE MADE.

21 YOU MIGHT REMEMBER THAT IN LOOKING AT THE USES
22 ON THE 300 MILLION, THERE WAS A CONSERVATIVE NUMBER OF
23 ABOUT 50 MILLION SET ASIDE FOR CAPITALIZED INTEREST.
24 WE'VE WORKED OUT A PLAN TO GET THAT DOWN CONCEPTUALLY TO
25 ABOUT 30 MILLION; BUT IF WE GO WITH THE LAST-PAYMENTS-IN

1 POLICY ON THESE FACILITIES, THAT 30 MILLION COULD BE
2 VIRTUALLY ELIMINATED AND WOULD GIVE US AN ABILITY TO
3 TRANSFER UP TO 50 MILLION MORE INTO THE FACILITIES MONIES
4 THAT WE HAVE TO DISTRIBUTE. AND 50 MILLION MORE IS A
5 VALUABLE RESOURCE. IT WOULD TAKE US FROM ABOUT 220
6 MILLION TO 270 MILLION OR IN THAT RANGE.

7 SO I'D LIKE TO DISCUSS THAT BECAUSE IT'S
8 MATERIAL IN THE AMOUNT OF RESOURCES THAT THE ICOC WILL
9 HAVE AVAILABLE TO THEM.

10 CHAIRMAN LICHTENGER: THANK YOU, BOB. RICK --
11 LORI.

12 MS. HOFFMAN: YES. SORRY. I JUST WANT TO MAKE
13 ONE COMMENT. AND THE MONEY THAT IS SAVED -- I'M SORRY,
14 BOB. I PROBABLY DIDN'T ARTICULATE THIS THE LAST TIME WE
15 SPOKE. THE MONEY THAT IS SAVED ON THE COST ISSUANCE AND
16 CAPITALIZED INTEREST IS THEN DIVIDED BETWEEN THE RESEARCH
17 AS WELL AS THE FACILITIES. SO NOT ALL THAT MONEY WOULD
18 COME TO FACILITIES, BUT CERTAINLY WHATEVER SAVINGS IN CAP
19 INTEREST COULD THEN BE ROLLED INTO THIS RFA.

20 CHAIRMAN LICHTENGER: RICK, IF YOU COULD JUST
21 MAKE A NOTE TO BRING THAT UP AT THE APPROPRIATE SLIDE.

22 MR. KLEIN: BECAUSE SO MUCH MONEY WOULD GO OUT
23 IN THIS TIME PERIOD IN THE FACILITIES, IT IS A MAJORITY
24 OF THAT MONEY, SO IT'S VERY VALUABLE AS A DISCUSSION.

25 CHAIRMAN LICHTENGER: SO WITH THAT, I'D LIKE TO

1 PROCEED TO AGENDA ITEM 4, THE FORMAL PUBLIC COMMENTS
2 REGARDING THE UPCOMING RFA. WE ASKED SPEAKERS TO SIGN UP
3 AHEAD OF TIME AND KEEP THEIR COMMENTS TO FIVE MINUTES OR
4 LESS. RICK, CAN YOU TELL US WHO WILL BE SPEAKING TODAY?

5 MR. KELLER: WE HAVE ONE SPEAKER SIGNED UP FOR
6 TODAY ON THIS PORTION OF THE AGENDA. IT IS MR. LOUIS
7 COFFMAN FROM THE SAN DIEGO CONSORTIUM FOR REGENERATIVE
8 MEDICINE. I HAVE SOME MATERIALS TO PASS OUT TO YOU.

9 CHAIRMAN LICHTENGER: DID WE SEE YOU IN SAN
10 DIEGO?

11 MR. COFFMAN: YOU DID. HI. GOOD AFTERNOON.
12 THANK YOU FOR TAKING THE TIME AND GIVING ME THE
13 OPPORTUNITY TO SPEAK WITH YOU TODAY. I AM THE INTERIM
14 EXECUTIVE DIRECTOR OF THE SAN DIEGO CONSORTIUM, THE
15 CONSORTIUM THAT COMPRISES THE BURNHAM INSTITUTE, THE SALK
16 INSTITUTE, USCD, AND THE SCRIPPS RESEARCH INSTITUTE. MY
17 PURPOSE HERE TODAY IS SIMPLY TO RESTATE AND TO REAFFIRM
18 THE COMMENTS THAT RUSTY GAGE, A PROFESSOR AT THE SALK
19 INSTITUTE, MADE TO YOU ALL IN SAN DIEGO THAT ARE LARGELY
20 FOLLOW-ON COMMENTS MADE BY ALL OTHER SCIENTISTS, DRS.
21 WEISSMAN, BLUESTONE, PERA, WITTE, AND THE LIKE.

22 BASICALLY THE PRINCIPAL MESSAGE IS THAT THE
23 PRINCIPAL CRITERION THAT OUGHT TO BE USED TO
24 DIFFERENTIATE APPLICATIONS THAT YOU WILL RECEIVE IS THE
25 SCIENCE.

1 IT'S WIDELY ACKNOWLEDGED THAT THE PURPOSE OF
2 THE PROP 71 MONEY THAT'S EARMARKED FOR FACILITIES WILL
3 INDEED BE WELL SPENT TO CREATE NEW LABORATORIES THAT ARE
4 ESSENTIALLY SAFE HARBORS FREE FROM THE FEDERAL
5 RESTRICTIONS ON STEM CELL RESEARCH, TO ALSO ENABLE
6 MULTIDISCIPLINARY SCIENCE THAT'S REQUIRED -- THAT ALL WHO
7 HAVE TESTIFIED THAT ARE REQUIRED TO ADVANCE STEM CELL
8 RESEARCH, TO CREATE SPACES TO FACILITATE AND ENCOURAGE
9 THE COLLABORATION, AND TO PROVIDE THE MEANS TO HOUSE THE
10 VERY EXPENSIVE, EXTRAORDINARY CORE FACILITIES THAT ARE
11 NECESSARY AS WELL.

12 WE ALL ACKNOWLEDGE THAT THE CRITERIA, THE CIRM
13 OBJECTIVES, THAT ARE WELL ARTICULATED IN THE STRATEGIC
14 PLAN WILL BE SERVED BEST BY SCIENCE AND SCIENCE ALONE.
15 SO IT'S VERY IMPORTANT THAT THE QUALITY OF THE SCIENCE BE
16 THE PRINCIPAL CRITERION, AS WE'VE TALKED ABOUT; HOWEVER,
17 AS WE'VE TALKED ABOUT ALSO IN OTHER MEETINGS, THERE ARE
18 CERTAIN ASPECTS OF THE PLANNING AND THE DESIGN AND THE
19 PERMITTING AND THE FINANCING AND CONSTRUCTION OF THE
20 BUILDINGS THAT ALSO WARRANTS SCRUTINY AS WELL. SO WE'LL
21 ADDRESS THOSE IN OUR LITTLE BRIEF DISCUSSIONS TODAY.

22 SO WHAT ABOUT THE SCIENCE? ALL HAVE SAID FIRST
23 THE SCIENCE. WE LOOK BACKWARDS; AND THAT IS, YOU LOOK TO
24 TRACK RECORD, PAST PERFORMANCE AS A MEANS -- AS AN
25 INDICATOR OF THE FUTURE PERFORMANCE. AND SO WE LOOK

1 BACKWARDS AT THE TRACK RECORD OF THE ORGANIZATIONS, AND
2 THIS SHOULD BE A PRINCIPAL ELEMENT FOR SCRUTINY IN THE
3 APPLICATIONS.

4 AND HOW DO YOU MEASURE TRACK RECORD? THERE
5 CLEARLY ARE SOME OBSERVABLE AND MEASURABLE ASPECTS. ALL
6 RESEARCH INSTITUTES, WE BELIEVE, WHEN DISTILLED DOWN TO
7 THEIR ESSENCE, THAT THERE ARE THREE CHARGES; THAT IS, TO
8 INFLUENCE, TO EDUCATE, AND TO APPLY. AND INFLUENCE,
9 CLEARLY THE OTHER MEMBERS OF THE ACADEMY OR PEOPLE IN
10 INDUSTRY ARE LOOKING TO THE EXTENT THAT PEOPLE PUBLISH,
11 TO THE EXTENT THAT THEY'VE PATENTED INVENTIONS, TO THE
12 EXTENT THAT THEIR WORK IS CITED BY OTHER WORK. THE
13 INFLUENCE IS, IN FACT, A MEASURABLE CRITERION.

14 EDUCATE, TO THE EXTENT TO WHICH THEY'VE
15 EDUCATED NOT ONLY THE POSTDOCTORAL FELLOWS WHO HAVE GONE
16 ON TO OTHER PRODUCTIVE CAREERS AND THE LIKE, THAT TOO CAN
17 BE MEASURED.

18 AND APPLY, IN THE END SCIENCE FOR SCIENCE SAKE
19 IS WONDERFUL, BUT SCIENCE, UNLESS IT ULTIMATELY RESULTS
20 IN SOMETHING THAT MAKES SOMEBODY BETTER. AND THAT IS,
21 MOST RESEARCH ORGANIZATIONS DON'T EXIST TO DO DEVELOPMENT
22 WORK. THEY HAVE TO TRANSFER TECHNOLOGY TO THOSE WHO DO.
23 SO THE TECHNOLOGY TRANSFER MECHANISMS ARE VERY IMPORTANT
24 AS WELL.

25 THE TRACK RECORD IS A GOOD -- RELIES ON HISTORY

1 AS AN INDICATOR OF FUTURE SUCCESS; BUT IT'S VERY
2 IMPORTANT, GIVEN THE FACT THAT CIRM IS GOING TO MAKE A
3 CONSIDERABLE INVESTMENT IN FACILITIES, THAT THERE IS A
4 PLAN TO POPULATE THOSE FACILITIES WITH PEOPLE WHO ARE
5 GOING TO DO PRODUCTIVE SCIENCE. SO WE THINK IT'S VERY,
6 VERY IMPORTANT THERE THAT WHAT OUGHT TO BE SCRUTINIZED IS
7 THE VISION, AND THAT VISION OUGHT TO BE DIRECTED TO
8 ACHIEVE THE OBJECTIVES THAT CIRM HAS WELL ARTICULATED IN
9 THE STRATEGIC PLAN. SO THE COMPELLING VISION MUST BE
10 SOMETHING THAT REALLY, REALLY WARRANTS CLOSE SCRUTINY.

11 WE THINK THAT PERHAPS THE MOST IMPORTANT ASPECT
12 OF THE SCIENTIFIC CRITERION THAT SHOULD BE EVALUATED IS
13 THE MULTIDISCIPLINARY AND THE COLLABORATIVE NATURE OF THE
14 ORGANIZATIONS THAT ARE GOING TO BE DOING THE RESEARCH.
15 IT'S CLEAR THAT THE OVERWHELMING ABUNDANCE OF KNOWLEDGE
16 IS REQUIRED OF ALL OF US, NOT JUST SCIENTISTS, BUT THOSE
17 OF US IN THE LAY AND OTHER COMMUNITIES REQUIRE THAT
18 PEOPLE COMPROMISE CERTAIN AMOUNTS OF BREADTH FOR DEPTH;
19 AND, THEREFORE, FOCUS MORE ON SPECIFIC DISCIPLINES.
20 HOWEVER, PROBLEMS ARE NOT SO KEENLY -- NOT SO NARROWLY
21 DEFINED, AND THEY REQUIRE PEOPLE WHO SPAN MULTIPLE
22 DISCIPLINES AND, THEREFORE, THIS NEED FOR
23 MULTIDISCIPLINARY RESEARCH.

24 A MODEL THAT IS EVOLVING OVER TIME IS THAT ALL
25 MEDICAL RESEARCH QUESTIONS ULTIMATELY START WITH THE

1 BIOLOGY, BUT THE BIOLOGY RAISES A QUESTION THAT IMPOSES
2 DEMANDS ON TECHNOLOGISTS TO PRODUCE TOOLS THAT CAN
3 GENERATE DATA. EITHER IT'S PROTEOMICS DATA OR GENOMICS
4 DATA AND THE LIKE. THE DATA THAT COMES OUT MAKES DEMANDS
5 ON COMPUTATIONAL BIOLOGISTS WHO THEN CAN CREATE THE
6 SYSTEMS THAT CAN COLLECT THE DATA AND ENABLE YOU TO
7 CURATE IT AND VISUALIZE IT, TO ANALYZE IT AS WELL. SO
8 MULTIDISCIPLINARY, THOSE THAT REQUIRE BIOLOGISTS,
9 TECHNOLOGISTS, COMPUTATIONAL PEOPLE, AND REQUIRES
10 COLLABORATIVE.

11 THE NICE PITHY LITTLE QUOTE THERE, I THINK,
12 CAPTURES IT ALL IS THAT NONE OF US IS AS SMART AS ALL OF
13 US. AND I THINK THAT'S VERY, VERY IMPORTANT INsofar AS
14 STEM CELL RESEARCH.

15 CLEARLY CIRM IS GOING TO MAKE A SUBSTANTIAL
16 INVESTMENT IN FACILITIES; BUT EVEN SO, THE INVESTMENT
17 THAT'S REQUIRED IS SUBSTANTIAL AS WELL. AND, THEREFORE,
18 THE RESOURCES ARE FINITE. SO CIRM MAY NOT BE ABLE TO
19 SATISFY ALL BONA FIDE NEEDS, SO WE THINK IT'S VITALLY
20 IMPORTANT THAT APPLICANTS DEMONSTRATE THAT THEY HAVE A
21 SUBSTANTIAL PROGRAM TO REACH OUT TO OTHERS IN THE
22 COMMUNITY, OTHER ACADEMICS OR OTHER REGIONAL AREAS OF THE
23 STATE THAT CAN'T HAVE ACCESS TO THE CORE FACILITIES AND
24 THE LIKE. SO WE THINK IT'S VERY, VERY IMPORTANT THAT AN
25 OUTREACH BE A VITAL ASPECT OF THE APPLICATION.

1 AND, FINALLY, JUST AS WE'VE SAID EARLIER ON,
2 CIRM'S OBJECTIVES ARE VERY CLEAR AND NEED TO RESULT IN
3 THERAPIES THAT CAN MAKE PEOPLE BETTER OR TOOLS TO
4 DIAGNOSE DISEASES EARLIER IN THEIR LIFE SPAN. SO WE
5 THINK IT'S VERY, VERY IMPORTANT THAT APPLICANTS
6 DEMONSTRATE THAT THEY ARE IN A COMMUNITY THAT IS RICH AND
7 FERTILE FOR INDUSTRIAL DEVELOPMENT, BUT ALSO THERE ARE
8 MECHANISMS IN PLACE THAT CAN EFFECTIVELY TRANSFER THE
9 TECHNOLOGY FROM ACADEMIA INTO INDUSTRY TO MAKE SOMETHING
10 HAPPEN WITH IT.

11 SO, AGAIN, SCIENCE, WE THINK IT'S VERY
12 IMPORTANT THAT WE LOOK BACK AT THE TRACK RECORD, THE PAST
13 PERFORMANCES, BEING INDICATIVE OF THE FUTURE SUCCESS. WE
14 THINK, NONETHELESS, IT'S VERY IMPORTANT THAT THE VISION
15 BE CLEARLY ARTICULATED DIRECTLY TO THE CIRM OBJECTIVES.
16 WE THINK THAT AN OUTREACH PROGRAM IS VITALLY IMPORTANT TO
17 MAKE SURE THAT NO ONE IS DISENFRANCHISED FROM THE PROCESS
18 OF STEM CELL RESEARCH DESPITE THE PROHIBITIVELY EXPENSIVE
19 TOOLS THAT ARE NECESSARY TO DO IT, AND THAT THERE'S
20 TECHNOLOGY TRANSFER TO TRANSFER THE TECHNOLOGY FROM THE
21 ACADEMY INTO INDUSTRY WHERE SOMETHING GOOD CAN HAPPEN.

22 AS I SAID EARLIER, ALSO THAT WE THINK IT'S VERY
23 IMPORTANT THAT THE BUILDINGS PROGRAMS BE SCRUTINIZED.
24 ALL OF US ARE IN THE PROCESS OF PLANNING AND DESIGNING,
25 PERMITTING, FINANCING, AND ULTIMATELY CONSTRUCTING THESE

1 BUILDINGS. WE THINK IT'S VERY IMPORTANT, THE GREAT TALK
2 THAT WE HEARD IN SAN DIEGO FROM THE HHMI ARCHITECT, THAT
3 THERE BE EVIDENCE OF A VERY COMPREHENSIVE PLANNING
4 PROCESS, THAT WE DESIGN BUILDINGS THAT ARE INDEED VERY
5 FUNCTIONAL, BUT THEY'RE FUNCTIONAL FOR THE INTENDED
6 PURPOSES INTENDED, BUT THEY'RE ALSO FLEXIBLE, THAT THEY
7 CAN BE REPURPOSED AS NEEDS CHANGE.

8 I THINK THAT THE APPLICATIONS OBVIOUSLY MUST
9 DEMONSTRATE THAT THE PROJECT ITSELF IS FEASIBLE, AND IT'S
10 FEASIBLE NOT ONLY AS BUILDABLE IN SOME PERIOD OF TIME,
11 BUT IT'S ALSO BUILDABLE TIMELY, SPECIFICALLY IN THE 24
12 MONTHS.

13 AND THE LAST POINT IS THE COSTS. WE'VE TALKED
14 ABOUT A LOT OF ISSUES WITH RESPECT TO COST. REASONABLE
15 IS A SUBJECTIVE DETERMINANT. WE THINK REASONABLE AND
16 NECESSARY IS SOMETHING THAT CAN HELP DISTINGUISH AMONG
17 DIFFERENT COMPETING APPLICATIONS.

18 CHAIRMAN LICHTENGER: THANK YOU FOR YOUR
19 COMMENTS. DO WE HAVE ANY QUESTIONS FROM ANY MEMBERS?

20 MS. SAMUELSON: COULD YOU JUST SAY A LITTLE
21 MORE ABOUT WHAT YOU MEAN ABOUT TRANSFER OF TECHNOLOGY
22 WHEN YOU HAVE PLACES LIKE THE SALK AND BURNHAM AND SO ON?
23 WHEREAS, I THOUGHT I HEARD YOU SAY IT'S NOT -- THE
24 PRECLINICAL TRANSLATIONAL WORK ISN'T AS OFTEN DONE. I'M
25 WONDERING WHETHER YOUR WORK PRODUCT IS DEVELOPING A BODY

1 OF SCIENCE, I GUESS, BUT NOT SO MUCH FOCUSED ON A
2 DISEASE-SPECIFIC THERAPEUTIC OR A THERAPEUTIC OPTION THAT
3 WOULD BE AIMED AT SOME NUMBER OF DISEASES, BUT IS
4 SOMETHING BEFORE THAT. AND ARE YOU TRANSFERRING THAT
5 OUT, OR IS THIS ONLY WHEN YOU DEVELOP SOMETHING TO THE
6 POINT THAT IT'S REALLY AN AVAILABLE OPTION?

7 MR. COFFMAN: YOUR CHARACTERIZATION OF BASIC
8 RESEARCH THAT SALK AND BURNHAM AND THE LIKE AND TO A
9 CERTAIN EXTENT SCRIPPS DO IS ABSOLUTELY ACCURATE. THE
10 WORK OF THAT IS BASIC RESEARCH, AND IT MAY NOT INVOLVE
11 PRECLINICAL WORK. BUT THE BEAUTY OF THE COLLABORATION,
12 THE CONSORTIUM INVOLVING UCSD IS THERE ARE A NUMBER OF
13 SCIENTISTS IN THE HEALTH SCIENCES CENTER WHERE THERE IS A
14 MEDICAL SCHOOL WHERE THEIR INTERESTS ARE INDEED FOCUSED
15 ON CLINICAL, SO MARRYING ALL TOGETHER WILL SPAN THE
16 ENTIRE GAMUT FROM BASIC RESEARCH, WHICH IS CALLED OUT IN
17 THE CIRM STRATEGIC PLAN, ALL THE WAY THROUGH TO THE
18 POTENTIAL TO DO CLINICAL TRIALS.

19 MS. SAMUELSON: ARE THERE COLLABORATIONS THAT
20 ARE NEEDED IN BASIC SCIENCE REPERTOIRE, OR IS THAT
21 JUST --

22 MR. COFFMAN: I THINK WE CHATTED AT LUNCH
23 INDEED ABOUT BENCH TO BEDSIDE IS WHAT WE HEAR FREQUENTLY,
24 BUT WE NOW ALSO HEAR ABOUT THE NOTION OF BEDSIDE BACK TO
25 BENCH, MAKING SURE THAT THE CLINICIANS APPRECIATE THE

1 SIGNIFICANCE AND IMPORTANCE OF WHAT GOES ON THERE. SO
2 IMPROVING THE QUALITY OF THAT INTERACTION IN THE CYCLE,
3 WE THINK, IS VITALLY IMPORTANT AND, THEREFORE, HAS TO
4 INCLUDE ALL ASPECTS.

5 MS. SAMUELSON: WHICH MIGHT BE COLLABORATIONS
6 OFFSITE AS MUCH AS JUST IN-HOUSE.

7 MR. COFFMAN: PURE TECHNOLOGY TRANSFER OUT OF A
8 BASIC RESEARCH INSTITUTE IS INDEED JUST THAT. IT'S
9 LICENSES EITHER BEING NONEXCLUSIVE OR EXCLUSIVE WITH
10 RESPECT TO A PATENTED TECHNOLOGY WHICH CIRCULATES AROUND
11 CLAIMS IN A PATENT APPLICATION. AND THOSE -- MOST
12 BIOMEDICAL RESEARCH ORGANIZATIONS, NONPROFITS, DON'T HAVE
13 AS A PRINCIPAL FOCUS OF THEIR MISSION DEVELOPMENT WORK OR
14 APPLIED RESEARCH. SO THOSE ARE TRANSFERRED VERY, VERY
15 EARLY ON FROM JUST -- AND THE WORK PRODUCT THERE LARGELY
16 IS BASIC RESEARCH AND BASIC THINGS THAT HAVE POTENTIAL TO
17 BE APPLIED INTO SOMETHING THAT CAN BE DEVELOPED.

18 CHAIRMAN LICHTENGER: THANK YOU. I'D LIKE TO
19 FORMALLY ACKNOWLEDGE JANET WRIGHT HAS ARRIVED HERE. BOB,
20 YOU HAD A COMMENT?

21 MR. KLEIN: I DID. THANK YOU VERY MUCH FOR
22 YOUR PRESENTATION. I'D LIKE TO UNDERSTAND THE
23 PERSPECTIVE OF THE CONSORTIUM. IS IT THE CONSORTIUM'S
24 POSITION THAT ALL THE PARTICIPANTS WILL ONLY ONE MAKE
25 AGGREGATED APPLICATION, OR IS IT THE CONSORTIUM'S

1 POSITION THAT, WHILE THEY' LL MAKE ONE AGGREGATED
2 APPLICATION REPRESENTING ALL THE INSTITUTIONS, THAT ONE
3 OR MORE INSTITUTIONS WOULD ALSO WANT TO MAKE A
4 SPECIALIZED -- A FUNCTIONALLY SPECIALIZED APPLICATION
5 DEALING WITH SOME EXPERTISE THAT THEY HAVE?

6 MR. COFFMAN: IN OUR CONSORTIUM AGREEMENT, IT'S
7 THE FORMER. ALL THE PARTIES TO THE CONSORTIUM HAVE
8 AGREED WITH RESPECT TO LARGE FACILITIES GRANTS THERE WILL
9 BE ONE APPLICATION.

10 MR. KLEIN: SO THEY WON'T MAKE ANY OTHER
11 INDIVIDUAL APPLICATIONS?

12 MR. COFFMAN: NOT FOR THIS COMPONENT.
13 OBVIOUSLY TO THE EXTENT THAT THE NEW FACULTY RESEARCH
14 INITIATIVES AND SO FORTH, ABSOLUTELY. BUT WITH RESPECT
15 TO THIS, THERE'S AGREEMENT IN THE CONSORTIUM AGREEMENT
16 THAT THERE'S ONE.

17 MR. KLEIN: THAT'S VERY HELPFUL. THANK YOU.

18 CHAIRMAN LICHTENGER: I THINK THAT WAS A WISE
19 DECISION. ANY OTHER COMMENTS? THANK YOU FOR YOUR
20 COMMENTS TODAY.

21 SO WE' LL NOW PROCEED TO ITEM 5 ON THE AGENDA
22 AND DISCUSS THE CRITERIA, STANDARDS, AND REQUIREMENTS FOR
23 THE UPCOMING RFA. RICK KELLER WILL LEAD US THROUGH THE
24 MATERIALS DEVELOPED IN SUPPORT OF THIS ITEM.

25 I WANT TO POINT OUT THAT WE RECEIVED A LOT OF

1 INFORMATION AT THE PUBLIC HEARINGS. THE PRESENTATION
2 WILL INCLUDE RECOMMENDATIONS AND OBSERVATIONS OF WHAT WE
3 HEARD AT THE PUBLIC HEARINGS. I WANT TO CAUTION THE
4 MEMBERS OF THE WORKING GROUP THAT THESE STATEMENTS
5 INCLUDED IN THE PRESENTATION ARE NOT CIRM STAFF
6 RECOMMENDATIONS, BUT ONLY A RECORDING OF WHAT WAS HEARD
7 AT THE MEETINGS. IS THAT CLEAR TO EVERYONE, THAT THESE
8 ARE NOT RECOMMENDATIONS? THESE ARE, AGAIN, WHAT WE HEARD
9 AT THE MEETINGS. GREAT. RICK, COULD YOU PLEASE BEGIN?

10 MR. KELLER: I'M GOING TO BE PRESENTING A
11 SERIES OF SLIDES ON YOUR RIGHT, AND THEN LATER ON WE'RE
12 GOING TO USE THE OTHER SCREEN BECAUSE WE'RE GOING TO PUT
13 YOU GUYS TO WORK DOING SOME WORDSMITHING HERE. BUT I
14 THINK OUR FIRST ORDER OF BUSINESS HERE IS TO REALLY
15 ESTABLISH THE PURPOSE TODAY. ACTUALLY THE FACILITIES
16 WORKING GROUP WOULD DO THIS OVER TWO MEETINGS, WHICH IS
17 TO DEFINE THE RECOMMENDED CRITERIA, STANDARDS, AND
18 REQUIREMENTS, AND ALSO UNDERSTAND THE PROCEDURE THAT'S
19 GOING TO BE USED TO REVIEW THAT RFA.

20 WE'RE GOING TO TRY TO DO THIS TODAY TO MAKE
21 SURE THAT WE HAVE A RECOMMENDATION ON THOSE REQUIREMENTS,
22 STANDARDS, AND CRITERIA, AND WE'RE GOING TO SIMPLY HAVE A
23 DISCUSSION BECAUSE OF THE NATURE OF THOSE PROCESSES BEING
24 VERY IMPORTANT, AND DECIDED THAT WE WOULD LOOK FOR SOME
25 TIME FOR YOU TO CONTEMPLATE THOSE, AND THEN WE'LL HAVE A

1 CONFERENCE CALL LATER.

2 IN TERMS OF THE OVERALL OBJECTIVES OF THE LARGE
3 FACILITIES GRANT, I JUST WANT TO REMIND THE FACILITIES
4 WORKING GROUP THAT IT COMES FROM THE STANDPOINT OF WE NOW
5 HAVE FOUR MAJOR AREAS OF INPUT FOR THE OBJECTIVES.
6 OBVIOUSLY PROPOSITION 71 ESTABLISHES THE KEY OBJECTIVES.
7 IN THE SCIENTIFIC STRATEGIC PLAN, SPECIFIC ALLOCATIONS OF
8 FUNDING WERE IDENTIFIED FOR LARGE AND SMALL FACILITY
9 GRANT PROGRAMS. THE ICOC IN THEIR APRIL MEETING
10 CONSIDERED THAT AND SUGGESTED OR DIRECTED, RATHER, THAT
11 THE CIRM STAFF DEVELOP A SINGLE RFA FOR FACILITIES THAT
12 WOULD COMBINE BOTH THOSE SMALL AND LARGE FACILITIES
13 GRANTS. AND THEN WE HAD THE BENEFIT OF A CONSIDERABLE
14 AMOUNT OF INPUT FROM THE PUBLIC AND APPLICANTS ABOUT THE
15 OBJECTIVES OF THIS LARGE FACILITY RFA.

16 ONE OF THE MOST IMPORTANT OVERBRIDGING
17 CONSIDERATIONS THAT WE HEARD IS THAT SCIENCE NEEDS TO
18 LEAD. AND SO IT'S GREAT THAT WE HAVE THE SCIENCE OFFICE
19 REPRESENTED HERE BECAUSE SO MUCH OF WHAT WAS HEARD IN
20 THESE MEETINGS REALLY DEALS WITH THE SCIENCE. AND WE
21 THINK OUR PLAN HERE IS TO PROVIDE YOU WITH WHAT WE THINK
22 IS THE RIGHT CONTEXT, THE RIGHT KIND OF KERNEL OF
23 OPPORTUNITY TO MOVE IN THE DIRECTION THAT WE THINK CIRM
24 SHOULD MOVE. WE'RE LOOKING FOR YOU TO TAKE KERNEL
25 OF INFORMATION THAT'S COMING FROM YOUR STAFF AND DEVELOP

1 IT, DISCUSS IT, MOLD IT INTO WHAT WOULD BE YOUR POLICY.

2 THAT'S GOING TO INVOLVE FOR THE FACILITIES
3 WORKING GROUP NORMALLY WHAT WE CALL THE PART 2 OF THE
4 RFA, WHICH WOULD HAVE THE FACILITIES ELEMENTS, AND WE
5 WILL ESTABLISH THOSE REQUIREMENTS, CRITERIA, AND
6 STANDARDS, AS WE MENTIONED.

7 WHEN WE SPEAK TO THE PART 2 APPLICATION, WHEN
8 WE REVIEW OR THINK ABOUT REVIEW CRITERIA, WE'RE THINKING
9 OF A PROGRESSION THAT BUILDS FROM WHAT PROPOSITION 71
10 STATES IN TERMS OF WHAT APPLICANTS NEED TO DO, THAT WE
11 HAVE IDENTIFIED ANY OTHER BECAUSE THE PROPOSITION ALLOWS
12 THE WORKING GROUP TO IDENTIFY OTHER STANDARDS AND
13 REQUIREMENTS, AND THAT YOU HAVE THEN CONSIDERED HOW YOU
14 ARE GOING TO BRING THOSE STANDARDS AND ESTABLISH
15 EVALUATION CRITERIA, AND THEN DEVELOP A SCORING. AND
16 THAT IMPLIES A MEASURE OF VARIABILITY. THERE'S ALSO THE
17 NOTION OF WHAT WE'RE GOING -- I'M GETTING AHEAD OF
18 MYSELF -- BUT THE REVIEW PROCESS IS ALSO GOING TO BE
19 DISCUSSED, AND IT'S GOING TO BE PRESENTED IN TERMS OF THE
20 OPTIONS THAT WE'VE IDENTIFIED AND HOW THOSE OPTIONS DEAL
21 WITH BOTH PART 1 AND PART 2 OF THE APPLICATION, THE
22 SCIENTIFIC AND THE FACILITIES.

23 SO ON THE REQUIREMENTS SIDE, TO FOLLOW UP ON
24 ISSUES OF POLICIES, DEFINITIONS, AND CRITERIA, WHAT WE
25 ARE SAYING HERE FOR THE REQUIREMENTS IS THOSE ARE THE

1 ASPECTS THAT WE BELIEVE WE NEED TO INCLUDE IN THE RFA,
2 THAT IT'S REALLY AN UP-OR-DOWN ISSUE. WE WANT TO
3 ESTABLISH A STANDARD, AND WE WANT TO TELL THE APPLICANTS
4 YOU NEED TO MEET THIS STANDARD. THE EVALUATION CRITERIA
5 IS THE VARIABLE COMPONENT, AND WE'RE GOING TO GET INTO
6 MORE OF THE DETAIL OF HOW YOU WANT TO DO THAT. AND TO
7 THE EXTENT WE HAD SOME EXPERIENCE IN LEARNING FROM THE
8 SHARED RESEARCH LABS, WE THINK WE CAN COME UP WITH A
9 GREAT PROCESS FOR YOU.

10 SO ON THE REQUIREMENTS, RIGHT OUT OF THE
11 PROPOSITION YOU CAN SEE THAT THERE'S SIX REQUIREMENTS OF
12 THE APPLICANTS THAT DEAL WITH SCHEDULE AND NOT-FOR-PROFIT
13 STATUS, MATCHING FUNDS, PREVAILING WAGE, AMONG OTHERS,
14 AND THEN THERE ARE TWO REQUIREMENTS FOR THE CIRM
15 ORGANIZATION, WHICH IS TO DEAL WITH THE AWARDS ON A
16 COMPETITIVE BASIS. AND IT STATES THAT WE SHALL GIVE A
17 PRIORITY FOR COMPLETION IN TWO YEARS.

18 SO TO THE EXTENT THAT WE CAN DEFINE SOME OF
19 THESE RIGHT NOW AND KIND OF GET THEM OUT OF THE WAY FOR
20 YOU, THAT'S WHAT WE THOUGHT WE WOULD DO BECAUSE THESE ARE
21 THE ONES THAT I THINK WE WOULD WANT TO DO, WE HAVE TO DO
22 TO MEET THE LETTER OF THE LAW.

23 CHAIRMAN LICHTENGER: BOB, YOU WANT TO MAKE A
24 COMMENT?

25 MR. KLEIN: AS I UNDERSTAND IT, RICK, YOU'RE

1 TALKING ABOUT THRESHOLD REQUIREMENTS. SO THEY MUST
2 PROVIDE AT LEAST THE 20-PERCENT MATCH?

3 MR. KELLER: RIGHT. WE WANT TO HAVE A MORE
4 ROBUST DISCUSSION ABOUT MATCHING AND HOW IT RELATES TO
5 SOME OF THE DISCUSSIONS THAT WE HAD IN THE PUBLIC MEETING
6 ABOUT LEVERAGE BECAUSE I THINK THERE'S DIFFERENCES IN
7 TERMS OF HOW PEOPLE HAVE INTERPRETED THE MEANING OF THOSE
8 TWO WORDS. AND WHAT WE WANT TO DO IS BRING CLARITY TODAY
9 TO HOW WE'RE GOING TO APPLY THAT.

10 CHAIRMAN LICHTENGER: RICK, I HAD A COMMENT.
11 SO OBVIOUSLY THEY NEED TO HAVE MILESTONES AND TIMETABLES,
12 BUT I THINK ONE OF THE THINGS THAT JUMPED OUT AT ME IN
13 OUR SHARED LABS RFA WAS THAT, YOU KNOW, THERE ARE
14 DIFFERENCES BETWEEN SOMEBODY SUBMITTING A MILESTONE AND A
15 TIMETABLE AND THOSE THAT HAVE BEEN PREPARED -- HOW SHALL
16 I SAY -- BY AN INDEPENDENT COMPANY AND DONE
17 PROFESSIONALLY. SO I THINK THAT'S JUST SOMETHING THAT WE
18 WILL NEED TO ADDRESS LATER ON IN OUR DISCUSSION, THAT,
19 YOU KNOW, IN TERMS OF WEIGHTING OUR CRITERIA.

20 MR. KELLER: RIGHT. I THINK THAT IS A SUBSET
21 OF URGENCY. IN ORDER FOR THEM TO -- ANYONE CAN GIVE YOU
22 A SCHEDULE THAT SAYS THEY'LL GET DONE. IT'S ANOTHER
23 THING TO BE ABLE TO PROVIDE THE EVIDENCE THAT THEY BEEN
24 TO IMPLEMENT.

25 CHAIRMAN LICHTENGER: EXACTLY.

1 MR. KELLER: WE'RE GOING TO HAVE BOTH AS PART
2 OF WHAT WE'RE ASKING PEOPLE TO BRING FORWARD.

3 CHAIRMAN LICHTENGER: THANK YOU.

4 MR. KELLER: WE'VE ALSO ADOPTED IN OUR
5 ADMINISTRATIVE CODE THE GRANTS ADMINISTRATIVE POLICY THAT
6 ACTUALLY DEALS WITH SOME OF THE MORE PERFUNCTORY
7 REQUIREMENTS, SUCH AS BEING LOCATED IN CALIFORNIA, NOT
8 FOR PROFIT, AND REQUIREMENTS FOR PREVAILING WAGE, AND A
9 PREFERENCE OR GOAL FOR CALIFORNIA SUPPLIERS. WE THINK
10 THAT THESE ARE HANDLED IN THE PROPOSITION SUFFICIENTLY
11 AND WITHIN OUR GRANTS ADMINISTRATION POLICY.

12 AS YOU APTLY POINTED OUT, WE THINK THAT WHERE
13 WE HAVE TO GIVE SOME CLARITY TODAY, AND WE'D LIKE YOU TO
14 HAVE SOME OPPORTUNITY TO DISCUSS, IS THAT YOU NEED TO
15 CLARIFY WHAT MATCHING FUNDS ARE FOR THE PURPOSE OF THIS
16 RFA. AND OUR OBSERVATION IS THAT WE THINK WE NEED
17 CLARITY, AND WE NEED IT TO BE VERY EASY TO ADMINISTER.
18 AND SO WE THINK MATCHING FUNDS BEING A MINIMUM 20-PERCENT
19 CASH CONTRIBUTION TO THE PROJECT MEETS THAT CRITERIA.
20 AND WE WOULD CALL THAT, AS THE CHAIRMAN POINTED OUT,
21 WE'RE CALLING THAT THE THRESHOLD NEEDED TO SATISFY THE
22 MINIMUM REQUIREMENT SO THAT WOULD BE IN THAT CATEGORY OF
23 REQUIREMENTS. THEN YOU WOULD HAVE THE OPPORTUNITY TO
24 CONSIDER A VARIABLE COMPONENT IN YOUR SCORING OF
25 APPLICANTS THE ADDITIONAL MATCHING AMOUNT, AND WHAT WE'RE

1 DEFINING THE ADDITIONAL MATCHING AMOUNTS TO BE IS THE
2 AMOUNTS THAT COME IN OVER THAT MINIMUM. AND WE WANT TO
3 FROM NOW ON REFER TO THAT ADDITIONAL MATCHING AMOUNT AS
4 LEVERAGE.

5 SO WE'RE GOING TO GET TO THE VARIABLE COMPONENT
6 OF THE SCORING SYSTEM, AND WE'RE GOING TO BE TALKING
7 ABOUT LEVERAGE, SO WE WANT TO KIND OF PUT THAT OFF FOR A
8 BIT.

9 CHAIRMAN LICHTENGER: SO, RICK, ARE WE
10 PROPOSING THAT IF THEY DON'T MEET THE MINIMUM THRESHOLD,
11 THAT THE APPLICATION WILL BE DISQUALIFIED AND WE WILL NOT
12 BE CONSIDERING IT?

13 MR. KELLER: YES. ALTHOUGH I THINK THERE WILL
14 BE THE OPPORTUNITY -- BECAUSE THESE REQUIREMENTS
15 SOMETIMES -- THERE MAY NOT BE A SERIOUS DEFICIENCY. IT
16 MAY HAVE BEEN A CLERICAL DEFICIENCY OR SOMETHING. I
17 THINK THIS IS AN EXAMPLE WHERE YOU WOULD WANT TO HAVE AN
18 OPPORTUNITY FOR A CURATIVE CIRCUMSTANCE IF YOU HAD A
19 TECHNICAL ERROR.

20 CHAIRMAN LICHTENGER: OKAY. VERY GOOD.

21 MR. KLEIN: AND --

22 VICE CHAIR SERRANO-SEWELL: JUST ON THAT POINT,
23 RICK. IN TERMS OF SOME APPLICANTS MAKE A, QUOTE, TYPO OR
24 TECHNICAL ERROR, SCRIBNER'S ERROR, WHATEVER THE
25 THRESHOLD -- I DON'T WANT TO USE THE WORD "THRESHOLD,"

1 BUT WHATEVER LEEWAY WE WANT TO PROVIDE THOSE
2 APPLICATIONS, PLEASE RUN THAT BY LEGAL BECAUSE SOME
3 PEOPLE -- THERE'S A LOT OF CASE LAW ABOUT WHAT YOU CAN
4 ACCEPT AND NOT ACCEPT IF AN APPLICANT HAS MADE A MISTAKE
5 IN THE COMPETITIVE BID PROCESS. THAT'S MY ONLY POINT ON
6 THAT ISSUE BECAUSE SOME MUNICIPALITIES AND OTHER STATE
7 AGENCIES ARE VERY STRICT. IF YOU DO NOT MEET THE MINIMUM
8 QUALIFICATIONS, WHICH NEED TO BE CLEARLY SPELLED OUT IN
9 THE COMPETITIVE BID DOCUMENT, THEN YOU ARE DISQUALIFIED,
10 PERIOD. TYPO OR NO TYPO. YOU FORGOT TO ADD THE EXHIBIT
11 OR NOT. I DON'T THINK WE WANT TO BE THAT STRICT, BUT WE
12 CAN IF WE WANT TO. I'M NOT PROPOSING IT. I'M JUST
13 SAYING WHATEVER IT IS WE DECIDE, MAKE SURE IT'S RUN
14 THROUGH LEGAL.

15 MR. KELLER: I THINK WE CAN WORK THAT OUT.

16 MR. KLEIN: RICK, JUST AS AN ADDITIONAL POINT
17 ON DEFINITIONS. IN THE DEFINITION CATEGORY, ON AN
18 EARLIER SLIDE THERE WAS THE POINT ABOUT THE TWO YEARS,
19 COMPLETION WITHIN TWO YEARS, PROVIDING A PRIORITY. AND
20 IN ONE OF THE PRIOR HEARINGS, IT WAS DISCUSSED VERY
21 SPECIFICALLY TO GIVE PEOPLE A FULL UNDERSTANDING THAT WE
22 COULD DEFINE TEMPORARY CERTIFICATE OF OCCUPANCY AS
23 COMPLETION BECAUSE OTHER DIFFERENT INSTITUTIONS MIGHT
24 HAVE VERY DIFFERENT FIXTURIZATION REQUIREMENTS, WHICH IS
25 IN ORDER TO KEEP EVERYONE ON THE SAME BASIS, WE HAVE

1 TEMPORARY CERTIFICATE OF OCCUPANCY FOR THE SHELL BUILDING
2 AND BASIC SYSTEMS OF THE BUILDING. THEN WE CAN HAVE A
3 STANDARD VERSION THAT EVERYONE CAN DO THEIR CRITICAL PATH
4 CHARTS TO SHOW COMPLETION AS OF THAT DATE AND THAT
5 OBJECTIVE.

6 THE OTHER POINT WAS THAT THE TIME DOESN'T START
7 TO RUN UNTIL THERE'S ACTUALLY THIS NOTICE OF GRANT AWARD.
8 AND HOPEFULLY WE'RE GOING TO GIVE EVERYONE A PROJECTED
9 DATE TO ASSUME FOR THAT NOTICE OF GRANT AWARD SO THEY CAN
10 ALL BEGIN THEIR CRITICAL PATH CHARTS ON THAT DAY.

11 MR. SHEEHY: I'M A LITTLE CONFUSED ABOUT THE
12 ISSUE DAVID AND YOU WERE TALKING ABOUT WITH THE MATCH. I
13 DON'T SEE HOW THAT CAN BE CURATIVE. IT'S NOT GOING TO BE
14 NEW INFORMATION. IT'S IN THE PROPOSITION. ONCE WE'VE
15 DEFINED EXACTLY WHAT IT IS, AND IF WE DO APPROVE WHAT'S
16 WRITTEN HERE, THAT IT'S CASH, IT'S WRITTEN IN THE RFA. I
17 CANNOT IMAGINE HOW WE CAN GO BACK AND SAY AND HOW
18 CREDIBLE, BY THE WAY, THAT WOULD BE AS A -- IT DOESN'T
19 EVEN SEEM FAIR.

20 I DON'T KNOW THAT -- I HAVE TROUBLE WITH THAT.
21 IT'S VERY PROBLEMATIC THAT THAT MIGHT BE A CURATIVE --
22 THAT MIGHT --

23 VICE CHAIR SERRANO-SEWELL: DOES THAT QUALIFY
24 AS A TYPO?

25 CHAIRMAN LICHTENGER: I THINK -- TAMAR, I HAVE

1 A QUESTION.

2 MR. SHEEHY: IT SEEMS TO BE VERY
3 STRAIGHTFORWARD. IF WE ASKED FOR 20-PERCENT CASH
4 MATCHING AND IT'S NOT THERE, WE DON'T GO BACK AND SAY,
5 WELL, YOU DIDN'T HAVE 20 PERCENT. CAN YOU FIND IT? THEN
6 WE START ASKING ABOUT THE QUALITY OF THE COMMITMENTS OF
7 THAT 20 PERCENT, WHICH WE HAD IN THE PREVIOUS SESSION AND
8 DEBATES ABOUT WHAT THEY REALLY MEANT AND EVERYTHING. IF
9 WE ARE GOING TO HAVE STANDARDS SUCH AS THIS, ESPECIALLY
10 STATUTORY STANDARDS, I THINK THEY OUGHT TO BE VERY CLEAR;
11 AND IF YOU DON'T MAKE IT, YOU'RE OUT.

12 CHAIRMAN LICHTENGER: TAMAR, BEFORE YOU ANSWER,
13 I JUST WANT TO GIVE A CLARIFICATION TO JEFF'S STATEMENT.
14 I WOULD THINK THAT WE MIGHT WANT TO HAVE ALMOST A
15 DEFINITION OF WHAT A TECHNICAL ERROR MIGHT BE IN THE RFA
16 AND MAKE IT VERY CLEAR AND CONCISE TO ADDRESS JEFF'S
17 ISSUE.

18 MS. PACHTER: YES. I UNDERSTAND THAT THAT IS,
19 IN FACT, WHAT STAFF HAS IN MIND. AND THIS IDEA OF HAVING
20 A CURABLE DEFICIENCY PERIOD IS FAIRLY STANDARD IN THIS
21 KIND OF WORK. IT'S SOMETHING, IF YOU RECALL WHEN WE WERE
22 DEALING WITH THE SHARED LABS, WE HAD THE FACILITIES
23 WORKING GROUP DO BECAUSE WE HADN'T BUILT THAT INTO THE
24 PROCESS AT THAT POINT. SO NOW WHAT WE WOULD LIKE TO DO
25 IS BUILD THAT INTO THE PROCESS SO WE CAN GET THAT ALL

1 RESOLVED BEFORE IT COMES TO THE FACILITIES WORKING GROUP
2 FOR REVIEW.

3 VICE CHAIR SERRANO-SEWELL: I WOULD ONLY SAY
4 THAT WE SHOULD, AND I THINK THAT'S WHAT YOU WANT US TO DO
5 TODAY, SO CORRECT ME IF I'M WRONG, WE NEED TO IDENTIFY
6 WHICH DEFICIENCIES ARE CURABLE. I THINK WHAT'S EMBODIED
7 IN PROPOSITION 71 IS NOT A CURABLE DEFICIENCY. EITHER
8 YOU HAVE THE 20-PERCENT MATCH OR YOU DON'T. IF YOU
9 DON'T, YOU CAN'T CURE IT.

10 AND THE OTHER PROPOSITION 71 COMPONENTS AS
11 WELL, THOSE ARE FAIRLY -- THEY NEED SOME FURTHER
12 DEFINITION. WHEN DOES THE CLOCK START? WE NEED TO GIVE
13 SOME CONTEXT TO IT; BUT ONCE WE DO THAT, IF YOU REFER TO
14 THAT AS THE THRESHOLD, I CALL IT THE MINIMUM
15 QUALIFICATIONS, IF YOU DON'T MEET THE MQ'S, YOU DON'T
16 QUALIFY AND YOUR APPLICATION IS OVER.

17 MS. PACTER: I THINK WHAT THE CURABLE
18 DEFICIENCY TAKES INTO ACCOUNT IS THAT THESE ARE GOING TO
19 BE VERY COMPLEX APPLICATIONS. AND THERE'S GOING TO BE
20 PART 1 AND THERE'S GOING TO BE PART 2, AND WE DON'T WANT
21 TO DISQUALIFY ANYBODY BECAUSE THERE WAS A TYPO
22 ESSENTIALLY IN THE APPLICATION. WE WANT TO GIVE THEM AN
23 OPPORTUNITY TO RESOLVE THAT COMPLETELY TO OUR
24 SATISFACTION, TO THE SATISFACTION OF STAFF, BEFORE IT'S
25 EVER REVIEWED.

1 VICE CHAIR SERRANO-SEWELL: WHAT WOULD BE A
2 CURABLE -- I DON'T WANT TO SPEND TOO MUCH TIME ON IT, BUT
3 ARE WE GOING TO IDENTIFY CERTAIN THINGS THAT ARE NOT A
4 CURABLE DEFICIENCY? YES? OKAY. THAT'S ALL I WANTED TO
5 KNOW.

6 MR. KLEIN: DAVID, AS I UNDERSTAND IT, WHILE
7 AGREEING WITH YOUR POSITION, IF THEY CALCULATED THAT THE
8 20 PERCENT SHOULD HAVE BEEN 2,840,000 AND THEY HAVE
9 2,640,000, AND IT'S CLEAR THERE WAS AN INTENT TO TRY AND
10 GET AN EXACT 20 PERCENT, BUT THEY HAVE THE WRONG NUMERAL
11 IN ONE OF THE DIGITS, IT'S A TYPO. THAT'S THE KIND OF
12 THING, I GUESS, THEY'RE GOING TO LAY OUT.

13 VICE CHAIR SERRANO-SEWELL: IF THAT'S WHAT'S
14 DEFINED AS A CURABLE DEFICIENCY, I UNDERSTAND IT TO BE
15 SOMETHING ELSE, THAT WE'RE GIVING STAFF FURTHER LEEWAY TO
16 MAKE SOME DECISIONS ON THE SPOT, WHICH I'M OKAY WITH. I
17 JUST WANT THIS CURABLE DEFICIENCY CONCEPT WELL DEFINED
18 AND NOT TOO LOOSE BECAUSE I DON'T WANT IT TO COME BACK
19 SIX MONTHS FROM NOW AND WE'RE TRYING TO FIGURE OUT X, Y,
20 AND Z CONTINGENCIES LIKE WE DID FOR THE FIRST ROUND.

21 MR. LAFF: THERE HAS BEEN SOMETHING BOTHERING
22 ME ABOUT THE TEMPORARY CERTIFICATE OF OCCUPANCY. IN MY
23 EXPERIENCE I'VE NEVER KNOWN THAT YOU CAN AIM FOR THAT,
24 THAT YOU GO FOR THE CERTIFICATE OF OCCUPANCY; AND THEN
25 WHEN YOU GET NEAR TO IT, YOU DEAL WITH THE REIGNING BODY

1 TO SEE IF THEY'LL ALLOW TO YOU OCCUPY, BUT I'VE NEVER
2 SEEN ONE WHERE YOU PLAN TO GO FOR A TCO BECAUSE USUALLY
3 THE GOVERNING BODIES WON'T TELL YOU WHAT THAT IS.

4 MR. KLEIN: ACTUALLY MY EXPERIENCE IS ALWAYS TO
5 RUN FOR A TEMPORARY CERTIFICATE OF OCCUPANCY BECAUSE YOU
6 CAN PREDICT THAT THERE WILL BE PROBLEMS. AND, IN FACT,
7 YOU MAY BE ABLE TO OCCUPY PART OF THE BUILDING, BUT NOT
8 ALL OF THE BUILDING. WHAT'S IMPORTANT HERE IS THAT THERE
9 ARE CERTAIN PORTIONS OF A BUILDING THAT MIGHT REQUIRE
10 EXTENSIVE ROBOTICS SETUPS, AND WE DON'T WANT TO PENALIZE
11 THEM AND DISINCENTIVIZE PEOPLE FROM PUTTING IN THAT
12 COMPLEX FIXTURIZATION, SO WE DON'T WANT TO DEFINE
13 COMPLETION AS TAKING IT ALL THE WAY TO THAT POINT.

14 TO GET TO THE SAME GOAL, I THINK WHAT YOU ARE
15 SUGGESTING IS MAYBE IT'S TEMPORARY CERTIFICATE OF
16 OCCUPANCY OR SOME WELL-DEFINED EQUIVALENT STANDARD OF
17 COMPLETION OF SHELL AND BASIC BUILDING SYSTEMS.

18 CHAIRMAN LICHTENGER: STUART, I'M NOT SURE,
19 BOB, THAT, YOU KNOW, THAT THE FIXTURING OF A BUILDING IS
20 GOING TO AFFECT SOMEBODY GETTING A FINAL C OF O VERSUS A
21 TCO. STUART, DO YOU AGREE WITH THAT?

22 MR. LAFF: YES.

23 CHAIRMAN LICHTENGER: SO I DON'T THINK IT'S
24 REALLY RELEVANT FROM A CONSTRUCTION PERSPECTIVE, AS FAR
25 AS THE ACTUAL IMPROVEMENTS, WHETHER IT BE BASE BUILDING

1 OR TENANT IMPROVEMENTS AS FAR AS WHETHER SOMETHING IS A
2 TCO OR FINAL CERTIFICATE. RICK, DO YOU AGREE WITH THAT?

3 MR. KELLER: I THINK WE CAN AIM FOR A PERIOD OF
4 TIME. AND I THINK THE SCHEDULES THAT COME IN --
5 SOMETIMES THE EQUIPMENT INSTALLATION IS EITHER MOVABLE OR
6 FIXED. THERE'S WHETHER OR NOT THE UTILITIES ARE
7 ASSOCIATED WITH THAT INSTALLATION. THERE'S A VARIETY OF
8 CIRCUMSTANCES.

9 I THINK THERE'S ENOUGH BACKGROUND FROM, I
10 THINK, THE APPLICANTS, THAT WE'LL GET SCHEDULES THAT
11 REFLECT THEIR INTENTION TO GET DONE. AND I THINK THAT
12 WILL INCLUDE ISSUES OF FIXTURIZATION AND INSTALLATION OF
13 EQUIPMENT. SO I THINK WE CAN WORK THIS TO A LEVEL OF
14 DETAIL THAT'S MOST REASONABLE IN TERMS OF THE
15 INTERPRETATION OF TIMEFRAME OF TWO YEARS. I THINK WE CAN
16 WORK TOWARDS THAT. IT'S MORE OF A -- AND WE PLAN ON
17 HAVING SOME CONSULTATIVE SESSIONS WITH APPLICANTS THAT
18 THIS WILL HELP.

19 CHAIRMAN LICHTENGER: AS LONG AS OBVIOUSLY WE
20 HAVE ONE CONSISTENT APPROACH, I THINK IT WILL BE FINE.

21 MR. KELLER: THAT'S CERTAINLY OUR OBJECTIVE.

22 CHAIRMAN LICHTENGER: GREAT. LET'S MOVE ON.
23 THANK YOU.

24 MR. KELLER: WITH THAT KIND OF CLARIFICATION OF
25 THE MATCHING FUNDS, WE'LL GET TO THE ISSUE OF LEVERAGE

1 LATER. I WANT TO COME BACK TO THIS EARLIER SLIDE THAT I
2 SAID THAT THERE ARE THESE REQUIREMENTS AND THEY EMANATED
3 FROM DIFFERENT PLACES, AND WE WENT OVER THE PROP 71.

4 THERE'S ALSO, I THINK, REQUIREMENTS THAT WE SAW
5 COME OUT OF THE PUBLIC COMMENTS. AND ONE THAT WE HEARD
6 IN SEVERAL SETTINGS WAS THE FACT THAT BUILDINGS THAT ARE
7 BUILT WITH CIRM FUNDING SHOULD ALSO BE ENVIRONMENTALLY
8 RESPONSIVE IN THEIR DESIGN. AND WE THINK THAT THERE'S A
9 WAY OF DEALING WITH THIS IN KIND OF A VERY EASY WAY
10 WITHOUT CREATING NEW STANDARDS THAT WE WOULD HAVE TO
11 ADMINISTER, WHICH IS TO SAY THAT THE UNIVERSITY OF
12 CALIFORNIA HAS ALREADY ADOPTED THROUGH THE BOARD OF
13 REGENTS A GREEN BUILDING POLICY. I THINK THAT THAT
14 HAVING BEEN THOUGHT THROUGH IS SOMETHING WE COULD ENDORSE
15 AS BEING APPLICABLE TO THE CIRM-FUNDED BUILDINGS. AND
16 THAT OTHERS -- AND THAT BASICALLY DEALS WITH THE U.S.
17 GREEN BUILDING COUNCIL CERTIFICATION PROGRAM FOR THE
18 PRIVATES WHO AREN'T SUBJECT TO UC. SO THERE'S AN
19 EQUIVALENCY IN BOTH THE PUBLIC AND PRIVATE SECTORS THAT I
20 THINK THAT WE COULD RELY UPON TO MEET THIS OBJECTIVE AND
21 NOT CREATE OR REINVENT THE WHEEL, AS LORI MENTIONED
22 EARLIER.

23 SO I GUESS THAT'S KIND OF A MOTION FROM US IN
24 TERMS OF SAYING DO YOU WANT TO ADD. SO HERE'S THE
25 PROPOSITION 71 ISSUES, AND WE'LL TALK ABOUT MILESTONES

1 AND TIMETABLES A BIT LATER. AND WE CAN TALK ALSO ABOUT
2 THIS ISSUE WHICH IS AWARDED ON A COMPETITIVE BASIS.

3 I THINK HAVING JUST DISCUSSED THE CLARIFICATION
4 ON THE 20-PERCENT MATCH AND ADDING A GREEN BUILDING
5 STANDARD, IF THERE'S A CONSENSUS AMONG THIS GROUP THAT
6 THOSE TWO SHOULD BE REQUIREMENTS, THEN WE'LL PROCEED
7 UNDER THAT WAY, OR DO YOU WANT TO HAVE SOME DISCUSSION
8 ABOUT THAT?

9 CHAIRMAN LICHTENGER: LET'S OPEN IT UP FOR
10 DISCUSSION. DAVID.

11 VICE CHAIR SERRANO-SEWELL: I'LL START WITH THE
12 20 PERCENT. I LOVE IT. EVERYBODY WANTS TO DO GREEN
13 BUILDINGS STUFF, SO I'M ALL FOR IT. BUT THE 20 PERCENT,
14 ISN'T THAT IN PROP 71? SO IT HAS TO BE A PART OF THE
15 RFA, RIGHT, BOB? SO NOW WE WANT TO DISCUSS SHOULD IT BE
16 CASH OR NOT OR SOMETHING ELSE. IS THAT RIGHT, RICK?
17 WHAT DO YOU WANT US TO DO WITH CLARIFY AS 20 PERCENT
18 MATCHING FUNDS?

19 MR. KELLER: WHAT I MEANT BY THAT IS THAT WE'RE
20 DEFINING IT AS THE 20-PERCENT THRESHOLD. EVERYTHING ELSE
21 IS LEVERAGE, AND LET'S MOVE FORWARD FROM THERE.

22 VICE CHAIR SERRANO-SEWELL: OKAY. 20-PERCENT
23 CASH?

24 MR. KELLER: YES.

25 CHAIRMAN LICHTENGER: SO UNLESS THERE'S ANY

1 MORE DISCUSSION ON THIS PARTICULAR ISSUE, DOES ANYONE
2 WANT TO MAKE A MOTION ON THIS 20-PERCENT MATCHING ISSUE?

3 MR. KLEIN: WELL, I'D LIKE TO SEPARATE THEM.
4 THE GREEN BUILDING STANDARDS, DEPENDING UPON YOUR SITE
5 AND YOUR CONSTRAINTS, MAY BE DIFFICULT TO ACHIEVE. YOU
6 MANY GET CLOSE TO THEM, BUT NOT FULLY ACHIEVE THEM ON A
7 PARTICULAR SITE. SO I'D RATHER HAVE IT BE IN A BONUS
8 POINT CATEGORY RATHER THAN IN A THRESHOLD REQUIREMENT.
9 WE HAVE A BIG STATE. WE'VE GOT LOTS OF COMPLICATED
10 SITES. I THINK IT'S A VERY VALUABLE AREA TO PROVIDE
11 BONUS POINTS, BUT NOT AS A THRESHOLD REQUIREMENT BECAUSE
12 IT'S A VERY DEFINED TERM.

13 MS. SAMUELSON: I JUST HAVE A QUESTION ABOUT
14 THAT. I WONDERED IF THERE ARE ANY OTHER STANDARDS, ANY
15 OTHER STATE STANDARDS? UC IS MENTIONED, BUT I WOULD
16 THINK THERE IS A DISTINCT CHANCE OF SOME OTHER
17 ENVIRONMENTAL --

18 MR. KELLER: THERE'S A VARIETY OF CODES THAT
19 APPLY OR RELATE TO GREEN BUILDINGS, SUCH AS TITLE 24,
20 ENERGY CONSERVATION REQUIREMENTS AND SO FORTH. THE
21 POLICY ISSUE, I THINK, THAT'S ON THE TABLE IS THAT YOU
22 CAN CONSIDER THESE MORE LIKE A REQUIREMENT JUST LIKE THE
23 BUILDING CODE BECAUSE THEY'RE AN ELEMENT OF THE OBJECTIVE
24 OF THE OVERALL PROJECT, OR YOU CAN CONSIDER THEM AS A
25 DISCRETIONARY ELEMENT. AND IF THEY'RE INCLUDED, THAT

1 THEY SOMEHOW THEN PRESENT THE OPPORTUNITY FOR A HIGHER
2 SCORE. SO THAT'S KIND OF A CHOICE. AND IF WE WANT TO
3 MOVE IT INTO THE CATEGORY OF A VARIABLE COMPONENT, THAT'S
4 CERTAINLY WHAT YOU NEED TO CONSIDER AS A GROUP.

5 VICE CHAIR SERRANO-SEWELL: I'D LIKE TO MOVE
6 THAT THE 20-PERCENT MATCHING FUNDS BE CASH ONLY.

7 MR. KLEIN: SECOND.

8 CHAIRMAN LICHTENGER: ALL THOSE IN FAVOR SAY
9 AYE. ANY OBJECTIONS? SO THIS IS PASSED.

10 MR. SHEEHY: JUST IN TERMS OF KEEPING US
11 CONSISTENT WITH -- KEEPING THE PROCESS ROLLING, I WOULD
12 HAVE AMENDED THAT. MAYBE DO WE NEED ANOTHER MOTION TO
13 CLASSIFY THE OTHER AS LEVERAGE SINCE THE TWO ISSUES ARE
14 RELATED?

15 VICE CHAIR SERRANO-SEWELL: WE' LL GET TO
16 LEVERAGE LATER.

17 CHAIRMAN LICHTENGER: I'D LIKE TO -- I'M NOT
18 MAKING A MOTION, BUT I'D LIKE TO KIND OF PUT THAT ON HOLD
19 TILL LATER IN OUR DISCUSSION.

20 VICE CHAIR SERRANO-SEWELL: FOR THE PURPOSES OF
21 THE GREEN BUILDING STANDARD, I HAVE TO BE HONEST WITH
22 YOU. I DID READ THE TRANSCRIPTS. I'M FOR IT. BOB, YOU
23 MAKE A GOOD POINT. I DON'T KNOW ENOUGH ABOUT IT JUST YET
24 TO OPINE WHETHER IT SHOULD BE BONUS POINTS OR NOT. MAYBE
25 I KNOW THERE'S AN IDEA THAT WE' LL DO A CONFERENCE CALL

1 LATER ON, OR MAYBE YOU CAN SEND US A WHITE PAPER, RICK,
2 THAT GETS US UP TO SPEED ON WHAT IT IS AND WHAT THE
3 ISSUES MIGHT BE AND WHY THEY COULD DO IT IN SAN FRANCISCO
4 BUT NOT SAN DIEGO -- I'M JUST USING THAT AS AN EXAMPLE,
5 YOU KNOW, THAT KIND OF THING, WHAT THE PRESSURE POINTS
6 ARE -- SO I CAN MAKE AN INFORMED DECISION BECAUSE I'M
7 JUST NOT PREPARED RIGHT NOW WHETHER TO INCLUDE OR NOT IN
8 OUR REQUIREMENTS.

9 CHAIRMAN LICHTENGER: I WOULD AGREE WITH THAT,
10 MR. VICE CHAIR.

11 MS. SAMUELSON: ME TOO.

12 CHAIRMAN LICHTENGER: ANY OBJECTIONS?

13 MR. KASHIAN: MR. CHAIRMAN, TO TRY TO ESTABLISH
14 A GREEN STANDARD IS GOING TO BE VERY DIFFICULT. THERE
15 ARE SEVERAL STANDARDS OF LEAD THINGS, PG&E AND THE REST
16 OF IT, AND I THINK IT OUGHT TO BE LEFT TO THE DISCRETION
17 OF THE APPLICANT TO POINT OUT TO US HOW HE'S COMPLYING AS
18 OPPOSED TO WE TRYING TO DEFINE THE STANDARD TO BEGIN
19 WITH. IT'S JUST VERY, VERY DIFFICULT.

20 CHAIRMAN LICHTENGER: EXCELLENT POINT, ED.
21 UNLESS THERE ARE FURTHER COMMENTS, I'D LIKE TO MOVE ON.
22 RICK.

23 MR. KELLER: WE'RE DONE WITH GREEN BUILDINGS
24 THEN. WE'LL TALK ABOUT THAT LATER UNDER THE OTHER ONES.

25 ONE OTHER ISSUE THAT HAS BEEN RAISED HAS TO DO

1 WITH THE AWARDING ON A COMPETITIVE BASIS. IN OUR READING
2 AND THE COMMENTS RECEIVED IS THAT, PARTICULARLY ON THE
3 CONCEPT OF SCIENCE FIRST AND THAT SCIENCE SHOULD LEAD, WE
4 BELIEVE THAT THE AWARDING ON A COMPETITIVE BASIS SPEAKS
5 TO THE COMPETITIVENESS OF THE PROGRAM.

6 IT'S BEEN OFFERED THAT THERE MAY BE A
7 CIRCUMSTANCE WHERE COMPETITION WOULD ALSO INCLUDE
8 FINANCIAL CAPABILITY, AND THAT THOSE WITH MORE FINANCIAL
9 CAPABILITY WOULD EITHER HAVE TO COME UP WITH MORE MATCH
10 ON THE BASIS THAT THAT'S STILL A COMPONENT OF
11 COMPETITIVENESS. SO YOU MAY WANT TO DISCUSS THIS MORE
12 FULLY, DAVID.

13 CHAIRMAN LICHTENGER: SO THE QUESTION IS, AND
14 THIS MAY NOT BE THE RIGHT MOMENT TO ADDRESS IT IN TERMS
15 OF MINIMUM REQUIREMENTS, BUT IT'S A GOOD POINT IN TERMS
16 OF POTENTIALLY IN TERMS OF LEVERAGE IS THAT THERE MAY BE
17 SOME INSTITUTIONS THAT POTENTIALLY COULD ASK FOR SOME
18 AMOUNT OF MONEY, BUT THEY MAY HAVE SUBSTANTIAL OTHER
19 SOURCES OF FUNDS. AND THE QUESTION IS HOW WILL WE -- HOW
20 WILL WE VIEW THOSE INSTITUTIONS, AND DO WE TAKE INTO
21 ACCOUNT THEIR FINANCIAL NEED INTO ACCOUNT IN TERMS OF THE
22 PROCESS AND WHERE DO WE DO THAT? I'D LIKE TO OPEN IT UP
23 TO COMMENTS.

24 VICE CHAIR SERRANO-SEWELL: I UNDERSTOOD
25 COMPETITIVE -- I JUST UNDERSTOOD AWARD ON A COMPETITIVE

1 BASIS ON ITS MOST BASIC LEVEL. THAT IS, ARE WE AWARDING
2 THESE RFA'S ON A COMPETITIVE BASIS? YES, WE ARE. WE'RE
3 DOING IT THROUGH AN RFA OR RFP PROCESS. CHECK. GOT THAT
4 DONE. THIS IS -- IS THIS SOMETHING ELSE THAT'S EMBODIED
5 IN PROP 71?

6 MR. KLEIN: I THINK WHAT RICK MAY BE ASKING IS
7 THAT WE EXPECT SCIENCE TO BE THE DRIVING FORCE ON MERIT,
8 BUT WE HAVE OTHER CRITERIA LIKE VALUE AND VALUE RELATED
9 TO COST. AND AS IN THE SHARED LABS, WE DISCUSSED THE
10 FACT THAT IF AN INSTITUTION HAS GOT AN \$800 PER SQUARE
11 FOOT CONSTRUCTION COST OR A THOUSAND DOLLARS PER SQUARE
12 FOOT CONSTRUCTION COST AND ANOTHER INSTITUTION HAS \$500
13 AND THEY'RE IN THE SAME SCIENTIFIC RANGE, THERE'S
14 CERTAINLY MORE VALUE WE'RE GETTING SO THAT THE
15 INSTITUTION WITH THE HIGHER COST WOULD NEED, IN
16 DELIVERING VALUE TO THE CALIFORNIA TAXPAYERS AND TO
17 PATIENT -- TO ADVANCING THE CAUSE AND THERAPIES IN
18 PATIENTS, BE COMING UP WITH A VERY SIGNIFICANT LEVERAGE
19 TO REDUCE THEIR EFFECTIVE COST AND PROVIDE THE VALUE IN
20 THE COMPETITIVENESS OF THEIR APPLICATION.

21 SO THAT WAS SOMETHING THAT WAS DISCUSSED IN THE
22 SHARED LAB ROUND.

23 CHAIRMAN LICHTENGER: SO MAYBE I'M NOT BEING
24 CLEAR ABOUT WHAT MY QUESTION IS. SO IF WE GET A GRANT
25 APPLICATION AND ASK FOR POTENTIALLY, LET'S PICK A NUMBER,

1 \$30 MILLION, AND LET'S ASSUME HYPOTHETICALLY THAT THEIR
2 LEVERAGE IS NOT GREAT, THE QUESTION IS WILL THERE BE THE
3 ABILITY TO GRANT LESS THAN THE AMOUNT THEY'VE ASKED FOR
4 BECAUSE THEY'RE NOT HIGHLY LEVERAGED? THAT'S THE
5 QUESTION.

6 VICE CHAIR SERRANO-SEWELL: WHAT DOES THAT HAVE
7 TO DO WITH AWARDING ON A COMPETITIVE BASIS?

8 CHAIRMAN LICHTENGER: I DON'T THINK IT
9 NECESSARILY HAS TO DO WITH THIS MINIMUM REQUIREMENT.

10 MR. KELLER: I PUT IT HERE BECAUSE I WAS
11 INTERPRETING IT TO BE MORE ABOUT CONSIDERING NEED. AND
12 THERE'S BEEN DISCUSSIONS ABOUT NEED AS A CRITERIA. AND I
13 WAS MAKING A DISTINCTION WITHIN THE COMPETITIVE BIDDING
14 PROCESS TO SAY THOSE THAT HAVE GREATER NEED FINANCIALLY
15 HAVE A DIFFERENT CATEGORY IN THE PROCESS THAN THOSE THAT
16 HAVE LESS FINANCIAL NEED BY VIRTUE OF HAVING MORE
17 RESOURCES. AND SO MAYBE IT'S A TENUOUS RELATIONSHIP.
18 MAYBE IT'S SOMETHING YOU WANT TO TALK ABOUT DURING THE
19 LEVERAGE DISCUSSION.

20 CHAIRMAN LICHTENGER: RICK, I PROBABLY AGREE
21 WITH YOU. THIS PROBABLY IS A LEVERAGE DISCUSSION POINT,
22 BUT LET'S TAKE COMMENTS FROM JEFF AND FROM JOAN.

23 MR. SHEEHY: THAT'S EXACTLY WHERE I WAS GOING.
24 I AGREE. I THINK THIS A LEVERAGE DISCUSSION POINT. AND
25 I DON'T KNOW WHAT WE'RE CIRCLING AROUND THE 20 PERCENT,

1 BUT I THINK THAT'S GOT TO BE PRETTY FIRM.

2 AND AS TO THE POINT ON NEED, IF OUR -- AS WE'VE
3 HEARD AGAIN AND AGAIN AND AGAIN, THE OVERWHELMING
4 CRITERION SHOULD BE SCIENTIFIC EXCELLENCE. I DON'T
5 KNOW -- IF THEY HAVE THE SCIENTIFIC EXCELLENCE, I THINK
6 THE NEED BECOMES LESS. I DON'T SEE HOW THE NEED
7 INTERFERES WITH THAT, HOW THE NEED WOULD INTERACT WITH
8 THAT.

9 CHAIRMAN LICHTENGER: WHAT IF YOU HAD TWO
10 INSTITUTIONS THAT HAD EQUALLY GOOD SCIENCE AND ONE WAS
11 LESS WELL ENDOWED THAN THE OTHER?

12 MR. SHEEHY: THEY STILL WOULD HAVE TO HAVE THE
13 20-PERCENT MATCH, AND THAT WOULD BE A DISCUSSION THAT WE
14 WOULD TAKE UP IN THE CONTEXT OF HOW WE EVALUATE LEVERAGE.
15 DEPENDING ON WHETHER WE EVALUATE LEVERAGE AS CASH, AS
16 FUTURE COMMITMENTS OF FACULTY, THAT TO ME IS A LEVERAGE
17 THING AND HOW WE WEIGHT LEVERAGE. AND WHEN WE GET TO
18 THAT, I THINK LEVERAGE IS GOING TO WORK ON A LOT OF
19 DIFFERENT LEVELS. PARTIALLY IT'S GOING TO MITIGATE, AS
20 BOB WAS SAYING, SOME OF THE UNEVEN COSTS OF PER SQUARE
21 FOOT. I JUST THINK THAT WE PROBABLY HAVE A VERY LARGE
22 DISCUSSION, BUT IN TERMS OF WHAT WE'RE TRYING TO DO NOW,
23 WHICH ARE THE BASIC MINIMUM STANDARDS --

24 CHAIRMAN LICHTENGER: I AGREE WITH YOU, JEFF.

25 MS. SAMUELSON: I GUESS I'M JUST WONDERING. IT

1 SEEMS TO ME WE JUST WANT TO GET OUT OF THE WAY IF WE HAVE
2 ANY RESTRICTION THAT APPLIES. COMPETITIVE BASIS IS A
3 TERM OF ART, WHICH I UNDERSTOOD IT TO MEAN A BUNCH OF
4 BIDDERS WHO WERE GOING TO BID ON A FACILITY THAT'S
5 GENERIC, WHICH THIS ISN'T. THEN YOU'RE REALLY LOOKING AT
6 COST, PRICE, OR SOMETHING. YOU'RE LOOKING AT THE NUMBERS
7 MUCH MORE SO WHERE WE'VE GOT A COMPLICATED INTERPLAY OF A
8 BUNCH OF THINGS. IF THE PROPOSITION WOULD BE INTERPRETED
9 AS MEANING THAT WE SOMEHOW HAVE TO USE THAT OTHER
10 PARADIGM, THEN WE HAVE TO WORRY; BUT OTHERWISE, THIS IS A
11 LATER DISCUSSION.

12 CHAIRMAN LICHTENGER: I AGREE WITH THAT. RICK,
13 IF WE CAN MOVE ON. THANK YOU.

14 MR. KELLER: I GUESS I'D OFFER THE FACT THAT IF
15 THERE ARE OTHER ISSUES THAT COME UP THAT YOU BELIEVE FALL
16 IN THIS CATEGORY OF A THRESHOLD REQUIREMENT, I THINK IT'S
17 IMPORTANT THAT YOU OFFER THAT AS AN ELEMENT TO BE
18 CONSIDERED BY THE GROUP. SO WE'LL MOVE ON TO --

19 CHAIRMAN LICHTENGER: SO LET ME JUST ASK THE
20 GROUP. DOES ANYONE HAVE ANY MINIMUM THRESHOLD
21 REQUIREMENTS THEY THINK SHOULD BE ADDED?

22 MR. KASHIAN: I'D LIKE TO MAKE A COMMENT ABOUT
23 THIS GREEN BUILDING THING.

24 CHAIRMAN LICHTENGER: WE'VE DEFERRED THE GREEN
25 BUILDING DISCUSSION TILL LATER ON.

1 MR. KASHIAN: I THINK I CAN SHORTCUT THE
2 LATER-ON DISCUSSION.

3 CHAIRMAN LICHTENGER: LET'S -- THANK YOU.

4 MR. KELLER: SO MOVING FROM THE REQUIREMENTS OR
5 MINIMUM THRESHOLDS TO THE VARIABLE CRITERIA, WHEN WE DID
6 THE SHARED LABS, THESE WERE THE SPECIFIC CRITERIA THAT
7 WERE USED IN THE EVALUATION OF APPLICATIONS, YOU MAY
8 RECALL. AND SO WHAT WE TRIED TO DO IS SAY, AS WE THOUGHT
9 ABOUT THE LARGE FACILITIES GRANTS, WHAT WOULD REALLY BE
10 THE CORRESPONDING SET. AS YOU KNOW FROM THE PUBLIC
11 HEARINGS, WE BEGAN WITH OUR VALUES THAT WERE EXPRESSED IN
12 THE CIRM STATEMENT OF MISSION AND VALUES, AND WE LOOKED
13 AT HOW THOSE APPLIED TO THE OBJECTIVES OF THIS RFA. AND
14 WE IDENTIFIED AND DID A LITTLE BIT OF ADJUSTING OF THE
15 WORDING TO BE APPLICABLE TO THE FACILITIES ARENA.

16 AND WE CAME UP WITH THESE ISSUES AND ASKED
17 PEOPLE TO COMMENT ON THEM. AND AS WE HEARD, WE THINK
18 THAT THEY KIND OF BOIL DOWN TO WHAT WE HEARD IS THAT THEY
19 ARE FOCUSED AROUND THESE FOUR AREAS: URGENCY, WHICH HAS
20 CONSISTENTLY BEEN TO GET GOING ON THIS AND GET IT DONE
21 QUICKLY.

22 USING THE WORD "VALUE" TO CONSIDER BASICALLY
23 THE TRADE-OFFS BETWEEN COSTS AND QUALITY. THE EXCELLENCE
24 OF THE FACILITY AND INNOVATION, I THINK, IS ONE AREA
25 WHERE IF YOU WANT TO INTRODUCE THE GREEN BUILDING AS PART

1 OF THE VALUE DISCUSSION AND PART OF THE SCORING, WE COULD
2 DO IT THAT WAY.

3 THIRDLY, LEVERAGE, AS WE'VE JUST DISCUSSED,
4 THAT THAT IS A COMPONENT OF VARIABILITY THAT YOU NEED TO
5 CONSIDER.

6 AND FUNCTIONALITY IS TRYING TO CAPTURE ALL OF
7 THE CONTENT THAT DEALT WITH HOW WELL BUILDINGS NEED TO
8 RESPOND TO PROGRAM, HOW WELL THE INVESTMENT RESPONDS TO
9 SPECIFIC OBJECTIVES THAT ARE EXPRESSED BY THE SCIENTISTS.

10 SO THOSE ARE THE FOUR THAT WE HEARD FROM THE
11 MEETINGS. AND WHAT I'D LIKE TO DO IS REVIEW SOME OF THE
12 HIGHLIGHTS IN THE SLIDES OF WHAT WE HEARD ACROSS THE FOUR
13 MEETINGS SO THAT YOU CAN GET A SENSE ABOUT HOW VARIABLE
14 EACH OF THESE WOULD BE.

15 AND THEN AT THE END OF THAT, WE'D LIKE TO BEGIN
16 THE KIND OF INTERACTIVE COMPONENT WHERE YOU'RE GOING TO
17 HAVE TO START DEFINING THESE AND GIVING RISE TO GIVING US
18 WHAT YOU THINK SHOULD BE THE CRITERIA OR THE STANDARD AND
19 SCORING.

20 DR. WRIGHT: RICK, ON THE VALUE BULLET, I THINK
21 THAT COLLABORATION FELL OUT OF THE PARENTHESES THERE, BUT
22 YOU INTENDED TO BECAUSE YOU ADDRESS IT IN THE SUBSEQUENT
23 SLIDES. SO VALUE CONTAINS THE COST, EXCELLENCE,
24 WHATEVER.

25 MR. KELLER: WHAT WE WANTED, AND I THINK I LOST

1 THE TRANSITION HERE SOMEWHERE, WAS THAT A NUMBER OF THE
2 TOPICS THAT WERE DISCUSSED AT THESE MEETINGS REALLY DO
3 GET FUNDAMENTALLY TO THE SCIENCE. AND SO WHEN YOU
4 DISTILL OUT SOME OF THOSE, THE ISSUE OF COLLABORATION AND
5 THE OBJECTIVE OF COLLABORATION BEING ADVANCEMENT IN A
6 COOPERATIVE WAY, WE THINK THAT THERE'S AN ELEMENT THAT
7 APPLIES TO FACILITIES, WHICH WE'RE CALLING MORE CONCISELY
8 CONSORTIUM BECAUSE IT IS A LEGAL CIRCUMSTANCE WHERE YOU
9 AGREE TO SHARE RISK AND SHARE INVESTMENT OPPORTUNITIES.
10 FROM THAT REGARD, I MISSED THAT TRANSITION, AND I
11 APPRECIATE YOU POINTING IT OUT BECAUSE WE SHOULD GO
12 THROUGH HERE AND UNDERSTAND WHAT WE HEARD. MY INTENT WAS
13 THAT YOU COULD LOOK AT THOSE AND SEE DO THEY REALLY
14 ALIGN, OR DO WE NEED TO ADD SOME, OR DO YOU WANT TO
15 SUBTRACT SOME?

16 MR. KLEIN: I ACTUALLY THINK THAT JANET'S RIGHT
17 ON FOCUSING ON THIS COLLABORATION BECAUSE THERE ARE FORMS
18 OF COLLABORATION THAT ARE HIGHLY VALUABLE SHORT OF AN LLC
19 OR A LEGAL ENTITY BEING FORMED. THERE ARE CONTRACTUAL
20 COMMITMENTS, WRITTEN AGREEMENTS BETWEEN INSTITUTIONS FOR
21 COLLABORATION THAT MAY BRING TOGETHER EXCELLENCE FROM A
22 NUMBER OF INSTITUTIONS THAT WE SHOULD BE AWARE OF AND I
23 THINK EVALUATE BECAUSE THEY CONTRIBUTE TO THE ABILITY TO
24 HAVE THESE INTERDISCIPLINARY TEAMS AND BRINGING TOGETHER
25 EXCELLENCE FROM A NUMBER OF INSTITUTIONS TOGETHER.

1 SO I THINK WE MIGHT WANT TO CONSIDER
2 COLLABORATION AS AN INDEPENDENT ITEM HERE.

3 MR. KELLER: I THINK THAT'S ALL CORRECT. THE
4 QUESTION BECOMES WHO EVALUATES THE MERIT OF THAT? AND I
5 THINK IT'S THE GRANTS WORKING GROUP BECAUSE ALL OF THOSE
6 THINGS ARE DIRECTED AT OUTCOMES, NOT ABOUT INVESTMENT IN
7 FACILITIES. THAT'S THE DISTINCTION I THINK WE'RE TRYING
8 TO MAKE BETWEEN COLLABORATION AND CONSORTIA.

9 CHAIRMAN LICHTENGER: I WANT TO MAKE A COMMENT
10 BECAUSE I THINK I HEARD THAT THERE SEEMS TO BE THREE
11 TYPES OF COLLABORATION. ONE IS A LEGAL ONE, THE OTHER IS
12 A SCIENTIFIC, AND THE OTHER IS FACILITIES. AND, YOU
13 KNOW, I THINK THAT THIS GROUP, THIS FACILITIES WORKING
14 GROUP, REALLY CAN ONLY COMMENT FROM THE FACILITIES
15 PERSPECTIVE IF THE PROPOSED FACILITY APPEARS TO BE
16 COLLABORATIVE IN HOW IT'S BEING SET UP. DOES EVERYONE
17 SEE WHERE I'M GOING WITH THIS?

18 MR. KLEIN: I WOULD SAY THAT IF INSTITUTIONS
19 ARE COMMITTING FACULTY TO WORK TOGETHER IN A JOINT
20 PROJECT BASIS, THAT'S AN INSTITUTIONAL COMMITMENT THAT'S
21 VISIBLE. IF INSTITUTIONS ARE JOINTLY PUTTING MONEY IN,
22 IT SHOWS A COMMITMENT, INSTITUTIONAL COMMITMENT, BY
23 ANOTHER INSTITUTION TO WORK WITH THE APPLICANT TO ENHANCE
24 THE OUTCOME. SO I REALLY DO THINK THAT THERE'S SOME
25 CROSSOVER HERE THAT'S CREDIBLE EVIDENCE OF REAL,

1 SUSTAINED COMMITMENT TO COLLABORATION THAT'S VALUABLE TO
2 OUR MISSION.

3 MR. SHEEHY: I GUESS COLLABORATION DOESN'T MEAN
4 ANYTHING, FRANKLY, OUTSIDE OF CONTEXT. AND THAT'S WHY I
5 THINK I WOULD PROBABLY LEAN, AS I UNDERSTAND IT, TO HAVE
6 THAT EVALUATED WITHIN THE SCIENTIFIC -- AS A SCIENTIFIC
7 ISSUE AND NOT AS A FACILITIES ISSUE. JUST BECAUSE PEOPLE
8 ARE WORKING TOGETHER DOESN'T MEAN THAT THEY'RE GOING TO
9 ACCOMPLISH ANYTHING, AND TO HAVE IT MORE DIRECTLY LINKED
10 TO A SCIENTIFIC OUTCOME BY EVALUATING IT SCIENTIFICALLY.
11 AND ALSO I DON'T KNOW IF ONCE WE OPEN THE DOOR ON THIS
12 END, HOW DO WE -- DO WE START TO EVALUATE NOT JUST, YOU
13 KNOW, COLLABORATIONS BETWEEN INSTITUTIONS, BUT
14 COLLABORATIONS PREEXISTING OR FUTURE COLLABORATIONS
15 BETWEEN INSTITUTIONS AND FOR-PROFIT ENTITIES, WHICH WILL
16 BE CRITICAL, WHICH I ALSO THINK BELONG'S PROBABLY WITHIN
17 THE SCIENTIFIC REALM.

18 AND SO I TEND TO AGREE WITH RICK, THAT MAYBE
19 THIS MAY NOT BE AN ISSUE FOR THIS PARTICULAR -- BECAUSE
20 PART OF WHAT WE'RE TRYING TO DO IS DIVIDE UP THE PIE AND
21 DECIDE WHO GETS TO EVALUATE WHICH PIECE OF THIS PROPOSAL,
22 AS I UNDERSTAND IT. AND I THINK SCIENCE SEEMS TO BE A
23 BETTER WAY TO GET TO THE QUALITATIVE ASPECTS OF THIS
24 ISSUE, WHICH I THINK ARE FUNDAMENTALLY THE MOST IMPORTANT
25 PART OF IT.

1 MR. KASHIAN: I WAS GOING TO MAKE THE SAME
2 POINT JEFF MADE, AND HE DID IT MUCH MORE ELOQUENTLY THAN
3 I COULD. I TEND TO AGREE WITH HIS POINT OF VIEW.

4 MR. KLEIN: AND IN RESOURCE ALLOCATION, IF
5 THERE'S MULTIPLE INSTITUTIONS WORKING TOGETHER, DO WE
6 SET -- IF WE SET A RANGE OF RECOMMENDED ALLOCATIONS FOR
7 DIFFERENT KINDS OF MAJOR FACILITIES, IF THERE'S MULTIPLE
8 ENTITIES WORKING TOGETHER, DO WE SAY FROM OUR POINT OF
9 VIEW THAT THERE SHOULD BE A HIGHER MAXIMUM CAP IN TERMS
10 OF THE ALLOCATION? THIS IS AN OVERALL RESOURCE
11 ALLOCATION OF FACILITIES ISSUE. OR DO WE SAY THAT IF
12 IT'S FOUR INSTITUTIONS MAKING AN APPLICATION OR ONE, THAT
13 THEY'RE UNDER THE SAME CAP. THERE'S RESOURCE ALLOCATION
14 ISSUES THAT ARE FINANCIAL IN TERMS OF COLLABORATION. AND
15 MAYBE IT'S A NARROWER RANGE OF DISCUSSION, BUT I STILL
16 THINK COLLABORATION HAS SOME RELEVANCE TO OUR RESOURCE
17 ALLOCATION ISSUES.

18 MS. SAMUELSON: I ALSO THINK THAT OUR SCOPE
19 SHOULD BE SOMEWHAT BROADER THAN JUST THE FINANCIAL
20 ASPECTS BECAUSE IF WE LEAVE EVERYTHING ELSE UNDER THE
21 RUBRIC OF SO-CALLED SCIENCE AND TURN IT OVER TO THE
22 GRANTS WORKING GROUP, I THINK WE WOULD LOSE SOMETHING
23 THAT SPECIAL'S ABOUT THIS WORKING GROUP'S FUNCTION. AND
24 SO I'VE BEEN WONDERING IF WE MIGHT WANT TO ADOPT, AND
25 THIS IS JUST FOR PURPOSES OF DISCUSSION, ONE WAY OF GOING

1 ABOUT IT. I KEEP WANTING TO BE MORE FLEXIBLE AND MORE
2 GOAL ORIENTED AND ALWAYS THINKING ABOUT THAT IN WHATEVER
3 CRITERIA WE'RE GOING TO RECOMMEND.

4 AND SO I WAS THINKING WE MIGHT RECOMMEND TO THE
5 GRANTS WORKING GROUP A SET OF PRINCIPLES THAT WE WANT
6 THEM TO APPLY IN DEVELOPMENT OF THE SCIENTIFIC CRITERIA.
7 SO, FOR EXAMPLE, THAT THE FACILITIES ARE REGARDED AS
8 REGIONAL AND STATEWIDE RESOURCES. SO THAT, FOR EXAMPLE,
9 WE RECOGNIZE THAT WE WANT SOMEWHERE THERE TO BE RESOURCES
10 IN THE AREA OF IMAGING OR PRIMATES, OR THAT THOSE KINDS
11 OF RESOURCES BE AVAILABLE SOMEWHERE, BUT THAT WE'RE NOT
12 NECESSARILY SEEKING THAT FROM LOTS OF THEM SO THAT WE
13 MAKE GOOD USE OF THE DOLLAR.

14 AND THAT MAYBE WE, OURSELVES AND THE GRANTS
15 WORKING GROUP, HAVE A VERY FLEXIBLE PROCESS IN THAT THEY
16 GIVE US AN APPLICATION, BUT THEN WE THINK ABOUT WHAT WE
17 WANT AT THAT POINT AND MAKE RECOMMENDATIONS BACK TO THEM
18 RATHER THAN HAVING JUST --

19 CHAIRMAN LICHTENGER: JOAN, THIS IS ABOUT THE
20 PROCESS, AND WE'RE GOING TO HOPEFULLY TALK ABOUT THIS
21 LATER TODAY. WHAT I'D LIKE TO PROPOSE IS THAT WE DO
22 ADDRESS YOUR -- I THINK YOU'VE GOT SOME VERY GOOD POINTS,
23 BUT RICK'S GOT A LOT OF MATERIAL JUST TO PRESENT, AND
24 THEN WE CAN TALK ABOUT.

25 MS. SAMUELSON: I PREFER THAT.

1 CHAIRMAN LICHTENGER: JEFF, CAN WE MOVE ON?
2 ARE YOU OKAY IF WE MOVE ON?

3 MR. SHEEHY: I WANTED TO RESPOND TO BOB BECAUSE
4 I THINK THAT THIS IS AN IMPORTANT PART, AND I DO THINK WE
5 NEED TO CAPTURE COLLABORATION IN SOME WAY. I WONDER AS
6 WE LOOK AT THESE FOUR CATEGORIES THAT ARE DEFINED, I DO
7 THINK WE DO HAVE AT LEAST, AND THANK YOU FOR THE
8 PRESENTATION TODAY, WE DO HAVE A COLLABORATION THAT MIGHT
9 NEED TO BE MITIGATED MAYBE ON THE ISSUE OF URGENCY. FOR
10 INSTANCE, IT MAY TAKE LONGER FOR THEM, SO THEY SHOULD BE
11 ABLE TO GET -- IN OTHER WORDS, AND THIS MAY BE A -- WE
12 MAY HAVE TO START THIS PROCESS AND MAYBE COME BACK.
13 MAYBE WE CONSIDER IT AS AN ISSUE OF VALUE, AS AN ISSUE OF
14 LEVERAGE, BUT LOOK AT IT AS SOMETHING THAT FITS WITHIN
15 THESE FOUR CATEGORIES IN WHICH THEY CAN GAIN AGAINST
16 WHERE THEY MIGHT HAVE LOST BECAUSE THEY TOOK THAT STEP TO
17 COLLABORATE. DOES THAT MAKE SENSE?

18 MR. KLEIN: I THINK THAT'S ABSOLUTELY CORRECT.
19 WE'VE TRIED TO EMPHASIZE COLLABORATION AS A VALUE. IT'S
20 A POLICY VALUE. AND SO IF PEOPLE ARE GOING TO TRY AND
21 MEET OUR POLICY VALUES, BUT IT TAKES THEM MORE THAN TWO
22 YEARS BECAUSE THERE ARE FOUR INSTITUTIONS TRYING TO BUILD
23 A BUILDING TOGETHER, MAYBE WE HAVE TO HAVE A BONUS
24 PROVISION OR POINTS FOR COLLABORATION AND A DIFFERENT CAP
25 FOR COLLABORATION BECAUSE THEY'RE GIVING UP MAKING

1 INDIVIDUAL APPLICATIONS, AND THEY'RE MAKING THEM AS A
2 GROUP. SO ALLOWING A COLLABORATION CATEGORY ALLOWS US TO
3 MAKE THOSE ADJUSTMENTS SO WE ACHIEVE OVERALL POLICY
4 VALUES WHILE LOOKING TO SCIENCE FOR REALLY EVALUATING THE
5 SCIENCE IN THE INSTITUTION, WHICH IS THE DRIVING FORCE OF
6 THE DECISION.

7 VICE CHAIR SERRANO-SEWELL: DAVID, I WANT TO
8 KEEP IN MIND TOO, AND THIS IS FURTHER DOWN THE ROAD IN
9 THE PROCESS, WE PROBABLY WON'T GET TO THIS PIECE OF IT
10 TODAY, BUT WHEN THE FACILITIES WORKING GROUP DOES ITS
11 REVIEW OF THE APPLICATIONS, AND WE'RE GOING TO DECIDE HOW
12 WE WANT TO DO THAT PROCESS, BUT WE COULD, LIKE LAST TIME,
13 AND I THINK THERE'S SOME VALUE TO IT, HAVE THE
14 PROGRAMMATIC REVIEW WHERE WE CAN CAPTURE SOME OF THESE
15 ISSUES. THAT MIGHT BE ONE AREA WHERE WE CAN CAPTURE SOME
16 OF THESE ISSUES IN TERMS OF WHEN WE DO THE PROGRAMMATIC
17 REVIEW AND READJUSTING AND THE SCORING WHAT WE WANT TO
18 LOOK AT GLOBALLY.

19 MR. KLEIN: MAYBE WE COULD SAY THAT WE COULD
20 CONSIDER THAT UNDER THE PROGRAMMATIC.

21 CHAIRMAN LICHTENGER: SO LET'S -- I'D LIKE TO
22 LET RICK AT LEAST KIND OF WORK THROUGH HIS SLIDES ABOUT
23 THE INFORMATION HE GOT AT THE FOUR MEETINGS.

24 MR. KELLER: JUST TO WRAP UP THAT DISCUSSION IS
25 THAT THIS IS LITERALLY FROM THE CUTTING ROOM FLOOR

1 BECAUSE THIS WAS THE DEFINITION OF COLLABORATION THAT
2 LOOKED AT THE CLASSIC WEBSTER'S DICTIONARY JOINT
3 INTELLECTUAL EFFORT, AND CONSORTIUM BEING MORE OF A
4 SINGLE LEGAL ENTITY THAT'S SHARING RESOURCES. WE CAN
5 WORK THROUGH THIS AND GET TO WHERE WE NEED TO GO.

6 SO I WANT TO GO THROUGH THESE PRETTY QUICKLY,
7 IF YOU'VE HAD A CHANCE TO REVIEW THEM, SOME OF THE
8 COMMENTS WHAT WE HEARD ABOUT THESE FOUR AREAS OR SEVEN
9 AREAS THAT WERE THE TOPICS AT THE PUBLIC MEETINGS.

10 UNDER URGENCY, JUST TO GO THROUGH THIS PRETTY
11 QUICKLY, AND THEN WE CAN GO INTO MORE OF A FORMATION OF
12 CONSENSUS PROCESS, THAT THERE IS OBVIOUSLY URGENCY BY
13 VIRTUE OF COST AND THE NECESSITY OF THE SCIENCE, BUT ALSO
14 IT'S DIFFICULT BY VIRTUE OF THE FACT THAT WE CONTINUE TO
15 HAVE DIFFICULTY IN THE PLANNING PROCESSES THAT COULD MAKE
16 IT MORE THAN TWO YEARS. SO, AGAIN, A CONTINUUM OF
17 COMMENT ON THAT ISSUE.

18 BUT I THINK THE KEY POINT ON THIS SLIDE,
19 THOUGH, IS THAT LACK OF SPACE IS A LIMITING FACTOR. AND
20 I THINK WE HEARD THAT MORE OFTEN THAN SOME OF THESE OTHER
21 ISSUES, THAT WITH INVESTMENT IN NEW FACILITIES, THAT THAT
22 WOULD ELIMINATE A BOTTLENECK IN THE OVERALL OBJECTIVES OF
23 THESE INSTITUTIONS DOING THE SCIENCE.

24 HERE'S THE POINT THAT BOB MADE EARLIER ABOUT
25 LOOKING AT HOW WE WOULD MEASURE URGENCY, AND IT WAS

1 SUGGESTED THAT WE START FROM THE NOTICE OF GRANT AWARD,
2 WHICH IS SEVERAL MONTHS AFTER THE DECISION-MAKING
3 PROCESS. AND THEN WE CAN WORK TOWARDS THE RIGHT
4 CONSISTENT END POINT, I THINK, IS WHAT WE HEARD YOU WANT.

5 ON THE POINT ON EXCELLENCE --

6 MR. KLEIN: RICK, JUST AS A FOOTNOTE THERE TOO,
7 IF WE HAVE APPLICATIONS WHERE WE'RE GOING TO GET TWO
8 FLOORS OUT OF A FIVE-STORY BUILDING, THEY CAN ONLY GET --
9 IF THEY'RE GOING TO ACCELERATE THE TWO-FLOOR DELIVERY FOR
10 US, THEY CAN ONLY GET A TEMPORARY CERTIFICATE ON THOSE
11 TWO FLOORS IF THE OTHER THREE FLOORS ARE NOT DONE.

12 MR. KELLER: AGAIN, ON EXCELLENCE, I THINK THE
13 STRONG BIAS HERE WAS THAT EXCELLENCE IS ABOUT PROGRAM AND
14 THAT'S WHAT'S IMPORTANT. AND THAT IN ORDER TO BE
15 EXCELLENT, YOU HAVE TO HAVE A PROVEN TRACK RECORD TO
16 BRING TO THE TABLE. SO THOSE, AGAIN, ARE ISSUES THAT I
17 THINK WILL BE IMPORTANT IN THE GRANTS WORKING GROUP.

18 WE'VE KIND OF TALKED A LOT ABOUT COLLABORATION
19 ALREADY. JUST TO --

20 MR. KLEIN: RICK, ON YOUR LAST SLIDE, THE LAST
21 ITEM SAYS THAT THE APPLICANT MUST SHOW EVIDENCE OF
22 PRECLINICAL AND CLINICAL TRANSLATIONAL RESEARCH.

23 MR. KELLER: TO BE CONSIDERED EXCELLENT.
24 THAT'S THE CONTEXT.

25 MR. KLEIN: RIGHT. THE ISSUE IS IF THEY MAY

1 HAVE A COLLABORATION WITH AN INSTITUTION THAT HAS -- EVEN
2 THIS CONSORTIUM IN SOUTHERN CALIFORNIA, IT IT'S A NEW
3 LEGAL ENTITY, IT DOESN'T HAVE THAT, SO IT HAS TO SHOW
4 THAT IT'S COLLABORATING WITH UC SAN DIEGO. AND THAT'S
5 WHERE ITS PRECLINICAL HISTORY IS, AND/OR IT COULD BE A
6 PHENOMENAL INSTITUTION IN BASIC AND APPLIED RESEARCH AND
7 NOT HAVE CLINICAL. AND HOPEFULLY THE SCIENTIFIC SCORE
8 CAN SCORE IT EXCELLENT ON THESE CRITERIA, BUT JUST NOT
9 SCORE IT EXCELLENT IN THE PRECLINICAL OR CLINICAL.

10 SO WE DON'T WANT JUST ONE OVERALL CATEGORY, AND
11 I THINK YOU HAVE A LATER CHART THAT BREAKS THOSE OUT.

12 MR. KELLER: DR. CHIU IS GOING TO GO OVER THAT
13 CHART, AND I THINK IT WILL BE VERY ENLIGHTENING.

14 AND I THINK COLLABORATION, THE OTHER POINT TO
15 MAKE, IS THAT WE HEARD COMMENTS THAT ALSO WHILE THERE WAS
16 COLLABORATION AMONG INSTITUTIONS, THERE IS ALSO A STRONG
17 STATEMENT ABOUT THE NECESSITY OF HAVING INDUSTRY
18 COLLABORATIONS AS A COMPONENT OF EVALUATION. AND, AGAIN,
19 I THINK THAT'S MORE OF A PROGRAM SCIENCE-BASED ISSUE.

20 AGAIN, CIRM HAS AN ENCOURAGEMENT TO FORMAL
21 COLLABORATIONS WAS SUGGESTED.

22 ON INNOVATION, HERE AGAIN, GREEN BUILDING
23 DESIGN WAS SOMETHING THAT WAS MENTIONED SEVERAL TIMES.
24 THERE WAS A STATEMENT MADE ABOUT THE CREATIVE, INNOVATIVE
25 SMALL PLACES THAT SHOULD HAVE SOME SEEDABILITY.

1 MS. SAMUELSON: COULD YOU DEFINE THAT?

2 MR. KELLER: THAT WAS THE SPEAKER'S WORD. AND
3 MY INTERPRETATION IS THAT IT'S ABOUT THE OPPORTUNITY TO
4 GROW AND TO BRING OUT A NASCENT PROGRAM TO A MORE ROBUST
5 CIRCUMSTANCE, AND THAT THAT WOULD BE PART OF THE
6 FACILITIES GRANT -- PART OF THE FACILITIES GRANT
7 COMPONENT IS MOVEMENT FROM, SAY, EMERGING TO MORE
8 SUBSTANTIAL IN TERMS OF STANDING WITHIN THE RESEARCH
9 COMMUNITY.

10 DR. WRIGHT: IN THE SENSE OF NURTURING
11 INNOVATION, RIGHT, IN A SMALL PLACE THAT HAS NOT YET
12 PROVEN ITSELF?

13 MR. KELLER: I THINK SO.

14 CHAIRMAN LICHTENGER: I JUST WANT TO REMIND
15 EVERYONE THESE ARE THE COMMENTS THAT WE HEARD AT THE FOUR
16 PUBLIC INFORMATION, SO I JUST WANT TO REITERATE THAT.

17 MR. KELLER: SO BECAUSE WE'VE HAD A LOT OF
18 DISCUSSION ABOUT LEVERAGE, I THOUGHT IT WOULD BE
19 IMPORTANT TO MIX IN WITH WHAT WE HEARD SLIDES, KIND OF A
20 QUICK OBSERVATION OF WHAT WE THINK THE DEFINITION OF
21 LEVERAGE IS. NOW WE'VE KIND OF GOT THE MATCHING OUT OF
22 WAY IN TERMS OF THE 20-PERCENT CASH. SO THE CLASSIC
23 DEFINITION OUT OF THE DICTIONARY IS THAT IT'S A SMALL
24 INITIAL INVESTMENT IN THIS CASE TO GAIN A VERY HIGH
25 RETURN IN RELATION TO ONE'S INVESTMENT TO CONTROL A MUCH

1 LARGER INVESTMENT.

2 SO THAT NOTION IS BASICALLY IMPLYING A
3 MULTIPLICATION CIRCUMSTANCE WHERE YOUR FUNDS AND YOUR
4 DECISION TO INVEST WILL GIVE RISE TO OBJECTIVES AND
5 OUTCOMES. SO WE'VE KIND OF APPLIED THAT TO FERRET OUT
6 WHAT WE HEARD IN THE GROUPS FROM THE PUBLIC SESSIONS. WE
7 DIVIDED THEM INTO TWO CATEGORIES WHICH WE THINK WOULD
8 WORK WELL FOR YOU IN YOUR ASSESSMENT OF LEVERAGE.

9 FIRST IS PROJECT LEVERAGE, WHICH WE'RE SAYING
10 WOULD BE DEFINED AS THE ADDITIONAL FUNDING PROVIDED BY
11 THE APPLICANT THAT'S IN SUPPORT OF THAT PARTICULAR
12 CAPITAL PROJECT THAT'S BEING FUNDED BY CIRM AND THE
13 MATCHING FUNDS. SO IT'S BASICALLY SWEETENING THE POT, IF
14 YOU WILL, EXPANDING THE RESOURCE BASE FOR THE PROJECT AT
15 HAND.

16 THEN THERE'S ANOTHER --

17 CHAIRMAN LICHTENGER: CAN WE TALK ABOUT THIS
18 PROJECT LEVERAGE? YOU KNOW, THERE MIGHT BE A WAY THAT WE
19 COULD ACTUALLY EVEN MAKE IT A TERM THAT INCORPORATES THE
20 COST AND COMES UP WITH SOME KIND OF RATIO OF COST TO
21 LEVERAGE. SO AS MANY MEMBERS HAVE BROUGHT UP, SO I JUST
22 WANTED TO KIND OF OPEN THAT UP TO THE FLOOR FOR A MINUTE,
23 OR MAYBE WE COULD KEEP JUST THE COST EVALUATION SEPARATE,
24 BUT IT'S JUST AN INTERESTING POINT, THAT IF YOU HAD,
25 LET'S SAY, TWO APPLICATIONS AND ONE HAD A COST, PICK A

1 NUMBER, OF \$1200 A SQUARE FOOT, BUT THEN ON A LEVERAGE
2 BASIS ON CIRM DOLLARS, IT WAS A SUBSTANTIALLY LOWER
3 NUMBER BECAUSE IT HAD A VERY HIGH LEVERAGE VERSUS,
4 ANOTHER APPLICATION WHICH MIGHT HAVE AN \$800 SQUARE FOOT
5 COST, BUT A LOT LESS LEVERAGE. SO I JUST WANTED TO OPEN
6 UP THAT DISCUSSION.

7 MR. SHEEHY: JUST A QUICK. THAT WOULD BE CASH?
8 ARE WE TALKING ABOUT --

9 CHAIRMAN LICHTENGER: YES, WE'RE TALKING CASH.

10 MR. KLEIN: I THINK THAT'S AN IMPORTANT,
11 FOLLOWING ON JEFF'S POINT, I THINK, THE DIRECTION JEFF'S
12 GOING, PLEASE CORRECT ME IF I'M WRONG, IS THAT FOR REAL
13 CASH LEVERAGE, I THINK WE SHOULD DEFINITELY TAKE INTO
14 CONSIDERATION THE EFFECTIVE COST TO US IN DELIVERING
15 VALUE. DOES THAT MAKE SENSE?

16 MR. SHEEHY: YEAH. I THINK WE'RE ON THE SAME
17 PAGE THERE.

18 MR. KELLER: ONE OF THE THINGS THAT I HAD PUT
19 IN THE SLIDES WAS THIS CONCEPT OF ESTABLISHING A NET
20 MATCHING FUND AND NET COST THAT WOULD THEN FOCUS ON THE
21 CIRM GOALS. AND THAT WOULD BE LIKE COST PER SQUARE FOOT
22 OR WHATEVER AND NOT NECESSARILY INSTITUTIONAL GOALS. I
23 THINK THAT CAPTURES IT.

24 I WANT TO GO BACK HERE TO IF WE'RE DONE WITH
25 KIND OF PROJECT LEVERAGE BEING THAT AMOUNT THAT GETS INTO

1 THE PROJECTS. THE PROGRAM LEVERAGE IS THAT ADDITIONAL
2 COMPONENT OF RESOURCES COMING FROM THE APPLICANTS THAT'S
3 DEVOTED TO STEM CELL RESEARCH, BUT IT INCLUDES ALL TYPES
4 OF RESOURCES. WE EARLIER MENTIONED THE FACT THAT
5 COMMITMENTS OF FACULTY APPOINTMENTS TO STEM CELL
6 PROGRAMS, THE ABILITY OR AVAILABILITY OF CORE LABS OR
7 OTHER ASSETS THAT EXIST, AND THE COMMITMENT OF THOSE
8 RESOURCES ARE ACTUALLY PART OF THE LEVERAGE. AND IT
9 WOULD BE MUCH HARDER TO DEFINE AND IT MAY BE A LESSER
10 COMPONENT OF YOUR OVERALL EVALUATION, AND WE'LL GET TO
11 YOUR CHOICES ON THAT LATER. BUT WE THINK IT'S AN
12 IMPORTANT CONCEPT THAT YOU HAVE TO ACKNOWLEDGE BECAUSE I
13 THINK IT HAS PARTICULAR APPLICABILITY TO THE SMALLER
14 PROJECTS WHERE IF YOU'RE FILLING A VOID, IF YOU ARE
15 INVESTING IN A COMPONENT THAT WILL BASICALLY GIVE THEM
16 STANDING, AND THEY'VE ALREADY GOT THE COMPLEMENTARY
17 RESOURCES AVAILABLE, THEN YOU ARE TRULY GETTING A LOT OF
18 PROGRAM LEVERAGE. AND IT WOULD BE IMPORTANT, I THINK, TO
19 CONSIDER THAT.

20 VICE CHAIR SERRANO-SEWELL: YEAH. THIS CONCEPT
21 OF PROGRAM, I'M INTRIGUED BY THE CONCEPT OF PROGRAM
22 LEVERAGE. WE DID HEAR FROM A COUPLE OF FOLKS THAT TALKED
23 ABOUT IT. THEY POINTED -- I THINK HANS KEIRSTEAD POINTED
24 TO WAYS IN WHICH WE COULD -- YOU SAY IT'S DIFFICULT TO
25 VERIFY, BUT WE COULD GET REPRESENTATIONS FROM THE

1 CHANCELLORS AND THE ADMINISTRATORS, WHOEVER THEY MAY BE,
2 THAT THEY ARE MAKING THESE COMMITMENTS. YOU'RE RIGHT.
3 THEY CAN CHANGE IT, BUT WE COULD GET COMMITMENTS. AND WE
4 WOULD HOPE THAT THEY WOULD MAKE THOSE COMMITMENTS IN
5 THEIR APPLICATIONS IN GOOD FAITH. NOW, THERE COULD BE
6 INTERVENING FACTS THAT CHANGE THAT.

7 NOW, I THINK IT'S GOING TO BE A TOUCHY --
8 DIFFICULT ISSUE FOR THE ICOC TO DEAL WITH, CURABLE,
9 BECAUSE THERE ARE INSTITUTIONS, LARGER INSTITUTIONS, THE
10 UCS'S, THEY'RE GOING TO MEET THIS ADDITIONAL FUNDING
11 COMPONENT QUITE EASILY. THEY'VE ALREADY ISSUED
12 GAZILLIONS OF PRESS RELEASES TELLING US THEY HAVE, AND
13 THEY SHOULD BE APPLAUDED FOR THAT. AND IN NO WAY DO I
14 WANT TO DISCOURAGE THAT'S, BUT THAT'S SO IMPORTANT.

15 NOW, IN THE LEVERAGE COMPONENT, AND WE'LL
16 DECIDE THIS LATER IN THE WEIGHTING, BUT I JUST WANT TO
17 NOTE IT. YOU KNOW, DO WE WANT TO GIVE EQUAL WEIGHT TO
18 PROJECT AND PROGRAM LEVERAGE? I THINK WE OUGHT TO OR
19 NOT. OR SHOULD WE GIVE MORE WEIGHT TO PROJECT OR PROGRAM
20 OR VICE VERSA? IT GOES TO THE CENTRAL ISSUE OF LEVERAGE
21 AND WHAT WE MEAN THIS LEVERAGE TO BE IN THIS PROCESS. WE
22 HAVE TO CLEARLY DEFINE IT SO THE INSTITUTIONS UNDERSTAND
23 WHEN THEY START PREPARING THEIR APPLICATIONS BECAUSE
24 EVERYONE IS INTRIGUED BY THIS LEVERAGE CONCEPT, AND WE DO
25 WANT TO REWARD IT.

1 CHAIRMAN LICHTENGER: I'M NOT QUITE SURE HOW
2 WE -- WE'D HAVE TO HAVE A VERY GOOD DEFINITION FOR
3 PROGRAM LEVERAGE, WHICH I DON'T KNOW IF STAFF HAS ANY
4 IDEAS ON THIS.

5 MR. KELLER: I THINK THIS IS ANOTHER EXAMPLE
6 WHERE I THINK INTERACTION WITH THE APPLICANTS IN TERMS OF
7 UNDERSTANDING OUR OBJECTIVE, WHICH IS TO RECOGNIZE
8 OPPORTUNITIES, WHERE THE INSTITUTIONAL COMMITMENTS THAT
9 GO BEYOND SIMPLY DOLLARS INTO THE CAPITAL PROJECT GIVE
10 RISE TO OUTCOMES THAT THEY CAN CLEARLY POINT TO AS BEING
11 CONSISTENT AND SUPPORTIVE OF CIRM'S OBJECTIVES. SO I
12 THINK IN CRAFTING THE APPLICATION, I THINK THE KEY HERE
13 IS DO WE WANT TO HAVE CRITERIA THAT WE BASICALLY APPLY TO
14 SETS OF FACTS, OR DO WE WANT SOMEONE TO MAKE A CONVINCING
15 ARGUMENT?

16 VICE CHAIR SERRANO-SEWELL: I THINK SETS OF
17 FACTS. ANYONE CAN MAKE A CONVINCING ARGUMENT, BUT WE
18 WANT THIS -- IT WOULD BE MY PREFERENCE THAT THE RFA IS
19 DESIGNED IN SUCH A WAY THAT IT'S OBJECTIVE, NOT
20 SUBJECTIVE. SO THE PLAYING FIELD IS VERY CLEAR. AND IF
21 YOU ALLOW THE APPLICANT TO MAKE THEIR -- THIS IS MY
22 OPINION -- TO MAKE THE BEST ARGUMENT, IT BECOMES VERY
23 SUBJECTIVE AT THAT POINT.

24 MR. KELLER: I WAS JUST REACTING TO THE --

25 VICE CHAIR SERRANO-SEWELL: IT'S HARD TO SCORE.

1 MR. KELLER: -- THE CHAIR'S OBSERVATION. I
2 THINK IT'S HARD TO SCORE IN ANY EVENT. AND WHILE I THINK
3 YOU CAN DEAL WITH FACTS ON PROJECT, HOW MUCH MONEY PEOPLE
4 ARE PUTTING INTO PROJECTS, IT'S HARD TO UNDERSTAND THAT
5 IF THEY'VE GOT A CORE LAB AND THEY THINK IT'S GOING TO BE
6 USED 20 PERCENT OF THE TIME, THE IMAGING LAB FOR STEM
7 CELL, OR 10 PERCENT, AND SO IT BECOMES VERY COMPLEX, I
8 THINK, TO FERRET OUT. AND SO JUST END THERE.

9 MR. KLEIN: WELL, TWO POINTS. ONE, IN TERMS OF
10 DAVID'S COMMENT, I'M PERSONALLY AS WELL VERY INTRIGUED IN
11 PROGRAM LEVERAGE, BUT WE CAN GET HARD FACTS FOR CASH
12 LEVERAGE. FROM A PRAGMATIC BASIS, UNLESS WE REALLY SEND
13 OUT A CLEAR MESSAGE AND INCENTIVIZE CASH LEVERAGE, WE
14 WON'T GET ENOUGH LEVERAGE TO REALLY COVER THE
15 OPPORTUNITIES IN THIS STATE WITH FACILITIES. WE HAVE TO
16 GET SUBSTANTIAL CASH LEVERAGE.

17 BUT THE PROGRAM LEVERAGE MIGHT, UNDER THE
18 PROGRAM REVIEW, BE HIGHLIGHTED AS AN IMPORTANT POINT. IT
19 COULD -- I'M TOTALLY OPEN TO BEING A DIFFERENT POINT
20 CATEGORY. BUT I'M JUST THINKING WE DO NEED IN THE
21 FINANCIAL LEVERAGE TO HAVE SOME SIGNIFICANT POINTS THERE
22 BECAUSE WE CAN HAVE THREE INSTITUTIONS WITH 97-PERCENT
23 SCORES, AND WE DON'T WANT TO PUT ALL OF OUR MONEY INTO
24 THREE INSTITUTIONS WITH 97-PERCENT SCORES BECAUSE WE'VE
25 GOT A LOT OF OPPORTUNITIES FOR GREAT SCIENCE IN THE

1 STATE. SO WE'RE GOING TO NEED TO GET SOME MAJOR
2 FINANCIAL LEVERAGE AND HAVE SOME KIND OF GUIDELINES
3 POTENTIALLY ON MAXIMUM CAPS OR RANGES OF ALLOCATIONS TO
4 INSTITUTIONS, EVEN IF THEY HAVE A VERY HIGH SCIENTIFIC
5 SCORE, IF WE'RE GOING TO COVER ALL OF OUR REAL
6 OPPORTUNITIES WHERE THERE'S SCIENTIFIC MERIT COMING OUT
7 OF THE GRANTS WORKING GROUP.

8 MR. SHEEHY: WELL, I HOPE I DON'T GET SHOT FOR
9 SUGGESTING THIS. I WONDER IF THIS PROGRAM LEVERAGE MIGHT
10 BLEED OVER TO A SCIENTIFIC REVIEW ISSUE BECAUSE THAT
11 MIGHT BE A BETTER PLACE TO EVALUATE THAT. IF THAT'S OFF
12 BASE, I'M WILLING TO END IT HERE. IT MAY BE A DEGREE OF
13 COMPLICATION.

14 MS. HOFFMAN: ACTUALLY MAY I COMMENT FOR A
15 MINUTE, AND I THINK YOU WILL SEE THIS, I'M SORRY IT'S
16 LATER IN THE PRESENTATION, BUT DR. CHIU WILL SPEAK TO
17 THAT BECAUSE SHE WILL TALK ABOUT FUTURE RECRUITMENTS FOR
18 FACULTY, THE SYNERGIES ON THE CAMPUS OR THE INSTITUTION,
19 AND WHAT THEY'RE USING AROUND THIS BUILDING OR THIS
20 FLOOR. SO, IN FACT, THIS WOULD JUST BE THE FINANCIAL
21 PORTION OF THAT.

22 CHAIRMAN LICHTENGER: I JUST WANT TO COMMENT TO
23 JEFF'S COMMENT. JEFF, I ACTUALLY DON'T WANT TO SHOOT
24 YOU. I AGREE WITH YOU ON THIS ONE. ON THE COLLABORATION
25 ONE I'M ACTUALLY NOT SO SURE, BUT ON THIS ONE I ACTUALLY

1 AGREE WITH YOU.

2 VICE CHAIR SERRANO-SEWELL: I WOULD AGREE. I
3 WANT TO AGREE WITH WHAT JEFF SAYS BECAUSE I THINK THE
4 SCIENTIFIC IS THE APPROPRIATE PLACE TO MAKE THAT
5 DETERMINATION, AND THE SCIENTISTS CAN READ THROUGH THE
6 LINES IF THE PROGRAMS ARE REAL OR NOT. IT'S MORE OF A
7 SCIENTIFIC ISSUE THAN IT IS A FACILITIES QUESTION.

8 BUT I WANT TO ENDORSE THAT CONCEPT, BUT I WANT
9 CLARITY ON ONE POINT. THIS IS JUMPING AHEAD, BUT IT WILL
10 IMPACT SORT OF MY UNDERSTANDING OF HOW WE PROCEED. AND
11 THAT IS IF WE GO WITH THE TWO-STEP PROCESS, IF WE GO WITH
12 THE TWO-STEP PROCESS, SCIENTIFIC REVIEW, THEY DO THEIR
13 THING, THEY GO TO THE ICOC, ICOC BLESSES, THEN IT GOES TO
14 THE FACILITIES WORKING GROUP. I'VE GOT IT RIGHT THUS
15 FAR. WHEN IT GOES TO THE FACILITIES WORKING GROUP, ARE
16 ALL OF THOSE APPLICATIONS ON AN EVEN PLAYING FIELD?
17 MEANING WILL SOME OF THE APPLICATIONS BE HIGHER THAN
18 OTHERS? NO. THEY'RE ALL ON AN EVEN PLAYING FIELD.
19 THAT'S HOW I UNDERSTAND THE TWO-STEP PROCESS TO BE.
20 OKAY.

21 THEN I GUESS I HADN'T THOUGHT IT ALL OUT. THEN
22 I WOULD SAY THAT, YEAH, I GUESS DOING THE PROGRAM THING
23 IS FINE, BUT IF THEY COME TO US ALL ON AN EVEN PLAYING
24 FIELD AND WE'RE GIVING MORE POINTS TO PEOPLE -- TO
25 INSTITUTIONS AND APPLICANTS THAT HAVE MORE CASH, I THINK

1 THAT PENALIZES, MAY PENALIZE OTHER PEOPLE, BUT PERHAPS
2 NOT.

3 CHAIRMAN LICHTENGER: LET'S LET RICK FINISH HIS
4 PRESENTATION.

5 MS. SAMUELSON: CAN I JUST MAKE ONE COMMENT ON
6 THE PROJECT LEVERAGE? IT SEEMS TO ME WE WOULD NOT WANT
7 TO DISCOURAGE A PLACE THAT, LET'S SAY, HAS A MEGA DONOR
8 OR CHEVY WHO WANTS TO PUT A BIG CHUNK OF MONEY INTO THIS,
9 IF IT COULD BE CALLED THE CHEVY STEM CELL CENTER. AND SO
10 WOULDN'T WE WANT A PROCESS THAT REWARDS -- THAT CREATES
11 THE INCENTIVES FOR THAT KIND OF GIVING --

12 CHAIRMAN LICHTENGER: YES.

13 MS. SAMUELSON: -- TO OUR NET BUDGET?

14 CHAIRMAN LICHTENGER: I THINK WE WOULD WANT TO
15 HIGHLY ENCOURAGE ANY POTENTIAL APPLICANTS THAT MIGHT HEAR
16 THIS THAT THEY SHOULD GO OUT AND GET AS MUCH MONEY AS
17 POSSIBLE TO LEVERAGE IT ON A CASH BASIS.

18 MS. SAMUELSON: SOME CRITERIA THAT ARE GOING TO
19 PROVIDE THAT INCENTIVE.

20 CHAIRMAN LICHTENGER: YES.

21 MR. KELLER: BRIEFLY, AGAIN, ON WHAT YOU HEARD
22 ABOUT LEVERAGE, THERE WAS THIS POINT MADE, I DON'T KNOW
23 IF WE TALKED ABOUT THE RELATIONSHIP BETWEEN HIGH MATCHING
24 FUNDS AND HIGH PROJECT COST. IT KIND OF GETS TO THE
25 ISSUE OF THE NET MATCHING FUNDS THAT WE TALKED ABOUT ON

1 THIS SLIDE.

2 CIRM FACILITIES SHOULD BE BUILT WHERE CIRM
3 MONEY HAS GONE. AGAIN, I THINK THAT'S MORE OF A FACTOR
4 IN THE SCIENCE SIDE IN TERMS OF THE TRACK RECORD BEING ON
5 THE SCIENCE.

6 OTHER ISSUES THAT WERE DEALT WITH. BUILD TO
7 SERVE POPULATED AREAS. I THINK THAT'S WHAT WE HEARD
8 ABOUT LEVERAGE. I THINK I GOT ONE MORE LEFT HERE IN
9 TERMS OF FUNCTIONALITY. THEN WE CAN KIND OF TALK ABOUT
10 WHERE WE GO FROM HERE.

11 MR. KLEIN: RICK, THAT SAYS BUILD WITH LEVERAGE
12 INCLUDING FACULTY COMMITMENTS. I THINK WE MIGHT NEED TO
13 BREAK THOSE APART BECAUSE WE MAY BE ABLE TO EVALUATE
14 FINANCIAL LEVERAGE, BUT WE MAY NOT BE ABLE TO EVALUATE
15 FACULTY LEVERAGE. SO WE MAY NEED TO SEPARATE THOSE.

16 IF THE SCIENTIFIC REVIEW, BY THE WAY, IS BEFORE
17 OURS, THEN IN OUR PROGRAM REVIEW, WE CAN TAKE INTO
18 CONSIDERATION POTENTIALLY THEIR PROGRAMMATIC REVIEW IN
19 OUR PROGRAM REVIEW.

20 MR. KELLER: FUNCTIONALITY, I THINK, IN TERMS
21 OF THE BROAD DEFINITION, THE WAY THAT I CATEGORIZED THE
22 COMMENTS WAS THAT THERE WAS A LOT OF -- THERE WAS A LOT
23 OF THINGS TALKED ABOUT BY PEOPLE WHO WERE CONCERNED ABOUT
24 HOW WELL THE FACILITY RESPONDED TO THE KEY OBJECTIVES OF
25 THE SCIENCE. AND SO SUCH THINGS THAT ALL OF THESE

1 FACILITIES NEED TO HAVE A FULL COMPLEMENT OF CORE LABS.

2 CHAIRMAN LICHTENGER: RICK, I JUST WANT TO OPEN
3 UP A QUESTION ABOUT THIS FIREWALL FROM FEDERAL FUNDING.
4 DO WE WANT TO MAKE THAT A MINIMUM REQUIREMENT, THAT
5 THAT'S ADDRESSED BECAUSE WHAT IF IT ISN'T?

6 MR. SHEEHY: I THINK RATHER THAN -- I THINK
7 THAT'S -- FIRST OF ALL, AS I UNDERSTAND IT, WE'RE JUST
8 REPEATING COMMENTS. SO I DON'T KNOW IF OUR GOAL HERE IS
9 TO ACTUALLY GO THROUGH EACH COMMENT AND GO UP OR DOWN,
10 BUT I DO THINK WE NEED TO ADDRESS THIS. I THINK WE NEED
11 TO BE CLEAR THAT THE FACILITIES NEED TO BE ELIGIBLE FOR
12 CIRM FUNDING --

13 MR. KLEIN: I THINK JEFF'S --

14 MR. SHEEHY: -- WHICH IS A DIFFERENT POINT THAN
15 FIREWALL.

16 MR. KLEIN: I THINK JEFF'S POINT IS A VERY GOOD
17 ONE. WE NEED TO BE CLEAR THAT WE'RE FREE OF FEDERAL
18 FUNDS SO WE'RE QUALIFIED FOR CIRM FUNDING IN THIS PORTION
19 OF THE FACILITIES THAT'S DEDICATED TO US, BUT ON THE
20 OTHER SIDE NOT PROHIBITING THAT AREA OF THE FACILITY FROM
21 GETTING FEDERAL FUNDS. SO WE WANT TO ORIENT IT, I THINK,
22 TO ACHIEVE DAVID LICHTENGER'S OBJECTIVE, BUT WORD IT SO
23 THAT WE HAVE --

24 MR. KELLER: I'M NOT CERTAIN OF THE INTENT OF
25 THE SPEAKER IN TERMS OF WHAT -- I UNDERSTAND THE

1 DISTINCTION. IT'S EITHER PERMEABLE ONE WAY, OR IF IT'S
2 IMPERMEABLE BOTH WAYS IS, I THINK, WHAT YOU'RE SAYING,
3 AND IT'S NOT TO OUR ADVANTAGE TO NOT HAVE THE FLEXIBILITY
4 FOR FEDERAL FUNDING.

5 CHAIRMAN LICHTENGER: I AGREE WITH THAT. I
6 GUESS I'M JUST RESPONDING TO THAT PARTICULAR PUBLIC
7 COMMENT, THAT OBVIOUSLY IF WE WERE CONCERNED ABOUT A
8 PARTICULAR APPLICATION, THEN OBVIOUSLY WE WOULD HAVE
9 DIFFICULTY POTENTIALLY FUNDING IT.

10 MR. KELLER: I THINK THIS IS IN CONFLICT
11 WITH -- THE OTHER SIDE OF THIS COIN IS FLEXIBILITY TO
12 MOVE INTO AREAS WHERE GRANT FUNDING, IF IT BECOMES
13 AVAILABLE, THAT WE WANT TO BE ABLE TO RESPOND TO.

14 MR. KLEIN: I THINK, RICK, JEFF AND THE OTHER
15 COMMENTS REALLY JUST CAPTURED THE INTENT HERE SO THAT
16 MAYBE WE COULD REVISE THAT TO REFLECT THE INTENT TO
17 ASSURE THAT WE HAVE FEDERAL FUNDS FREE SPACE IN TERMS OF
18 BEING ABLE TO DO CIRM FUNDING ON NON-PRESIDENTIAL LINES.

19 CHAIRMAN LICHTENGER: I AGREE WITH THAT.

20 MR. KELLER: THEN, AGAIN, ON FUNCTIONALITY, A
21 FEW HIGHLIGHTS WERE THAT THERE NEEDS TO BE CLOSE
22 ATTENTION PAID TO INFORMATION TECHNOLOGY, FLEXIBILITY
23 WITH RESPECT TO THE TYPES OF STEM CELL RESEARCH,
24 FACILITIES THAT ARE EXPANDABLE, ADDRESSING SPECIALTY
25 AREAS, AND FUNDS ADDRESSING CAPACITY NEEDS.

1 AGAIN, INTERDISCIPLINARY MEANING THAT THE SPACE
2 HAS PROBABLY A VARIETY OF CAPABILITIES. IN THIS CASE THE
3 SPEAKER WAS MENTIONING BIOENGINEERING. AGAIN, MORE
4 NARROW IN THE FUNCTIONALITY, DEMONSTRATED FDA COMPLIANT
5 PRECLINICAL. ANIMAL MODELS. MULTIDISCIPLINARY. A MORE,
6 I THINK --

7 MR. KLEIN: RICK, HOW DO WE ADDRESS JOAN'S
8 POINT, THAT IN OUR CRITERIA AND HOPEFULLY IN THE
9 SCIENTIFIC CRITERIA IN THE SCIENTIFIC AREA, IF WE NEED
10 EXTREMELY HIGH QUALITY IMAGING AS AN AREA OF
11 SPECIALIZATION, SO IT WOULD NOT BE A GREAT THING IF THE
12 BEST IMAGING PROPOSAL OF ALL OF THEM DIDN'T GET FUNDED.
13 SO THAT MAYBE ONE OF THE CRITERIA WE NEED TO CALL OUT IS
14 MAKING SURE THAT WE'VE GOT SOME COVERAGE ON THINGS LIKE
15 IMAGING OR LARGE ANIMAL FACILITIES OR UNIQUE RESOURCES
16 THAT ARE HIGHLY VALUABLE THAT WE DON'T WANT TO HAVE
17 EXCLUDED BECAUSE WHILE IT MIGHT BE IN A FACILITY THAT
18 WOULD BE AT THE EDGE OF FUNDING, IT HAS A SUPERLATIVE
19 IMAGING CAPACITY THAT MIGHT BE THE BEST IN THE STATE. SO
20 MAYBE WE TRY AND CALL OUT SPECIAL ATTENTION TO WHERE
21 THERE'S A SPECIAL RESOURCE CAPACITY ON A REGIONAL BASIS
22 OR STATEWIDE BASIS.

23 MR. KELLER: I THINK THE LAST SLIDE ON
24 FUNCTIONALITY, MORE KIND OF DISTANT FROM THE CAMPUS OR
25 PROGRAM REGIONAL ISSUES, CONSIDERING ISSUES OF

1 INFRASTRUCTURE AVAILABLE TO SUPPORT STEM CELL RESEARCH,
2 AND, AGAIN, FOCUSING ON WHERE THE RESEARCHERS ARE.

3 SO ALL OF WHAT WE HEARD IS BASICALLY FODDER FOR
4 YOU IN TERMS OF HOW YOU WANT TO GO ABOUT DEVELOPING THE
5 SECOND PART OF THIS, WHICH IS THE EVALUATION CRITERIA.
6 WE'VE DONE THE REQUIREMENTS, I THINK, AND WE MOVED THE
7 GREEN BUILDING TO BE CONSIDERATION AS PART OF THIS
8 CRITERIA IN THE VARIABLE SIDE, AT LEAST FOR NOW.

9 SO WHAT WE'VE DONE IN THE PAST, AND THE WAY
10 THAT THE PROCEDURES ARE IS THAT THE CRITERIA HAVE BEEN
11 ASSIGNED POINTS BASED ON A TOTAL OF A HUNDRED POINTS. SO
12 IN ORDER TO GET TO THAT, I THINK YOU HAVE TWO THINGS TO
13 DO HERE. YOU HAVE TO EITHER AGREE OR DISAGREE, MODIFY
14 THESE SPECIFIC CATEGORIES OF CRITERIA BEING URGENCY,
15 VALUE, LEVERAGE, AND FUNCTIONALITY, AND EITHER CONSTRICT
16 THOSE OR AUGMENT THEM. AND THEN WHAT WE WANT TO DO IS
17 HAVE YOU DEFINE EACH, AND I HAVE POSSIBLE DEFINITIONS OF
18 URGENCY. SO WE CAN BEGIN TO BASICALLY PROMPT YOU IN
19 TERMS OF WHAT WE SEE THAT MEANING, AND THEN WE'LL WORK ON
20 THE OTHER SCREEN TO BASICALLY RECORD YOUR CONSENSUS ABOUT
21 HOW THESE SHOULD BE DEFINED.

22 AND THEN ONCE YOU HAVE THEM DEFINED, YOU HAVE
23 THE ABILITY TO START UNDERSTANDING HOW YOU WOULD GO ABOUT
24 ASSIGNING POINTS BECAUSE YOU NOW KNOW WHAT URGENCY IS,
25 AND YOU CAN MAKE A JUDGMENT ABOUT HOW YOU WOULD JUDGE A

1 HIGHLY RESPONSIVE OR A LESS RESPONSIVE PROPOSAL. SO --

2 CHAIRMAN LICHTENGER: I'D LIKE TO PROPOSE WE
3 TAKE A TEN-MINUTE RECESS. OKAY. SO LET'S MAKE IT A
4 FIVE-MINUTE RECESS.

5 (A RECESS WAS TAKEN.)

6 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
7 MEETING TO ORDER. SO IT LOOKS LIKE WE'VE GOT EVERYBODY
8 HERE, SO WE'LL CALL THE MEETING TO ORDER NOW. RICK,
9 COULD YOU PLEASE PROCEED WHERE YOU LEFT OFF?

10 MR. KELLER: WHERE WE WERE WHEN WE TOOK THE
11 BREAK WAS THAT WE HAD GONE OVER THOSE CATEGORIES, AND I
12 HAD OFFERED THE FACT THAT YOU COULD EITHER AUGMENT THE
13 CRITERIA OR CONDENSE IT FURTHER. AND WHEREVER YOU WANTED
14 TO PLACE IT, THEN WHAT WE NEEDED TO DO IS TO DEFINE EACH
15 OF THOSE TERMS IN A WAY THAT WILL BE BASICALLY FOR THE
16 RECORD FOR US TO MOVE FORWARD ON THE RFA. AND THEN YOU
17 WOULD THEN ASSIGN STANDARDS AND CRITERIA -- AND THEN
18 ASSIGN POINTS FOR EACH OF THOSE CATEGORIES.

19 SO WE'VE STARTED -- I GUESS FIRST ORDER OF
20 BUSINESS WOULD BE HOW DO YOU WANT TO PROCEED WITH
21 CRITERIA? RELATIVE TO THE FOUR THAT WE'VE COME UP WITH,
22 WOULD YOU WANT TO MAKE ANY CHANGES OR AUGMENT THOSE OR
23 REASSIGN THOSE?

24 CHAIRMAN LICHTENGER: I WANT TO OPEN THIS UP TO
25 THE FLOOR, BUT I WANT TO GIVE MY INITIAL KIND OF

1 COMMENTS. WHEN I SAW THE VALUE BULLET POINT, I THOUGHT
2 THAT BY HAVING EXCELLENCE, INNOVATION, AND COSTS IN
3 VALUE, IT WAS KIND OF CONFUSING AND WAS GOING TO KIND OF
4 MAKE IT MORE DIFFICULT. SO I WAS THINKING THAT THERE
5 SHOULD BE SOME FURTHER BREAKOUT OF VALUE TO LOOK AT
6 EXCELLENCE. SO THAT WAS ONE GENERAL POINT THAT I WANT TO
7 BRING UP.

8 AND THEN THE OTHER GENERAL POINT IS THAT IT'S
9 VERY IMPORTANT FOR THIS FACILITIES WORKING GROUP TO LOOK
10 AT TERMS LIKE EXCELLENCE FROM A FACILITIES PERSPECTIVE.
11 OKAY. EVEN THOUGH THERE MAY BE AN INVOLVEMENT WITH
12 CERTAIN INDIVIDUALS ON THIS FACILITIES WORKING GROUP WITH
13 THE GRANTS WORKING GROUP OF THE ICOC, I THINK IT'S
14 IMPORTANT THAT WE LOOK AT IT FROM A FACILITIES
15 PERSPECTIVE HERE SO THAT WE CAN HAVE CLEARER DEFINITIONS
16 FOR OUR PURPOSES. SO I JUST WANT TO OPEN UP THE FLOOR
17 FOR DISCUSSION.

18 MR. KLEIN: YEAH. I ACTUALLY WOULD FAVOR
19 TAKING EXCELLENCE, INNOVATION, AND COSTS AND BREAKING
20 THEM OUT AS INDIVIDUAL ITEMS RATHER THAN JUST TRYING TO
21 AGGREGATE THEM TO GET MORE DEFINITION INTO VALUE, BUT
22 ALSO BREAK OUT COLLABORATION. AND I DO THINK THAT WE
23 NEED TO DEAL WITH COLLABORATION AS A POINT CATEGORY. THE
24 EXAMPLES WE DISCUSSED BEFORE WERE AWARDING POINTS SO
25 THAT, WHILE WE'RE TRYING TO INCENTIVIZE COLLABORATION, IF

1 THEY CAN'T BUILD IN THE SAME TIME PERIOD, THAT THERE ARE
2 SOME POINTS THAT THEY USE TO OFFSET THE LACK OF BEING
3 ABLE TO BUILD WITHIN TWO YEARS BECAUSE WE'RE TRYING TO
4 GET THIS COLLABORATIVE SYNERGY AS ONE OF OUR GOALS. I
5 THINK THAT WAS JEFF'S POINT.

6 AND I ALSO THINK ON A COLLABORATIVE POINT OF
7 VIEW, IF SOMEONE HAS A VIVARIUM AND THE OTHER INSTITUTION
8 DOESN'T, AND SO YOU DON'T HAVE TO BUILD THAT EXPENSIVE
9 VIVARIUM SPACE --

10 MS. SAMUELSON: WHAT IS THAT?

11 MR. KLEIN: THE ANIMAL FACILITY. -- THAT'S A
12 PHYSICAL ASSET THAT HAS A VALUE THROUGH THAT
13 COLLABORATION AGREEMENT THAT HELPS US REDUCE COST, GET
14 MORE VALUE. SO I THINK COLLABORATION SHOULD BE A
15 SEPARATE CATEGORY THAT HAS SEVERAL POSSIBILITIES IN IT.

16 CHAIRMAN LICHTENGER: SO I DON'T -- I THINK
17 HAVING COLLABORATION AS A SEPARATE CRITERIA WOULD BE
18 OKAY, BUT I'D LIKE TO GET STUART'S PERSPECTIVE BECAUSE,
19 YOU KNOW, YOU COULD HAVE A COLLABORATIVE FACILITY, BUT
20 DOES THAT MEAN THAT THE INSTITUTION IS COLLABORATIVE WITH
21 OTHER INSTITUTIONS? SO THERE'S DIFFERENT DEFINITIONS OF
22 COLLABORATIVE, AND I THINK WE NEED TO BE VERY SPECIFIC
23 ABOUT WHAT WE MEAN.

24 MR. KLEIN: JUST TO PROVIDE SOME CLARITY, YOU
25 DON'T GET ANY POINTS IF YOU JUST HAVE A PAPER

1 COLLABORATION. BUT IF YOU HAVE A WRITTEN AGREEMENT TO
2 ALLOW THE APPLICANT INSTITUTION TO USE YOUR VIVARIUM,
3 THAT HAS A REAL VALUE THAT'S CONCRETE. SO YOU NEED A
4 DOCUMENTED UTILITY TO THE COLLABORATION IN TERMS OF
5 PHYSICAL FACILITIES.

6 CHAIRMAN LICHTENGER: SO, STUART, JUST ONE -- I
7 THINK WE'RE NOT TALKING ABOUT A COLLABORATIVE WORK
8 ENVIRONMENT. I THINK I WANTED TO CLARIFY. I'M NOT
9 HEARING ANYONE SAY A COLLABORATIVE WORK ENVIRONMENT.

10 MR. LAFF: WELL, ONE OF THE QUESTIONS I HAVE,
11 BECAUSE OBVIOUSLY VIVARIUMS ARE VERY EXPENSIVE. SO IF
12 YOU DO HAVE THIS COLLABORATION, THEN DO YOU LOWER THE
13 COST OR YOU SHARE THE COST BETWEEN THE COLLABORATIVE
14 GROUPS AND SAY, OKAY, INSTEAD OF \$500 A FOOT FOR THE
15 VIVARIUM TO GROUP A, NOW THAT THEY'RE COLLABORATIVE WITH
16 B AND C, DOES THAT SOMEHOW GET MITIGATED?

17 CHAIRMAN LICHTENGER: I THINK THAT WOULD BE TOO
18 CONFUSING. I THINK WE'VE GOT TO HAVE -- I THINK WE'VE
19 GOT TO HAVE A SEPARATE CRITERIA FOR COLLABORATION; AND
20 ANY INSTITUTION, IF THERE'S A HIGH COLLABORATIVE SCORE,
21 THAT WE CAN DECIDE WHAT PERCENTAGE OUT OF THE HUNDRED
22 THAT SHOULD TAKE, BUT I THINK WE'VE GOT TO KEEP LEVERAGE
23 AND COST SEPARATE.

24 MR. LAFF: THE THING I WORRY ABOUT THE MOST IN
25 THIS IS THAT I THINK THAT WE HAVE TO SEPARATE THE REAL

1 ESTATE FROM THE GRANTS. I'M NOT AN EXPERT IN MEDICAL
2 RESEARCH. I BARELY STAY AFLOAT HERE, BUT I DO UNDERSTAND
3 FACILITIES. AND I DON'T THINK IT'S OUR JOB TO TALK ABOUT
4 THINGS THAT THE MEDICAL GROUP SHOULD BE GIVING US. I
5 THINK WE HAVE TO JUDGE IT IN REAL ESTATE TERMS AS OPPOSED
6 TO OVERALL.

7 VICE CHAIR SERRANO-SEWELL: PART OF WHAT THE
8 EXERCISE IS IS TO IDENTIFY, ON STUART'S POINT THOUGH, SO
9 HE UNDERSTANDS, PART OF OUR TASK TODAY IS TO IDENTIFY TO
10 THE SCIENTIFIC GRANTS WORKING GROUP OR SOME OTHER ENTITY
11 WHAT VALUE POINTS WE WANT THEM TO CONSIDER. THAT'S ALL.

12 CHAIRMAN LICHTENGER: IS THAT PART OF OUR ROLE?

13 VICE CHAIR SERRANO-SEWELL: ARGUABLY, YES.
14 IT'S NOT OUR ROLE TO DO A SCIENCE REVIEW, NO, BUT IT'S
15 PART OF OUR ROLE TO IDENTIFY WHAT VALUE CRITERIA WE WANT.
16 IF WE COLLECTIVELY DECIDE COLLABORATION IS SOMETHING WE
17 WANT TO CONSIDER, THEN I GUESS THE NEXT QUESTION IS IS IT
18 BETTER SUITED FOR THE GRANTS WORKING GROUP.

19 CHAIRMAN LICHTENGER: I UNDERSTAND.

20 MR. SHEEHY: WELL, AGAIN, TO TRY TO MAYBE BRING
21 A LITTLE BIT OF CLARITY, I THINK WE'RE TALKING ABOUT TWO
22 DIFFERENT THINGS, AND MAYBE WE WANT TO SCORE THEM
23 SIMILARLY. BUT ONE IS A CONSORTIUM, AND I THINK THAT
24 THAT SHOULD -- WE SHOULD CONSIDER HOW WE WANT TO WEIGHT
25 AND EVALUATE THAT. AND I DON'T KNOW THAT -- I DON'T

1 THINK THAT MAYBE A CONSORTIUM DOESN'T NECESSARILY --
2 MIGHT GET COLLABORATION, SO-CALLED COLLABORATION, POINTS,
3 BUT I ALSO THINK, BECAUSE OF THE NATURE OF A CONSORTIUM,
4 THAT THERE SHOULD BE MITIGATING -- THERE SHOULD BE A WAY
5 TO MITIGATE IN OTHER AREAS SUCH AS URGENCY WHERE THEY
6 WOULD BE PENALIZED BECAUSE THE PROCESS OF CREATING THE
7 CONSORTIUM WILL NECESSARILY SLOW DOWN THEIR WORK.

8 THE OTHER THING -- AND I'D LIKE TO GET AWAY
9 FROM THE WORD "COLLABORATION" BECAUSE I THINK REALLY THE
10 COLLABORATION IS A SCIENTIFIC TERM. LET'S USE THE WORD
11 "SHARED RESOURCE." AND THAT IF SOMEONE IS GOING TO HAVE
12 A RESOURCE THAT'S GOING TO BE AVAILABLE, AND I THINK WE
13 NEED TO DEFINE THE PARAMETERS OF THE SHARED RESOURCE, AND
14 THEN SCORE FOR A SHARED RESOURCE. SOMEONE IS GOING TO
15 MAKE A RESOURCE WIDELY AVAILABLE TO A WHOLE RANGE OF
16 RESEARCHERS. MAYBE WE WANT TO GIVE MORE POINTS. I THINK
17 THAT THAT IS KIND OF WHAT JOAN WAS ALLUDING TO IN SOME OF
18 HER EARLIER COMMENTS ABOUT REGIONAL CENTERS, PLACES THAT
19 WOULD BE AVAILABLE TO EVERYBODY IN CALIFORNIA, BUT
20 SOMEHOW GET -- WHAT WE'RE REALLY TALKING ABOUT IS A
21 SHARED RESOURCE.

22 WE HAVE A CONSORTIUM, WHICH IS A VERY FORMAL,
23 VERY CONCRETE ENTITY. WE WANT TO ENCOURAGE THAT WHEN
24 THAT CAN HAPPEN, BUT I DON'T THINK SIMPLY GIVING THE
25 MAXIMUM SCORE UNDER A SO-CALLED COLLABORATION HEADING

1 WILL REALLY CAPTURE ALL THE PLACES THEY MAY BE HURT IN
2 THE OTHER CATEGORIES, AND SOMEHOW CAPTURING HOW THEY MAY
3 BE HURT IN THOSE CATEGORIES AND ALLOWING THAT CONSORTIUM
4 TO BE MITIGATED. THEN AGAIN, FIGURING OUT THE OTHER
5 ISSUE, WHICH IS A SHARED RESOURCE, A RESOURCE THAT PEOPLE
6 ARE SPECIFICALLY BUILDING TO BE USED BY MULTIPLE
7 INSTITUTIONS EVEN GOING TO THE POINT OF ANYBODY IN
8 CALIFORNIA, WE ALSO NEED TO CAPTURE SOME VALUE FOR THAT.

9 CHAIRMAN LICHTENGER: JEFF, I HEAR WHAT YOU'RE
10 SAYING, BUT I THINK YOU'RE TALKING ABOUT MIXING SOME
11 APPLES AND ORANGES BECAUSE -- I LIKE, BY THE WAY, YOUR
12 SHARED RESOURCE DEFINITION. CAN WE JUST ADDRESS THIS
13 KIND OF CONCEPT? DOES THAT SOUND GOOD, THAT TERM OF ART,
14 SO TO SPEAK, FOR EVERYONE ON THE FACILITIES WORKING
15 GROUP? REALLY ISN'T THIS REALLY JUST A HIGHER FORM OF
16 SHARED RESOURCES? WE CAN ALSO WEIGHT THIS PARTICULAR
17 SHARED RESOURCES ITEM HIGHER TO ADDRESS YOUR CONCERNS.

18 MR. SHEEHY: I'M JUST PUTTING IT OUT THERE.
19 I'M JUST TRYING TO PROVIDE SOME SORT OF FRAMEWORK IN
20 WHICH TO HAVE --

21 VICE CHAIR SERRANO-SEWELL: BOB INTRODUCED THE
22 TOPIC. YOU'VE SEEN SORT OF WHERE THIS CONVERSATION IS
23 GOING. I THINK IF WE DO A SHARED RESOURCES COMPONENT,
24 THAT IS WITHIN THE PURVIEW OF THE FACILITIES WORKING
25 GROUP BECAUSE -- WHETHER YOU'RE SHARING THE SPACE OR NOT,

1 YES OR NO? IF WE WANT TO GIVE SOME POINTS FOR IT, WE
2 SHOULD RECOMMEND THAT TO THE ICOC.

3 I JUST WANT TO REMIND OUR COLLEAGUES AT THE
4 APRIL ICOC MEETING IN SACRAMENTO WHEN MS. LANSING
5 INTRODUCED THE TOPIC OF COLLABORATION AND THAT BEING A
6 VALUE POINT, THERE WAS A BIG PUSHBACK ON THE COMMITTEE AS
7 A WHOLE TO CAREFULLY DEFINE THAT BECAUSE SOME
8 INSTITUTIONS FELT VERY STRONGLY THAT THEY'RE
9 SELF-CONTAINED, STAND-ALONE, AND THAT'S HOW THEY BEST DO
10 THE SCIENCE. AND IF FORCED TO COLLABORATE, IT WON'T
11 WORK, AND WE WON'T HAVE THE DESIRED EFFECT THAT WE WANT.
12 I WANT TO BE SENSITIVE. IF WE RECOMMEND SOMETHING THAT
13 THE ICOC IS NOT -- WE KNOW THAT THERE'S GOING TO BE A
14 HUGE PUSHBACK ON IT, WE JUST OUGHT NOT TO RECOMMEND IT.

15 ON THE SHARED RESOURCES, THIS CONCEPT OF SHARED
16 RESOURCES, I THINK WE CAN AND IT COULD VERY WELL MEET
17 WITH SOME SUCCESS AT THE ICOC. I DON'T KNOW. BOB, YOU
18 SEE WHERE THIS IS GOING?

19 MR. KLEIN: I DO THINK THAT THERE'S SOME
20 CATEGORIES HERE. FIRST OF ALL, IN TERMS OF BONUS POINTS
21 TO OFFSET THE FACT THAT THEY WON'T GET PRIORITY POINTS
22 POTENTIALLY FOR COMPLETING IN TWO YEARS, IF YOU CALL IT
23 THIS IS A SPECIFIC TYPE OF HIGH LEVEL OF COLLABORATION, A
24 HIGH LEVEL OF COLLABORATION, WE GET MORE POINTS THAN A
25 LOWER LEVEL OF COLLABORATION. ANOTHER FORM OF

1 COLLABORATION IS NOT NECESSARILY THEY BUILD A VIVARIUM IN
2 THIS AND SHARE IT; BUT INSTEAD OF PAYING FOR THE
3 VIVARIUM, THEY COLLABORATE WITH ANOTHER INSTITUTION THAT
4 HAS A CONTRACTUAL AGREEMENT TO LET THEM USE THE VIVARIUM,
5 SO THEY GET POINTS FOR UTILIZING A SHARED RESOURCE RATHER
6 THAN US PAYING FOR IT.

7 SAME THING WITH GMP FACILITIES. RATHER THAN
8 TRYING TO CHARGE US TO PUT A GMP FACILITY IN EACH OF
9 THESE MAJOR CENTERS, THAT IF SOMEBODY HAS ALREADY GOT A
10 GMP FACILITY AND THEY SIGN AN AGREEMENT THAT'S
11 CONTRACTUAL, SO WE KNOW THEY REALLY HAVE ACCESS TO IT,
12 THERE SHOULD BE SOME POINTS TO ENCOURAGE THAT KIND OF
13 COLLABORATION.

14 VICE CHAIR SERRANO-SEWELL: WHAT WOULD YOU CALL
15 THAT CRITERIA?

16 MR. KLEIN: WHAT I WOULD DO IS -- MY PROBLEM IS
17 THAT IT DOESN'T FIT WELL UNDER THOSE, AND SO THAT'S
18 WHY --

19 CHAIRMAN LICHTENGER: I DON'T THINK IT HAS TO.
20 AS WE TALKED ABOUT, WE CAN HAVE EIGHT CRITERIA. WE DON'T
21 HAVE TO HAVE FOUR. WE CAN GO BACK TO -- RICK, CAN YOU GO
22 BACK TO THAT PRIOR SLIDE, THE ONE THAT HAD SEVEN OR EIGHT
23 CRITERIA THAT WE HEARD? SO IF WE START WITH THIS, WE
24 COULD CHANGE COLLABORATION TO SHARED RESOURCES, RIGHT?

25 I HAVE SOME CONCERNS ABOUT INNOVATION. I MEAN

1 ARE WE REALLY PREPARED TO REWARD INNOVATIVE FACILITIES?
2 DO WE MEAN INNOVATIVE SCIENTIFIC? I DON'T THINK THAT'S
3 WITHIN OUR ROLE HERE OF THE FACILITIES WORKING GROUP.

4 VICE CHAIR SERRANO-SEWELL: CHAIRMAN, CAN I
5 SUGGEST WE FINISH THE CONVERSATION ONE TOPIC AT A TIME?

6 MR. KLEIN: I THINK, DAVID, THAT YOUR
7 SENSITIVITY TO THE WORD "COLLABORATION" IS CORRECT; BUT
8 IF WE EXERCISE THE DISCIPLINE TO NARROWLY DEFINE IT IN
9 TERMS OF OUR ROLE, I THINK IT WOULD BE ACCEPTED BECAUSE
10 THESE SITUATIONS WE'RE DISCUSSING IN TERMS OF CONSORTIUM,
11 FOR EXAMPLE, THAT'S BEEN WELL DISCUSSED AS A POLICY
12 ISSUE. AND TO GIVE THEM SOME POINTS TO OFFSET THE FACT
13 THAT THEY WON'T GET THE BONUS POINTS FOR GETTING DONE
14 WITHIN TWO YEARS IS A VERY LEGITIMATE POLICY
15 COUNTERBALANCE.

16 AND FOR SHARED -- SO UNDER COLLABORATION YOU
17 HAVE VERY SPECIFIC SUBSETS UNDER WHICH POINTS CAN BE
18 GAINED. ONE IS A CONSORTIUM LEVEL OF COLLABORATION. ONE
19 IS SHARED RESOURCES, AVOIDING COST BY UTILIZING FORMAL
20 AGREEMENTS TO UTILIZE FACILITIES AT OTHER LOCATIONS
21 INSTEAD OF INCORPORATING THEM IN YOUR OWN FACILITY, FOR
22 EXAMPLE, IS A VERY SPECIFIC FACILITIES THING THAT WE CAN
23 EVALUATE.

24 MR. SHEEHY: I HATE TO WORDSMITH. I JUST
25 THINK, ESPECIALLY FOR THE GRANTEES, IF WE CAN MAKE A

1 DISTINCTION BETWEEN COLLABORATION WHICH IS MOST COMMONLY
2 USED AS A SCIENTIFIC TERM AND CAN BE EVALUATED IN THAT
3 WORKING GROUP AS A MEASURE OF SCIENTIFIC
4 INTERRELATIONSHIPS. AND IF SHARED RESOURCES IS NOT THE
5 RIGHT WORD BECAUSE WE'RE NOT GOING TO BE CONCERNED WITH
6 THE RELATIONSHIPS BETWEEN THE SCIENTISTS AT THE
7 INSTITUTIONS. WE'RE GOING TO BE CONCERNED ABOUT THE
8 ACCESS TO THE RESOURCE, AND THAT GIVES US A MORE
9 MEASURABLE CRITERION AND IS A LOT CLEARER ABOUT WHAT
10 WE'RE ASKING FOR. MAYBE WE NEED TO USE DIFFERENT
11 LANGUAGE, BUT I GET CONCERNED ABOUT HAVING COLLABORATION
12 HERE AND COLLABORATION IN THE SCIENTIFIC GROUP AND
13 ACTUALLY MEASURING TWO DISTINCTLY DIFFERENT THINGS.

14 CHAIRMAN LICHTENGER: SO DO WE WANT TO HAVE A
15 MOTION ABOUT USING THE TERM "SHARED RESOURCES" AS ONE OF
16 THE CRITERION?

17 MR. KELLER: I'D SUGGEST YOU DO SHARED
18 RESOURCES AND CONSORTIUM BECAUSE CONSORTIUM IS JUST A
19 LARGER EMPHASIS ON SHARED RESOURCES.

20 CHAIRMAN LICHTENGER: I HAVE A QUESTION ABOUT
21 THIS AND A QUESTION FOR THE MEMBERS. SO IF WE HAVE A
22 SEPARATE -- IF WE SAY A SEPARATE CONSORTIUM IN THERE, BUT
23 THERE MAY BE COLLABORATION BETWEEN TWO INSTITUTIONS THAT
24 MIGHT BE EQUALLY EFFECTIVE AS HAVING A SEPARATE
25 CONSORTIUM IN THEORY --

1 VICE CHAIR SERRANO-SEWELL: THAT'S WHY -- WE'RE
2 DEALING -- WE'RE OPENING UP A CAN OF WORMS. THAT'S WHY
3 SOME ICOC MEMBERS, BUT I TOOK IT TO BE A MAJORITY OF ICOC
4 MEMBERS WANTED TO STAY AWAY FROM COLLABORATION. IT'S
5 COMPLICATED. IT HAS VARYING DEGREES AND SHADES. AND IF
6 YOU IMPOSE THIS ON US, THERE'S NO ONE COOKIE-CUTTER WAY
7 TO DEAL WITH IT. I DON'T WANT ONE APPLICANT TO DRIVE THE
8 DESIGN OF THIS RFA. WITH ALL DUE RESPECT TO THE SAN
9 DIEGO GROUP, I DON'T WANT THEIR PROPOSAL TO DRIVE HOW WE
10 DO THE SCORING. WE'RE FULLY AWARE OF WHAT THEY WANT TO
11 DO. I SUPPORT IT. IT SHOULD BE RECOGNIZED AND I THINK
12 ULTIMATELY WILL HAVE A PLACE IN OUR PROGRAM. I DON'T
13 KNOW, BUT CONCEPTUALLY WE'VE ALL AGREED AND SAID WE LIKE
14 WHAT THEY'RE DOING.

15 I DON'T WANT JUST ONE APPLICANT TO DRIVE HOW WE
16 DESIGN THIS RFA. I'M CONCERNED THAT'S KIND OF WHAT WE'RE
17 DOING.

18 CHAIRMAN LICHTENGER: I AGREE WITH YOUR
19 COMMENTS, MR. VICE CHAIR. BUT IF WE USED THE TERM
20 "SHARED RESOURCES" AND "CONSORTIUM," IF WE ELIMINATE
21 CONSORTIUM, WOULD THAT BE MORE AMENABLE, BOB?

22 MR. KLEIN: WELL, YOU KNOW HOW I HATE
23 COMPLEXITY.

24 MS. SAMUELSON: ARE WE SUPPOSED TO CRY OR LAUGH
25 OR WHAT?

1 MR. KLEIN: IT'S AN EXISTENTIAL CHOICE. I
2 UNDERSTAND LINGUISTICS ARE IMPORTANT, AND I UNDERSTAND
3 THAT WE'RE TRYING TO FOCUS EVERYONE ON THE FACILITIES
4 SIDE OF THIS. AND IF YOU WANT TO WORK INTO SHARED
5 RESOURCES THIS CONCEPT, ON THE ONE HAND, BECAUSE SOMEONE
6 HAS SHARED RESOURCES AND WE HAVE CERTAIN COST AVOIDANCE,
7 WHILE I WANT TO GIVE THEM POINTS FOR THAT BECAUSE THEY
8 COULD SAVE US A LOT OF MONEY, I DON'T WANT TO, BECAUSE
9 THEIR SHARED RESOURCES GIVE THEM AN OFFSETTING POINTS
10 THAT WOULD COUNTERBALANCE THE TWO YEARS BECAUSE I DON'T
11 WANT PEOPLE JUST TO FORM COLLABORATIONS BECAUSE WE WANT
12 THESE FACILITIES DELIVERED AS SOON AS POSSIBLE, SO IT
13 TAKES A VERY HIGH LEVEL OF SHARED RESOURCES TO GET THE
14 POINTS THAT WOULD OFFSET THE PRIORITY OF URGENCY OF
15 DELIVERING WITHIN TWO YEARS.

16 AND I WOULD ALSO SAY THAT REGARDLESS OF THE
17 SHARED RESOURCES, EVEN IF YOU'RE AT THE CONSORTIUM LEVEL,
18 YOU STILL DON'T GET MORE THAN ANOTHER YEAR. DOES IT TAKE
19 MORE TIME? IT DOES, BUT WE WANT TO PUT REAL TIME
20 PRESSURE BEHIND THIS, AND THAT SHOULD BE ADEQUATE TO
21 ADJUST FOR THAT DIFFERENT LEVEL OF COMPLEXITY.

22 CHAIRMAN LICHTENGER: SO I HAVE A QUESTION FOR
23 THE OTHER MEMBERS. SO SHOULD WE TRY TO COME UP WITH THE
24 CRITERIA FIRST AND THEN THE DEFINITIONS AFTERWARDS
25 BECAUSE I'M A LITTLE CONCERNED THAT WE'RE GOING TO GET

1 STUCK IN THE DEFINITION PHASE, AND MAYBE WE SHOULD COME
2 UP WITH THE CRITERIA FIRST.

3 VICE CHAIR SERRANO-SEWELL: HERE'S WHAT
4 HAPPENED. WE WERE LOOKING AT THE FOUR CRITERIA PROPOSED
5 THAT WAS ON THE SLIDE 36 OR SOMETHING: URGENCY, VALUE,
6 AND THEN WE WERE HAVING A DISCUSSION ABOUT VALUE,
7 LEVERAGE, AND FUNCTIONALITY. THEN BOB INTRODUCED THE
8 CONCEPT OF COLLABORATION. AND SO WHAT I UNDERSTOOD THIS
9 CONVERSATION TO BE IS WHETHER WE SHOULD INCLUDE IT AS AN
10 ADDITIONAL CRITERION OR NOT.

11 CHAIRMAN LICHTENGER: I AGREE WITH THAT.

12 VICE CHAIR SERRANO-SEWELL: IT'S SORT OF A
13 YES-OR-NO THING.

14 MR. KLEIN: SO I'M SUGGESTING WE NOW USE SHARED
15 RESOURCES AS ADDITIONAL CRITERIA.

16 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE A MOTION
17 THAT WE INCLUDE SHARED RESOURCES AND USE THAT TERM ONLY
18 AS ONE OF OUR CRITERIA. DO I HAVE A SECOND?

19 MR. KLEIN: SECOND.

20 CHAIRMAN LICHTENGER: I'LL HAVE A VOTE. ALL
21 THOSE IN FAVOR SAY AYE.

22 MS. SAMUELSON: I THINK WE NEED TO BE SURE WE
23 UNDERSTAND WHAT WE'RE TALKING ABOUT.

24 CHAIRMAN LICHTENGER: GO AHEAD, JOAN.

25 MS. SAMUELSON: I THINK IT'S IMPORTANT ON EACH

1 OF THESE TO UNDERSTAND AS CLOSE AS WE CAN WHAT WE'RE
2 TALKING ABOUT. I SEE THAT AS WHAT THE FACILITY IS
3 BRINGING TO THE DEVELOPMENT OF STEM CELL SCIENCE AND THE
4 APPLICATION OF IT FOR CURES. AND THAT WE, IN EXCHANGE
5 FOR HIGHLY RATING THAT RESOURCE, REQUIRE THAT IT BE
6 SHARED. THAT ON SOME LEVEL EVERY ONE OF THESE FACILITIES
7 IS AVAILABLE ON A STATEWIDE OR REGIONAL BASIS TO THE
8 OTHER SCIENTIFIC TEAMS WHO ARE IN THE AREA OR WHO MAY
9 ARRIVE IN FIVE YEARS BECAUSE WE'RE GOING TO HAVE -- THE
10 SCIENTIFIC COMMUNITY IS GOING TO DEVELOP, AND I THINK --
11 BUT THESE ARE THE ONLY FACILITIES WE'RE GOING TO FUND
12 ESSENTIALLY, RIGHT? THIS IS OUR ONE-SHOT DEAL.

13 SO I WOULD HOPE THERE'S A LEGAL WAY THAT WE
14 CAN, THROUGH SOME GRANTS MANAGEMENT PROCESS, REQUIRE THAT
15 THESE ARE OPEN TO SCIENTISTS EMERGING PRESENT NOW,
16 WHATEVER, WHO WANT TO GET INTO THE FIELD, BUT AREN'T
17 GOING TO HAVE THIS OPPORTUNITY TO MAYBE HAVE AS TERRIFIC
18 A FACILITY FOR THE DEVELOPMENT OF SCIENCE.

19 MR. KLEIN: IT'S DIFFICULT, JOAN, FOR SOMEONE
20 TO MAKE AN OPEN-ENDED COMMITMENT. BUT CONTRACTUALLY THEY
21 COULD WITHIN IDENTIFY COLLABORATORS TODAY, CREATE AN
22 IDENTIFIED MANAGEMENT SYSTEM FOR COMMON USE OF A
23 VIVARIUM, FOR EXAMPLE, OR A GMP FACILITY. SO THEY COULD
24 CONTRACTUALLY LAY THAT OUT TODAY. SO I VERY MUCH WANT
25 THEM, IF WE'RE GOING TO GIVE THEM ANY POINTS, TO LAY OUT

1 AND INCENTIVIZE THEM LAYING OUT HOW WE'RE GOING TO HAVE
2 THESE SHARED FACILITIES AND AVOID SOME MAJOR COST.

3 BUT SECONDLY, WHILE I WOULD LOVE TO GO TO THE
4 POINT THAT YOU ARE SUGGESTING, I DON'T THINK THAT THAT'S
5 A BURDEN WE CAN PUT ON THEM BECAUSE YOU CAN'T SAY THIS
6 LAB WILL ONLY SERVICE SO MANY PEOPLE. AND IF THERE'S
7 FIVE NEW SCIENTISTS THAT SHOW UP AT ANOTHER INSTITUTION,
8 YOU CAN'T SAY THAT YOU ARE GOING TO SERVICE THOSE BECAUSE
9 YOU'VE ALREADY COMMITTED ITS CAPACITY TO THE PEOPLE IN
10 THE COLLABORATIVE AGREEMENT.

11 MS. SAMUELSON: BUT ASIDE FROM ACTUALLY HAVING
12 A FULL-TIME LAB THERE, COULDN'T WE REQUIRE WITH THE CIRM,
13 SAY, AS A PARTY TO THAT AGREEMENT, THAT OTHER SCIENTISTS
14 WHO WANT GET INTO THE FIELD, BECOME EDUCATED IN IT OR
15 ACTUALLY BE ON-SITE TO SEE WHAT THE CURRENT STATE OF THE
16 SCIENCE IS TO SEE WHAT'S GOING ON, WOULD BE ABLE TO USE
17 THE FACILITIES TO --

18 MR. KLEIN: I THINK WE'VE DONE A VERY GOOD JOB
19 OF THAT IN THESE COLLABORATIVE COURSES AND THE SHARING
20 BETWEEN THESE INSTITUTIONS OF THE COURSE MATERIALS AND
21 THEIR LECTURES AND TECHNIQUES. SO IN OUR SHARED LAB
22 PROGRAM, WE BUILT A LOT OF THAT IN, BUT WE NEED TO
23 CONTINUE TO ENCOURAGE, AND WE FUND A SECOND ROUND IN
24 COURSES AS WE GO AS MORE ADVANCED KNOWLEDGE COMES ALONG,
25 FOR EXAMPLE, IN SCNT, THERE MIGHT BE A VERY SPECIFIC

1 SHARED COURSE IN SCNT TO GET TO YOUR OBJECTIVE.

2 MS. SAMUELSON: I'M JUST WONDERING IF WE MIGHT
3 NOT REQUIRE THAT. IF THEY'RE GOING TO GET SOME HUGE
4 CHUNK OF MONEY TO BUILD THE BUILDING, THEN OVER SOME
5 EIGHT, TEN-YEAR PERIOD, THEY WILL BE AVAILABLE TO
6 SCIENTISTS, POST DOCS, FOLKS COMING INTO THE FIELD THAT
7 THE CIRM IDENTIFIES, THAT THEY WILL MAKE AVAILABLE
8 TRAINING OR ACCESS TO CONSORTIA PERIODICALLY OR SOMETHING
9 LIKE THAT.

10 CHAIRMAN LICHTENGER: SO ARE YOU SUGGESTING
11 THAT SOME PERCENTAGE OF THE TIME BE MADE AVAILABLE TO, AS
12 DAVID'S POINTING OUT, OUTSIDE INSTITUTIONS? IS THAT WHAT
13 YOU'RE SAYING?

14 MS. SAMUELSON: YEAH. THAT THESE ARE REALLY
15 REGIONAL OR STATEWIDE RESOURCES FOR THE SCIENTIFIC
16 COMMUNITY THAT'S GOING TO BE DEVELOPING STEM CELL CURES.

17 DR. WRIGHT: I HAVE A QUESTION. DOES ANYBODY
18 ELSE SEE A DIFFERENCE BETWEEN SHARED RESOURCES AND
19 RESOURCE SHARING? I KEEP THINKING WHAT WE REALLY WANT TO
20 ENCOURAGE IS THAT WE WANT TO ENCOURAGE ALL THE PROGRAMS
21 IN THE STATE TO SHARE THE RESOURCES. IT'S NOT THAT WE'RE
22 BUILDING -- I'M THINKING IN TERMS LESS OF A PHYSICAL
23 PLANT AND MORE TRYING TO INCENT THEM TO ALWAYS BUILD IN
24 SOME WAY TO -- TRYING TO GET TO YOUR POINT, JOAN.

25 MS. SAMUELSON: I THINK THAT MIGHT BE A

1 DIFFERENT THING ACTUALLY. WHAT COULD BE, THERE'S SOME OF
2 THESE PLACES THAT REALLY ARE GOING TO BE BASIC SCIENCE
3 SORT OF HOTHOUSES WHERE THEY'RE NOT GOING TO DO MUCH
4 APPLICATION TO A SPECIFIC DISEASE. AND ALTHOUGH I THINK
5 WE WANT TO KEEP THE FOCUS ON WHO THE DISEASE POPULATION
6 AND WHAT THE URGENT NEEDS ARE AT ALL TIMES EVERY DAY,
7 THAT'S NOT GOING TO BE THEIR FUNCTION. BUT WHAT WE ARE
8 GOING TO WANT THEM TO DO IS, LET'S SAY, MAKE SURE THAT
9 EVERYTHING THEY PUBLISH OR THEY'RE WORKING ON, I MEAN
10 THERE'S SOME INCREDIBLY HIGH LEVEL OF INFORMATION
11 SHARING, AS FAR AS THAT POSSIBLY CAN BE PUSHED SO THAT
12 THINGS DON'T HAPPEN LIKE HAPPENED IN THE PARKINSON'S
13 COMMUNITY WHERE THERE WAS AN EXTREMELY IMPORTANT
14 DEVELOPMENT IN THE BASIC SCIENCE THAT HAS HAD HUGE
15 IMPLICATIONS, AND THAT THING SAT IN A VERY OBSCURE
16 JOURNAL FOR 20 YEARS.

17 VICE CHAIR SERRANO-SEWELL: JOAN, WE CAN
18 ONLY --

19 MS. SAMUELSON: I THINK THAT'S A DIFFERENT
20 DEFINITION OF COLLABORATION WHICH IS IN THE MIX.

21 DR. WRIGHT: SO THE QUESTION I'M STRUGGLING
22 WITH IS HOW DOES A FACILITY FACILITATE THE
23 CROSS-POLLINATION? HOW DO WE AS A FACILITIES GROUP
24 ENCOURAGE THAT CROSSTALK THAT HAS TO HAPPEN?

25 MR. SHEEHY: I HAVE A -- I GUESS I HAVE SEVERAL

1 PROCESS ISSUES IF I COULD RUN THROUGH THEM. I THINK THE
2 EXISTENTIAL QUESTION THAT JOAN IS ASKING SHOULD BE MAYBE
3 WE SHOULD TAKE A MOMENT AFTER WE GET THROUGH THE MOTION
4 THAT WE HAVE ON THE FLOOR AND BRING THAT TO CONCLUSION.
5 WE CAN ADDRESS THE EXISTENTIAL POLICY RECOMMENDATION THAT
6 SHOULD GO UP TO THE ICOC BECAUSE ULTIMATELY THEY WILL
7 DECIDE WHETHER WE CAN FORCE -- WHETHER THEY WANT TO FORCE
8 INSTITUTIONS TO DO SOMETHING OR NOT, AND THEN COME BACK
9 TO WHAT I THINK WE'RE TRYING TO DO RIGHT NOW IS IDENTIFY
10 THE CRITERIA THAT WE WANT TO WORK WITH.

11 AND THEN TO GO BACK TO THAT, I WOULD ACTUALLY
12 LIKE TO SPEAK TO CHAIRMAN KLEIN'S ISSUE AND TRY TO REALLY
13 DRILL DOWN AND GET SOME SCOPE ON THE SHARED FACILITY
14 BECAUSE I DO THINK THAT WE CAN -- YOU KNOW, ARE WE SAYING
15 SHARED FACILITY WITH OUR RANGE BEING CONSORTIUM BEING TEN
16 AND NO SHARING BEING ZERO? ARE WE TALKING ABOUT THEN
17 ALSO THE MITIGATING BECAUSE ORIGINALLY I WAS APPROACHING
18 IT, AND I COULD BE SWAYED EITHER WAY. I'LL TAKE THE
19 CONSENSUS OF THE GROUP. I CAN EITHER SEE THIS AS A
20 MITIGATING FACTOR THROUGH SOME OF THE CRITERIA THAT WE
21 HAVE UP HERE, OR I CAN SEE IT AS A SEPARATE FACTOR.

22 BUT THEN I THINK IF WE'RE GOING TO HAVE IT AS A
23 SEPARATE FACTOR, WE NEED TO GET THE RANGE, THE SCOPE. WE
24 MAY COME BACK AND DEFINE THAT IN THE SECOND ROUND, BUT
25 I'M TRYING TO GET A SENSE ABOUT THAT BEFORE I VOTE ON

1 THIS MOTION, WHERE WE'RE TRYING TO GO WITH THAT, IF THAT
2 SEEMS OKAY TO PROCEED.

3 VICE CHAIR SERRANO-SEWELL: CONCEPTUALLY I'M
4 COMFORTABLE WITH ADDING SHARED RESOURCES TO ONE OF THE --
5 AS A CRITERIA. FINE. WHO'S AGAINST THAT? GREAT. THE
6 TROUBLE IS DEFINING IT AND THE PROCESS THAT JEFF POINTS
7 OUT. THEN IT BECOMES VERY TRICKY, AND PERHAPS THAT'S THE
8 BEST WE CAN DO RIGHT NOW IS JUST SAY WE WANT SHARED
9 RESOURCES TO BE A PART AND TRY TO COME UP WITH A
10 DEFINITION. BUT YOU'RE RIGHT. ULTIMATELY THE ICOC IS
11 GOING TO DECIDE. I'M OKAY WITH INCLUDING IT. I WOULD
12 SUPPORT THE MOTION. I'M NOT SURE WHAT IT REALLY MEANS,
13 AND I HAVE SOME HESITANCY WITH USING TERMS LIKE
14 MITIGATING FACTOR. NO. NO. NO. THESE ARE RAW POINTS.
15 THERE'S A HUNDRED POINTS MAXIMUM, OR WE CAN SAY A HUNDRED
16 FIFTY OR 200 HUNDRED POINTS. WE CAN DO WHATEVER WE WANT.
17 A HUNDRED POINTS MAKES SENSE. HUNDRED POINTS. THE WAY
18 TO APPROACH IT IS FOR EACH POINT YOU GET, AND WE'LL
19 DECIDE LATER WHAT THE WEIGHT WILL BE, YOU GET ANYWHERE
20 FROM ZERO TO THE MAXIMUM AMOUNT OF POINTS ALLOTTED FOR
21 EACH CRITERIA. THAT'S IT. THAT'S THE WAY IT WORKS.
22 THERE'S NO MITIGATING FACTORS THAT WE CAN CONSIDER.

23 CHAIRMAN LICHTENGER: I AGREE WITH YOU, MR.
24 VICE CHAIR.

25 VICE CHAIR SERRANO-SEWELL: YOU HAVE TO KEEP AN

1 EVEN PLAYING FIELD SO EVERYBODY UNDERSTANDS WHAT WE'RE
2 DOING.

3 CHAIRMAN LICHTENGER: IF IT'S OKAY WITH
4 EVERYONE, I'D LIKE TO KIND OF PROCEED WITH THIS
5 PARTICULAR MOTION AND LEAVE DEFINITIONS. TAMAR, DID YOU
6 WANT TO MAKE A COMMENT?

7 MS. PACHTER: I JUST WANTED TO KNOW. I DIDN'T
8 HEAR A SECOND.

9 CHAIRMAN LICHTENGER: BEFORE WE MOVE ON WITH
10 THIS MOTION, IF EVERYONE IS COMFORTABLE WITH THIS
11 PROCESS, WE COME UP WITH THE CRITERIA FIRST THAT WE AGREE
12 ARE IMPORTANT, AND THEN WE LEAVE THE MORE DIFFICULT
13 PROCESS OF DEFINING THOSE CRITERIA TILL AFTER WE COME UP
14 THEM. IS EVERYONE COMFORTABLE WITH THAT?

15 MS. SAMUELSON: AS LONG AS WE KNOW WHAT WE'RE
16 TALKING ABOUT.

17 CHAIRMAN LICHTENGER: WELL, WE CAN ALSO -- I
18 UNDERSTAND WHAT YOUR POINT IS, OR ELSE I THINK WE'RE JUST
19 GOING TO BE CAUGHT IN DEFINITION HELL. SO ANYWAY, SO NOW
20 I GUESS WE HAVE A MOTION. WE --

21 MR. KASHIAN: MR. CHAIRMAN, AM I ALLOWED TO
22 MAKE A COMMENT OCCASIONALLY?

23 CHAIRMAN LICHTENGER: ABSOLUTELY.

24 MR. KASHIAN: I'M NOT GOING TO SUPPORT THIS
25 MOTION, NOT BECAUSE I DON'T AGREE THAT COLLABORATION AND

1 SHARED RESOURCES ARE NOT AN IMPORTANT CRITERIA. I FEEL
2 IT IS NOT A GOOD IDEA TO PUT THE APPLICANTS AND US AND
3 THE STAFF IN A STRAIGHTJACKET PRIOR TO THIS TIME. ARE
4 THOSE TWO ISSUES BEST FIT IN THE INNOVATION CATEGORY?
5 AND WHY IS IT THAT PEOPLE HAVE TO COLLABORATE OR NOT HAVE
6 TO COLLABORATE OR SHARE OR NOT SHARE? WHY ISN'T THAT AN
7 INDIVIDUAL DECISION?

8 SO I'M GOING TO VOTE AGAINST THIS MOTION, NOT
9 BECAUSE I'M OPPOSING THE INDIVIDUAL IDEAS, BUT THE WAY
10 THAT WE'RE PUT ON A STRAIGHTJACKET.

11 MR. KLEIN: THIS IS NOT A REQUIREMENT. THESE
12 ARE BONUS POINTS.

13 VICE CHAIR SERRANO-SEWELL: BOB, I DON'T
14 UNDERSTAND THE CONCEPT OF BONUS POINTS, SO EXPLAIN IT TO
15 ME.

16 MR. KLEIN: IN THE TOTAL POINTS, YOU DON'T HAVE
17 TO GET POINTS IN THIS CATEGORY.

18 VICE CHAIR SERRANO-SEWELL: YOU DON'T HAVE TO
19 GET POINTS IN LEVERAGE OR FUNCTIONALITY, VALUE, OR
20 URGENCY.

21 MR. KLEIN: FOR EXAMPLE, THERE ARE -- YOU HAVE
22 TO HAVE A 20-PERCENT CASH MATCH. THAT'S A THRESHOLD
23 ISSUE, SO THAT'S MANDATORY.

24 VICE CHAIR SERRANO-SEWELL: IT'S PART OF THE
25 QUALIFICATIONS. YOU DON'T GET ANY POINTS FOR THAT.

1 MR. KLEIN: RIGHT. THE POINT IS IN THESE
2 CATEGORIES THAT WE'RE TALKING ABOUT NOW, YOU DON'T HAVE
3 TO BUILD WITHIN TWO YEARS, BUT YOU WILL GET POINTS FOR --
4 THE ISSUE IS THAT YOU GET POINTS AS A PRIORITY.

5 VICE CHAIR SERRANO-SEWELL: I WOULDN'T
6 CHARACTERIZE THAT AS BONUS POINTS.

7 MR. KLEIN: POINTS.

8 VICE CHAIR SERRANO-SEWELL: BONUS POINTS
9 IMPLIES SOMETHING ELSE, THIS OTHER POT OF POINTS.

10 CHAIRMAN LICHTENGER: WHAT I THINK BOB IS
11 SAYING IS THAT AN APPLICATION MAY PASS THE MINIMUM
12 REQUIREMENTS AND CONCEIVABLY COULD GET ZERO POINTS IN
13 SEVERAL CATEGORIES. I AGREE WITH DAVID'S POINT THAT I
14 DON'T UNDERSTAND THE BONUS CONCEPT.

15 ANYWAY, ANY OTHER COMMENTS ON THE PROPOSED
16 MOTION? I'D LIKE -- IF THAT'S OKAY WITH THE MEMBERS, I'D
17 LIKE TO ASK FOR A PUBLIC COMMENTS NOW. PLEASE STATE YOUR
18 NAME AND AFFILIATION. WHOEVER WANTS TO STEP UP FIRST.

19 MR. REED: DON REED, PUBLIC. I KNOW WE USED
20 THE POINT SYSTEM VERY EFFECTIVELY FOR THE SITE SELECTION,
21 BUT THAT WAS ON SOMETHING THAT WAS SEEABLE, CONCRETE,
22 ALREADY IN EXISTENCE. NOW WE'RE TRYING TO SAY WHICH IS
23 GOING TO BE THE MOST EFFECTIVE WAY TO BUILD A NEW
24 SCIENCE. I'M NOT SURE THAT WE CAN QUANTIFY A SCIENCE
25 WHICH IS SO NEW. WE CAN'T SAY IS IT GOING TO BE AN

1 INDIVIDUAL EFFORT ON THE SCIENTIST OR A CONSORTIUM.

2 I THINK THAT WE NEED TO LEAVE IT BE A FIGHTING
3 SITUATION. LET THE VARIOUS PROPOSALS FIGHT AND BE AWARE
4 OF THE POSSIBILITIES. I'M NOT SURE WE CAN QUANTIFY IT TO
5 A SERIES OF THIS MANY POINTS FOR THIS. IT JUST SEEMS
6 LIKE WE'RE TRYING TO PUT FORM ON SOMETHING WHICH IS NOT
7 YET FORMABLE. THE STEM CELL RESEARCH IS SO NEW. I'M NOT
8 SURE WE CAN QUANTIFY THE PROCEDURES AND THE FUNCTIONS TO
9 A POINT SYSTEM.

10 CHAIRMAN LICHTENGER: THANK YOU FOR YOUR
11 COMMENTS, DON. JOHN.

12 MR. SIMPSON: JOHN SIMPSON FROM THE FOUNDATION
13 FOR TAXPAYER AND CONSUMER RIGHTS. DO YOU WANT IT JUST ON
14 THIS SPECIFIC MOTION OR TO THE BROAD CRITERIA?

15 CHAIRMAN LICHTENGER: THE SPECIFIC MOTION.

16 MR. SIMPSON: THE SPECIFIC MOTION, YOU
17 DEFINITELY, I WOULD SUBMIT, SHOULD, SINCE YOU VALUE
18 SHARED RESOURCES, PUT THAT IN THE MIX SOMEHOW. IT
19 ADMITTEDLY IS DIFFICULT, AS DON WAS JUST SUGGESTING, TO
20 FIGURE OUT HOW YOU'RE GOING TO DO ALL THE POINTS AND ALL
21 THAT STRUCTURE. BUT AT THIS STAGE OF THE GAME, IT SEEMS
22 CLEAR TO ME THAT THAT'S A VALUE THAT YOU THINK IS
23 IMPORTANT, SO YOU SHOULD PUT IT IN. I MEAN YOU MIGHT
24 ULTIMATELY END UP GIVING SOMEONE ZERO FOR IT OR NOT, BUT
25 IT DOES SEEM TO MATTER TO THE BOARD. IT DOES MATTER TO

1 ME, AND I WOULD URGE YOU TO PUT IT IN.
2 CHAIRMAN LICHTENGER: THANK YOU FOR YOUR
3 COMMENTS, JOHN. ANY OTHER MEMBERS OF THE PUBLIC?
4 SO I GUESS NOW WE CAN GO TO A VOTE. ALL THOSE
5 IN FAVOR SAY AYE. DO A ROLL CALL.
6 MS. SAMUELSON: COULD YOU RESTATE THE MOTION?
7 CHAIRMAN LICHTENGER: THE MOTION IS TO HAVE
8 SHARED RESOURCES AS ONE OF THE CRITERIA FOR THE LARGE
9 GRANT RFA. AND WE HAVE A SECOND. RICK, YOU CAN CALL THE
10 ROLL.
11 MR. KELLER: ED KASHIAN.
12 MR. KASHIAN: NO.
13 MR. KELLER: JANET WRIGHT.
14 DR. WRIGHT: YES.
15 MR. KELLER: JEFF SHEEHY.
16 MR. SHEEHY: YES.
17 MR. KELLER: JOAN SAMUELSON.
18 MS. SAMUELSON: YES.
19 MR. KELLER: ROBERT KLEIN.
20 MR. KLEIN: YES.
21 MR. KELLER: STUART LAFF.
22 MR. LAFF: YES.
23 MR. KELLER: DAVID SERRANO-SEWELL.
24 VICE CHAIR SERRANO-SEWELL: YES.
25 MR. KELLER: DAVID LICHTENGER.

1 CHAIRMAN LICHTENGER: YES. THE MOTION CARRIES.
2 SO IF WE WANT TO KEEP WITH THIS PARTICULAR
3 FORMAT, WHICH SEEMS TO BE AN EXPEDITIOUS WAY OF DOING
4 THIS, MAYBE WE SHOULD HAVE A CONTINUANCE ABOUT URGENCY.
5 WE CAN TAKE EACH ONE INDIVIDUALLY AND TRY AND GET THINGS
6 APPROVED. SO I'D LIKE TO OPEN UP THE FLOOR TO
7 DISCUSSION. DOES EVERYONE FEEL THAT URGENCY SHOULD BE A
8 CRITERIA FOR EVALUATING THE LARGE FACILITIES GRANTS?

9 MS. SAMUELSON: I DON'T UNDERSTAND THE TERM AS
10 IT'S APPLIED HERE.

11 MR. KELLER: I WAS GOING TO TRY TO PUT OUR --
12 REVEAL OUR NEXT ELEMENT HERE OF HELPING YOU, TRYING TO
13 GIVE YOU A TOOL TO GET THROUGH THIS. SO WHAT WE'VE DONE
14 IS FOR THOSE CRITERIA THAT WE'VE BEEN DISCUSSING TODAY,
15 THOSE FOUR, AND WE'LL ADD ONE MORE, AS YOU JUST PASSED IN
16 YOUR MOTION. WE'VE PUT IN A DEFINITION THAT BEGINS TO
17 BASICALLY GET TO THE QUESTION YOU JUST POSED, WHICH IS
18 WHAT DO YOU REALLY MEAN BY URGENCY? AND THEN WE PUT KIND
19 OF A FIRST PASS AT WHAT THE EVALUATION STANDARD MIGHT BE.

20 SO IN THE CASE OF URGENCY, WHAT WE'RE SAYING IS
21 THE DEFINITION IS THE APPLICANT PLACES A HIGH VAGUE ON
22 COMPLETION OF THE PROJECT ON A TIMELY BASIS, THAT THE
23 INSTITUTION HAS A PROVEN TRACK RECORD OF DELIVERING
24 CAPITAL PROJECTS ON AN EXPEDITED SCHEDULE.

25 NOW, BASED ON THE DISCUSSION TODAY, I THINK YOU

1 WANT TO ESTABLISH IN THE DEFINITION THAT THE START DATE
2 IS THE NOTICE OF GRANT AWARD, AND THE END DATE COULD
3 EITHER BE THE TEMPORARY OCCUPANCY IF THAT'S YOU WANT TO
4 ESTABLISH. THAT WOULD DEFINE URGENCY. AND THEN THE
5 EVALUATION CRITERIA IS WHETHER THE PROJECT COMPLETES
6 WITHIN THE TWO-YEAR TIMEFRAME. AND JUST FOR EASE OF
7 BREVITY, NOTICE OF GRANT AWARD PERIOD, MEANING THAT SPAN
8 OF TIME. OR IS THE PROJECT LONGER THAN TWO YEARS? YOU
9 COULD ALSO ESTABLISH LEVELS HERE. IF YOU WANTED TO SAY
10 LONGER THAN TWO, BUT LESS THAN TWO AND A HALF OR LONGER
11 THAN TWO AND A HALF, SO YOU COULD THEN DECIDE WHAT THE
12 EVALUATION STANDARD IS IN TERMS OF THE GRADATIONS.

13 THAT'S WHAT WE WANT TO SET UP AS A STARTING
14 POINT FOR YOU. THESE ARE CERTAINLY MALLEABLE ENOUGH FOR
15 YOU TO DECIDE HOW YOU WANT THEM TO BE. SO THE POINT YOU
16 HAVE TO BE THINKING ABOUT RIGHT NOW IS WHEN WE COME INTO
17 A ROOM JUST LIKE THIS IN A FEW MONTHS, AND WE'VE GOT 12
18 OR 15 APPLICATIONS AND WE'RE EVALUATING THOSE
19 APPLICATIONS ON BEHALF OF CIRM, DO WE HAVE THE RIGHT
20 THINGS ON THE PAGE? HAVE WE THOUGHT THROUGH THE RIGHT
21 EVALUATION OF THOSE CRITERIA? AND HAVE WE DONE THE RIGHT
22 WEIGHTING? IT'S A BIT OF STARTING WITH THE END IN MIND
23 HERE.

24 CHAIRMAN LICHTENGER: I JUST WANT TO POINT OUT
25 ONE THOUGHT I HAD ABOUT THE DEFINITION ON THIS TWO-YEAR.

1 YOU KNOW, IN A CERTAIN WAY A PARTICULAR GRANT APPLICATION
2 THAT MIGHT BE FOR A SMALLER AMOUNT IS GOING TO HAVE A
3 REAL ADVANTAGE IF THEY'RE BUILDING A SMALLER FACILITY.
4 SO THEY MIGHT GET A PRIORITY, BUT THEY MAY BE TAKING A --
5 BE DOING A SIGNIFICANTLY SMALLER PROJECT. SO IT'S JUST
6 INTERESTING HOW EXACTLY WE DEFINE THE IDEA OF URGENCY.
7 WHILE YOU MIGHT HAVE A PARTICULAR FACILITY THAT MIGHT BE
8 A 100,000 SQUARE FEET AND THEY MIGHT NOT MEET THE TWO
9 YEARS, BUT YOU COULD HAVE A 50,000 SQUARE FOOT FACILITY
10 THAT WOULD EASILY MEET IT. SO I THINK IT'S A LITTLE BIT
11 OF A SLIPPERY SLOPE.

12 MR. KELLER: WHEN WE GET TO THE SCIENTIFIC
13 REVIEW IN A MINUTE, I THINK IT WILL BECOME APPARENT THAT
14 THAT'S A GOOD REASON WHY WE WANT TO HAVE STRATIFICATIONS
15 TO THESE APPLICATIONS UNDER A SINGLE RFA.

16 MR. KLEIN: I THINK WHAT RICK IS SAYING IS
17 THEY'RE GOING TO BE COMPETING IN A SMALL CATEGORY OR A
18 MEDIUM SIZE CATEGORY OR A LARGE CATEGORY, SO WITHIN THEIR
19 CATEGORY, THEY'LL BE JUDGED AGAINST -- AWARDED POINTS
20 AGAINST OTHERS.

21 BUT JUST TO ADVANCE THIS, I'D LIKE TO MAKE A
22 MOTION THAT WE CAN THEN HAVE DISCUSSION ON THAT THERE BE
23 SPECIFIC POINTS AWARDED FOR PROJECTS COMPLETED WITHIN TWO
24 YEARS OF GRANT AWARD THAT ARE JUDGED WITH AN ENDING DATE
25 THAT IS SHELL SPACE AND BUILDING SYSTEMS COMPLETED,

1 WHETHER THAT IS TEMPORARY OCCUPANCY OR SOME OTHER
2 EQUIVALENT STANDARD, BECAUSE THE INITIATIVE REQUIRES IT
3 AS A PRIORITY.

4 VICE CHAIR SERRANO-SEWELL: SECOND.

5 MS. SAMUELSON: AS A PRACTICAL MATTER, IS IT
6 POSSIBLE TO ANTICIPATE WHETHER THAT'S GOING TO HAPPEN OR
7 NOT?

8 CHAIRMAN LICHTENGER: EXCUSE ME, JOAN. TAMAR
9 WANTS TO MAKE A COMMENT.

10 MS. PACHTER: I JUST THOUGHT IT MIGHT BE
11 HELPFUL TO READ TO YOU THE PROVISION OF THE ACT THAT
12 GOVERNS IN THIS SITUATION. IT SAYS, "PRIORITY FOR
13 APPLICATIONS THAT PROVIDE FOR FACILITIES THAT WILL BE
14 AVAILABLE FOR RESEARCH NO MORE THAN TWO YEARS AFTER THE
15 GRANT AWARD." SO THAT GIVES YOU SOME BOUNDARIES IN WHICH
16 YOU HAVE TO OPERATE WITH RESPECT TO THIS ISSUE.

17 CHAIRMAN LICHTENGER: SO, JOAN, BEFORE I LET
18 YOU COMMENT, AVAILABLE FOR RESEARCH, TO ME, BOB, WOULD
19 NOT BE TCO.

20 MR. KLEIN: SURE. IT COULD BE. WE HAVE THE
21 OPTION. TWO YEARS IS A TOUGH STANDARD. SO IF YOU'VE GOT
22 A TWO-YEAR STANDARD, I WANT TO GIVE THEM THE BENEFIT OF
23 ASSUMING THAT THEY'VE GOT THE SYSTEMS IN PLACE AND THE
24 SHELL SPACE IN IS PLACE, THAT THEY CAN DO MOVABLE
25 EQUIPMENT AND MOVE IT IN AND HAVE IT, IN QUOTES,

1 AVAILABLE FOR RESEARCH. I'M TRYING TO REALIZE THAT I'M
2 STARTING WITH A TOUGH STANDARD.

3 CHAIRMAN LICHTENGER: DO YOU MEAN SHELL, OR DO
4 YOU MEAN THE TENANT IMPROVEMENTS AS WELL?

5 MR. KLEIN: WELL, WHAT'S IMPORTANT HERE IS
6 FINISHED SHELL WITH SYSTEMS BECAUSE, AS YOU KNOW, YOU CAN
7 HAVE A FREEZER THAT YOU DO AS A BUILD-IN.

8 CHAIRMAN LICHTENGER: THAT'S A TENANT
9 IMPROVEMENT THAT'S NOT A --

10 VICE CHAIR SERRANO-SEWELL: POINT HERE. LET'S
11 NOT GET HUNG UP BECAUSE EACH JURISDICTION HAS THEIR OWN
12 WAY OF ISSUING PERMITS. WHAT THEY DO IN SAN FRANCISCO IS
13 NOT THE SAME THING THAT THEY DO IN LOS ANGELES COUNTY.
14 EACH BUILDING DIRECTOR HAS THEIR OWN DISCRETIONARY
15 AUTHORITY TO SORT OF WIGGLE THINGS AND MAKE IT HAPPEN.

16 THANK YOU, TAMAR, FOR READING IT BECAUSE I
17 THINK THE END DATE IS WHEN IT'S OPEN AND AVAILABLE.
18 WHETHER IT'S TCO, WHETHER IT'S AN EQUIVALENT, I DON'T
19 CARE. THE STATUTE LAYS IT OUT VERY CLEARLY THAT IT HAS
20 TO BE AVAILABLE FOR RESEARCH WITHIN TWO YEARS. TO ME
21 THAT MEANS THE DOORS ARE OPEN. WHETHER THEY'RE OPERATING
22 UNDER WHAT KIND OF PERMIT IS --

23 CHAIRMAN LICHTENGER: BOB IS NOT SAYING THAT.
24 BOB IS SAYING THE SHELL SPACE IS COMPLETE. THERE'S THE
25 TENANT IMPROVEMENTS, WHICH ARE THE NONMOVABLE ITEMS WOULD

1 HAVE TO BE COMPLETE FOR IT TO BE AVAILABLE TO DO
2 RESEARCH. THAT WAS THE POINT I WAS TRYING TO MAKE.

3 MR. SHEEHY: I APOLOGIZE, BUT I CANNOT FOLLOW
4 THIS DISCUSSION. WE STARTED OFF TRYING TO IDENTIFY THE
5 CRITERIA. NOW WE'RE IN DEFINITIONS, AND I THINK WE'RE
6 PERILOUSLY CLOSE TO POINTS. WE'RE NOT GOING TO GET
7 ANYTHING DONE TODAY IF WE DON'T PROCEED WITH SOME SORT OF
8 ORDER. I THINK WE WERE GOING ONE BY ONE THROUGH THE
9 CRITERIA TO SEE IF WE ACCEPTED THEM, AND THEN PERHAPS THE
10 NEXT --

11 CHAIRMAN LICHTENGER: YOU'RE RIGHT. THANK YOU
12 FOR REELING US BACK.

13 MR. SHEEHY: CAN I JUST KIND OF GET SOME
14 CLARITY ON WHAT OUR PROCESS IS GOING TO BE? THEN I THINK
15 THE NEXT STAGE IS TO SEE IF WE NEED TO ADD ANY ADDITIONAL
16 CRITERIA. AM I RIGHT? AND THEN COME BACK AND DEFINE
17 THEM, AND THEN COME BACK AND ASSIGN POINTS.

18 CHAIRMAN LICHTENGER: AND ELIMINATE POTENTIALLY
19 AS WELL.

20 MR. SHEEHY: YEAH, AND ELIMINATE. SO WE'RE
21 GOING TO GO DOWN THIS LIST. WE'VE ADDED ONE. WHEN WE
22 GET THROUGH GOING DOWN THIS LIST, WE MAY ADD ANOTHER OR
23 NOT.

24 CHAIRMAN LICHTENGER: JEFF, I THINK THAT'S A
25 GREAT POINT. AND LET'S STAY ON TARGET. THANK YOU FOR

1 HELPING ME ON THIS ONE.

2 SO ARE THERE ANY -- GOING BACK, BOB, WHAT WAS
3 YOUR MOTION AGAIN?

4 VICE CHAIR SERRANO-SEWELL: BOB, FOR NOW I
5 THINK YOU NEED TO WITHDRAW YOUR MOTION. YOUR MOTION WAS
6 TO INCLUDE URGENCY, BUT I THINK PART OF YOUR MOTION WAS
7 PART OF THE DEFINITION. THAT'S WHY IT GOT US INTO
8 DEFINITION CONVERSATION.

9 MR. KLEIN: I WAS RESPONDING TO JOAN'S WHAT
10 DOES URGENCY MEAN.

11 VICE CHAIR SERRANO-SEWELL: YOUR MOTION
12 INCLUDED A DEFINITION. SO I THINK THE MORE APPROPRIATE
13 MOTION RIGHT NOW IS SHOULD WE INCLUDE URGENCY? YES OR
14 NO? MOVING ON TO VALUE, AND THEN WE'LL GO BACK AND DO
15 THE DEFINITIONS, RIGHT? THAT MAKES SENSE TO ME.

16 CHAIRMAN LICHTENGER: I AGREE.

17 MR. KLEIN: THAT'S FINE. THE COMMUNICATION IS
18 IT'S FROM THE INITIATIVE, COMPLETED WITHIN TWO YEARS.

19 VICE CHAIR SERRANO-SEWELL: THAT'S STATUTORY.

20 MR. KLEIN: THAT'S THE ANSWER, AND WE'LL COME
21 BACK AND ADD THAT DEFINITION LATER.

22 DR. WRIGHT: I HAVE A QUESTION, AND IT'S
23 RELEVANT TO URGENCY. IS URGENCY THE CRITERION THAT WE
24 WANT? IS IT TIMELINESS? I UNDERSTAND WE'RE TRYING TO
25 MOVE THIS FORWARD, BUT I'M TRYING TO PUT MYSELF AHEAD TO

1 THE REVIEW SESSION THAT RICK REFERS TO. AND IF I HAVE
2 TWO GRANTS AND ONE'S GOING TO BE COMPLETED, I WANT THEM
3 TO COMPLETE IT IN A TIMELY FASHION FOR THEIR PROJECT,
4 EACH INDIVIDUAL PROJECT. AND SO --

5 CHAIRMAN LICHTENGER: SO WE COULD JUST HAVE
6 MILESTONES AND SCHEDULE AND USE THOSE TERMS INSTEAD.

7 DR. WRIGHT: OR MAYBE THE CRITERION IS
8 TIMELINESS, NOT URGENCY. I DON'T WANT TO REMOVE THE
9 ACCELERATOR FROM THE MESSAGE.

10 CHAIRMAN LICHTENGER: MAYBE TIMELINESS COULD
11 HAVE SOME OF THE SAME ISSUES AS URGENCY. SO IF YOU'RE
12 TALKING ABOUT MILESTONES AND SCHEDULE, THAT'S MORE
13 OBJECTIVE. STUART, YOU HAVE ANY POINTS, MILESTONES AND
14 SCHEDULE?

15 MR. LAFF: ONE OF THE ISSUES I WAS SITTING HERE
16 THINKING ABOUT IS WE HAVE ALL SEEN SCHEDULES AND
17 MILESTONES. AND THE REALITY IS WE'RE GOING TO HAVE TO
18 EVALUATE HOW REAL WE THINK THOSE SCHEDULES REALLY ARE AND
19 HOW WELL EACH OF THESE EITHER INSTITUTIONS OR
20 COLLABORATIONS HAVE REALLY DONE IN MEETING THEIR ORIGINAL
21 SCHEDULES AND BUDGETS.

22 CHAIRMAN LICHTENGER: THAT COULD BE PART OF THE
23 DEFINITION PROCESS. BOB, WILL YOU WITHDRAW YOUR MOTION,
24 PLEASE?

25 MR. KLEIN: I DON'T KNOW. I WITHDRAW THE

1 MOTION.

2 CHAIRMAN LICHTENGER: THANK YOU. I'D LIKE TO
3 MAKE A MOTION TO HAVE SCHEDULE AND MILESTONES AS ONE OF
4 THE CRITERIA FOR THE RFA. LORI, YOU WANTED TO MAKE A
5 COMMENT?

6 MS. HOFFMAN: I JUST WANT TO REMIND YOU THAT
7 MILESTONES AND TIMELINES ARE ONE OF THE REQUIREMENTS, THE
8 THRESHOLD REQUIREMENTS, SO IT MIGHT BE MORE PRUDENT TO
9 CHOOSE A DIFFERENT TITLE.

10 CHAIRMAN LICHTENGER: YOU HAVE ANY SUGGESTIONS?

11 MS. HOFFMAN: URGENCY. TIMELINESS.

12 MR. KLEIN: I'D ACTUALLY SAY THE REAL GOAL FOR
13 THE VOTERS IS URGENCY. WE HAVE TO GET THESE DONE
14 QUICKLY. WE ALREADY HAVE, AS LORI HAS HELPFULLY POINTED
15 OUT, THE MILESTONES AND TO JUDGE TIMELINESS. SO I WOULD
16 LIKE TO JUST STICK WITH ADOPTING URGENCY.

17 CHAIRMAN LICHTENGER: WHAT ABOUT EXPEDITED
18 SCHEDULE?

19 VICE CHAIR SERRANO-SEWELL: I DON'T KNOW IF
20 YOU'RE GOING TO GET A SECOND, STUART. IF YOUR MOTION IS
21 ON THE TABLE, YOU WANT TO INCLUDE SOMETHING ELSE, I THINK
22 THE RIGHT MOTION, URGENCY ENCAPSULATES ALL OF THOSE
23 CONCEPTS.

24 DR. WRIGHT: I CAN LIVE WITH THAT.

25 CHAIRMAN LICHTENGER: BOB, YOUR ORIGINAL

1 MOTION.

2 MR. KLEIN: YOU ARE SO GRACIOUS. I WILL
3 PROPOSE THAT WE ADOPT URGENCY AS PROPOSED.

4 VICE CHAIR SERRANO-SEWELL: SECOND.

5 CHAIRMAN LICHTENGER: SO DO WE HAVE ANY MORE
6 MEMBER COMMENTS JUST ON MAKING URGENCY A CRITERIA, NOT ON
7 THE DEFINITION OR ITS WEIGHTING?

8 MS. SAMUELSON: BASED ON WHAT STUART SAID, IS
9 IT POSSIBLE TO DO THAT WITHOUT THIS JUST BEING A SILLY
10 SHELL GAME?

11 CHAIRMAN LICHTENGER: YES, IT IS.

12 MR. LAFF: YES, IT IS, BUT YOU HAVE TO BE VERY
13 CAREFUL.

14 CHAIRMAN LICHTENGER: I'D LIKE TO ASK FOR
15 PUBLIC COMMENT ON ADOPTING URGENCY AS ONE OF THE
16 CRITERIA. ANY PUBLIC?

17 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
18 TAXPAYER AND CONSUMER RIGHTS. I'LL BE QUICK AND TO THE
19 POINT. IT'S IN THE PROPOSITION. YOU NEED TO REAFFIRM
20 THAT. IT SEEMS TO ME CRYSTAL CLEAR THAT THIS IS THE WAY
21 TO GO.

22 CHAIRMAN LICHTENGER: THANK YOU, JOHN. ANY
23 OTHER PUBLIC COMMENTS? SO I'D LIKE TO CALL A VOTE NOW.
24 ALL THOSE IN FAVOR OF PUTTING URGENCY AS ONE OF THE
25 CRITERIA FOR THE RFA SAY AYE. ANY OBJECTIONS? OKAY. IT

1 PASSES UNANIMOUSLY.

2 OKAY.

3 VICE CHAIR SERRANO-SEWELL: I'D LIKE TO MAKE A
4 MOTION, AND I'M SORRY FOR SKIPPING DOWN, BUT I WANT TO GO
5 TO ONES I THINK THERE'S NOT GOING TO BE ANY CONTROVERSY
6 ON.

7 CHAIRMAN LICHTENGER: I AGREE WITH YOU.

8 VICE CHAIR SERRANO-SEWELL: MY MOTION WOULD BE
9 TO INCLUDE LEVERAGE AS ONE OF THE CRITERIA FOR THIS
10 LARGE --

11 CHAIRMAN LICHTENGER: I SECOND THAT MOTION. SO
12 I'D LIKE TO OPEN UP.

13 MS. SAMUELSON: CAN YOU DEFINE THAT AS YOU MEAN
14 IT?

15 VICE CHAIR SERRANO-SEWELL: NO. WE AGREED
16 COLLECTIVELY THAT WE WOULD FIRST IDENTIFY THE CRITERIA
17 AND THEN GO TO DEFINITIONS.

18 MS. SAMUELSON: I'LL BE IN FAVOR OF IT IF IT'S
19 ABOUT MONEY, AND I WON'T IF IT'S ABOUT THE WIDER
20 PROGRAMMATIC VALUE.

21 VICE CHAIR SERRANO-SEWELL: I SEE YOUR POINT.
22 THAT'S THE PROCESS WE LAID OUT, JOAN.

23 MR. KLEIN: IN COMMENTS ON THE MOTION, I THINK
24 THAT THE GENERAL CONSENSUS, JOAN, AS I HEARD THE OTHER
25 MEMBERS, THAT WE'RE GOING TO FOCUS LEVERAGE ON FINANCIAL.

1 AND THE DISCUSSION WAS PROVIDING LEVERAGE POINTS FOR
2 ACTUAL MONEY ABOVE THE 20-PERCENT MINIMUM CASH MATCH, BUT
3 WE NEED TO GO BACK FOR DEFINITIONS TO REFINE THAT AND
4 MAKE SURE THAT THAT IS. THIS IS JUST TO ESTABLISH THE
5 CONCEPT.

6 CHAIRMAN LICHTENGER: I AGREE WITH THAT. AND,
7 JOAN, I THINK IT REALLY SHOULD BE IN THE GRANTS WORKING
8 GROUP ANY OTHER TYPE OF LEVERAGE. I DON'T THINK THIS
9 PARTICULAR GROUP CAN LOOK AT IT ANY OTHER WAY.

10 SO ANY OTHER COMMENTS ABOUT ADDING LEVERAGE TO
11 ONE -- AS ONE OF THE CRITERIA FOR THE LARGE GRANTS RFA?

12 MS. SAMUELSON: WHICH IS BASICALLY WHAT THE
13 PROJECT IS AS OPPOSED TO PROGRAM?

14 MR. KLEIN: THAT'S RIGHT.

15 CHAIRMAN LICHTENGER: OKAY. SO NO OTHER
16 COMMENTS BY MEMBERS. I'D LIKE TO OPEN IT UP TO THE
17 PUBLIC NOW FOR COMMENTS ABOUT INCLUDING LEVERAGE AS ONE
18 OF THE CRITERIA FOR THE LARGE GRANT RFA.

19 MR. SIMPSON: I SINCERELY WISH SOMEONE ELSE
20 WOULD OCCASIONALLY SPEAK. ANYTHING YOU CAN DO TO GET
21 MORE PEOPLE TO PUT MORE MONEY IN AND BRING IT TO THE
22 TABLE IS GOOD FOR THE PROGRAM, GOOD FOR THE TAXPAYERS,
23 GOOD FOR THE STATE OF CALIFORNIA. YOU SHOULD GIVE DOUBLE
24 BONUS POINTS FOR INCREASED CASH LEVERAGE.

25 CHAIRMAN LICHTENGER: THANK YOU, JOHN. ANY

1 OTHER PUBLIC COMMENTS? OKAY. WE WILL NOW TAKE A VOTE.
2 ALL THOSE IN FAVOR OF PASSING LEVERAGE AS A CRITERIA FOR
3 THE LARGE GRANT RFA SAY AYE. ALL THOSE OPPOSED? OKAY.
4 IT PASSES UNANIMOUSLY.

5 SO I'D LIKE TO MAKE A MOTION. I'D LIKE TO MAKE
6 A MOTION TO HAVE COSTS BE A SEPARATE CRITERIA FOR THE
7 LARGE GRANT RFA.

8 MS. SAMUELSON: IT WILL BE DIFFICULT FOR ME TO
9 VOTE ON IT UNTIL I HAVE SOME SENSE OF HOW THAT IS
10 DIFFERENT FROM LEVERAGE, HOW IT'S NOT SUBSUMED WITHIN
11 LEVERAGE.

12 VICE CHAIR SERRANO-SEWELL: DAVID, JOAN MAKES A
13 GOOD POINT. HERE'S WHAT'S HELPFUL. WE JUST HAD A
14 PRESENTATION FROM STAFF WHERE THEY GAVE US A SUMMARY OF
15 THE DISCUSSIONS THAT WE HAD AT THE HEARINGS, AND THEY
16 IDENTIFIED FROM THOSE HEARINGS FOUR CONCEPTS THAT WOULD
17 BE OF BENEFIT TO INCLUDE IN THIS RFA: URGENCY, VALUE,
18 LEVERAGE, FUNCTIONALITY. WE DECIDED EARLY ON THAT SHARED
19 RESOURCES IS SOMETHING THAT HAD TO BE INCLUDED, SO WE DID
20 THAT.

21 I THINK A MORE PRUDENT COURSE WOULD BE LET'S
22 JUST FOCUS ON WHAT WE HAD A PRESENTATION ON. SO THAT
23 WOULD LEAVE VALUE AND FUNCTIONALITY. WE HAVEN'T VOTED ON
24 THAT YET. I'D LIKE TO DO THAT BEFORE WE INTRODUCE NEW
25 CONCEPTS. THAT'S JUST HOW MY BRAIN WORKS.

1 CHAIRMAN LICHTENGER: SO THEN LET'S GO TO
2 FUNCTIONALITY BECAUSE THAT WILL PROBABLY BE A LESS -- AN
3 EASIER ONE.

4 DR. WRIGHT: I MOVE WE ADOPT FUNCTIONALITY.

5 CHAIRMAN LICHTENGER: I SECOND THAT. SO
6 FUNCTIONALITY AS A CRITERIA FOR THE LARGE GRANT RFA. I'D
7 LIKE TO OPEN UP THE FLOOR FOR DISCUSSION AS FAR AS
8 FUNCTIONALITY.

9 MR. SHEEHY: WELL, I'M JUST LOOKING AT THE
10 COMMENTS WE HAVE, AND A LOT OF THESE SEEM TO BE
11 SCIENTIFIC ISSUES. AND SO I THINK WE DO HAVE -- CAN WE
12 MAYBE FLIP BACK TO THAT? I THINK IT'S -- THERE'S FOUR
13 PRETTY BIG SLIDES ON FUNCTIONALITY. CAN YOU SPLIT
14 SCREEN, RICK?

15 MR. KELLER: YOU'RE CHALLENGING MY TECHNICAL
16 ABILITIES.

17 MR. SHEEHY: IT'S NOT FAIR. MAYBE WE CAN JUST
18 WALK THROUGH IT.

19 VICE CHAIR SERRANO-SEWELL: WELL, THERE'S THE
20 PROPOSED DEFINITION TOO.

21 MR. SHEEHY: WE HAVE A PROPOSED DEFINITION?
22 SHALL WE LOOK AT A PROPOSED DEFINITION? I'M JUST -- I DO
23 THINK THAT THERE'S SOME AMBIGUITY THERE.

24 MR. KELLER: WHAT WE TRIED TO DO IS DISTILL OUT
25 OF ALL OF THOSE COMMENTS THE FUNDAMENTAL NOTION THAT --

1 AND IT GOES BACK TO SOME COMMENTS, JEFF, THAT WERE MADE
2 ABOUT THE FACT THAT THERE NEEDS TO BE CORE LABS, THERE
3 NEEDS TO BE A COMPLEMENT, THAT FUNCTIONALITY IS REALLY
4 SPEAKING TO KIND OF THE PARTS OF THE PROJECT AND HOW THEY
5 ALL -- HOW MERITORIOUS THEIR PROPOSAL, THAT APPLICANT'S
6 PROPOSAL IS, RELATIVE TO THE BROADEST SET OF REQUIREMENTS
7 THAT THEY THEMSELVES WILL BE EXPRESSING IN THEIR PROGRAM
8 PLANS.

9 SO IT DOESN'T -- AGAIN, I AGREE WITH YOU, THAT
10 MOST OF WHAT WE HEARD IN FUNCTIONALITY IS REALLY ABOUT
11 SOME THINGS THAT THE GRANTS WORKING GROUP NEEDS TO DEAL
12 WITH. WE KIND OF JUST PLUCKED FROM THAT THIS VERY
13 SPECIFIC NARROW NOTION OF PROGRAM SPACE NEEDS AND
14 RESPONSIVENESS TO PROGRAM. SO THEY'RE BUILDING THE
15 THINGS THAT WE SEE ARE THE RIGHT THINGS TO SUPPORT
16 PROGRAM OBJECTIVES.

17 MR. SHEEHY: I THINK I GET IT.

18 MS. SAMUELSON: I'D BE INTERESTED IN HEARING
19 FROM THE REAL ESTATE MEMBERS IF THAT RESONATES WITH YOU
20 IN YOUR BACKGROUND OF TAKING PROJECTS THROUGH TO
21 COMPLETION, THAT SOME ARE GOING TO GET BETTER, WHAT THE
22 MISSION OF THIS --

23 MR. KASHIAN: FROM MY POINT OF VIEW,
24 FUNCTIONALITY REALLY MEANS AN EXCELLENT INFRASTRUCTURE
25 AND THE ABILITY TO BE ABLE TO CHANGE THE INTERIOR, THE

1 TENANT IMPROVEMENTS, QUICKLY AND INEXPENSIVELY. IN
2 TODAY'S WORLD, THE TENANT IMPROVEMENTS ARE COSTING MORE
3 THAN THE SHELLS. FUNCTIONALITY TO ME IS VERY IMPORTANT
4 AS DEFINED IN THE ABILITY TO HAVE A FLEXIBLE INTERIOR TO
5 MEET THE QUALIFICATIONS OF THE SCIENTISTS AT SOME POINT
6 IN THE FUTURE.

7 MS. SAMUELSON: OVER TIME?

8 MR. KASHIAN: IN OTHER WORDS, THE RESEARCH HAS
9 ONE MEANING TODAY. A YEAR OR TWO FROM NOW, THEY MAY HAVE
10 A DIFFERENT TYPE OF LAB OR A DIFFERENT TYPE OF FACILITY.

11 MR. SHEEHY: RICK, IS THIS MAYBE ANOTHER
12 RECAPITULATION OF OUR FEASIBILITY? I'M TRYING TO -- WE
13 HAD FEASIBILITY IN THE SHARED LAB. FUNCTIONALITY,
14 FEASIBILITY.

15 CHAIRMAN LICHTENGER: IF IT'S NOT FEASIBLE --

16 MR. SHEEHY: WHICH SEEMED TO LOOK AT IS IT
17 POSSIBLE THAT THE SPACE THAT YOU ARE BUILDING WILL WORK
18 FOR THE WORK THAT YOU WANT TO DO THERE. I'M TRYING TO
19 GET WHAT WE'RE GOING TO BE EVALUATING HERE.

20 CHAIRMAN LICHTENGER: I THINK PART OF THE
21 PROBLEM, JEFF, AND I WANT TO LET STUART TALK, IS WHEN I
22 THINK ABOUT FUNCTIONALITY, I THINK ABOUT INNOVATION AND
23 EXCELLENCE TOO WITHIN THE FUNCTIONALITY. ANYWAY, STUART,
24 YOU WERE --

25 MR. LAFF: I HAD TWO COMMENTS. GENERALLY

1 FUNCTIONALITY IS MORE EXPENSIVE. SECOND OF ALL, I DON'T
2 LIMIT IT JUST TO TENANT IMPROVEMENTS. IT CAN BE IN THE
3 HVAC SYSTEMS. IT CAN BE IN A LOT OF THE BASIC BUILDING
4 COMPONENTS. AND SO I THINK IT'S A TERRIBLY IMPORTANT
5 AREA THAT WE REALLY SHOULD FOCUS ON.

6 CHAIRMAN LICHTENGER: HOW WE DEFINE IT. I
7 AGREE WITH THAT.

8 VICE CHAIR SERRANO-SEWELL: STUART, WHAT I JUST
9 HEARD FROM STUART AND ED I AGREE WITH. THAT MAKES SENSE
10 TO ME. THAT'S NOT THE DEFINITION UP HERE.

11 CHAIRMAN LICHTENGER: AGREED. I AGREE WITH
12 THAT. THAT IS NOT THE DEFINITION.

13 VICE CHAIR SERRANO-SEWELL: THAT'S OKAY.

14 CHAIRMAN LICHTENGER: BY THE WAY, I SEE SOME OF
15 THE ITEMS UNDER VALUE, AS I SAID, SHOULD BE UNDER
16 FUNCTIONALITY.

17 MS. SAMUELSON: IF ED COULD RESTATE WHAT HE
18 SAID, YOU HAD A VERY PITHY DESCRIPTION.

19 MR. KASHIAN: FUNCTIONALITY MEANS TO ME IF
20 YOU'RE GOING TO BUILD A BUILDING, THAT THE INFRASTRUCTURE
21 BE EXCELLENT AND BE ABLE TO BE CHANGED WITHOUT TEARING
22 DOWN THE WHOLE BUILDING. AND THEN INTERIOR'S ABLE TO BE
23 FLEXED. THAT'S FUNCTIONAL TO ME LONG TERM. NOT BUILDING
24 A SINGLE-PURPOSE BUILDING FOR ONE PURPOSE, FOR ONE LAB,
25 FOR THIS SCIENTIST TODAY. SCIENTISTS MAY CHANGE. THE

1 FUNCTION MAY CHANGE.

2 CHAIRMAN LICHTENGER: THAT'S ONE DEFINITION OF
3 FUNCTIONALITY. THERE ARE MANY I THINK WE CAN COME UP
4 WITH.

5 VICE CHAIR SERRANO-SEWELL: THIS WAS PROBABLY
6 AN INSTANCE WHERE, BEFORE WE VOTE, WE SHOULD HAVE TALKED
7 ABOUT DEFINITION BECAUSE I WOULD VOTE NO ON FUNCTIONALITY
8 IF IT WAS THE DEFINITION UP HERE. I WOULD VOTE YES ON
9 FUNCTIONALITY IF IT'S SORT OF WHAT STUART AND ED
10 DISCUSSED, BUT, YOU KNOW, WE'RE GOING TO HAVE A
11 DEFINITION DISCUSSION ASSUMING THE MOTION PASSES. LET'S
12 TAKE A VOTE.

13 MS. SAMUELSON: WHAT DEFINITION ARE WE VOTING
14 ON?

15 CHAIRMAN LICHTENGER: WE'RE NOT VOTING ON THE
16 DEFINITION.

17 MS. SAMUELSON: THE VALUE THAT ED DESCRIBED
18 SOUNDS LIKE A GOOD THING FOR US TO WANT TO BE INTEGRATED.

19 MR. KLEIN: IT SOUNDS LIKE THE CONSENSUS --

20 MR. KASHIAN: WE'RE TALKING ABOUT THE CRITERIA
21 AND NOT THE DEFINITION. YOU CAN REACH THAT POINT LATER.

22 MR. KLEIN: THE CONSENSUS OF THE MEMBERS WHO
23 HAVE SPOKEN SOUNDS LIKE WE'RE ALL GUIDED TOWARDS WHERE
24 STUART AND ED ARE GOING IN TERMS OF THE DEFINITION. SO
25 THAT'S THE BASIS ON WHICH WE'RE TRYING TO MOVE FORWARD.

1 CHAIRMAN LICHTENGER: I AGREE WITH BOB ON THAT,
2 JOAN, BUT THERE IS A MORE BASIC DEFINITION OF
3 FUNCTIONALITY I JUST WANT TO MENTION IS THAT CONCEIVABLY
4 WE COULD HAVE SOME PLANS OF A BUILDING PRESENTED TO US,
5 AND WE JUST LOOK AT IT AND SAY WHERE ARE THEY GOING WITH
6 THIS? THIS DOESN'T SEEM TO BE FUNCTIONAL FROM A LAYOUT
7 PERSPECTIVE, CORRECT? STUART, THERE COULD BE BUILDINGS
8 THAT --

9 MR. LAFF: WE COULD SAY THAT, BUT THEN WE'RE
10 ENTERING INTO THE REALM, I THINK, OF THE MEDICAL SIDE,
11 AND THEY'RE EXPERTS IN PLANNING BUILDINGS. SO I NEED TO
12 THINK ABOUT IT MORE, BUT THAT'S MY INITIAL REACTION TO
13 THAT.

14 MR. KASHIAN: USING LEVERAGE AND COST AND
15 FUNCTIONALITY TO THE EXTREME AND A TWO-YEAR CRITERIA,
16 THEN THE BEST INVESTMENT WE HAVE IS IN THE TRAILERS.
17 THEY CAN DO IT QUICK AND THEY CAN DO IT CHEAP. WHAT DOES
18 THAT PROVE?

19 VICE CHAIR SERRANO-SEWELL: I WANT TO VOTE.

20 MR. KELLER: COULD I JUST OFFER ONE OBSERVATION
21 THAT MIGHT HELP JUST A BIT IS THAT I DON'T THINK THERE'S
22 AS MUCH DIFFERENTIATION BETWEEN THE STATEMENT AND WHAT
23 WAS EXPRESSED BY MEMBER KASHIAN. IF YOU LOOK AT IT FROM
24 THE STANDPOINT THAT IF YOUR BUSINESS IS TO HAVE
25 FACILITIES THAT ARE RENTED FOR COMMERCIAL PURPOSES, AND

1 AS NEEDS CHANGE, YOU HAVE TO HAVE THE ABILITY AND
2 NIMBLENESS TO GO IN AND CHANGE THE INTERIOR OF THOSE
3 SPACES TO MEET NEW TENANT NEEDS, THAT WOULD ARGUE THAT
4 FUNCTIONALITY IN THAT SETTING IS THE RIGHT THING.

5 IF YOU'RE TALKING ABOUT THE FACT THAT YOU'RE
6 BUILDING A SCIENCE BUILDING, THE FUNCTIONALITY WOULD BE
7 RELATED TO ITS FLEXIBILITY IN TERMS OF, AS WERE
8 MENTIONED, MAJOR BUILDING SYSTEMS AND THE PIPED GASES AND
9 THE SUPPORT. WE HAD IT IN BOB MCGHEE'S PRESENTATION IN
10 SAN DIEGO MENTIONED THE FACT THAT SUPPORT SPACE HAS
11 BECOME A MUCH GREATER PORTION OF THE OVERALL SPACE.

12 SO FROM THE FUNCTIONALITY, IF I SAW A PROPOSAL
13 THAT ONLY HAD 20 PERCENT SUPPORT SPACE COMPARED TO 80
14 PERCENT ASSIGNED LAB SPACE, I WOULD BE ARGUING THAT THIS
15 PROPOSAL HAD SOME ISSUES WITH FUNCTIONALITY BECAUSE WE
16 KNOW THAT SUPPORT SPACE AND THE RATIOS ARE MUCH
17 DIFFERENT. SO I WOULD THINK THAT THE STATEMENTS ARE MUCH
18 CLOSER THAN WAS ASSERTED A MOMENT AGO.

19 CHAIRMAN LICHTENGER: THANK YOU, RICK. SO I'D
20 LIKE TO OPEN UP THE MOTION TO PUBLIC COMMENTS ABOUT
21 HAVING FUNCTIONALITY BE A CRITERIA FOR THE LARGE GRANT
22 RFA. ANY MEMBERS OF THE PUBLIC. JOHN, WANT TO MAKE ANY
23 COMMENTS? WE HAVE ANOTHER MEMBER OF THE PUBLIC.

24 MR. COFFMAN: WE TALKED ABOUT THIS IN SAN DIEGO
25 IN RESPONSE TO THE HHMI PRESENTATION. THAT WAS THE FORM

1 OVER FUNCTION. ONE OF THE THINGS WE DO AS OPERATORS,
2 ESPECIALLY WHEN SCIENTISTS WANT TO GET INVOLVED IN TERMS
3 OF THE DESIGN, IT COULD RUN THE COST UP EXTRAORDINARILY
4 BECAUSE THEY WANT SPECIFIC -- I THINK THE HHMI FELLOW
5 REFERRED TO IT AS IDIOSYNCRATIC-TYPE DESIGN. OUR FOCUS
6 IS WHAT IS REQUIRED IN THE BUILDING TO ACHIEVE THE
7 SCIENTIFIC OBJECTIVES? THAT'S WHAT WE WANT TO DO. AND
8 YOU MAY WANT IT PAINTED A DIFFERENT COLOR. YOU MAY WANT
9 AN OFFICE. WHAT IS NECESSARY TO ACHIEVE THE SCIENTIFIC
10 OBJECTIVES? AND THAT'S THE CORE ESSENCE OF FUNCTION TO
11 US.

12 CHAIRMAN LICHTENGER: THANK YOU FOR YOUR
13 COMMENTS. ANYONE ELSE?

14 SO I'D LIKE TO CALL A VOTE FOR MAKING
15 FUNCTIONALITY ONE OF THE CRITERIA FOR LARGE GRANT RFA'S.
16 ALL THOSE IN FAVOR SAY AYE. ANY OPPOSED? PASSES
17 UNANIMOUSLY.

18 I WANT TO GO TO VALUE. SO I JUST WANT TO,
19 BEFORE I MAKE A MOTION ON VALUE, MY CONCERN ABOUT VALUE
20 IS THAT IT INCORPORATES A LOT OF THE OTHER CRITERIA IN
21 IT. AND I WOULD -- MY MOTION WILL BE TO STRIKE THAT
22 VALUE AS A SEPARATE CRITERIA OUT OF ONE OF OUR CRITERIA
23 BECAUSE I THINK IT TAKES INTO ACCOUNT URGENCY, LEVERAGE,
24 FUNCTIONALITY, AND SHARED RESOURCES. AND I JUST THINK IT
25 POTENTIALLY COULD CONFUSE THE ISSUE. I THINK IT'S NOT A

1 NARROWLY DEFINED CRITERIA OR EASILY DEFINED CRITERIA.

2 MR. KELLER: JUST TO GIVE SOME BACKGROUND IN
3 TERMS OF WHY I INCLUDED THOSE THREE WORDS UNDER THE WORD
4 IN VALUE. I GUESS WE COULD HAVE USED THE WORD "QUALITY";
5 BUT SINCE WE HAD ALREADY USED EXCELLENCE, BUT I THINK IN
6 MOST ECONOMIC TERMS, VALUE IS AN EQUATION. AND VALUE IS
7 EQUAL TO THE RETURN OR QUALITY THAT YOU RECEIVE DIVIDED
8 BY THE COST. AND THE HIGHER THAT NUMBER, THE BETTER THE
9 VALUE. SO IT WAS AN ATTEMPT -- I JUST WANT TO MAKE SURE
10 YOU UNDERSTAND. IT WAS AN ATTEMPT TO AGGREGATE AT A
11 LEVEL THAT WOULD GIVE RISE TO SOME MORE PRINCIPAL OR
12 OBJECTIVE CRITERIA BECAUSE I THINK WE CAN CERTAINLY
13 IDENTIFY COSTS. DOES THAT MEAN COST PER SQUARE FOOT,
14 OVERALL COSTS, COSTS OF CIRM FUNDING? AND THEN WE CAN
15 ALSO SAY QUALITY, BUT THEN -- SO I WAS TRYING TO GET TO A
16 MORE CONCISE ISSUE. SO JUST THAT BACKGROUND.

17 VICE CHAIR SERRANO-SEWELL: THANK YOU, RICK. I
18 NEEDED SOME FURTHER BACKGROUND. I AGREE WITH WHAT YOU'RE
19 SAYING, AND I THINK WE OUGHT TO INCLUDE VALUE AS IT IS.
20 I THINK WHAT WAS CONFUSING ME, THOUGH, IS THE FIRST
21 BULLET POINT UNDER VALUE BEING EXCELLENCE. I DON'T SEE
22 HOW EXCELLENCE REALLY FIT INTO THE VALUE.

23 MR. KELLER: I THINK IT WAS THE VAGARY OF
24 HAVING EXCELLENCE AS ONE OF THE ORIGINAL WORDS, AND IT
25 REALLY -- IT IS MORE ABOUT QUALITY WOULD HAVE BEEN THE

1 PROPER.

2 VICE CHAIR SERRANO-SEWELL: THIS IS A GOOD
3 VALUE.

4 MR. KELLER: IN FACT, I INCLUDED QUALITY IN
5 THIS SLIDE AND NOT IN THE OTHER.

6 VICE CHAIR SERRANO-SEWELL: THAT'S WHAT WAS
7 THROWING ME OFF IN THAT CRITERIA.

8 CHAIRMAN LICHTENGER: SO JUST FOR A DISCUSSION
9 PERSPECTIVE, WE COULD HAVE QUALITY OR EXCELLENCE AS A
10 SEPARATE CRITERIA. I'M JUST OPENING THIS UP AS A
11 QUESTION.

12 MR. KLEIN: I'M WONDERING WHETHER WE REALLY,
13 INSTEAD OF EXCELLENCE -- INSTEAD OF QUALITY, WE'RE NOT
14 CONCERNED -- WE REALLY DON'T WANT THEM TO PUT MARBLE IN
15 THE OFFICES, BUT WE WANT TO BE ABLE TO IDENTIFY IF THERE
16 ARE -- I THINK, IF THERE ARE SPECIAL COST CONSIDERATIONS
17 THAT ADDRESS SCIENTIFIC GOALS. IN BUILDING A BUILDING,
18 IF IT'S LIKE WITH A HOSPITAL, IF YOU'VE GOT AN ICU UNIT,
19 IT'S GOING TO COST A LOT MORE TO BUILD THAT SPACE BECAUSE
20 OF ALL THE PIPING AND SPECIAL FACILITIES THAT YOU'RE
21 DELIVERING TO THAT SPACE. SO IN GETTING TO VALUE, YOU
22 NEED TO KNOW, FOR EXAMPLE, UNDER INNOVATION, THE REASON I
23 LIKE THAT THERE IS IF YOU DESIGNED A GREEN BUILDING, YOU
24 MAY HAVE LONG-TERM OPERATING COST SAVINGS THAT WILL
25 REFLECT LOWER GRANT COST OVER TIME AND MORE VALUE IN

1 OPERATING THE BUILDING, SO IT'S JUSTIFIED TO HAVE MORE
2 COST. IT'S A COUNTERBALANCING ITEM.

3 IF YOU PUT, INSTEAD OF EXCELLENCE, SPECIAL COST
4 CONSIDERATIONS, WE WOULD BE ABLE TO TAKE INTO
5 CONSIDERATION SPECIFIC COSTS THAT ARE IN THIS FACILITY
6 THAT SHOULD BE CONSIDERED AS WHY IT'S SO EXPENSIVE.
7 WELL, BECAUSE THEY'VE GOT THESE SPECIAL FEATURES. THEY
8 HAVE A HIGH PERCENTAGE OF VIVARIUM SPACE IN WHAT THEY'RE
9 DELIVERING, FOR EXAMPLE.

10 VICE CHAIR SERRANO-SEWELL: UCSF. IT'S JUST
11 EXPENSIVE. IT'S A COST CONSIDERATION.

12 MS. SAMUELSON: WHAT ABOUT SOMETHING LIKE HIGH
13 LEVEL OF DELIVERY ON THE MISSION? MISSION DELIVERY,
14 SOMETHING LIKE THAT. THIS IS REALLY GOING TO DEVELOP --

15 MR. KLEIN: SPECIAL FEATURES RELEVANT TO THE
16 MISSION IS WHAT YOU'RE SAYING? SPECIAL FEATURES --

17 MS. SAMUELSON: THIS IS GOING TO BRING TO THE
18 TABLE FOR THIS STATEWIDE EFFORT A REALLY IMPORTANT ASSET.

19 MR. KLEIN: I'D BE FINE WITH SPECIAL FEATURES
20 SIGNIFICANT TO THE MISSION INSTEAD OF EXCELLENCE.

21 MR. KASHIAN: AS YOU KNOW, AS WE ALL KNOW, THE
22 COSTS VARY FROM REGION TO REGION WITHIN CALIFORNIA AND
23 FROM BUILDING TYPE TO BUILDING TYPE. SO AREN'T WE REALLY
24 TALKING ABOUT AN INNOVATIVE, SUSTAINABLE BUILDING LONG
25 TERM? AND COST IS ONLY A FUNCTION OF THAT THAT THEY HAVE

1 TO PROVE TO US. SO INNOVATIVE AND SUSTAINABILITY TO ME
2 ARE THE KEYWORDS.

3 MR. KLEIN: SO UNDER INNOVATION, HAVING IT
4 INNOVATION AND SUSTAINABILITY?

5 VICE CHAIR SERRANO-SEWELL: WE'RE GETTING INTO
6 THE DEFINITION PIECE. I THINK I WASN'T SURE IF I WANTED
7 TO SUPPORT VALUE BEING INCLUDED OR NOT. I DO. I THINK
8 IT'S VERY IMPORTANT. I'LL SUPPORT IT. NOT PARCEL IT
9 OUT, JUST VA. BUT WITH THESE ISSUES THAT HAVE BEEN
10 RAISED NOW, WHICH WE CAN DISCUSS LATER, ARE RELEVANT AND
11 PERTINENT TO HOW WE WANT TO DEFINE VALUE BECAUSE WHAT ED
12 HAS TO SAY AND WHAT YOU HAVE TO SAY IS ABSOLUTELY RIGHT.
13 IT'S ABSOLUTELY A HUNDRED PERCENT RIGHT. IT GOES TO
14 VALUE AND IT WOULD GIVE US THE FLEXIBILITY TO LOOK AT
15 EACH APPLICATION INDIVIDUALLY. YOU'RE RIGHT. REGION BY
16 REGION, BUILDING BY BUILDING IT'S DIFFERENT. WE
17 SHOULDN'T COMPARE THE BUILDING COST IN SAN FRANCISCO
18 VERSUS THE BUILDING COST ELSEWHERE.

19 MR. KASHIAN: IT'S NOT FAIR.

20 VICE CHAIR SERRANO-SEWELL: WE STILL CAN
21 DETERMINE THE VALUE. WE CAN STILL MAKE THAT
22 DETERMINATION.

23 MR. KASHIAN: IT HAS VALUE.

24 MR. KLEIN: HOW DO YOU FEEL ABOUT --

25 MR. KASHIAN: COST HAS VALUE TO THE MISSION

1 FROM THE AREA THAT YOU'RE DEALING WITH, AND THAT'S WHAT
2 YOU HAVE TO DO IN MY MIND.

3 MR. KLEIN: BEFORE WORKING DOWN TO THAT LEVEL,
4 HOW DO YOU FEEL ABOUT -- IT'S NOT -- WE'RE NOT GOING TO
5 DEFINITIONS, BUT SUBSTITUTING OUT THE WORD "EXCELLENCE"
6 BECAUSE THE SUBCATEGORY IS SPECIAL FEATURES.

7 VICE CHAIR SERRANO-SEWELL: I WOULD SUPPORT
8 THAT.

9 CHAIRMAN LICHTENGER: I JUST WANT TO COMMENT ON
10 THE VALUE, WHETHER IT SHOULD BE A SEPARATE CATEGORY. I
11 STILL THINK IT'S GOING TO BE A VERY DIFFICULT CRITERIA TO
12 DEFINE BECAUSE IT'S GOING TO TAKE INTO ACCOUNT ALL THESE
13 OTHER CATEGORIES SO MUCH. I MEAN IF WE -- YEAH, WE'LL
14 TAKE INTO ACCOUNT COST AND LEVERAGE AND FUNCTIONALITY AND
15 SHARED RESOURCES. SO I'M JUST CONCERNED THAT IT WILL
16 MAKE IT VERY, VERY HARD FOR US TO COME UP WITH A
17 DEFINITION THAT WILL REFLECT FAIRLY. THAT'S MY CONCERN,
18 NOT THAT I DON'T AGREE THAT VALUE SHOULDN'T BE AN
19 IMPORTANT CRITERIA. I JUST DON'T KNOW HOW WE'RE GOING TO
20 DEFINE IT CLEARLY. THAT'S MY CONCERN.

21 VICE CHAIR SERRANO-SEWELL: IS YOUR CONCERN
22 SUCH THAT YOU WANT TO NOT VOTE ON VALUE, OR YOU THINK WE
23 SHOULD PARCEL IT OUT A LITTLE BIT MORE? HOW DO WE
24 ADDRESS YOUR CONCERN?

25 MS. SAMUELSON: DON'T WE WANT TO INTEGRATE

1 SOMEWHERE THE SCIENTIFIC MERIT ASPECT? MAYBE THAT'S
2 WHERE IT'S DONE.

3 MR. SHEEHY: THAT'S THE GRANTS WORKING GROUP.

4 MS. SAMUELSON: I KNOW. WE TAKE THE GRANTS
5 WORKING GROUP ASSESSMENT AND THEN INTEGRATE IT INTO --

6 CHAIRMAN LICHTENGER: I DON'T KNOW IF WE'RE
7 SUPPOSED TO DO THAT.

8 DR. WRIGHT: THAT'S THE SECOND PART OF THE
9 FACILITIES REVIEW.

10 CHAIRMAN LICHTENGER: AGAIN, DAVID, I DON'T
11 HAVE AN ANSWER ABOUT HOW WE ADDRESS IT.

12 MR. SHEEHY: I GUESS WHAT I'M GETTING AT HERE
13 IS THAT VALUE IS ALMOST A PLACEHOLDER BETWEEN A
14 RELATIONSHIP BETWEEN THREE SEPARATE THINGS, THAT EACH
15 WOULD BE WEIGHTED WITHIN THAT CATEGORY. AND YOU ALMOST
16 DON'T WANT THEM SEPARATELY BECAUSE THEIR RELATIONSHIP
17 WITH EACH OTHER CAN MEAN IF YOU HAVE, LIKE THE
18 SPECIALIZED WHATEVER, I'M NOT GOING TO BE ABLE TO KEEP UP
19 WITH THE WORD, SPECIAL FEATURES, THEN THE COST MIGHT GO
20 UP. SO IT'S A MATRIX WORD. PERHAPS MAYBE WE CAN PULL
21 OUT A THESAURUS AND FIND A WORD PEOPLE WOULD BE MORE
22 COMFORTABLE WITH.

23 DR. WRIGHT: JEFF, YOU'RE GETTING TO THE POINT
24 I WANTED TO MAKE.

25 MR. SHEEHY: I MEANT THAT THE WORD "VALUE"

1 REPRESENTS A MATRIX BETWEEN THESE THREE SUBCATEGORIES.

2 DR. WRIGHT: IN FACT, HEALTHCARE, ITS VALUE IS
3 THE OUTCOME YOU WANT OVER THE COST YOU HAVE TO PAY TO GET
4 THAT OUTCOME. THAT'S VALUE. BUT FOR A FACILITY, VALUE
5 IS GOING TO FACTOR IN INNOVATION, SUSTAINABILITY,
6 EXCELLENCE. I GET WHAT YOU'RE SAYING, BUT COST IS GOING
7 TO BE THE DENOMINATOR IN ORDER TO GET THE VALUE EQUATION,
8 RIGHT?

9 CHAIRMAN LICHTENGER: I AGREE WITH JANET'S --
10 THAT'S EXACTLY -- THANKS FOR SAYING THAT BECAUSE THAT'S
11 WHERE I'VE BEEN STRUGGLING. IT'S ALMOST LIKE I THINK
12 WE'RE SAYING WE WANT TO TALK ABOUT COSTS.

13 DR. WRIGHT: BUT IT'S COST PER PRODUCT
14 DELIVERED OR PER OUTCOME.

15 CHAIRMAN LICHTENGER: EXACTLY. EXACTLY.
16 EXACTLY.

17 MR. LAFF: AS I SIT HERE AND I LOOK AT THESE --
18 ACTUALLY I FORGOT WHAT WE'VE CHANGED EXCELLENCE TO --
19 SPECIAL FEATURES AND INNOVATION AND COSTS ARE REALLY PART
20 OF ALL OF THOSE. YOU'RE GOING TO GET TO URGENCY, AND
21 THEY'RE GOING TO SAY THEY'RE GOING TO DO THIS BUILDING IN
22 TWO YEARS. AND WHAT ARE WE GOING TO BE LOOKING AT? ARE
23 THEY USING ANY INNOVATIVE BUILDING TECHNIQUES? WHAT'S
24 THE COST THAT THEY'RE ALLOCATING TO DO THIS BUILDING IN
25 THAT TIMEFRAME? IT GETS RATHER CONFUSING TO ME. I THINK

1 I'M FOR THE VALUE TERM. THE SAME THING WITH
2 FUNCTIONALITY.

3 MR. KLEIN: IT IS A COMPLEX MATRIX, BUT WE'RE
4 TRYING TO PROVIDE AS MUCH CLARITY ON HOW WE'RE EVALUATING
5 IT. UNDER THE PROGRAM REVIEW PORTION, WE'RE GOING TO BE
6 MAKING SOME JUDGMENTS THAT DO A LOT OF BALANCING, BUT
7 HERE AT LEAST WE CAN DISCRETELY IDENTIFY WHERE PROJECTS
8 EXCEL OR WHERE THEY HAVE CONCERNS.

9 CHAIRMAN LICHTENGER: IT SHOULD BE -- I GUESS
10 WE'RE TRYING TO DO THE DEFINITION. I GUESS, DAVID, IF WE
11 FEEL WE CAN COME UP WITH A CLEAR ENOUGH DEFINITION WITH
12 VALUE, I CAN SUPPORT IT. I'M JUST CONCERNED THAT IT IS
13 GOING TO BE A COMPLEX MATRIX.

14 VICE CHAIR SERRANO-SEWELL: I WANT TO MAKE A
15 MOTION, BUT I WANTED TO HEAR FROM ED FIRST.

16 MR. KASHIAN: I CONSIDER VALUE THE VALUE THAT
17 THAT APPLICATION HAS TO THE MISSION OF THIS INSTITUTE
18 LONG TERM. SO I DON'T CARE IF IT COSTS 20 BILLION OR
19 FIVE MILLION. HOW IS THIS SUSTAINABLE TO ACHIEVE THE
20 GOAL OF THE TAXPAYERS IN THIS RESEARCH? THAT TO ME IS
21 VALUE.

22 VICE CHAIR SERRANO-SEWELL: I THINK THAT
23 CONCEPT IS INCLUDED IN WHAT WILL BE MY MOTION. SO I MOVE
24 THAT WE INCLUDE VALUE, AND THE SUBCATEGORIES INCLUDE
25 SPECIAL FEATURES, INNOVATION/SUSTAINABILITY, AND COST AS

1 A PART OF THE -- AS A CRITERIA FOR THIS GRANT.

2 MR. KLEIN: SECOND.

3 CHAIRMAN LICHTENGER: ANY OTHER COMMENTS BY ANY
4 OTHER MEMBERS? I'M JUST GOING TO SAY THAT I'M GOING TO
5 OPPOSE THIS ONE, NOT THAT I DON'T AGREE, BUT I'M
6 CONCERNED THAT WHEN WE GET TO THE DEFINITION ON THIS ONE,
7 WE'RE GOING TO REALLY STRUGGLE. I'M JUST AFRAID WE'RE
8 GOING TO BE HAVING A VERY DIFFICULT TIME ON THIS.

9 ANY OTHER COMMENTS FROM THE FACILITIES WORKING
10 GROUP? OPEN UP TO THE PUBLIC. VALUE.

11 MR. COFFMAN: I THINK THAT ALL THE COMMENTS
12 THAT YOU MADE, I ABSOLUTELY AGREE THAT VALUE IS VITALLY
13 IMPORTANT, BUT I THINK ALL OF THEM CAN BE ADDRESSED, AND
14 I TAKE GREAT PERSONAL RISK AT BRINGING UP A DEFINITIONAL
15 ISSUE RIGHT NOW; BUT, NONETHELESS, IF YOU THINK OF IT IN
16 TERMS OF COST AS BEING REASONABLE AND NECESSARY, THE
17 NOTION OF NECESSARY GETS TO THE HEART OF WHAT YOU WERE
18 TALKING ABOUT, MEMBER KASHIAN, OF IS IT NECESSARY TO
19 ACHIEVE THE SCIENTIFIC OBJECTIVES OF THE ORGANIZATION?
20 IS IT REASONABLE? THAT TAKES INTO CONSIDERATION REGIONAL
21 SENSITIVITIES IN TERMS OF VARIANCES, IN TERMS OF COST.

22 DAVID, TO YOUR POINT ABOUT CAN YOU DEFINE IT,
23 IF YOU DEFINE IT IN TERMS OF COST, IS IT REASONABLE AND
24 NECESSARY, A STANDARD THAT'S USUALLY INVOKED BY THE NIH
25 IN THEIR PROGRAMS, I THINK YOU ADDRESS ALL THE QUESTIONS

1 YOU'VE RAISED AND, THEREFORE, IT HANDLES VALUE, AND I
2 THINK IT BELONGS AS A CRITERIA.

3 CHAIRMAN LICHTENGER: THANK YOU. THAT'S A VERY
4 GOOD COMMENT AND PERSPECTIVE. ANY OTHER PUBLIC COMMENTS?

5 ALL THOSE IN FAVOR SAY AYE. I'M GOING TO
6 ABSTAIN, SO I WON'T OPPOSE. I'M GOING TO GO NEUTRAL ON
7 YOU. SO IT PASSES UNANIMOUSLY WITH ONE ABSTENTION.

8 SO DOES ANYONE ELSE HAVE -- ANY OTHER MEMBERS
9 WANT TO ADD ANY CRITERIA? SO --

10 VICE CHAIR SERRANO-SEWELL: I WOULD SAY THAT
11 THE FIVE CRITERIA REALLY, WE'RE GOING TO HAVE A CHALLENGE
12 DEFINING THEM CERTAINLY, BUT WE WILL. THEY REALLY
13 CAPTURE THE PRIMARY OBJECTIVE OF THIS RFA, AND THAT IS TO
14 EXPAND THE CAPACITIES FOR RESEARCH IN CALIFORNIA. AND SO
15 I WOULD PROPOSE THAT -- I'M NOT MAKING A MOTION, BUT I
16 WOULD PROPOSE FOR CONSIDERATION THAT WE LEAVE IT AT THESE
17 SIX. IT REALLY -- I'M SORRY. FIVE. WE LEAVE IT AT THIS
18 FIVE BECAUSE IT REALLY DOES CAPTURE WHAT WE WANT TO DO.
19 SURE, WE COULD TWEAK IT A LITTLE BIT, BUT WHAT ABOUT
20 THIS? WHAT ABOUT THAT? LOOK, IT'S PROBABLY GOING TO BE
21 INCLUDED IN ONE OF THESE FIVE POINTS. I JUST WANTED --
22 THAT'S MY PREFERENCE.

23 CHAIRMAN LICHTENGER: RICK, CAN YOU HOLD UP THE
24 SHARED LAB RFA CRITERIA SO WE CAN SEE IT SIDE BY SIDE?
25 SO ELIMINATE FEASIBILITY. COST IS NOW PART OF OR

1 POTENTIALLY PART OF VALUE. TIMELINES AND MILESTONES.
2 INSTITUTIONAL COMMITMENT. LEVERAGE. HISTORICAL
3 PERFORMANCE. THAT'S ACTUALLY ONE THAT --

4 MR. KELLER: I THINK THAT'S REALLY PART OF
5 TIMELINES AND MILESTONES BECAUSE WHEN WE TALKED ABOUT
6 URGENCY, WE TALKED ABOUT A PROVEN TRACK RECORD. AT LEAST
7 I HOPE THAT IN YOUR DELIBERATION ON URGENCY, YOU CONSIDER
8 TRACK RECORD BECAUSE WE STRUGGLED WITH THAT ON THE SHARED
9 LABS, AND I THINK WE NEED TO BE VERY PRECISE ABOUT PEOPLE
10 PROVING AND GIVING EVIDENCE OF THEIR ABILITY TO DELIVER
11 BECAUSE ANYONE CAN GIVE YOU A SCHEDULE. ANYONE CAN GIVE
12 YOU A MICROSOFT PROJECT CHART. THEY GOT TO BE ABLE TO
13 KIND OF PROVE THEIR POINT.

14 DR. WRIGHT: AND THE RESPONSIVENESS, THAT
15 REALLY GETS AT THE REQUIREMENTS, RIGHT, BECAUSE --

16 MR. KELLER: YEAH, I THINK SO.

17 DR. WRIGHT: SO IF IT DOESN'T MEET THE
18 REQUIREMENTS OF RESPONSIVENESS --

19 MR. KELLER: RIGHT. ALL THOSE UP, DOWNS.

20 CHAIRMAN LICHTENGER: SO CAN WE JUST TALK ABOUT
21 HISTORICAL PERFORMANCE FOR A SECOND? SO I GUESS TO ME
22 THAT IS AN IMPORTANT CRITERIA IN MY MIND. BUT IF WE
23 INCLUDE IT UNDER THE URGENCY, I GUESS, I'M JUST CONCERNED
24 THAT THERE ARE -- WE SAW A SUBSTANTIAL VARIATION IN THE
25 HISTORICAL PERFORMANCE WHEN WE EVALUATED THE SHARED LAB

1 RFA.

2 MS. SAMUELSON: ISN'T THAT SOMETHING YOU WOULD
3 LOOK AT IN DETERMINING WHETHER YOU BELIEVE THE TIMELINE
4 AND MILESTONES? ISN'T IT JUST PART OF THAT?

5 CHAIRMAN LICHTENGER: NO. I DON'T THINK SO. I
6 DON'T KNOW. STUART, WHAT DO YOU THINK ON THIS ONE?

7 MR. LAFF: WELL, HISTORICAL PERFORMANCE I'M NOT
8 SURE IS A GREAT MEASURE BECAUSE IT'S DONE UNDER DIFFERENT
9 CONDITIONS WITH DIFFERENT PEOPLE AT DIFFERENT TIMES. SO
10 IT'S HARD. BUT YOU CAN GET TRENDS. AND FROM THOSE
11 TRENDS, I BELIEVE THAT YOU CAN THEN GO BACK AND LOOK AT
12 THE MILESTONES AND TIMELINES AND SAY IT'S A
13 REASONABLENESS TEST. AND ALSO YOU'RE GOING TO BE ABLE,
14 IF THEY'RE BUILDING A VIVARIUM, I MEAN WE'RE PICKING ON
15 THE POOR VIVARIUMS, IT'S A MORE COMPLEX BUILDING THAT
16 THEY HAVE TO PROVIDE. AND, THEREFORE, IT IS PROBABLY
17 GOING TO AFFECT THEIR TIMELINE IN SOME WAY. IF THERE'S
18 NO EFFECT ON THEIR TIMELINE, YOU BEGIN TO WONDER.

19 CHAIRMAN LICHTENGER: SO HERE'S A QUESTION I
20 HAVE FOR YOU. CAN WE GO BACK TO THE OTHER SLIDE, RICK?
21 SO LET'S ASSUME THAT UNDER URGENCY WE'VE GOT SOME
22 TIMELINES AND MILESTONES THAT LOOK REALLY GOOD, BUT THAT
23 THIS PARTICULAR INSTITUTION OR GROUP OF INSTITUTIONS
24 DOESN'T REALLY HAVE THE HISTORICAL TRACK RECORD OR THE
25 TRACK RECORD IS ONLY SO-SO. I GUESS -- YET THEY SHOW --

1 THEY DO SHOW A LOT OF URGENCY IN THEIR APPLICATION. I'M
2 JUST CONCERNED THAT WE'RE GOING TO LOSE THIS HISTORICAL
3 PERFORMANCE ISSUE.

4 MR. LAFF: I JUST THINK THAT YOU'RE GOING TO
5 LOOK AT SOME OF THE INNOVATIVE WAYS THEY MAY BE BUILDING
6 THESE THINGS, WHICH MAY BE DIFFERENT THAN THEY HAVE
7 TYPICALLY DONE IT HISTORICALLY. SO I'M NOT -- I DON'T
8 REMEMBER WHETHER THE UNIVERSITY OF CALIFORNIA SYSTEM CAN
9 DO DESIGN-BUILD.

10 MS. HOFFMAN: YES.

11 VICE CHAIR SERRANO-SEWELL: THEY'RE VERY PROUD
12 OF IT.

13 MR. LAFF: THAT IS A FASTER WAY OF BUILDING.
14 AND SO IF THEY SAID TO ME WE'RE GOING TO DO THIS, AND ONE
15 OF THE THINGS WE'RE GOING TO DO IS WE'RE GOING TO DO THIS
16 DESIGN-BUILD AND THAT IS GOING TO SAVE US SOME TIME, I
17 COULD BUY INTO THAT. AND I THINK THAT IT BEHOOVES US
18 CERTAINLY ON THE REAL ESTATE COMMITTEE TO UNDERSTAND WHAT
19 IT TAKES TO DO THESE PROJECTS AND WEIGH IN ON IT.

20 MR. SHEEHY: I WAS JUST SAYING IT SEEMS LOGICAL
21 TO INTRODUCE THEM AS SUBCATEGORIES TO URGENCY, TIMELINES
22 AND MILESTONES AND HISTORICAL PERFORMANCE. AGAIN, JUST
23 LIKE WE DID WITH VALUE, WE CAN LOOK AT THE RELATIONSHIPS
24 BETWEEN THESE, AND THEY DON'T HAVE TO BE SET ASIDE WHERE
25 THEY GET A SPECIFIC WEIGHT.

1 MR. KLEIN: I WOULD SAY, THOUGH, THAT WHAT
2 WE'VE TALKED ABOUT HERE, IT'S NOT JUST THE INSTITUTION
3 THAT WE'RE EVALUATING ON PERFORMANCE UNDER URGENCY. IT'S
4 THE INSTITUTION, THE TEAM THEY'VE ASSEMBLED, AND THE
5 APPROACH. IN OTHER WORDS, ARE THEY USING DESIGN-BUILD?
6 DOES THAT HAVE A CREDIBLE TRACK RECORD? DOES THIS TEAM
7 HAVE A CREDIBLE TRACK RECORD WITH THAT APPROACH? AND
8 WHAT IS THE INSTITUTION? SO THERE'S THREE DIFFERENT
9 COMPONENTS WE'RE LOOKING AT IN TERMS OF JUDGING THIS.

10 MR. KELLER: IT WOULD DEPEND ON THE TIMING OF
11 THE PROJECT HOWEVER, BUT YOU MAY BE MAKING A DECISION
12 BEFORE THEY EVER HAVE AN OPPORTUNITY TO APPOINT A
13 CONTRACTOR, FOR INSTANCE, BUT IT'S LIKELY TO BE THE TEAM
14 HAS GOT DESIGNERS --

15 MR. KLEIN: IF IT'S DESIGN-BUILD, YOU KNOW WHO
16 THE TEAM IS.

17 MR. LAFF: DESIGN-BUILD, YOU KNOW IT ON THE
18 GO-IN.

19 MR. KLEIN: IF THEY'RE GOING TO GET DONE IN TWO
20 YEARS --

21 MR. KASHIAN: MR. CHAIRMAN, BASICALLY ON ANY
22 CREDIT APPLICATION THAT YOU FILE FOR ANY REASON AT ALL,
23 THEY ASK YOU TO PUT REFERENCES AND YOUR PAST HISTORY ON
24 IT. SO IF SOMEBODY IS APPLYING FOR A GRANT FOR A MAJOR
25 FACILITY AND THEY SAY THEY CAN DO IT, THEY SHOULD PROVIDE

1 IN THAT APPLICATION THE INFORMATION NECESSARY FOR STAFF
2 AND THIS COMMITTEE TO EVALUATE IT. TO DECIDE EXACTLY
3 WHAT THAT'S GOING TO BE IN ADVANCE, IT SEEMS TO ME LIKE
4 IT'S PUTTING PEOPLE IN A STRAIGHTJACKET.

5 VICE CHAIR SERRANO-SEWELL: I AGREE WITH ED. I
6 THINK WHEN WE'RE DESIGNING THE RFA, WE SHOULD INCLUDE A
7 REFERENCE CHECK COMPONENT TO IT. I DON'T THINK YOU
8 ASSIGN POINTS TO IT, BUT YOU DO LET THEM KNOW WE WILL BE
9 DOING REFERENCE CHECKS ON YOUR TEAMS. PROVIDE
10 REFERENCES. AND IF STAFF COMES BACK AND TELLS US WE DID
11 THE REFERENCE CHECKS AND THEY'RE TERRIBLE, WELL, THEN
12 THAT WILL HAVE AN IMPACT ULTIMATELY. SO I'M PREPARED --
13 CHAIRMAN, IF YOU'RE PREPARED TO ACCEPT MOTIONS AT THIS
14 TIME.

15 CHAIRMAN LICHTENGER: I'LL ACCEPT MOTIONS.

16 VICE CHAIR SERRANO-SEWELL: I MOVE THAT THE
17 MAJOR FACILITIES GRANT INCLUDE THE FOLLOWING CRITERIA:
18 URGENCY, VALUE AND THEN THE SUBPOINTS, LEVERAGE,
19 FUNCTIONALITY, AND SHARED RESOURCES.

20 CHAIRMAN LICHTENGER: CAN WE AMEND THAT, THAT
21 WE HAVEN'T REALLY DECIDED THE SUBPOINTS YET ON VALUE?

22 VICE CHAIR SERRANO-SEWELL: YES, WE HAVE. WE
23 VOTED EARLIER.

24 CHAIRMAN LICHTENGER: WE DID. BUT THOSE ARE
25 THE ONLY SUBPOINTS?

1 VICE CHAIR SERRANO-SEWELL: AS OF -- YES, AS OF
2 THIS MOMENT, YES.

3 CHAIRMAN LICHTENGER: OKAY. FINE. I'LL
4 SECOND.

5 SO ANY DISCUSSION FROM ANY MEMBERS? OKAY. ANY
6 PUBLIC COMMENTS ON ADOPTING THIS LIST OF FIVE CRITERIA?
7 ANY COMMENTS, JOHN?

8 MR. SIMPSON: YOU MAY NOT FEEL IT, BUT YOU ARE
9 MAKING GREAT PROGRESS.

10 CHAIRMAN LICHTENGER: I AGREE WITH THAT, JOHN,
11 ON BOTH COUNTS. SO ANY OTHER PUBLIC COMMENTS?

12 SO ALL THOSE IN FAVOR SAY AYE. ALL OPPOSED?
13 NONE. PASSES UNANIMOUSLY.

14 OKAY. SO DO WE START DOING THE DEFINITIONS
15 FIRST BEFORE WE START DOING THE WEIGHTING?

16 MS. SAMUELSON: IS THERE ANY WAY TO GET ANY
17 CHOCOLATE?

18 CHAIRMAN LICHTENGER: A FIVE-MINUTE BREAK.

19 (A RECESS WAS TAKEN.)

20 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
21 MEETING TO ORDER. SO THE MEETING IS CALLED TO ORDER.
22 WE'VE DETERMINED THERE'S NO LEGAL LIMIT ON HOW LONG THIS
23 MEETING CAN GO TONIGHT, SO THIS IS AN ENDURANCE TEST.
24 OKAY.

25 NOW WE'VE GOT TO -- DO WE WANT TO DO

1 DEFINITIONS, OR DO WE WANT TO DO WEIGHTING FIRST?

2 MR. KLEIN: I THINK YOU'VE GOT TO DO DEFINITION
3 TO KNOW WHAT YOU'RE WEIGHTING.

4 CHAIRMAN LICHTENGER: OKAY. FAIR ENOUGH. SO
5 CAN WE PICK AN EASY ONE TO START?

6 VICE CHAIR SERRANO-SEWELL: START WITH URGENCY.

7 MR. KLEIN: IT'S IN THE INITIATIVE.

8 CHAIRMAN LICHTENGER: URGENCY.

9 MR. KELLER: MAYBE I CAN BEGIN, AND THEN YOU
10 CAN SEE HOW YOU WANT TO MODIFY OR ELIMINATE ENTIRELY.
11 BUT, AGAIN, URGENCY, PLACING A HIGH PRIORITY ON THE
12 COMPLETION OF THE PROJECT AND THE INSTITUTION HAS A
13 PROVEN TRACK RECORD OF DELIVERY. AND THEN WE WOULD -- I
14 THINK IT'S IMPORTANT THAT WE'RE GOING TO HAVE TO HAVE
15 VERY PRECISE INFORMATION REQUIREMENTS IN THE RFA. SO I
16 THINK THE LEVEL OF DETAIL YOU WANT TO WORK WITH TODAY IS
17 AT A POLICY LEVEL. WHAT IS IT THAT YOU WANT TO SEE COME
18 OUT, AND WE WILL WORK ON THE DETAIL IN TERMS OF HOW THE
19 RFA GETS WORDSMITHED AND HOW IT COMES OUT.

20 TO MAKE THIS AS TOLERABLE AND EASY FOR YOU TO
21 GET TO THE END, I THINK YOU SHOULD THINK ABOUT DOES IT
22 REFLECT THE OUTCOME THAT YOU WANT, AND WE'LL WORK ON THE
23 DETAILS THAT I THINK GET US THERE.

24 AND SO WE ARE GOING TO GO ALL THE WAY DOWN THE
25 DEFINITIONS FIRST BEFORE WE GO TO EVALUATIONS.

1 VICE CHAIR SERRANO-SEWELL: I LIKE THE
2 DEFINITION. IT'S GOOD. AND IT'S, I THINK, THE BEST WE
3 CAN DO.

4 MY ONLY -- IS NOW THE TIME TO DISCUSS. WE'RE
5 GOING TO GIVE THE MAXIMUM POINTS PROBABLY TO INSTITUTIONS
6 THAT ARE UP AND RUNNING WITHIN TWO YEARS, OCCUPANCY.
7 WHAT ABOUT INSTITUTIONS, BECAUSE OF WHATEVER UNIQUE NEED
8 THEY HAVE, THEY CAN'T DO IT WITHIN TWO YEARS, WOULD THEY
9 THEN GET 15 POINTS IF WE DID IT OUT OF 20? OR
10 INSTITUTIONS THAT CAN BE BUILT IN FOUR YEARS, THEY GET
11 TEN POINTS, ETC., ETC., ETC. SO IS THAT -- RICK, WERE
12 YOU HOPING TO ELICIT FROM US THAT SORT OF FEEDBACK?

13 MR. KELLER: WE WERE HOPING TO GO -- WE WERE
14 GOING TO DO THIS KIND OF VERTICALLY, WHICH IS TAKING EACH
15 OF THE CATEGORIES, DOING THE DEFINITIONS FIRST. AND
16 MAYBE THIS SLIDE WILL HELP. THE SLIDE ON YOUR RIGHT IS
17 DEVELOPING THE CRITERIA, UNDERSTANDING AND DEVELOPING THE
18 CONSENSUS DEFINITIONS, AND THEN SAYING WHAT ARE THE
19 EVALUATION STANDARDS THAT YOU'RE GOING TO APPLY. SO OVER
20 TWO YEARS GETS A BUMP; BELOW TWO YEARS GETS A MINUS; AND
21 THEN FROM THAT INFORMATION, YOU DEVELOP THE SCORING.
22 THAT WAS MY -- SO YOU WOULD SAY --

23 VICE CHAIR SERRANO-SEWELL: YES, I LIKE THE
24 DEFINITION; NO, I DON'T. IS THAT WHAT YOU WANT TO GET
25 FROM US RIGHT NOW?

1 MR. KLEIN: I THINK THAT I WOULD SUGGEST THE
2 FOLLOWING CHANGES TO THE DEFINITION. IT PLACES A HIGH
3 PRIORITY ON COMPLETION WITHIN TWO YEARS AND A GENERAL
4 EMPHASIS ON AN EXPEDITED DELIVERY OF THE PROJECT ON A
5 TIMELY BASIS SO THAT THAT GIVES US TWO DIFFERENT
6 CATEGORIES EFFECTIVELY FOR AWARDING POINTS.

7 I DON'T SEE THE -- I'VE GOT TO SEE THE REST OF
8 THE DEFINITION YOU HAVE THAT UP THERE PREVIOUSLY. IT
9 SAID THE INSTITUTION -- IT WILL BE THE INSTITUTION, THE
10 TEAM, AND THE APPROACH HAS A PROVEN TRACK RECORD OF
11 DELIVERING --

12 CHAIRMAN LICHTENGER: I LIKE THAT.

13 MR. KLEIN: -- ON THE PROPOSED TIME SCHEDULE.
14 AND IF I CAN SEE. ON THE PROPOSED TIME SCHEDULE OR ON AN
15 EXPEDITED SCHEDULE. THAT'S FINE. SO IT'S THE
16 INSTITUTION, THE TEAM, AND THE APPROACH HAS A PROVEN
17 TRACK RECORD OF DELIVERING CAPITAL PROJECTS ON EXPEDITED
18 SCHEDULE.

19 CHAIRMAN LICHTENGER: BOB, I LIKE YOUR SECOND
20 CHANGE. I'M NOT SURE I LIKE THE FIRST CHANGE BECAUSE I
21 THINK THAT'S GOING TO CONFUSE OUR EVALUATION AND THE
22 SCORING IF YOU HAVE BOTH THE PRIORITY FOR THE -- YOU
23 MENTION THE PRIORITY FOR THE TWO YEARS AND THE TIMELY
24 BASIS. BECAUSE, AGAIN, REMEMBER WE TALKED ABOUT
25 COMPARING, YOU KNOW, SMALL GRANTS, LARGE GRANTS, AND

1 MEDIUM SIZE GRANTS. I MEAN, SO WHAT IF YOU HAVE SMALL
2 GRANTS AND THEY' RE ALL WITHIN TWO YEARS AND YOU' RE
3 COMPARING THEM?

4 MR. KLEIN: WELL, THEY' RE GETTING COMPARED
5 WITHIN THEIR CATEGORY. SO THAT' S FINE. IF THEY CAN ALL
6 GET THOSE POINTS, THAT' S FINE.

7 CHAIRMAN LICHTENGER: BUT THEY' RE ALL GOING TO
8 GET -- IF WE PUT THE DEFINITION ABOUT THE 24 MONTHS, THEN
9 ALL THE SMALL GRANTS WOULD MEET THAT CRITERIA.

10 MR. KLEIN: THAT' S FINE, BUT THEY' RE GOING TO
11 BE JUDGED -- TO GET THE MAXIMUM GRANTS, THE INSTITUTION,
12 THE TEAM, AND THE APPROACH ALL HAVE TO GET THE MAXIMUM
13 POINTS TOO. SO IF YOU HAVE 25 POINTS IN THE CATEGORY AND
14 15 POINTS ARE THE TWO YEARS, AND TEN POINTS ARE THE TEAM,
15 THE INSTITUTION, AND THE APPROACH, IF THEY GET 25, THEY
16 GET ALL 25. IT' S CLEAR THAT URGENCY IS GOING TO BE A
17 REAL DISCRIMINATING FACTOR IN THE LARGEST CATEGORY OF
18 GRANTS. THAT' S WHERE IT' S GOING TO HAVE THE MOST WEIGHT.

19 MS. PACHTER: I JUST, BOB, WANTED TO GET YOU TO
20 RESTATE THE LANGUAGE ON THE FIRST CHANGE THAT YOU
21 RECOMMENDED. LORI IS TRYING TO CAPTURE THAT.

22 MR. KLEIN: A HIGH PRIORITY ON COMPLETION OF
23 THE PROJECT WITHIN TWO YEARS AND -- ON THE PROJECT WITHIN
24 TWO YEARS. TAKE OUT ON A TIMELY BASIS. AND THE DELIVERY
25 OF PROJECTS ON AN EXPEDITED BASIS BASED UPON HISTORICAL

1 EVIDENCE.

2 MS. SAMUELSON: IS IT REAL UNLIKELY THAT ANY OF
3 THEM WILL FINISH BEFORE TWO YEARS?

4 MR. KLEIN: JANET SAYS YOU CAN MAKE THAT AND
5 THE HISTORY OF THE DELIVERY OF PROJECTS ON AN EXPEDITED
6 BASIS. ON EXPEDITED SCHEDULE IS THE PERIOD, AND JUST SAY
7 AND A HISTORY OF THE DELIVERY OF PROJECTS ON AN EXPEDITED
8 SCHEDULE.

9 MR. LAFF: I JUST HAVE ONE QUESTION. I THINK A
10 LOT OF THESE INSTITUTIONS, BOB, HAVE NEVER DONE A PROJECT
11 IN TWO YEARS. NOW, THE TEAMS HAVE. SO I THINK YOUR
12 STATEMENT IS CLOSE TO BEING ABSOLUTELY RIGHT.

13 MR. KLEIN: THE FIRST PART OF IT IS THE
14 COMPLETION OF THE PROJECT WITHIN TWO YEARS, AND THE
15 SECOND SENTENCE IS MEANT TO ADDRESS HOW WE'RE GOING TO
16 EVALUATE THAT, WHICH IS YOU'RE GOING TO EVALUATE THE
17 INSTITUTION, THE TEAM, AND THE APPROACH, AND YOU'RE GOING
18 TO LOOK AT ALL THREE AND SAY IS IT CREDIBLE THEY CAN
19 REALLY DELIVER IN TWO YEARS.

20 MR. LAFF: IT COULD BE THAT THE TEAM HAS A LOT
21 OF CREDIBILITY IN DOING THAT, AND THE INSTITUTION HAS
22 NEVER DONE IT ALL, AND THEY CAN STILL GET HIGH MARKS.

23 MR. KLEIN: THEY CAN STILL GET THE TWO-YEAR
24 POINTS BECAUSE THE TEAM IS SUCH A PHENOMENAL TEAM THAT'S
25 PROVEN TIME AND TIME AGAIN IT CAN DO THIS.

1 MR. KASHIAN: BOB, I WAS GOING TO MAKE SOMEWHAT
2 THE SAME POINT THAT HE MADE. ARE WE TRYING TO SAY THAT
3 HAS A PROVABLE RECORD OF BEING ABLE TO EXECUTE THIS
4 DOCUMENT BECAUSE INSTITUTIONS DON'T REALLY DO IT. WHAT
5 DOES IT IS THE CONSTRUCTION TEAM, THE ARCHITECT, AND THE
6 REST OF THAT.

7 MR. KLEIN: THAT'S WHY I EXPANDED THE
8 DEFINITION.

9 MR. KASHIAN: PROVABLE.

10 MR. KLEIN: I THINK THAT'S A GOOD POINT. IT
11 SAYS THE INSTITUTION, THE TEAM, AND APPROACH HAS A
12 HISTORICAL TRACK RECORD THAT PROVES THE ABILITY TO
13 DELIVER. HAS A HISTORICAL TRACK RECORD THAT PROVES THE
14 ABILITY TO DELIVER.

15 CHAIRMAN LICHTENGER: I WANT TO ADDRESS ED,
16 BOB, AND STUART'S POINT. SO YOU COULD HAVE A REALLY,
17 REALLY GOOD TEAM ASSEMBLED, I'VE SEEN THIS, I'VE BEEN
18 PART OF THIS, WHERE YOU HAVE A CLIENT THAT HAS AN
19 INCAPABILITY TO MAKE DECISIONS. SO THERE COULD BE AN
20 INSTITUTION THAT TAKES -- I'M JUST -- TAKES FOUR YEARS TO
21 DO A TYPICAL PROJECT. THEY PUT A GREAT TEAM TOGETHER,
22 BUT OBVIOUSLY IT TAKES TWO TO TANGO IN THIS CASE. SO I'M
23 JUST CONCERNED ABOUT AGAIN EXACTLY HOW THE SCORING WOULD
24 WORK ON THIS. THAT'S ALL.

25 MR. KLEIN: I THINK -- BY THE WAY, THE FIRST

1 SENTENCE IS A COMPOUND SENTENCE, SEMI COLON AND COMMA, BUT
2 THE THEORY HERE IS THAT YOU LOOK AT THE INSTITUTION'S
3 HISTORY. THE TEAM HAS A PROVEN ABILITY TO DELIVER THIS
4 DESIGN-BUILD IN TWO YEARS. BUT ON ALL FIVE OF THE LAST
5 BUILDING PROJECTS THE INSTITUTION HAS FAILED TO DELIVER
6 IN TIME. WELL, IT'S NOT CREDIBLE YOUR CLIENT IS REALLY
7 GOING TO BE ABLE TO WORK WITH A TEAM. SO YOU DON'T
8 REALLY ACCEPT THE ARGUMENT. SO YOU'VE GOT TO TAKE THE
9 INSTITUTION'S RECORD WITH THE TEAM'S RECORD, AND WE'RE
10 GOING TO HAVE TO EVALUATE IT. THERE'S GOING TO BE
11 DISCUSSION, AND WE'RE GOING TO DECIDE WHETHER THIS IS A
12 CREDIBLE ARGUMENT.

13 MR. LAFF: YOU ARE GOING TO TAKE THE
14 INSTITUTION'S --

15 MR. KLEIN: RECORD OF MAKING DECISIONS.

16 MR. LAFF: -- RECORD OF BRINGING PROJECTS IN ON
17 SCHEDULE. SO THAT SCHEDULE MAY NOT HAVE BEEN TWO YEARS.
18 IT COULD BE FIVE PROJECTS OF FOUR YEARS OR WHATEVER, BUT
19 NONETHELESS THEY BROUGHT IT IN EXACTLY WHEN THEY SAID AT
20 THE BEGINNING OF THE PROJECT. OKAY.

21 CHAIRMAN LICHTENGER: HOW ARE WE GOING TO LOOK
22 AT NEW LEGAL ENTITIES' TRACK RECORD? ARE WE GOING TO
23 EVALUATE FOUR SEPARATE TRACK RECORDS? SO HOW ARE WE --
24 WHAT IF YOU'VE GOT THIS CONSORTIUM WHICH HAS FOUR GROUPS,
25 RIGHT, AND LET'S SAY TWO OUT OF THE FOUR HAVE VERY GOOD

1 TRACK RECORDS AND TWO DON'T, I HAVE NO IDEA ABOUT THEIR
2 TRACK RECORDS. I'M NOT IMPLYING ANYTHING. I'M JUST
3 SAYING HOW ARE WE GOING TO EVALUATE THAT?

4 MR. KLEIN: WE'RE GOING TO HAVE A LOT OF
5 DISCUSSION.

6 I DIDN'T MEAN TO ADD A SECOND SENTENCE IN
7 THERE. I WAS TRYING TO MODIFY THE SENTENCE THAT SAYS THE
8 INSTITUTION, THE TEAM, AND THE APPROACH BASED ON ED'S
9 COMMENT TO SAY THE INSTITUTION, THE TEAM, AND APPROACH
10 HAS A HISTORICAL TRACK RECORD WITH A PROVEN ABILITY TO
11 DELIVER CAPITAL PROJECTS ON AN EXPEDITED SCHEDULE. I
12 DIDN'T MEAN TO HAVE OVERLAPPING SENTENCES.

13 CHAIRMAN LICHTENGER: HOW ABOUT SIMILAR SIZE
14 CAPITAL PROJECTS?

15 MS. SAMUELSON: ISN'T THAT REDUNDANT?

16 MR. KASHIAN: BOB, WOULD YOU CONSIDER THINKING
17 ABOUT THIS WAY A LITTLE BIT, THAT THE INSTITUTION, THE
18 TEAM HAS AN OBLIGATION TO PROVIDE IN THE APPLICATION A
19 PROVABLE PLAN OF EXECUTION?

20 MR. KLEIN: I THINK WHEN WE GET DOWN TO
21 EVALUATION, WHICH IS WHERE YOU ARE TALKING ABOUT THAT,
22 BUT ALSO I EXPECT -- I RESPECT RICK KELLER'S COMMENT THAT
23 FROM OUR COMMENTS, THEY CAN BE EXPECTED TO INCORPORATE
24 PART OF THIS. DEBORAH HYSEN SUGGESTED THAT THERE WAS A,
25 FOR EXAMPLE, SPECIFIC PERFORMANCE CHART SYSTEM THAT WE

1 MIGHT ADOPT IN THE APPLICATION FOR EVERYONE, BUT THAT
2 LEVEL OF DETAIL, I THINK, WE HAVE TO DELEGATE TO THE
3 STAFF TO TRY AND ADVANCE THIS.

4 MR. KASHIAN: OKAY.

5 CHAIRMAN LICHTENGER: WHAT DOES EVERYONE SAY
6 ABOUT THE SIMILAR CAPITAL PROJECTS?

7 MR. LAFF: I THINK IT'S GOING TO BE TOO HARD TO
8 FIND SIMILAR CAPITAL PROJECTS. THAT'S MY OWN TAKE ON IT.

9 BUT I WANTED TO GO BACK TO THE QUESTION ABOUT
10 THE CONSORTIUM. I WOULD BE LOOKING FOR WHO HEADS THE
11 FACILITIES GROUP FOR THAT CONSORTIUM, AND WHAT DO THEY
12 HAVE THAT'S GOING TO ALLOW THEM TO MAKE DECISIONS
13 QUICKLY?

14 MR. KLEIN: THAT'S GOING TO GO INTO YOUR
15 EVALUATION.

16 MR. KASHIAN: I ASKED THAT QUESTION AT THE
17 HEARING. THE POINT IS IF THEY HAVE AN AGREEMENT, THAT'S
18 FINE; BUT WHAT IS THE GOVERNANCE? HOW IS THE GOVERNANCE
19 BEING EXECUTED, BUT THAT'S ANOTHER ISSUE. I THINK WHAT
20 BOB'S TRYING TO ACCOMPLISH, WHICH I TOTALLY AGREE WITH,
21 IS TO PROVIDE SUFFICIENT INFORMATION FOR THIS COMMITTEE
22 TO KNOW THAT THAT INSTITUTION HAS A RECORD OF DELIVERANCE
23 AND THAT THEY HAVE TO PROVE IT. THAT'S BASICALLY WHAT --

24 MR. KLEIN: AND THE START DATE, WHICH IS THE
25 NOTICE OF GRANT AWARD. AND THE REASON I SUGGEST THAT IS

1 THAT ON THE DATE THE BOARD ACTS AND THE APPROVAL, THERE'S
2 THREE TO FOUR MONTHS THAT WILL FOLLOW BEFORE THE GRANT
3 AWARD GOES OUT. IS THAT A CORRECT STATEMENT, RICK AND
4 LORI? SO THEY HAVE THE ABILITY TO GET MOBILIZED IN THAT
5 TIME PERIOD. IF THEY CAN MOBILIZE FASTER, GREAT.
6 THEY'VE GOT SOME TIME THAT THEY'LL BEAT THEIR SCHEDULE
7 BY, BUT THEY HAVE SOME ABILITY TO MOBILIZE.

8 AND THE END DATE IS -- WELL, THE ISSUE OF
9 OCCUPANCY IS -- I CERTAINLY DON'T WANT IT TO BE A FINAL
10 CERTIFICATE OF OCCUPANCY. AS I SAY, IF YOU DELIVER -- IF
11 WE'RE GETTING ONE FLOOR OUT OF FOUR AND THEY ACCELERATE
12 OUR FLOOR, WE WANT THEM --

13 MR. LAFF: DEPENDS ON WHERE OUR FLOOR IS.

14 CHAIRMAN LICHTENGER: WE COULD TALK ABOUT
15 INSTEAD OF OCCUPANCY, SUBSTANTIAL COMPLETION OF THE
16 TENANT IMPROVEMENTS.

17 VICE CHAIR SERRANO-SEWELL: THIS IS MY COMMENT
18 I MADE EARLIER. WE'RE GOING TO GET BOGGED DOWN IN WHAT
19 THIS PERMIT, THAT PERMIT, WHATEVER PERMITS; WHEREAS, THE
20 STATUTE PROVIDES A VERY CLEAR DEFINITION IN MY MIND OF
21 THE END DATE. AND THAT IS, I'M PROBABLY PARAPHRASING IT,
22 BUT THE RESEARCH FACILITIES ARE AVAILABLE. THAT'S THE
23 END DATE.

24 MR. KLEIN: WELL, THE RESEARCH FACILITIES
25 ARE -- HERE'S THE ISSUE, DAVID. THE RESEARCH FACILITIES

1 ARE AVAILABLE, WE CAN SAY --

2 VICE CHAIR SERRANO-SEWELL: THAT'S PROP 71.

3 MR. KLEIN: I UNDERSTAND THAT. I'M JUST TRYING
4 TO FINISH THIS THOUGHT. THE RESEARCH FACILITIES ARE
5 AVAILABLE. THE POINT HERE, AND MAYBE WE PUT IT IN THE
6 EXPLANATORY TEXT, IS YOU DO NOT WANT TO DISINCENTIVIZE
7 PEOPLE FROM HAVING HIGHLY SPECIALIZED TENANT IMPROVEMENTS
8 THAT MIGHT BE BUILT IN. SO YOU COULD GO IN AND YOU CAN
9 MOVE -- THERE ARE MOVABLE LAB BENCHES THAT YOU CAN MOVE
10 INTO THAT SPACE AND FUNCTIONALLY START YOUR RESEARCH.

11 VICE CHAIR SERRANO-SEWELL: BOB, I THINK WHAT
12 I'M TRYING TO DO IS GIVE AS MUCH LEEWAY AS POSSIBLE TO
13 THE APPLICANT.

14 MR. KLEIN: THAT'S WHAT I'M TRYING TO DO.

15 VICE CHAIR SERRANO-SEWELL: OKAY. I UNDERSTAND
16 THAT. IF WE LEAVE IT UP TO THE APPLICANT, WHICH I THINK
17 WE OUGHT TO, TO SAY IT'S AVAILABLE WHEN IT'S AVAILABLE,
18 THAT'S SOMETHING THAT THE APPLICANT'S GOING TO HAVE TO --

19 MR. KLEIN: WHAT IF WE SAID ARE AVAILABLE FOR
20 GENERAL RESEARCH OR SOMETHING? THE POINT IS THAT IF THEY
21 HAVE TO BRING A FREEZER SYSTEM IN THAT'S A SPECIAL TI
22 THAT THEY BUILD IN, WE DON'T WANT TO PENALIZE THEM NOT TO
23 BUILD THOSE SYSTEMS.

24 MR. KELLER: IT COULD BE AS SIMPLE AS AVAILABLE
25 FOR OCCUPANCY OR INSTALLATION OF EQUIPMENT.

1 CHAIRMAN LICHTENGER: YES.

2 MR. KELLER: AVAILABLE FOR OCCUPANCY OR
3 INSTALLATION OF EQUIPMENT.

4 CHAIRMAN LICHTENGER: YES. BOB, I WAS JUST
5 GETTING -- I JUST WANT TO HAVE A CLEAR DEFINITION, AND I
6 THINK RICK'S GOT IT.

7 MR. KLEIN: WE'RE ALL FOR RICK.

8 VICE CHAIR SERRANO-SEWELL: THAT SOUNDS GOOD.
9 LET'S JUST PUT THAT AS THE END DAY FOR NOW.

10 RICK, I THINK WE'VE SUFFICIENTLY PROVIDED AN
11 URGENCY DEFINITION. DO YOU WANT A MOTION, OR SHALL WE
12 NOW MOVE ON TO VALUE?

13 MR. KELLER: I'D LIKE TO RUN THIS, IF IT WOULD
14 PLEASE THE CHAIR, RUN LIKE A WORKSHOP. YOU DO THE WORK.
15 WHEN YOU'RE HAPPY WITH IT --

16 CHAIRMAN LICHTENGER: LET'S TAKE A LOOK AT
17 THIS. LET'S HAVE EVERYBODY TAKE A LOOK AT THIS.

18 VICE CHAIR SERRANO-SEWELL: WE HAVE. WE CAN
19 MOVE TO VALUE.

20 MS. SAMUELSON: THERE'S SOME PROOFREADING
21 THAT'S NEEDED.

22 CHAIRMAN LICHTENGER: CAN YOU PUT THE -- I JUST
23 WANT TO READ IT A FINAL TIME AND LET EVERYBODY ELSE READ
24 IT. OKAY. VERY GOOD. THANK YOU.

25 MR. KLEIN: IN ORDER TO PLACE A HIGH PRIORITY

1 OF COMPLETION OF THE PROJECT WITHIN TWO YEARS AND IT
2 PLACES A DELIVERY --

3 VICE CHAIR SERRANO-SEWELL: BOB, WE'RE TALKING
4 ABOUT VALUE NOW.

5 MR. KLEIN: FINE. ARE WE TALKING ABOUT VALUE
6 NOW? THERE'S A FRAGMENT IN THERE.

7 VICE CHAIR SERRANO-SEWELL: WE'VE GOT TO MOVE
8 ON.

9 CHAIRMAN LICHTENGER: SO VALUE. LET'S OPEN IT
10 UP FOR DISCUSSION.

11 MR. KASHIAN: MR. CHAIRMAN, THE DEFINITION IS
12 FINE WITH ME. WHEN YOU START WITH A FACILITY THAT HAS
13 INNOVATIVE ELEMENTS, YOU PUT GREEN BUILDING AS IS
14 REASONABLE AND NECESSARY. ARE YOU ASKING THAT QUESTION
15 OF US? IS IT REASONABLE OR NECESSARY?

16 SO FROM MY POINT OF VIEW, THE FACILITY IS
17 SENSITIVE TO CONSERVATION AND USE OF RENEWABLE RESOURCES.
18 WE WOULD ENCOURAGE THE USE OF CONSERVATION AND RENEWABLE
19 RESOURCES.

20 MR. KLEIN: IS THAT, ED, INCLUDING WITHOUT
21 LIMITATION THE ENCOURAGEMENT OF CONSERVATION AND
22 RENEWABLE RESOURCES BECAUSE THERE'S OTHER INNOVATION?

23 MR. KASHIAN: INNOVATIONS INCLUDING IS GOOD,
24 YEAH.

25 CHAIRMAN LICHTENGER: DO WE WANT, IF WE'RE

1 TALKING ABOUT VALUE AND COSTS, I MEAN, AS WE POINTED OUT,
2 THE GEOGRAPHIC LOCATION OF THE FACILITY IS REALLY GOING
3 TO COME INTO PLAY UNDER THIS HEADING BECAUSE YOU
4 CONCEIVABLY COULD HAVE A FACILITY THAT HAS MUCH LOWER
5 COST BECAUSE OF WHERE IT'S LOCATED, BUT DOES IT PROVIDE
6 GOOD VALUE? I DON'T KNOW.

7 VICE CHAIR SERRANO-SEWELL: ON THAT POINT,
8 DAVID, LET ME THROW SOMETHING OUT. THE INVESTMENT
9 REPRESENTS A GOOD RETURN TO THE TAXPAYER CONSIDERING
10 COST, QUALITY, GEOGRAPHICAL SETTINGS, AND BENEFITS OF THE
11 PROJECT. I THINK THAT'S THE PLACE TO PUT THAT.
12 LOCATION, WHATEVER, GEOGRAPHICAL LOCATION. WHATEVER
13 STAFF -- WHATEVER STAFF THINKS, LOCATION, SETTING, I
14 DON'T CARE. MY POINT IS THAT'S THE PLACE TO PUT IT.

15 MR. KASHIAN: I THINK THAT'S TERRIFIC.

16 MR. KLEIN: I DO. I'M TRYING TO GET TO THE
17 POINT WITHIN THE PARENS WE SAY INCLUDING WITHOUT
18 LIMITATION, ENCOURAGING CONSERVATION AND RENEWABLE
19 RESOURCES BECAUSE THERE ARE OTHER INNOVATION ELEMENTS.
20 WHERE IT SAYS IS IT REASONABLE, I THINK WE SHOULD BUILD
21 THE SENTENCE OUT TO SAY ARE THE COSTS REASONABLE AND
22 NECESSARY.

23 CHAIRMAN LICHTENGER: OKAY. I AGREE WITH THAT.
24 THAT ADDRESSES ONE OF MY EARLIER CONCERNS.

25 MR. KASHIAN: YOU CAN DO AWAY WITH THE

1 PARENTHESES, CAN'T YOU?

2 CHAIRMAN LICHTENGER: ARE THE COSTS REASONABLE
3 OR NECESSARY?

4 MR. LAFF: YOU'RE PROBABLY GOING TO DO A
5 COST-BENEFIT ANALYSIS ON ALL OF THIS STUFF, AND THAT'S
6 WHAT SHOWS --

7 MR. KASHIAN: IF YOU CAN FIGURE THAT OUT, I'VE
8 GOT A WAR YOU MIGHT WANT TO SETTLE.

9 MR. LAFF: I'M SORRY?

10 MR. KASHIAN: IF YOU CAN FIGURE THAT ONE, I'VE
11 GOT A WAR YOU MIGHT WANT TO FIGURE OUT HOW TO SETTLE.

12 MR. LAFF: THAT'S AN ECONOMIC FORMULA.

13 CHAIRMAN LICHTENGER: I LIKE THE DEFINITION FOR
14 VALUE.

15 MR. KASHIAN: I DO TOO.

16 CHAIRMAN LICHTENGER: ANY OTHER COMMENTS ON THE
17 DEFINITION FOR VALUE?

18 LEVERAGE.

19 MR. KELLER: I THINK WHERE WE SHOULD START IS
20 IN THE EARLIER SLIDES THAT WE REVIEWED SOME HOURS AGO, WE
21 IDENTIFIED TWO ELEMENTS OF LEVERAGE, PROJECT LEVERAGE AND
22 PROGRAM LEVERAGE. AND I THINK WE WOULD BEGIN AT A POLICY
23 LEVEL TO SUGGEST THAT YOU WOULD DEFINE LEVERAGE WITHIN
24 THESE TWO CATEGORIES.

25 CHAIRMAN LICHTENGER: I THINK WE SHOULD TAKE

1 OUT PROGRAM LEVERAGE BECAUSE I THINK THAT'S REALLY IN THE
2 SCIENTIFIC GRANTS WORKING GROUP, NOT IN OUR WORKING
3 GROUP. DOES EVERYONE AGREE WITH THAT?

4 VICE CHAIR SERRANO-SEWELL: JEFF, YOU SORT OF
5 PROPOSED THAT. IS THAT A CONCEPT YOU ENDORSE?

6 MR. KELLER: I JUST WANT TO MAKE IT CLEAR. IF
7 THERE WAS A PROJECT THAT CIRM PARTICIPATED IN THAT
8 BROUGHT A LAB BUILDING AND --

9 DR. HALME: IT'S A QUESTION OF WHETHER THERE
10 CAN BE PUBLIC COMMENT ABOUT EACH DEFINITION BEFORE OR
11 WHETHER THERE'S A MOTION AT THE END TO ACCEPT THE
12 DEFINITION?

13 CHAIRMAN LICHTENGER: WE HAVEN'T DONE ANY
14 MOTIONS YET, SO I'LL TAKE PUBLIC COMMENTS BEFORE WE --

15 DR. HALME: I WILL WAIT.

16 MR. SHEEHY: THIS IS A FAIRLY IMPORTANT POINT
17 TO ME. I GUESS I'M CURIOUS TO ASK DR. CHIU. IS THIS
18 SOMETHING THAT -- DO WE THINK COULD BE -- BECAUSE -- AND
19 I BASE THIS I DON'T KNOW IF YOU WERE AT -- WHERE WAS
20 THAT? -- SACRAMENTO WHERE DR. KEIRSTEAD WAS FAIRLY
21 EXPLICIT ABOUT OBTAINING VCR'S, VICE CHANCELLORS FOR
22 RESEARCH, AT INSTITUTIONS FAIRLY EXPLICIT COMMITMENTS ON
23 FACULTY RECRUITMENT AND FACULTY RETENTION AS BEING A KEY
24 COMPONENT OF MAXIMIZING THE HUMAN CAPITAL DEVELOPMENT
25 ASPECT OF THIS. AND I'M HAPPY IF WE CAN CAPTURE THIS

1 PROCESS. I JUST WANT TO MAKE SURE THAT IT DOES GET
2 CAPTURED SOMEWHERE.

3 DR. CHIU: YES, IT DOES. THE SHORT ANSWER IS,
4 YES, IT DOES IN BUILDING CAPACITY AS WELL AS LOOKING AT
5 CURRENT PROGRAMS AND RESOURCES. IT'S SEVERAL PLACES
6 WITHIN THE SCIENCE.

7 MR. SHEEHY: OKAY. GREAT. THANK YOU. I'M
8 DELIGHTED TO MOVE AHEAD.

9 CHAIRMAN LICHTENGER: SO LET'S CARVE OUT
10 PROGRAM COMPONENT AND THEN LOOK AT THE DEFINITION.

11 DO WE WANT TO HAVE ACTUALLY MORE OF A KIND OF
12 SPECIFIC, ALMOST MATHEMATICAL DEFINITION ON LEVERAGE, THE
13 DOLLARS?

14 MR. KELLER: YOU'RE KIND OF JUMPING AHEAD
15 BECAUSE WHAT WE HAD THOUGHT IS THAT THAT WOULD BE THE
16 COMPONENT. THAT WOULD BE IN THE EVALUATION STANDARD.

17 MR. KLEIN: BEFORE YOU GET TO THAT LEVEL OF
18 MATH, WE DISCUSSED EARLIER THAT WE'RE TALKING ABOUT THIS
19 IS CASH LEVERAGE BEYOND THE 20-PERCENT MINIMUM LEVERAGE.

20 MR. KELLER: IT WOULD INCLUDE THE EXPENDITURES
21 PRIOR TO.

22 MR. KLEIN: AND WOULD INCLUDE CASH EXPENDITURES
23 FOR ESSENTIAL DEVELOPMENT COSTS FOR THE PROJECT. SO I
24 THINK WE NEED THAT LEVEL OF DEFINITION SO PEOPLE KNOW
25 WHAT GETS COUNTED.

1 CHAIRMAN LICHTENGER: DO WE WANT TO -- ARE WE
2 TALKING ABOUT ADMINISTRATIVE COSTS AS WELL?

3 MR. KELLER: WE'RE TALKING ABOUT PROJECT COSTS
4 ASSOCIATED THAT MIGHT -- FOR INSTANCE, IT WOULD INCLUDE
5 INSPECTION AND ARCHITECTS AND SO FORTH.

6 CHAIRMAN LICHTENGER: WE'RE NOT TALKING ABOUT
7 THE ADMINISTRATIVE INTERNAL COSTS OF THOSE INSTITUTIONS,
8 ARE WE, FOR THE --

9 MR. KELLER: THERE MIGHT BE SOME, BUT WE
10 INCLUDED THAT IN THE RFA FOR THE SHARED LAB.

11 CHAIRMAN LICHTENGER: I KNOW. THAT'S WHY I'M
12 BRINGING IT UP.

13 MR. KELLER: SO THERE'S A COMPONENT OF THE
14 PROJECT COST THAT PAYS PEOPLE THAT ARE ON THE APPLICANT'S
15 PAYROLL THAT NEED TO MANAGE, SO, FOR INSTANCE, PROJECT
16 MANAGERS THAT ARE ON THEIR PAYROLL THAT GET PAID FROM THE
17 PROJECT.

18 CHAIRMAN LICHTENGER: BUT THAT MIGHT BE ON
19 STAFF ANYWAY.

20 MR. KELLER: THEY ARE ON STAFF, BUT THEY'RE ON
21 A RECHARGE BASIS. THERE IS NO -- THERE'S NO POT OF MONEY
22 TO PAY THEM OTHER THAN THE PROJECTS THEY WORK ON.

23 CHAIRMAN LICHTENGER: OKAY.

24 MS. SAMUELSON: BESIDES CASH, MIGHT THERE BE
25 IN-KIND INVESTMENTS OF SOME KIND, LIKE LAND OR SOMETHING?

1 CHAIRMAN LICHTENGER: I THINK WE WANT TO
2 ELIMINATE THAT.

3 VICE CHAIR SERRANO-SEWELL: THAT'S THE NEXT.

4 CHAIRMAN LICHTENGER: I GUESS LAND, THAT IS A
5 GOOD POINT, IF SOMEBODY DONATES A SHELL BUILDING OR A --
6 MS. HOFFMAN: I THINK WE MIGHT RUN INTO A
7 PROBLEM BECAUSE THE UNIVERSITY OF CALIFORNIA WILL BE
8 DONATING, OF COURSE, LAND, BUT IT'S ALREADY A STATE ASSET
9 BECAUSE THERE ARE LAND GRANT INSTITUTIONS. SO WHAT WE
10 MIGHT WANT TO DO, RATHER THAN GO THROUGH A SERIES OF
11 APPRAISED VALUES FOR ALL THE LAND, WHAT WE MIGHT WANT TO
12 DO IS JUST SAY THE CASH EXPENDITURES, AS BOB SAID, FOR
13 THE PROJECT, AND THEN WE COULD SAY INCLUDING AN ACRE OF
14 LAND, INCLUDING 40,000 SQUARE FEET OF LAND, OR SOMETHING
15 LIKE THAT SO THERE'S NO ACTUAL VALUE ON IT, BUT EVERY
16 SINGLE ONE OF THESE PROJECTS IS GOING TO BRING SOME LAND
17 WITH IT.

18 MS. SAMUELSON: THOSE DONATIONS WOULD BE
19 INCLUDED, OF COURSE, AND ENCOURAGED.

20 MS. HOFFMAN: MEMBER SAMUELSON, I THINK THE ONE
21 PLACE WHERE YOU MIGHT SEE A CASH EXPENDITURE FOR LAND IS
22 IF AN INSTITUTION HAD TO PURCHASE THE LAND FOR THIS
23 PARTICULAR PROJECT. AND THEN I BELIEVE AT THAT POINT YOU
24 WOULD WANT TO COUNT IT AS A LEVERAGE.

25 CHAIRMAN LICHTENGER: WHAT ABOUT IF A BUILDING

1 WAS DONATED? CONCEIVABLY THERE COULD BE A BUILDING, A
2 SHELL BUILDING, DONATED. HOW WOULD WE ADDRESS THAT?
3 WOULDN'T WE WANT THAT TO COUNT AS LEVERAGE?

4 MS. HOFFMAN: CERTAINLY. THE WAY THAT THAT
5 WOULD COUNT, OF COURSE, IS THAT EACH OF THE INSTITUTIONS
6 WOULD ASSIGN A VALUE TO IT, AND THEN THEY WOULD SUBMIT
7 THAT. BUT, IN FACT, IF THEY ALREADY OWN THE BUILDING AND
8 THEY'RE JUST REDOING THE TENANT IMPROVEMENTS INSIDE, THEN
9 I DON'T THINK THAT -- IT WOULD BE VERY DIFFICULT TO GET
10 TO.

11 MR. KASHIAN: LORI, EXCUSE ME. I THINK WHAT
12 HE'S GETTING TO IS THIS IS NOT CREATING VALUE. IF YOU
13 BUY A BUILDING, A SHELL, IT IS A CASH EXPENDITURE, AND
14 THE AMOUNT OF MONEY YOU SPEND, IF IT HAS VALUE IS THAT
15 MONEY, BUT TO SAY THAT I BOUGHT IT AT \$5 AND IT'S NOW
16 WORTH 50 AND, THEREFORE, THAT'S MY IN-KIND THING IS NOT A
17 GOOD IDEA.

18 MS. HOFFMAN: I THINK THAT'S CORRECT. SO WE
19 COUNT THE \$5, NOT THE 50.

20 MR. KASHIAN: THE CASH, THE COST.

21 MR. KLEIN: SO CASH EXPENDITURES SPENT PRIOR TO
22 THE NJ FOR THE PROJECT, INCLUDING LAND AND BUILDING
23 ACQUISITION AT COST. RIGHT? INCLUDING LAND AND BUILDING
24 ACQUISITION -- INCLUDING WITHOUT LIMITATION LAND AND
25 BUILDING ACQUISITION AT COST, ARCHITECTURAL EXPENDITURES,

1 AND OTHER NECESSARY PROJECT COSTS.

2 BUT IN THIS ISSUE THAT WAS BEING RAISED BEFORE,
3 IN THE SHARED LABS THERE WAS A LIMITATION ON HOW MUCH IN
4 THE PROJECT COSTS YOU COULD EXPEND ON OVERHEAD.

5 MR. KELLER: YES.

6 MR. KLEIN: I THINK THAT'S IMPORTANT. AND IS
7 THERE ADVICE ON THAT BECAUSE OBVIOUSLY SOME INSTITUTION
8 CAN SAY I'M GOING TO SPEND 35 PERCENT ON OVERHEAD;
9 THEREFORE, NOW I HAVE LEVERAGE OF X BECAUSE I'M GOING TO
10 PAY FOR THIS 35 PERCENT WHEN IT'S NOT REASONABLE AND
11 NECESSARY. SO IT WOULD -- WHAT PERCENTAGE DID HE HAVE AS
12 A CAP BEFORE?

13 MS. HOFFMAN: 15.

14 MR. KLEIN: IS THAT -- THESE ARE LARGER
15 PROJECTS THAN THE ONES BEFORE. IS 15 STILL THE RIGHT
16 GAUGE, OR WOULD TEN BE THE RIGHT GAUGE? WHAT'S THE
17 APPROPRIATE?

18 MR. KELLER: I THINK THE APPROACH THAT I HAD
19 THOUGHT WE WOULD TAKE WOULD BE TO LOOK AT THE AGGREGATE
20 BECAUSE BY VIRTUE OF THE FACT THAT THE LEVERAGE IS COMING
21 FROM THE INSTITUTION, AND THIS NOTION OF NETTING OUT THE
22 LEVERAGE AND THE COST WOULD BE YOU WOULD DECIDE IF THE
23 COSTS ARE REASONABLE. AND IF THE COSTS -- JUST LIKE WE
24 HAD UNALLOWED COSTS. IF THEY'RE SPENDING TOO MUCH MONEY
25 ON ARCHITECTURE FOR WHAT WE BELIEVE IS UNNECESSARY, THEN

1 WE' RE GOING TO TAKE THAT OUT OF THE FORMULA AND SUGGEST
2 THAT' S NOT NECESSARY.

3 MR. KLEIN: WE CREATED A GUIDELINE BEFORE.

4 CHAIRMAN LICHTENGER: I THINK I AGREE WITH
5 WHERE BOB IS GOING ON THIS, RICK, THAT, FOR EXAMPLE,
6 LET' S SAY HYPOTHETICALLY WE RECEIVED AN APPLICATION WHERE
7 IT WAS A \$30 MILLION GRANT APPLICATION. TO ME IF THEY' RE
8 ASKING FOR 10 OR 15 PERCENT, THAT SOUNDS LIKE A LOT.

9 MR. KELLER: IF THE PROJECT IS \$50 MILLION --
10 THE PROBLEM I' M HAVING IS TRYING TO FERRET OUT WHAT 15
11 PERCENT OF WHAT BECAUSE IF IT' S A \$50 MILLION PROJECT AND
12 CIRM IS PUTTING IN 30 MILLION, THEN WHAT ARE YOU -- I' M
13 NOT UNDERSTANDING WHAT THE 15 PERCENT APPLIES TO. IS IT
14 APPLYING TO THEIR -- WE' RE SAYING THEY CAN' T SPEND THEIR
15 OWN MONEY ON THE ARCHITECTS, OR ARE WE SAYING -- THAT' S
16 THE PART I' M NOT --

17 CHAIRMAN LICHTENGER: I THINK THERE' S AN
18 UNALLOWABLE AMOUNT ABOVE A CERTAIN PERCENTAGE.

19 MR. KLEIN: I THINK, RICK, GOING TO WHAT YOU' RE
20 SAYING IS THAT WE' RE TRYING TO SET A PERCENTAGE OF THE
21 TOTAL COST THAT CAN GO TOWARDS THESE INTERNAL OVERHEAD
22 THAT COUNTS TOWARDS LEVERAGE. SO EVEN IF YOU SAY --

23 MR. KELLER: OKAY. THAT' S A DIFFERENT
24 PROPOSITION.

25 MR. KLEIN: EXACTLY. SO THE --

1 MR. KELLER: THAT'S MORE ALIGNED WITH -- THESE
2 WOULD BE UNALLOWED LEVERAGE.

3 MR. KLEIN: THAT'S RIGHT BECAUSE WE'RE IN THE
4 LEVERAGE CATEGORY. AND SO AS TO -- LORI, WOULD YOU HAVE
5 A RECOMMENDATION AS TO THIS ITEM?

6 MS. HOFFMAN: CERTAINLY. WHAT WE CAN DO IS
7 EXACTLY WHAT WE DID WITH THE SHARED LABS, WHICH IS SAY
8 THAT, IN FACT, CIRM -- THERE'S TWO WAYS TO GO ABOUT IT.
9 CIRM WOULD EITHER LIMIT THIS PARTICULAR PORTION OF THE
10 CAPITAL PROJECT TO 15 PERCENT. OR WHAT WE COULD SAY IS
11 ALL THE CIRM MONEY, SINCE IT'S LAST IN, GOES FOR
12 CONSTRUCTION ONLY. AND THEN YOU GET TO RICK'S POINT,
13 WHICH IS, IN FACT, IF AN INSTITUTION WANTS TO SPEND 20
14 PERCENT OF THE TOTAL PROJECT COST ON THE PLANNING AND
15 WORKING DRAWINGS PORTION, THEY CAN.

16 MR. KLEIN: THEY CERTAINLY CAN. THEY CAN SPEND
17 25 PERCENT, BUT WE'RE DISCUSSING WHAT WILL COUNT FOR
18 LEVERAGE ONLY. SO IN THIS PARTICULAR CATEGORY, WE'RE
19 SAYING 15 PERCENT OF \$50 MILLION IS TOO MUCH OVERHEAD.
20 AND SO IF WE'RE CAPPING THE OVERHEAD THAT WE'LL COUNT
21 TOWARDS LEVERAGE, IS THAT FIGURE 10 PERCENT BECAUSE --

22 VICE CHAIR SERRANO-SEWELL: OF WHAT AGAIN?

23 MR. KLEIN: OF THE TOTAL COSTS.

24 MR. LAFF: TELL ME WHAT THE 10 PERCENT. I'M
25 CONFUSED ON THE 10 PERCENT --

1 MR. KASHIAN: CAN I MAKE A SUGGESTION HERE,
2 BOB? AS A BASIS, I DON'T THINK WE OUGHT TO PAY ANYBODY
3 TO PROVIDE THE STAFF TO GIVE US AN APPLICATION. NOW, IF
4 THEY HAVE A PROJECT, THAT PROJECT INCLUDES -- THE PROJECT
5 INCLUDES, FROM MY POINT OF VIEW, SOFT COSTS AS WELL AS
6 HARD COSTS. THE SOFT COSTS, YOUR INTERNAL COSTS, SHOULD
7 BE RELATED TO THAT PROJECT. AND I DON'T THINK IT OUGHT
8 TO EXCEED MORE THAN 5 PERCENT OF THE TOTAL ON LARGE
9 PROJECTS.

10 CHAIRMAN LICHTENGER: I WANT TO ANSWER STUART'S
11 QUESTION. STUART, IN THE SHARED LAB RFA, MAYBE RICK
12 SHOULD BE THE PERSON, ALL THE APPLICANTS HAD SOME
13 INTERNAL COST FOR THEIR OWN STAFF, AND IT WAS LIMITED TO
14 NOT TO EXCEED 15 PERCENT OF THE --

15 MS. HOFFMAN: INCLUDING DESIGN. THAT INCLUDED
16 DESIGN.

17 MR. KELLER: AND THE EXTERNAL ARCHITECT.

18 CHAIRMAN LICHTENGER: IT WAS INTERNAL AND
19 EXTERNAL SOFT COSTS.

20 MR. LAFF: INTERNAL AND EXTERNAL?

21 MR. KELLER: YES. 15 PERCENT.

22 CHAIRMAN LICHTENGER: THAT WE WOULD FUND.
23 ANYTHING BEYOND THAT THEY WOULD HAVE TO FUND DIRECTLY.

24 MR. LAFF: I WOULD TELL YOU COMMERCIALY THE
25 ANSWER IS PROBABLY AROUND 10 PERCENT FOR ARCHITECTS,

1 ENGINEERS.

2 MR. KASHIAN: AND FOR MIDSIZE PROJECTS, WHEN
3 YOU GET INTO 50 MILLION, IT'S A LOT LESS THAN THAT.

4 CHAIRMAN LICHTENGER: SO DO WE WANT TO SAY ONLY
5 5 PERCENT FOR LEVERAGE?

6 MR. KLEIN: WELL, THE POINT IS HERE NOT WHAT
7 WE'LL PAY ON. THE POINT IS WHAT WILL COUNT FOR LEVERAGE.
8 AND WHAT I THINK WOULD BE SIMPLEST TO SAY IS WE'RE ONLY
9 GOING TO COUNT TOWARDS LEVERAGE 10 PERCENT FOR
10 ARCHITECTURE AND INTERNAL COSTS.

11 CHAIRMAN LICHTENGER: THAT SEEMS HIGH.

12 MR. LAFF: THAT'S INTERNAL AND --

13 MR. KLEIN: AND ARCHITECTURE AND ENGINEERING.
14 ARCHITECTURE, ENGINEERING, INTERNAL COST IS 10 PERCENT.
15 FOR LEVERAGE, THAT'S NOT ADDRESSING THE ISSUE OF WHAT IS
16 REASONABLE IN TERMS OF WHAT WE'LL EXPEND FUNDS ON.

17 MR. LAFF: THEY'VE GOT CIVIL ENGINEERS.

18 MR. KLEIN: THEY'VE GOT A LOT OF ENGINEERS, AND
19 THEY MAY HAVE -- IN SOME JURISDICTIONS, THEY MAY HAVE A
20 LOT OF ENTITLEMENT COSTS WITH LOCAL GOVERNMENT.

21 MR. KELLER: ALL THE UC'S HAVE THEIR OWN
22 ENTITLEMENT AUTHORITY. SO THERE WOULD BE EQUIVALENT
23 COSTS THAT WOULD BE INTERNAL, LIKE FIRE MARSHAL AND
24 THINGS LIKE THAT. SO IT'S DIFFICULT TO GET APPLES AND
25 APPLES.

1 CHAIRMAN LICHTENGER: IS EVERYONE OKAY WITH THE
2 DEFINITION?

3 MR. SHEEHY: I HAVE ANOTHER ISSUE THAT I THINK
4 BELONGS HERE, BUT I'M NOT CERTAIN. WE HAVE TO ASSIGN
5 SOME VALUE TO THOSE BUILDINGS THAT WILL REMAIN THE
6 PROPERTY OF THE CITIZENS OF CALIFORNIA AFTER THEY'RE
7 BUILT. SOME OF THESE WILL BELONG TO PRIVATE NONPROFIT
8 ENTITIES AND SOME WILL BELONG TO THE CITIZENS OF
9 CALIFORNIA. WE HAVE TO ASCRIBE SOME VALUE TO THAT IN
10 THIS PROCESS.

11 MS. SAMUELSON: WHAT DO YOU MEAN THEY'RE
12 GOING --

13 MR. KLEIN: MAYBE THAT'S IN PROGRAM REVIEW --

14 MR. SHEEHY: BUT IF STANFORD BUILDS A BUILDING,
15 IT BELONGS TO STANFORD.

16 VICE CHAIR SERRANO-SEWALL: WHAT DOES THAT HAVE
17 TO DO WITH LEVERAGE?

18 MR. SHEEHY: IF UCLA BUILDS A BUILDING -- IT
19 APPLIES TO LEVERAGE BECAUSE THERE'S A VALUE THAT WE'RE
20 CREATING FOR THE CITIZENS OF CALIFORNIA THAT WE SHOULD
21 CAPTURE IN THIS PROCESS THAT WE'RE NOT CAPTURING WITH
22 SOME APPLICANTS.

23 CHAIRMAN LICHTENGER: I THINK IT HAS TO DO WITH
24 VALUE.

25 MR. SHEEHY: MAYBE IT BELONGS IN VALUE, BUT I

1 THINK WE NEED TO FIGURE OUT -- I THINK WE'D BE REMISS AS
2 STEWARDS OF THE TAXPAYERS' MONEY NOT TO CAPTURE THIS IN
3 SOME PROCESS -- SOMEWHERE IN THIS PROCESS AND ACKNOWLEDGE
4 THAT SOME OF THESE BUILDINGS WILL BELONG TO PRIVATE
5 ENTITIES AND SOME OF THESE BUILDINGS WILL BELONG TO THE
6 CITIZENS OF CALIFORNIA.

7 MR. LAFF: I'M NOT SURE I AGREE, BUT I THINK
8 WHAT HE'S TALKING ABOUT IS THE RESIDUAL VALUE OF THE
9 BUILDING AT THE END OF ITS LIFE.

10 MS. HOFFMAN: ACTUALLY MIGHT I MAKE A
11 SUGGESTION, THAT WHAT YOU WOULD WANT TO DO IS, IN FACT,
12 IMPOSE A COVENANT ON THE BUILDINGS EVEN THAT BELONG TO
13 UC, THAT, IN FACT, FOR THE LIFE OF CIRM, THAT A CERTAIN
14 AMOUNT OF SPACE ACTUALLY DOES BELONG TO THE STATE OF
15 CALIFORNIA.

16 MR. KLEIN: DEDICATED TO THE USE.

17 MS. HOFFMAN: DEDICATED TO THE USE OF STEM CELL
18 RESEARCH.

19 MR. KLEIN: DEDICATED TO THE USE OF STEM CELL
20 RESEARCH. THE POINT IS WHETHER IT'S AT A PRIVATE
21 INSTITUTION OR A PUBLIC, IF IT ENDS UP FOR 25 YEARS BEING
22 DEDICATED TO REGENERATIVE MEDICINE, IT'S A LITTLE BROADER
23 CATEGORY. WE'RE GETTING THE VALUE OUT OF THAT AS
24 CITIZENS OF THE STATE FOR THAT WHOLE TERM.

25 VICE CHAIR SERRANO-SEWELL: WE CAN IMPOSE THAT

1 COVENANT. WE CAN IMPOSE THE USE COVENANT. WE CAN'T
2 IMPOSE AN UNDERLYING FEE COVENANT IF IT'S AT A PRIVATE,
3 NONPROFIT INSTITUTION.

4 DR. WRIGHT: I WAS JUST GOING TO ASK JEFF IF
5 HIS POINT WAS TO BRING THIS UP UNDER LEVERAGE BECAUSE YOU
6 WANT TO GIVE -- YOU WANT TO INCENT INSTITUTIONS TO DO
7 THAT.

8 VICE CHAIR SERRANO-SEWELL: I THINK THIS IS A
9 VALUE ISSUE.

10 CHAIRMAN LICHTENGER: GO AHEAD, LORI.

11 MS. HOFFMAN: WELL, DEPENDING ON HOW YOU IMPOSE
12 IT, IF IT IS A COVENANT THAT RUNS WITH THE LAND FOR USE,
13 THEN WE CAN JUST MAKE IT A THRESHOLD REQUIREMENT. THEY
14 JUST HAVE TO MEET IT. THEY KNOW WHEN THEY'RE APPLYING
15 FOR THESE FUNDS, THAT, IN FACT, THAT'S WHAT THEY'RE
16 DOING.

17 MR. KLEIN: TO SOME EXTENT WE GOT TO REALIZE
18 THAT SCIENCE IS ORGANIC, AND OVER A PERIOD OF 30 OR 40
19 YEARS, THE SCIENCE IS GOING TO CHANGE. AND RIGHT NOW WE
20 HAVE A GOAL. AND WE NEED -- WHILE THIS AGENCY, IF IT
21 PERFORMS, HOPEFULLY, THE STATE WILL EXTEND ITS LICENSE.
22 AND IF STEM CELL RESEARCH AND REGENERATIVE MEDICINE ARE
23 IMPORTANT, HOPEFULLY IT WILL EXTEND ITS TERM. AND TO TIE
24 IT UP FOR 30 OR 40 YEARS, I THINK THAT THESE INSTITUTIONS
25 HAVE A PROVEN HISTORY. THEY'RE ALL NONPROFIT

1 INSTITUTIONS. THEY HAVE A PROVEN HISTORY OF PERFORMING
2 AND DELIVERING FOR THE STATE, AND THE STATE GETS THE
3 BENEFIT.

4 VICE CHAIR SERRANO-SEWELL: THEY'RE GOING TO
5 FREAK OUT IF WE DO THIS COVENANT, BUT I DON'T REALLY
6 CARE. I THINK THERE NEEDS TO BE A TIME LIMIT ON IT.
7 MAYBE IT'S NOT THE LIFE OF CIRM BECAUSE YOU'RE RIGHT. WE
8 KNOW IT'S TEN YEARS, BUT IT COULD BE LONGER, AND WE HOPE
9 IT IS, BUT IT SHOULD BE SOME MINIMUM AMOUNT OF YEARS.

10 MR. KELLER: I'D MENTION, JUST TO HELP YOU,
11 DAVID, IS THAT THE INSTITUTIONS MAY NOT HAVE SUCH A
12 PROBLEM WITH IT BECAUSE THE NIH ON THEIR WHAT'S CALLED
13 FACILITIES GRANTS THAT THEY HAVEN'T DONE FOR A NUMBER OF
14 YEARS, CO-6 GRANTS, THEY REQUIRE A LETTER FROM THE
15 INSTITUTION THAT YOU WILL USE THAT SPACE FOR 20 YEARS.

16 VICE CHAIR SERRANO-SEWELL: LET'S DO NIH.
17 THEY'RE THE GOLD STANDARD. WE'VE BEEN SAYING THAT FROM
18 DAY ONE ON ALL OF OUR OTHER STUFF.

19 CHAIRMAN LICHTENGER: SO ARE YOU MAKING A
20 MOTION?

21 VICE CHAIR SERRANO-SEWELL: ARE WE TALKING
22 ABOUT LEVERAGE, OR ARE WE JUST TALKING ABOUT THE
23 DEFINITION OF LEVERAGE? IS THAT -- IF WE WANT TO PUT IT
24 IN LEVERAGE, I'M OKAY WITH IT.

25 CHAIRMAN LICHTENGER: I THINK IT'S VALUE.

1 MS. HOFFMAN: I RESPECTFULLY DISAGREE. I
2 ACTUALLY THINK IF YOU'RE GOING TO IMPOSE IT, YOU NEED TO
3 SAY UP FRONT THAT YOU ARE GOING TO IMPOSE IT, AND IT
4 BECOMES A REQUIREMENT AND A CONDITION OF THE GRANT
5 APPLICATION.

6 CHAIRMAN LICHTENGER: I AGREE, LORI. I THINK
7 THAT MAKES SENSE.

8 MS. SAMUELSON: I THINK THAT THE BENEFIT OF IT
9 WOULD BE IN THE CIRM/US BEING ABLE TO REQUIRE THEM --
10 IT'S ESSENTIALLY A PARTNERSHIP IN OUR ENTERPRISE, WHICH
11 COULD BE DIFFERENT THAN THEY'RE SAYING THAT THEY'RE DOING
12 REGENERATIVE MEDICINE IN SHARING THAT RESOURCE, FOR
13 EXAMPLE, WAYS THAT WE SEE AS PART OF OUR MISSION RATHER
14 THAN JUST SAYING THAT THEY'RE DOING REGENERATIVE
15 MEDICINE.

16 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE A MOTION
17 THAT WE MAKE THIS A MANDATORY REQUIREMENT, BACK TO THE
18 MINIMUM REQUIREMENTS, THE SAME AS NIH FOR 20 YEARS AND
19 MODEL IT AFTER THAT. DOES THAT MAKE SENSE?

20 MS. HOFFMAN: MAY I JUST SUGGEST AT THIS POINT,
21 GIVEN THAT WE KNOW THAT CIRM WILL BE IN EXISTENCE FOR
22 TEN, BUT WE'RE NOT SURE ABOUT 20, YOU MIGHT JUST WANT TO
23 LIMIT IT TO TEN. AND ASSUME THAT, IN FACT, CHAIRMAN
24 KLEIN, YOU ARE CORRECT, THAT IN MANY CASES THE
25 INSTITUTIONS WILL CONTINUE TO USE THIS SPACE FOR THIS

1 USE.

2 VICE CHAIR SERRANO-SEWELL: OR NOT. WE DON'T
3 KNOW THAT. I DON'T KNOW THAT.

4 MS. SAMUELSON: IF WE CAN POSSIBLY LEGALLY
5 REQUIRE IT, WE SHOULD.

6 CHAIRMAN LICHTENGER: LET'S OPEN IT FOR
7 DISCUSSION. I THINK IF NIH IS DOING IT FOR 20 YEARS, WHY
8 WOULDN'T WE WANT TO DO IT FOR 20 YEARS? WHY WOULDN'T WE
9 FOR REGENERATIVE MEDICINE?

10 VICE CHAIR SERRANO-SEWELL: THIS IS AN ISSUE TO
11 PUNT. IT'S A VALUE POINT THAT WE WANT TO BE PART OF THIS
12 RFA AS A MINIMUM QUALIFICATION, BUT THIS IS SOMETHING WE
13 PUNT TO THE ICOC, WHETHER IT BE 10 OR 20. I THINK THE
14 MINIMUM IS TEN YEARS.

15 MR. KLEIN: I THINK THAT'S A GOOD IDEA.

16 VICE CHAIR SERRANO-SEWELL: WE DON'T HAVE THE
17 LEVEL OF EXPERTISE JUST YET TO SAY ONE WAY OR THE OTHER.
18 I THINK THE BEST ARGUMENT WE CAN MAKE, THAT I'M GOING TO
19 TRY TO MAKE, IS, LOOK, THE NIH DOES IT. WE'VE SAID FROM
20 DAY ONE IN ADOPTING OTHER POLICIES AND GUIDELINES WE'LL
21 FOLLOW THE NIH. LET'S FOLLOW IT NOW. I'LL WAIT FOR MY
22 COLLEAGUES.

23 CHAIRMAN LICHTENGER: I AGREE WITH THE PUNT.

24 MR. KLEIN: OR MAKE A RECOMMENDATION IN THE
25 ALTERNATIVE.

1 CHAIRMAN LICHTENGER: SO, ED, YOU WANTED TO
2 MAKE A COMMENT FIRST?

3 MR. KASHIAN: I AGREE TOTALLY WITH JEFF'S POINT
4 OF VIEW, THAT IF IT'S PAID FOR BY THE CITIZENS, IT SHOULD
5 BE RETURNED TO THE CITIZENS IF IT'S NOT USED FOR THIS
6 PURPOSE. HOWEVER, THAT BEING SAID, IF WE'RE TRYING TO
7 LEVERAGE IT, AND WE HAVE SOME PRIVATE INSTITUTIONS
8 PUTTING UP 50 PERCENT OF THE MONEY, WHY ARE THEY GOING TO
9 GIVE IT BACK TO YOU? YOU WANT TO BE CAREFUL ABOUT
10 RESEARCHING THAT A LITTLE BIT. I'M ON YOUR SIDE, PAL.
11 IF IT'S PAID FOR BY THE CITIZENS, THE RESIDUAL VALUE, IF
12 IT'S NOT USED FOR THIS PURPOSE SOMEHOW --

13 VICE CHAIR SERRANO-SEWELL: ED, ISN'T THAT THE
14 EXPECTATION OF THE DONOR? IF THEY GIVE A DONATION TO A
15 PUBLIC INSTITUTION, THAT IT'S FOR THE PUBLIC, AND IT'S
16 NOT GOING TO RETURN TO THE DONOR?

17 MR. KASHIAN: YEAH. BUT LET'S TAKE THE
18 BUILDING, FOR INSTANCE. IF THE BUILDING LIES ON THEIR
19 PROPERTY AND THEY'RE NOT GETTING ANY VALUE FOR THAT
20 PROPERTY, ARE THEY GOING TO GIVE YOU THE PROPERTY, OR ARE
21 THEY GOING TO MOVE THE BUILDING?

22 CHAIRMAN LICHTENGER: GO AHEAD, BOB.

23 MR. KLEIN: I THOUGHT THAT WHAT I HEARD DAVID
24 SAYING IS THAT HE WANTS TO MAKE A MOTION THAT WE
25 RECOMMEND TO THE ICOC A USE RESTRICTION OF REGENERATIVE

1 MEDICINE FOR TEN TO 20 YEARS. AND I AM PREPARED TO
2 SECOND THAT MOTION IF THAT'S A MOTION.

3 VICE CHAIR SERRANO-SEWELL: IT IS.

4 MR. KASHIAN: I'M PREPARED TO VOTE FOR IT.

5 MR. KLEIN: THAT'S THE MOTION AND THE SECOND.

6 CHAIRMAN LICHTENGER: SO --

7 VICE CHAIR SERRANO-SEWELL: WHAT I UNDERSTOOD
8 LORI TO SAY IS THAT WOULD BE PART OF, LIKE, THE MINIMUM
9 QUALIFICATIONS, IF YOU WILL.

10 MR. SIMPSON: WAS IT FOR 10 OR FOR 20?

11 VICE CHAIR SERRANO-SEWELL: WE'RE GOING TO LET
12 THE ICOC DECIDE.

13 CHAIRMAN LICHTENGER: ANY OTHER COMMENTS FROM
14 ANY WORKING GROUP MEMBERS? PUBLIC COMMENTS?

15 DR. HALME: DINA HALME FROM UCSF. TWO QUICK
16 COMMENTS. ONE WAS IN VALUE YOU USE THE WORD "COST," BUT
17 IT WASN'T CLEAR WHETHER THAT WAS PROJECT COSTS OR CIRM
18 COSTS.

19 AND THE SECOND ONE IS I'M A LITTLE CONCERNED
20 ABOUT THIS 10-PERCENT CAP BECAUSE FOR THE SHARED LABS. A
21 LOT OF INSTITUTIONS HAD TROUBLE MAKING THE 15 PERCENT
22 CAP. AND I UNDERSTAND IT'S A BIGGER PROJECT, BUT
23 NONETHELESS IF THEY'RE GOING TO PUT MORE MONEY IN, IT'D
24 BE NICE TO HAVE 10 PERCENT, YOU GET FULL CREDIT, AND THEN
25 SLIDING SCALE AFTER THAT, OR SOMETHING ALONG THOSE LINES.

1 MR. KLEIN: THAT'S NOT A COMMENT ON THIS
2 MOTION.

3 CHAIRMAN LICHTENGER: THAT'S CORRECT. I'M
4 AWARE OF THAT. SO ANY COMMENTS ON THIS MOTION?

5 SO ALL THOSE IN FAVOR SAY AYE. ANY OPPOSED?
6 NONE. OKAY. PASSES UNANIMOUSLY.

7 MR. KLEIN: IF I COULD, ON LEVERAGE, THOUGH,
8 WHAT I'D LIKE TO ADDRESS IS THE LAST SENTENCE IS NOT
9 EXACTLY WHAT WE SAID. COUNT UP TO 10 PERCENT OF THE
10 TOTAL PROJECT COST FOR INTERNAL -- IT'S INTERNAL OVERHEAD
11 PLUS ARCHITECTURAL AND ENGINEERING COSTS BECAUSE THEY
12 COULD HAVE OTHER SOFT COSTS, LIKE FEES TO LOCAL
13 GOVERNMENT IF THEY'RE NOT A STATE INSTITUTION. WE'RE NOT
14 TRYING TO CAPTURE ALL SOFT COSTS IN THIS CAP. THIS IS
15 JUST INTERNAL OVERHEAD PLUS ARCHITECTURAL AND
16 ENGINEERING.

17 MR. KASHIAN: IF JUSTIFIED.

18 MR. KLEIN: WELL, IT'S GOT TO ALSO MEET OTHER
19 COSTS REASONABLE AND NECESSARY.

20 CHAIRMAN LICHTENGER: SO DO WE WANT TO ADDRESS
21 HER OTHER COMMENT ABOUT COST UNDER VALUE ABOUT WHETHER IT
22 WAS FIRM COST? IT WAS A GOOD POINT SHE MADE, WHETHER
23 WE'RE TALKING ABOUT -- CAN WE GO TO VALUE? ARE THE COSTS
24 REASONABLE AND NECESSARY? I GUESS WE HAVEN'T GONE TO THE
25 NEXT LEVEL. WE'LL DEAL WITH IT LATER. HOW'S THAT?

1 DR. HALME: GREAT. I JUST WANTED TO RAISE THE
2 ISSUE.

3 CHAIRMAN LICHTENGER: ARE WE OKAY -- IS
4 EVERYBODY ELSE -- LET'S GO BACK TO LEVERAGE.

5 MR. KLEIN: ON LEVERAGE WE'RE MISSING THE WORD
6 "OVERHEAD" AFTER INTERNAL, INTERNAL OVERHEAD AND...

7 MR. KASHIAN: HOW ABOUT INTERNAL PROJECT
8 OVERHEAD?

9 MR. KLEIN: YEAH. INTERNAL PROJECT OVERHEAD.
10 THAT'S VERY GOOD.

11 MR. KELLER: WITH THAT, WE READY TO GO TO
12 FUNCTIONALITY?

13 MR. CLEARY: ADDITIONAL PUBLIC COMMENT ON
14 LEVERAGE. I'M JOHN CLEARY WITH USC. I WANTED TO CLARIFY
15 ON LEVERAGE, I'M LOOKING AT THE SENTENCE CASH
16 EXPENDITURES SPENT PRIOR TO THE NOGA FOR THE PROJECT,
17 INCLUDING LAND AND BUILDING AT COST, ETC. I'M WONDERING
18 IF IT WAS A CASH EXPENDITURE FOR NOT SPECIFICALLY THIS
19 PROJECT, BUT A PRIOR PROJECT, WHETHER WE CAN ASSIGN A
20 VALUE TO THAT FOR LEVERAGE.

21 WHAT I'M SPECIFICALLY GETTING AT WE'RE AT USC
22 LOOKING FOR EVERY POSSIBLE WAY TO DO LEVERAGE IN
23 MATCHING. WE'RE BUILDING OUR BUILDING IMMEDIATELY
24 ADJACENT TO ANOTHER. BOTH WILL HAVE A VIVARIUM. IN OURS
25 WE ARE NOT BUILDING A CAGE WASH AND OTHER FACILITIES

1 BECAUSE WE'LL HAVE AN UNDERGROUND ACCESS TO THE ORIGINAL
2 AND INTEND TO USE THOSE. SO IS THERE -- IS THAT
3 ENCAPSULATED WITHIN CASH EXPENDITURES SPENT PRIOR TO THE
4 NGA FOR THE PROJECT?

5 CHAIRMAN LICHTENGER: NO.

6 MR. CLEARY: MIGHT IT BE?

7 MR. KLEIN: BUT HE GETS CREDIT UNDER SHARED.

8 MS. HOFFMAN: THAT IS THE DIFFERENCE BETWEEN
9 PROJECT COSTS AND -- PROJECT LEVERAGE AND PROGRAM
10 LEVERAGE EVEN IF IT'S A SHARED FACILITY BECAUSE THE OTHER
11 FACILITY WAS ALREADY BUILT; ISN'T THAT CORRECT?

12 MR. CLEARY: CORRECT.

13 MR. KLEIN: STILL, IF WE DON'T HAVE TO PAY FOR
14 THE OTHER VIVARIUM, WE GET THE SHARED FACILITY POINTS
15 BECAUSE WE'RE NOT HAVING TO PAY FOR THAT.

16 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE A
17 COMMENT. YEAH. THAT WAS EXACTLY -- YOUR SCENARIO WAS
18 REALLY WHAT I WAS THINKING IN MY MIND OTHER THAN THIS
19 CONSORTIUM ISSUE WHERE THERE IS SOME SIGNIFICANT -- I
20 DON'T WANT TO USE THE WORD "LEVERAGE," BUT THERE'S SHARED
21 RESOURCES AVAILABLE. SO IT WOULD COUNT VERY HEAVILY IN
22 MY MIND IN THAT CATEGORY, BUT NOT UNDER THE CASH OUT OF
23 POCKET.

24 MR. CLEARY: THANK YOU.

25 MS. HOFFMAN: I'M SORRY. WE NEED SOME

1 CLARIFICATION THEN BECAUSE THE PROJECT LEVERAGE IS EASY
2 FOR US TO COUNT. IT'S THE TOTAL PROJECT COST OF THE
3 PROJECT THAT EACH ONE OF THESE APPLICANTS WOULD BE
4 SUBMITTING. PRIOR EXPENDITURES FOR ANOTHER FACILITY,
5 THAT'S PROGRAM LEVERAGE. AND IF YOU WANT TO DEFINE
6 PROGRAM LEVERAGE FOR SHARED FACILITIES, THEN WE CAN DO
7 THAT. BUT, AGAIN, IT WOULD BE VERY DIFFICULT TO ASSIGN A
8 VALUE FOR A PROJECT THAT WAS BUILT FIVE YEARS AGO. I
9 DON'T KNOW IF YOU WANT TO DEPRECIATE THE VALUE, HOW WE
10 WOULD COME UP WITH IT, HOW WE WOULD VALIDATE IT.

11 CHAIRMAN LICHTENGER: SO --

12 MR. KLEIN: WE'RE NOT TRYING TO COUNT THE
13 DOLLARS SPENT PREVIOUSLY. WHAT WE'RE LOOKING AT IS
14 BECAUSE IT'S A SHARED RESOURCE, WE'RE NOT HAVING TO PAY
15 FOR A COST. SO IN THAT SHARED RESOURCE CATEGORY, GIVING
16 THEM POINTS BECAUSE THIS BUILDING IS GOING TO GET THE
17 BENEFIT OF A SHARED RESOURCE.

18 VICE CHAIR SERRANO-SEWELL: IN ALL FAIRNESS TO
19 THE GENTLEMAN FROM USC, HE ASKED A VERY GOOD QUESTION AND
20 THE ANSWER IS NO, PERIOD. RIGHT? IT CAN'T BE A NO WITH
21 A COMMA. IT'S A NO, PERIOD. BECAUSE WE HAVE TO HAVE A
22 VERY CLEAR WAY FOR STAFF AND FOR US TO ANALYZE THESE
23 APPLICATIONS, WHAT COUNTS AND WHAT DOESN'T. IT'S CLEAR
24 TO ME.

25 CHAIRMAN LICHTENGER: I AGREE WITH YOU, DAVID.

1 VICE CHAIR SERRANO-SEWELL: IT'S CLEAR TO ME,
2 SO LET'S MOVE ON.

3 MS. SAMUELSON: I'D JUST LIKE TO UNDERSTAND IT.

4 CHAIRMAN LICHTENGER: JOAN, ONE SECOND. I
5 DON'T WANT TO LOSE THIS THOUGHT. BOB, WHEN WE PUT IN
6 UNDER LEVERAGE FOR THE PROJECT, INCLUDING LAND AND
7 BUILDING AT COST, DON'T WE NEED FURTHER DEFINITION AT
8 WHOSE COST AND WHEN? SO THAT SEEMS LIKE THAT COULD BE A
9 SLIPPERY --

10 MR. KLEIN: AT A CERTAIN POINT WE HAVE TO HAVE
11 THE STAFF BUILD OUT THESE DEFINITIONS, AND WE NEED TO
12 MOVE ON AND TRY AND GET THE PRINCIPAL THOUGHTS DOWN IN
13 THESE DEFINITIONS.

14 CHAIRMAN LICHTENGER: JOAN, GO AHEAD. I'M
15 SORRY.

16 MS. SAMUELSON: IF WE WANT A CAGE WASH AS FAR
17 AS A VIVARIUM IN CENTRAL L. A. AND ONE PLACE WILL BUILD
18 ONE FROM SCRATCH, WHICH COSTS X PLUS, ANOTHER PLACE WILL
19 THROW IN ONE THAT'S ALREADY BUILT AND SO WILL BE DONE
20 ALREADY, SO ADDRESSES URGENCY AND IS CHEAPER, WHY DON'T
21 WE WANT TO ENCOURAGE THAT?

22 CHAIRMAN LICHTENGER: WE DO IN A DIFFERENT
23 CATEGORY.

24 MS. SAMUELSON: IF WE HAVE A SYSTEM THAT'S
25 ENCOURAGING THAT AND I DON'T GET IT, GREAT. OKAY.

1 GREAT.

2 CHAIRMAN LICHTENGER: WE DO. GREAT.

3 FUNCTIONALITY.

4 (INAUDIBLE DISCUSSION.)

5 MR. KELLER: FUNCTIONALITY. WE HAD ALREADY
6 TALKED ABOUT THIS SOMEWHAT, AND I THINK WE PROVIDED SOME
7 CLARIFICATION, GETTING LONG-TERM FLEXIBILITY WHILE
8 MEETING SCIENTIFIC OBJECTIVES.

9 CHAIRMAN LICHTENGER: STUART, I HAVE A QUESTION
10 FOR YOU. SO YOU DON'T THINK WE SHOULD EXPAND UPON THIS,
11 THAT THE PLANS AND THE DESIGN APPEARS TO MEET THE
12 PROPOSED PROGRAM? YOU KNOW, I MEAN, IT WOULDN'T BE THE
13 FIRST TIME I'VE LOOKED AT A SET OF PLANS AND SAID, "OH,
14 MY GOD. WHAT ARE THEY SMOKING?"

15 MS. HOFFMAN: EXCUSE ME, CHAIR LICHTENGER. I
16 WOULD JUST LIKE TO MENTION THAT IT IS VERY POSSIBLE YOU
17 WILL RECEIVE APPLICATIONS AND THEY MAY ONLY BE IN A
18 SCHEMATIC OR AT A 50-PERCENT SCHEMATIC LEVEL. IN FACT,
19 YOU WILL NOT NECESSARILY HAVE DETAILED WORKING DRAWINGS
20 IN ORDER TO MAKE THESE DETERMINATIONS.

21 CHAIRMAN LICHTENGER: I UNDERSTAND THAT, BUT
22 IT'S QUITE POSSIBLE THAT WE COULD SEE SCHEMATIC DRAWINGS
23 THAT DON'T REALLY RELATE TO THE PROPOSED PROJECT IN THE
24 WAY THAT MAKES SENSE. SO THAT WOULD TO ME MEAN THEY ARE
25 NOT REALLY FUNCTIONALITY.

1 I THINK THAT WHAT YOU HAVE THERE IS A REALLY
2 GOOD DEFINITION. I JUST THINK I'D WANT TO SEE SOMETHING
3 ADDED. RICK, IF YOU HAVE ANY PROPOSED LANGUAGE, I'D BE
4 INTERESTED IN HEARING ABOUT THAT THE PROPOSED PLANS SEEM
5 TO, YOU KNOW --

6 MR. KELLER: I GUESS WE WERE TRYING TO CAPTURE
7 THAT WITH CONSISTENT WITH THE PLANNED SPACE DESIGN IS
8 CONSISTENT WITH CIRM OBJECTIVES OF MEETING CURRENT SPACE
9 NEEDS. I THINK THAT THERE'S CLARITY, I THINK, OF MEETING
10 NEEDS. I DON'T KNOW HOW ELSE.

11 MR. LAFF: I HAVE A BIGGER PROBLEM WITH AND IN
12 SOME CASES.

13 MR. KLEIN: EXACTLY. IN ALL CASES EXPANDING
14 STEM CELL RESEARCH.

15 MR. KELLER: IT COULD BE TO ALLEVIATE CURRENT
16 OVERCROWDING.

17 MR. KLEIN: WELL, IT BETTER BE MORE THAN JUST
18 THAT.

19 MS. HOFFMAN: FOR EXAMPLE, IF IT IS A SMALL
20 EMERGING PROGRAM AND THEY HAVE ONLY A FEW CURRENT PI'S
21 THAT DO STEM CELL RESEARCH AND THEY DON'T HAVE A
22 COMMITMENT FROM THEIR CHANCELLOR OR THEIR PRESIDENT TO
23 EXPAND THAT PROGRAM, PERHAPS THEY'RE NOT GOING TO WANT TO
24 ADD ADDITIONAL SPACE AT THIS TIME.

25 MR. KLEIN: WELL, THEN I'M NOT SURE THEY SHOULD

1 BE COMING TO US.

2 MR. KELLER: WE CAN TAKE IT OUT.

3 MR. LAFF: YEAH. I THINK THAT THE ISSUE ISN'T
4 SO MUCH WHETHER THEY WANT TO ADD IT AT THIS TIME OR NOT,
5 BUT THE SPACE THAT THEY DO DESIGN SHOULD HAVE THE
6 CAPABILITY TO EXPAND.

7 MR. KLEIN: INSTEAD OF STEM CELL RESEARCH, I'D
8 SAY REGENERATIVE MEDICINE AS A BROADER TERM.

9 DR. WRIGHT: IF WE DO LEAVE WITH THE CIRM
10 OBJECTIVES OF MEETING, I WOULD SAY CURRENT PROJECT NEEDS
11 BECAUSE WE HAD -- WE ALREADY TALKED ABOUT THE SPACE IN
12 THE BEGINNING. THE SPACE HAS TO MATCH THE PROJECT,
13 RIGHT?

14 CHAIRMAN LICHTENGER: DO WE WANT TO MENTION
15 ANYTHING ABOUT REQUIRING SOME MINIMUM LEVEL OF
16 DOCUMENTATION IN THIS SECTION?

17 MR. KLEIN: THEY'RE GOING TO PUT THAT IN THE
18 WHOLE -- THROUGHOUT THIS APPLICATION REQUEST, THEY'RE
19 GOING TO REQUIRE ALL KINDS OF DOCUMENTATION.

20 CHAIRMAN LICHTENGER: I'M JUST MENTIONING TO
21 STAFF, FOR EXAMPLE, WE KNOW THAT ON THE SHARED GRANT
22 RFA'S, WE GOT SOME THINGS THAT WERE NOT SCHEMATIC
23 DRAWINGS.

24 VICE CHAIR SERRANO-SEWELL: THERE WAS THAT
25 PROJECT MANAGER CHART THAT WE LIKED FROM ONE INSTITUTION

1 A LOT. I THINK JANET WANTED TO INSIST -- YOU SORT OF
2 SAID THIS WOULD BE GREAT IF WE HAD IT FROM ALL THE
3 APPLICANTS.

4 MR. KLEIN: I THINK IT'S A VERY GOOD IDEA. I'M
5 SURE THE STAFF HAS CAPTURED JANET'S COMMENT, BUT WE'RE IN
6 DEFINITIONS RIGHT NOW.

7 MR. LAFF: ONE OF THE THINGS THAT I WAS
8 THINKING ABOUT, BOTH ED AND I TALKED ABOUT BASE BUILDING
9 AND TI'S, YET WE DON'T REFER TO IT IN HERE. AND I THINK
10 THAT MAYBE THERE'S A PLACE WHERE WE COULD PUT IT.
11 MEETING CURRENT PROGRAMMATIC NEEDS IN BASE BUILDING AND
12 TI'S SO THAT WE CAN EXPAND IT. I'M NOT GREAT AT
13 WORDSMITHING, BUT THAT'S MY GENERAL FEELING.

14 MR. KELLER: I GUESS I'M NOT REALLY
15 UNDERSTANDING THE DISTINCTION YOU ARE MAKING BECAUSE
16 THESE -- A LOT OF TIMES THESE SCIENTIFIC BUILDINGS,
17 THEY'RE NOT BUILT UNDER SEPARATE CONTRACTS FOR SHELLS AND
18 TI'S. THEY'RE MAINLY DONE UNDER LUMP SUM ALL ONE
19 CONTRACT. SO I'M TRYING TO UNDERSTAND HOW IT RELATES TO
20 THAT SENTENCE.

21 MR. LAFF: WHAT I'M TRYING TO SAY IS THAT THE
22 ONE PROJECT, BOTH THE BASE BUILDING AND THE TI OF THAT
23 PROJECT.

24 MR. KLEIN: HE'S SAYING THE PLANNED SPACE
25 DESIGN OF THE BASE BUILDING AND THE TENANT IMPROVEMENTS

1 IS CONSISTENT.

2 MR. KELLER: THE PLANNED SPACE FOR THE BUILDING
3 AND THE INTERIOR IMPROVEMENTS?

4 MR. KLEIN: THAT'S RIGHT.

5 MR. KELLER: PLANNED SPACE DESIGN FOR THE
6 BUILDING.

7 CHAIRMAN LICHTENGER: I THINK IT LOOKS GOOD.
8 IS EVERYBODY OKAY WITH FUNCTIONALITY?

9 MR. KELLER: SO YOU ADDED SHARED RESOURCES, SO
10 WE NEED TO GO DOWN ONE.

11 MR. KLEIN: AND, A-N-D, TI.

12 CHAIRMAN LICHTENGER: BASE IN FRONT OF BUILDING
13 AND PUT AN APOSTROPHE S AFTER TI.

14 MR. KELLER: THIS IS YOUR CATEGORY. DEFINITION
15 OF SHARED RESOURCES.

16 CHAIRMAN LICHTENGER: OKAY, BOB.

17 MR. KLEIN: THE PROJECT BENEFITS FROM
18 FACILITIES ASSETS AT THE APPLICANT'S SITE OR
19 COLLABORATING INSTITUTIONS THAT REDUCE THE COSTS AND
20 INCREASE THE VALUE FOR THE MISSION.

21 MS. SAMUELSON: SUGGESTED ADDITION, BOB.

22 MR. KLEIN: THE VALUE FOR THE MISSION.

23 MS. SAMUELSON: BOB, WHAT ABOUT SOMETHING TO
24 THE EFFECT OF THE FACILITY WILL BE MADE AVAILABLE FOR
25 SHARED RESEARCH --

1 MR. KLEIN: THE SHARED --

2 MS. SAMUELSON: -- FOR SCIENTIFIC EDUCATION AND
3 PUBLIC EDUCATION OR SOMETHING. SCIENTIFIC TRAINING AND
4 PUBLIC EDUCATION.

5 MR. KLEIN: THAT'S A SEPARATE ITEM. WE WERE
6 TALKING ABOUT A SEPARATE MOTION TO THE BOARD ON THAT
7 ITEM. I THINK JEFF'S SUGGESTION WAS AS A MORE GENERAL
8 ISSUE.

9 MS. SAMUELSON: SURE. WE WOULD WANT IT
10 INCORPORATED SOMEWHERE IF IT IS. I THINK WE SHOULD
11 REQUIRE IT WHETHER IT'S THERE OR NOT.

12 MR. KLEIN: FIRST, LET'S TRY AND SEE WHAT THIS
13 IS. PROJECT BENEFITS FROM THE FACILITIES ASSETS AT THE
14 APPLICANT'S SITE OR COLLABORATING INSTITUTIONS THAT
15 REDUCE THE COST AND INCREASE THE VALUE FOR THE MISSION.

16 CHAIRMAN LICHTENGER: ONE THOUGHT I HAVE IS
17 WHERE YOU HAVE --

18 MR. KLEIN: IT'S FROM FACILITY ASSETS, NOT
19 FACILITIES. IT'S FROM FACILITY ASSETS.

20 CHAIRMAN LICHTENGER: ALSO, WOULDN'T WE WANT TO
21 JUST PUT A LITTLE NOTATION UNDER THIS WHERE WE SAY OR
22 COLLABORATING INSTITUTIONS AND PUT IN PARENTHESES TAKING
23 INTO ACCOUNT GEOGRAPHY BECAUSE OBVIOUSLY IF THERE'S A
24 COLLABORATING INSTITUTION THAT'S A TWO-HOUR DRIVE, THAT'S
25 NOT REALLY GOING TO ADD THE SAME VALUE AS ONE THAT'S

1 RIGHT NEXT DOOR, AS THE GENTLEMAN FROM USC POINTED OUT.

2 MR. KLEIN: I THINK WE CAN DO THAT IN OUR
3 GENERAL DISCUSSION BECAUSE IF IT'S A LARGE ANIMAL LAB, IT
4 MAY BE A TWO-HOUR DRIVE, BUT, BOY, IT'S --

5 MR. LAFF: IT'S CLOSE. THERE AREN'T THAT MANY
6 OF THEM.

7 MS. SAMUELSON: THAT MAY BE THE ONLY IMAGING
8 CENTER IN THE STATE WITH THIS KIND OF EQUIPMENT, BUT
9 THAT'S ALL YOU NEED.

10 MR. KLEIN: WE'LL LOOK AT IT AS PART OF A
11 UTILITY WHEN WE EVALUATE IT.

12 MR. SHEEHY: I THINK UTILITY IS THE ISSUE. AT
13 DAVIS THIS KIND OF CAME UP. AND THE GEOGRAPHY INVOLVED
14 WAS MUCH LESS DAUNTING THAN PERHAPS GOING FROM UCLA TO
15 USC, YOU KNOW. I THINK ONCE YOU START DOWN THAT ROAD,
16 AND THAT INCLUDED BUCK ALL THE WAY OVER TO DAVIS. IT'S A
17 MAJOR TERRITORY.

18 CHAIRMAN LICHTENGER: OKAY. I LIKE THE
19 DEFINITION. ANY OTHER COMMENTS ON IT?

20 MS. HOFFMAN: CAN I JUST MAKE ONE SUGGESTION OF
21 CLARIFICATION, THAT SHARED RESOURCES IN THIS CRITERIA
22 THAT WILL ULTIMATELY HAVE A METHOD FOR SCORING, IT DOES
23 DIFFER FROM CONSORTIUM; IS THAT CORRECT? MEANING THERE
24 COULD BE AN INSTITUTION THAT IS COLLABORATING WITH
25 SEVERAL INSTITUTIONS IN THE STATE OF CALIFORNIA, BUT EACH

1 ONE OF THOSE INSTITUTIONS WILL BE APPLYING FOR A SEPARATE
2 FACILITIES GRANT; WHEREAS, THE CONSORTIUM IS APPLYING FOR
3 ONE FACILITIES GRANT.

4 MR. KLEIN: IT'S DIFFERENT THAN CONSORTIUM.

5 MS. HOFFMAN: THANK YOU.

6 MR. SIMPSON: DO CONSORTIUMS FALL UNDER THAT?

7 MS. HOFFMAN: CONSORTIUMS OR ANY OF THEM,
8 CONSORTIA, THAT ARE APPLYING WOULD CERTAINLY THEN BENEFIT
9 FROM THIS SCORE AS WELL.

10 CHAIRMAN LICHTENGER: SO DO WE WANT TO HAVE
11 SOME KIND OF MOTION AND VOTE ON THIS BECAUSE I SEE STUART
12 PACKING? SO --

13 MS. SAMUELSON: I'LL NEED TO LEAVE TOO.

14 MR. KELLER: COULD I MAKE A --

15 MR. KLEIN: WE NEED TO ASK IF THERE'S ANY
16 PUBLIC COMMENT, AND SOMEONE NEEDS TO MAKE A MOTION TO
17 ADOPT ALL OF THESE DEFINITIONS.

18 MS. SAMUELSON: SO MOVED.

19 CHAIRMAN LICHTENGER: I'LL SECOND. PUBLIC
20 COMMENT ON ADOPTING THE DEFINITIONS FOR THE CRITERIA FOR
21 THE LARGE GRANT RFA FOR THE FACILITIES WORKING GROUP?
22 STEP UP, STATE YOUR NAME, AND AFFILIATION.

23 MS. MOSCA: WE'RE ON THIS DEFINITION, RIGHT?

24 CHAIRMAN LICHTENGER: ALL THE DEFINITIONS.

25 MS. MOSCA: JUST ON THE SHARED RESOURCES, I

1 JUST WANT ONE CLARIFICATION. DEBBIE MOSCA FROM THE
2 SCRIPPS RESEARCH INSTITUTE AND PART OF THE SAN DIEGO
3 CONSORTIUM.

4 AS I LISTENED THROUGH THE DISCUSSION TODAY, THE
5 QUESTION THAT COMES UP WAS WE UNDERSTAND THE CONSORTIA
6 WILL BE AND IS A LEGAL ENTITY THAT'S SEPARATE, BUT WITHIN
7 THAT THERE ARE COLLABORATIONS BY THE DEFINITIONS I'VE
8 HEARD TODAY. AND IN ORDER TO MAXIMIZE PERHAPS THE
9 BENEFIT OF THE DOLLARS FROM CIRM, THE FUNDS WOULD BE
10 APPLIED TO WHAT'S MINIMALLY NECESSARY TO EXECUTE THE STEM
11 CELL RESEARCH, BUT IT'S ANTICIPATED THAT WE WOULD BE
12 USING RESOURCES FROM EACH OF THE INDIVIDUAL INSTITUTIONS.
13 SO WE WOULD STILL GET CREDIT AS A COLLABORATION AND A
14 CONSORTIA.

15 CHAIRMAN LICHTENGER: CORRECT.

16 MS. MOSCA: THANK YOU.

17 CHAIRMAN LICHTENGER: ANY OTHER PUBLIC
18 COMMENTS? JOHN.

19 MR. SIMPSON: FROM THE POINT OF THESE SEEM TO
20 BE VERY APPROPRIATE, BROAD PRINCIPLES, AND VERY GOOD
21 STEPS IN THE RIGHT DIRECTION. THE DEVIL IS GOING TO BE
22 IN THE DETAILS AS IMPLEMENTED BY STAFF, AND I ASSUME WILL
23 BECOME A DRAFT THAT WILL BE FURTHER DISCUSSED AND
24 REFINED. SO WE LOOK FORWARD TO THAT EMERGING AND
25 EMERGING IN A TIME THAT WILL GIVE EVERYONE AMPLE TIME TO

1 CONTINUE TO REVIEW IT. THIS IS A VERY GOOD FIRST STEP, I
2 THINK, AND SO I THINK YOU SHOULD VOTE FOR THE MOTION, BUT
3 I WOULD ALSO STRESS THE IMPORTANCE AND CONTRIBUTION THAT
4 STAFF HAS MADE TO ALL OF THIS PROCESS AND COMMEND THEM
5 FOR THEIR CONTINUED FINE WORK.

6 (APPLAUSE.)

7 CHAIRMAN LICHTENGER: ANY OTHER PUBLIC COMMENTS
8 OTHER THAN I CONCUR? SO WE HAVE A MOTION. ALL THOSE IN
9 FAVOR SAY AYE. ANY OPPOSED? OKAY. THE MOTION CARRIES
10 UNANIMOUSLY. SO --

11 MR. KLEIN: WE HAVE AN IMPORTANT POINT HERE OF
12 AT LEAST GETTING A WEIGHTING, AND WE MIGHT BE ABLE TO DO
13 THAT QUICKLY, BUT WE NEED TO WALK THROUGH THESE.

14 MR. KELLER: CAN WE GO TO THE TOP. I THINK
15 WHAT WE MIGHT WANT TO DO IN ORDER TO EXPEDITE THIS, WE
16 COULD MOVE OVER ONE MORE COLUMN WHERE WE HAVE -- OR WE
17 CAN USE THE -- YOU HAVE TO ALLOCATE THE 100 POINTS ACROSS
18 THESE FIVE CATEGORIES. AND I THINK BEFORE YOU LEAVE
19 TODAY, IT WOULD BE GREAT IF YOU COULD SIT AND HAVE A
20 BRIEF DISCUSSION ABOUT HOW YOU FEEL ABOUT THAT. AND IF
21 YOU CAN REACH A CONSENSUS EASILY, THAT WOULD BE GREAT.

22 WE CAN WORK ON THE ISSUES THAT JUMP FROM
23 DEFINITIONS TO STANDARDS AND DISTRIBUTE SOME INFORMATION
24 THAT HOPEFULLY WE'LL BE ABLE TO DISCUSS EITHER AT A
25 SUBSEQUENT MEETING OR ON A CONFERENCE CALL.

1 VICE CHAIR SERRANO-SEWELL: THERE'S FIVE,
2 DIVIDE IT, 20 EACH. THAT'S AN OPTION. I'M NOT SAYING WE
3 DO THAT, BUT WE COULD. BY DOING SO, WE ARE STATING THAT
4 WE VALUE EACH OF THESE EQUALLY. WE THINK URGENCY IS
5 EQUALLY AS IMPORTANT AS FUNCTIONALITY, AND ETC., ETC.
6 THAT WOULD BE MY ARGUMENT FOR LET'S JUST DO 20 EACH. I'M
7 NOT SUGGESTING IT SO WE CAN HAVE A CONVERSATION AND BE
8 DONE AND GO. I'M REALLY SAYING THERE'S SOME VALUE TO IT.
9 THERE'S SOME POLICIES TO SUPPORT IT, BUT WE DON'T HAVE
10 TO. WE DON'T HAVE TO.

11 CHAIRMAN LICHTENGER: SO I DEFINITELY THINK
12 THAT VALUE AND LEVERAGE SHOULD BE THE SAME BECAUSE I SEE
13 THEM RELATED TO EACH OTHER. FOR EXAMPLE, I'M JUST GOING
14 TO -- I'M NOT SAYING IT SHOULDN'T BE 20 ACROSS THE BOARD,
15 BUT IF VALUE HYPOTHETICALLY WAS A HIGHER NUMBER, 25, I
16 THINK THEY SHOULD BE EQUAL.

17 MR. KLEIN: IF WE DON'T GET LEVERAGE, WE DON'T
18 HAVE ENOUGH MONEY TO REALLY MEET ALL OF OUR
19 OPPORTUNITIES. AND IF WE DON'T GET VALUE, WE HAVE MISSED
20 THE MISSION. SO IF WE HAD 25 FOR EACH OF THOSE, AND THEN
21 THAT'S OBVIOUSLY 50 POINTS. AND THEN IF WE LOOK AT
22 URGENCY IS IMPORTANT BECAUSE IT'S CRITICAL DOWNSTREAM.
23 IF WE PUT 20 POINTS THERE, WE HAVE 70 POINTS. AND IF WE
24 PUT 15 FOR FUNCTIONALITY AND 15 FOR SHARED RESOURCES,
25 THAT'S THE THEORETICAL DISTRIBUTION.

1 MR. SHEEHY: I'D PROBABLY SWITCH FUNCTIONALITY
2 AND URGENCY BECAUSE URGENCY IS GOING TO BE LESS OF A
3 HARD -- WE'RE GOING TO ASK FOR URGENCY, BUT WHO KNOWS
4 WHAT THAT REALLY IS GOING TO MEAN; WHEREAS,
5 FUNCTIONALITY -- URGENCY IS GOING TO BE THE MOST
6 AMORPHOUS. URGENCY IS BASICALLY A PROMISE, AND WE WANT
7 THEM TO MAKE THE PROMISE; IF WE OVERWEIGHT A PROMISE OVER
8 CONCRETE SHARED RESOURCES, CONCRETE FUNCTIONALITY,
9 CONCRETE LEVERAGE, AND CONCRETE VALUE -- I'M WITH YOU ON
10 THE 25/25, AND I WOULD PROBABLY DO 15 --

11 DR. WRIGHT: 15 URGENCY, 15 SHARED RESOURCES,
12 AND 20 ON FUNCTIONALITY.

13 MR. SHEEHY: I'D GIVE 20 BECAUSE WE GOT TO MAKE
14 SURE THE BUILDING IS APPROPRIATE.

15 MR. KLEIN: IN FUNCTIONALITY WE'RE GOING TO BE
16 ABLE TO ONLY MAKE SOME BROAD JUDGMENTS BECAUSE THERE'S SO
17 MUCH UNIQUENESS.

18 CHAIRMAN LICHTENGER: I AGREE WITH THAT.

19 MR. KLEIN: IN URGENCY THE VOTERS ARE GOING TO
20 BE HIGHLY DISTRESSED IF WE GET A BUNCH OF BUILDINGS
21 DELIVERED IN FOUR YEARS. AND THEY -- REALLY THERE'S BEEN
22 EVIDENCE AROUND THE STATE OF TREMENDOUS EFFORT ON
23 FIGURING HOW THEY'RE GOING TO GET TO TWO YEARS.

24 MR. SHEEHY: I TAKE YOUR ARGUMENT. I THINK THE
25 DIFFERENCE HERE IS SO MINOR, I'D BE HAPPY WITH THAT.

1 CHAIRMAN LICHTENGER: I WOULD GO EITHER WITH
2 DAVID OR BOB'S SOLUTION. I DON'T FEEL --

3 DR. WRIGHT: I'LL MAKE A MOTION. URGENCY 20,
4 VALUE 25, FUNCTIONALITY 15, LEVERAGE 25, AND SHARED
5 RESOURCES 15.

6 MR. KLEIN: I'LL SECOND IT.

7 CHAIRMAN LICHTENGER: SO ANY DISCUSSION AMONG
8 THE FACILITIES WORKING GROUP? I LIKE IT. PUBLIC
9 COMMENT?

10 MR. SIMPSON: SOUNDS GREAT.

11 CHAIRMAN LICHTENGER: SO PUBLIC HAS SPOKEN.
12 NOW WE'LL TAKE A VOTE. ALL THOSE IN FAVOR SAY AYE. ANY
13 OPPOSED? NONE. OKAY. MOTION CARRIES.

14 MR. SHEEHY: CAN I JUST MAKE ONE -- NOT A
15 MOTION. I KNOW WE'RE TRYING TO LEAVE, BUT I WOULD
16 LIKE -- I THINK WE'VE ESTABLISHED THE RATIOS, BUT I WOULD
17 LIKE, YOU KNOW, MAYBE TO LOOK AT IF STAFF FEELS LIKE THAT
18 WE CAN GET A BETTER DEGREE OF GRANULARITY BY HAVING A
19 LARGER SCALE BECAUSE 15 POINTS, WE HAD THREE ELEMENTS
20 EVEN WITH 25 POINTS THAT ALL NEEDED TO BE RATED IN, WHAT,
21 EIGHT, SEVEN, NINE, THAT WE MAY BE ABLE TO GET MORE
22 ACCOMPLISHED WITH THOSE SAME RATIOS BUT WITH A LARGER
23 SCALE.

24 MR. KLEIN: 200-POINT SCALE.

25 MR. SHEEHY: I'D LEAVE IT TO STAFF. WE'VE

1 ESTABLISHED THE RATIOS, AND WHAT CAN BE INFORMATIVE ABOUT
2 THE APPLICANT AND TO THE PEOPLE WHO ARE EVALUATING THE
3 APPLICATIONS, US AND WHOEVER, BUT JUST TO DESIGN
4 SOMETHING THAT REALLY IS IN SIGNIFICANT ENOUGH DETAIL TO
5 PROVIDE THE GRANULARITY SO THERE'S CLARITY. THAT'S MY
6 ONLY POINT.

7 VICE CHAIR SERRANO-SEWELL: STICK WITH A
8 HUNDRED POINTS.

9 CHAIRMAN LICHTENGER: I AGREE WITH THAT. SO,
10 JEFF, THAT WAS JUST A COMMENT, RIGHT? YOU'RE NOT MAKING
11 A MOTION, RIGHT?

12 MR. SHEEHY: NO. IF STAFF FELT THAT THAT WAS
13 SOMETHING WE SHOULD EXPLORE, WE SHOULD CONSIDER EXPLORING
14 IT.

15 VICE CHAIR SERRANO-SEWELL: SO LET'S TALK ABOUT
16 NEXT STEPS, DAVID.

17 CHAIRMAN LICHTENGER: SO I GUESS THERE'S A
18 QUESTION FOR EVERYONE. ARLENE WAS GOING TO SPEAK NEXT
19 ABOUT THE GRANT WORKING GROUP. ARE WE HAVING THAT
20 HAPPEN? NO? YES, WE ARE HAVING THAT.

21 VICE CHAIR SERRANO-SEWELL: CAN WE HAVE A
22 ONE-MINUTE RECESS? THANK YOU.

23 (A BRIEF RECESS WAS TAKEN.)

24 CHAIRMAN LICHTENGER: WE'RE GOING TO RECONVENE
25 THE MEETING. SO WE'RE GOING TO PROPOSE TO HAVE -- COULD

1 EVERYONE STOP THE PRIVATE CONVERSATIONS, MR. VICE CHAIR?
2 THAT MEANS YOU, MR. VICE CHAIR.

3 SO WE'RE GOING TO PROPOSE TO HAVE A FACILITIES
4 WORKING GROUP CONFERENCE CALL ON THE 30TH, TIME TO BE
5 DETERMINED. THAT WOULD BE A MONDAY, 6 A.M. KIDDING.
6 JOHN WILL BE ON THE CALL.

7 MR. KELLER: BEGINNING WITH PUBLIC COMMENTS.

8 MR. SIMPSON: I WAS THERE THIS MORNING AT
9 QUARTER TO SEVEN.

10 CHAIRMAN LICHTENGER: SO THE 30TH, AND THE TIME
11 WILL BE DETERMINED. PAT WILL COORDINATE THAT WITH
12 EVERYONE. I SAY WE DO IT, SERIOUSLY, FIRST THING, GET IT
13 DONE, 9 A.M. OR SO.

14 MR. SIMPSON: WILL THE PUBLIC HAVE ACCESS TO
15 THAT CALL AT VARIOUS LOCATIONS?

16 CHAIRMAN LICHTENGER: YES. YES. THE USUAL.

17 MR. KLEIN: AND ON THAT CALL COULD WE AGENDIZE
18 LOOKING AT WHAT THE INTEREST MIGHT BE THAT WE WOULD NEED
19 TO RESERVE IF, IN FACT, WE USE THE LAST PAY-IN APPROACH?
20 SO IF OUR DOLLARS ARE LAST PAY-IN, BECAUSE NOW THAT I
21 UNDERSTAND THAT THE 50 MILLION WAS THE FIGURE FOR ALL
22 INTEREST, MAYBE IT'S 35 MILLION OR 30 MILLION THAT'S
23 RELATED TO FACILITIES, BUT THAT WILL BE VERY VALUABLE TO
24 SEE IN OUR RECOMMENDATION. IF WE CAN RECOMMEND
25 INCREASING THE MONEY AVAILABLE, OBVIOUSLY A LAST PAY-IN

1 APPROACH ALSO INCREASES THE STATE CONTROL ON PERFORMANCE.

2 CHAIRMAN LICHTENGER: OKAY.

3 MR. KELLER: WE'D LIKE TO CONTINUE. WE HAVE
4 TWO REALLY IMPORTANT COMPONENTS THAT WE WANT YOU TO
5 UNDERSTAND. ARLENE CHIU IS GOING TO GO OVER THE APPROACH
6 THAT HAS BEEN DEVELOPED FOR THE PART 1 EVALUATION, THE
7 SCIENTIFIC EVALUATION, OF THE LARGE FACILITIES GRANTS.
8 AND AFTER THAT, WE WANT TO GIVE YOU AN EXPOSURE TO THE
9 OPTIONS FOR DOING THE ACTUAL REVIEW PROCESS IN TERMS OF
10 SEQUENTIAL ONE STEP OR TWO STEPS.

11 DR. CHIU: SO WE TOO HEARD VERY CLEARLY BOTH
12 TODAY AND AT EACH ONE OF THOSE FOUR MEETINGS THAT THE
13 SCIENCE SHOULD LEAD AND DETERMINE WHAT KINDS OF
14 FACILITIES SHOULD BE AVAILABLE. AND SO WE PAID VERY MUCH
15 ATTENTION TO THE COMMENTS OF THE PUBLIC AS WELL AS TO THE
16 SCIENTIFIC STRATEGIC PLAN IN TERMS OF USING THE CRITERIA
17 OF EXCELLENCE AND INNOVATION, COLLABORATION,
18 FUNCTIONALITY, AND GROWTH OF PROGRAMS, BUT PERHAPS WORDED
19 SOMEWHAT DIFFERENTLY.

20 BEFORE I GO INTO THE CRITERIA, I JUST WANTED TO
21 SAY THAT WE THOUGHT THE SCIENCE COULD BE LOOKED AT ALONG
22 TWO AXES. ONE IS THE BREADTH OF A PROGRAM; THAT IS, HOW
23 BROAD IS THE PROGRAM FROM BASIC ALL THE WAY TO CLINICAL
24 ELEMENTS OF IT. I'LL COME BACK TO THIS.

25 THE OTHER IS ACROSS THE BREADTH OF IT, HOW

1 DEEP, HOW THE QUALITY AND STRENGTH OF EACH OF THESE
2 ELEMENTS WOULD BE AND WAYS TO MEASURE THEM. SO WE LOOKED
3 AT FOUR AREAS OF DEPTH, AND I WILL COME BACK TO IT, BUT
4 ESSENTIALLY THEY ARE SCIENTIFIC PROGRAM, WHICH WOULD
5 REALLY COVER EXCELLENCE AND INNOVATION; FORMAL
6 PARTNERSHIPS, WHICH YOU ALL HAVE ALREADY CALLED
7 COLLABORATION AND CONSORTIA; CORE SERVICES, OR AS YOU
8 NAMED THEM SHARED RESOURCES; AND, FINALLY, CAPACITY FOR
9 GROWTH.

10 ALL OF THOSE ELEMENTS ARE VERY FAMILIAR TO YOU
11 NOW SINCE YOU JUST HAVE BEEN TALKING ABOUT THEM FOR QUITE
12 A FEW HOURS.

13 LET'S LOOK AT THE BREADTH OF PROGRAM. THE
14 BREADTH OF PROGRAM, WE VERY SIMPLY, WITHOUT GIVING IT ANY
15 VALUE JUDGMENTS, THOUGHT OF IT IN THREE CATEGORIES.
16 FIRST WOULD BE ELEMENT -- WHAT I CALL ELEMENT X, WHICH IS
17 BASIC AND DISCOVERY RESEARCH, WHICH WILL BE FOCUSED ON
18 UNDERSTANDING THE FUNDAMENTAL BIOLOGY OF STEM CELLS,
19 PLURIPOTENCY. DID YOU HAVE A QUESTION?

20 VICE CHAIR SERRANO-SEWELL: BASIC QUESTION.
21 BREADTH OF PROGRAM, WHAT PROGRAM, THE APPLICANT'S
22 PROGRAM?

23 DR. CHIU: THE APPLICANT'S PROGRAM, THE
24 APPLICATION. I SHOULD HAVE BEEN CLEARER OF THE WHOLE
25 APPLICATION. SO ELEMENT X IS BASIC AND DISCOVERY

1 RESEARCH, AND WE KNOW THAT THAT'S QUITE WIDESPREAD IN THE
2 STATE.

3 ELEMENT Y WE CALL PRECLINICAL RESEARCH, WHICH
4 MEANS HOW DO THEY APPLY BASIC DISCOVERIES AND
5 TECHNOLOGIES IN MODEL SYSTEMS TOWARD THE DEVELOPMENT OF
6 TREATMENTS? THIS INCLUDES PRECLINICAL RESEARCH SUCH AS
7 IN VITRO MODELS AND IN VIVO MODELS, DRUG DISCOVERY, ETC.

8 THE THIRD ELEMENT, ELEMENT Z, WOULD BE
9 PRECLINICAL DEVELOPMENT AND CLINICAL RESEARCH.
10 PRECLINICAL DEVELOPMENT, NOW WE'RE TALKING ABOUT PRODUCT
11 DEVELOPMENT, GMP, ETC., AND/OR ABILITIES TO TEST OUTCOMES
12 OF THE USE OF THERAPEUTICS OR PROCEDURES. SO THIS IS IN
13 THE INSTITUTION, WHAT HISTORY DO THEY HAVE, WHAT VISION
14 DO THEY HAVE FOR DOING EACH OF THESE THREE ELEMENTS?

15 SO AN EXAMPLE HERE, WE LET THE APPLICANTS
16 DECIDE HOW MANY OF THESE ELEMENTS THEY ARE GOING TO APPLY
17 TO DO IN THE PROPOSED FACILITY. IN INSTITUTION OR I
18 SHOULD SAY APPLICANT A, FOR EXAMPLE, THEY'RE GOING TO
19 PROPOSE TO DO ALL THREE. SO THEY SELF-SELECT ALL THREE.
20 IN APPLICANT B, THEY THINK THEY CAN DO X AND Y, BUT THEY
21 DIDN'T APPLY TO DO Z. AND THAT'S DULY NOTED. AND IN
22 APPLICANT C, THEY FEEL THEY'RE VERY STRONG IN PRECLINICAL
23 DEVELOPMENT AND CLINICAL RESEARCH, BUT PERHAPS NOT STRONG
24 IN THE FIRST TWO.

25 SO IN THIS SENSE, WE ALLOW THEM TO SELF-SELECT

1 INSTEAD OF US SAYING YOU GOT TO HAVE THIS, THAT, OR THE
2 OTHER. THEN EACH OF THESE ELEMENTS GETS EVALUATED. AND
3 HOW DO WE EVALUATE THEM?

4 WE NOW LOOK AT THE DEPTH OF EACH ONE OF THESE
5 ELEMENTS IN FOUR CRITERIA, FOUR GENERAL CRITERIA. ONE
6 WOULD BE SCIENTIFIC AND/OR MEDICAL PROGRAM, WHAT I WOULD
7 LIKE TO THINK OF AS QUALITY, EXCELLENCE, AND INNOVATION.
8 SO HERE WE WANT TO LOOK AT THE SCIENTIFIC EXCELLENCE,
9 THEIR TRACK RECORD, WHICH, AS WE HEARD TODAY, WOULD BE AN
10 INDICATOR OF FUTURE PERFORMANCE. WE'LL LOOK AT
11 INTERDISCIPLINARY SYNERGY, WHETHER WITHIN THE HOME
12 INSTITUTION THEY HAVE INTERDEPARTMENTAL,
13 MULTIDISCIPLINARY PROGRAMS, ETC. WE'LL LOOK AT THE TRACK
14 RECORD OF THE PI'S. WE'LL SEE THE STRENGTH OF THE PI'S,
15 HOW MANY GRANTS THEY GET FROM CIRM, HOW MANY GRANTS THEY
16 GET FROM NIH, WHAT ARE THEIR PUBLICATION STRENGTHS, WHAT
17 ARE THEIR SCIENTIFIC STRENGTHS, ETC. YOU CAN JUST WELL
18 IMAGINE HOW ONE WOULD MEASURE THE FIRST CRITERION FOR
19 EITHER X, Y, OR Z.

20 THE NEXT CRITERION WOULD BE FORMAL PARTNERSHIPS
21 AND RESEARCH CONSORTIA. AND THAT IS, HOW HAVE THEY
22 ESTABLISHED PARTNERSHIPS IN ORDER TO DO COLLABORATIVE
23 RESEARCH WITH INDUSTRY, WITH OTHER INSTITUTIONS, WITH
24 MEDICAL CENTERS. AND NOT ONLY ARE WE LOOKING AT PLANS TO
25 DO IT, FORMALIZED OR NOT SO FORMALIZED, BUT TRACK RECORD.

1 HAVE THEY PRODUCED PRODUCTS? HAVE THEY WRITTEN MOU' S?
2 HAVE THEY MTA' S? DO THEY HAVE RESOURCES TO DO TECH
3 TRANSFER? HOW WELL SET UP ARE THEY TO DO THESE THINGS?
4 AND I THINK THIS HARKENS BACK TO WHAT HANS KEIRSTEAD
5 MENTIONED AT ONE OF THE MEETINGS.

6 A THIRD ONE IS CORE SERVICES, SHARED RESOURCES.
7 DO THEY HAVE EXISTING CORE SERVICES THAT ARE IMPORTANT --
8 THAT ARE IMPORTANT TO THE PROGRAM? I MEAN HAVING A VERY
9 SOPHISTICATED SERVICE, BUT IN THEIR PROGRAMS THEY DON'T
10 PLAN TO USE IT DOESN'T QUITE COUNT. THESE ARE CORE
11 SERVICES INTEGRAL TO THEIR PROGRAM, AND/OR ARE THEY
12 PLANNING TO REQUEST AND BUILD IN CORE SERVICES IN THE
13 PROPOSED FACILITIES THAT WILL BE KEY TO MOVING THESE
14 PROGRAMS FORWARD? AND SO THOSE ARE CORE SERVICES.

15 AND I NOTED DURING YOUR DISCUSSION THAT CORE
16 SERVICES ARE VERY IMPORTANT, PARTICULARLY TO MEMBER
17 SAMUELSON, TO MAKE IT AVAILABLE, AND WE WOULD INCLUDE IN
18 HERE OUTREACH. SO CORE SERVICES, HOW MUCH OUTREACH IS
19 THERE? IS IT THAT THIS HOME INSTITUTION WILL NEED TO USE
20 ALL THE CORE SERVICES, OR WILL THEY MAKE A PORTION OF IT
21 AVAILABLE TO NEIGHBORING INSTITUTIONS, ETC.? THAT WOULD
22 BE IN CORE SERVICES.

23 AND THE LAST ONE IS CAPACITY FOR GROWTH. AND
24 CLEARLY ONE OF THE CRITERIA IS WE'RE EXPANDING PROGRAMS,
25 WE'RE EXPANDING STEM CELL RESEARCH AND REGENERATIVE

1 MEDICINE CAPABILITY IN THE STATE. SO WE NEED TO KNOW
2 FROM THEM WHAT IS THE INSTITUTION'S COMMITMENT TO THESE
3 PROGRAMS DESCRIBED IN THE APPLICATION, TO FACULTY
4 RECRUITMENT AND RETENTION, TO USE OF SPACE, AND TO THE
5 EXPANSION OF THESE PROGRAMS? AND, THEREFORE, WHAT IS
6 THEIR PLANNED USE OF SPACE TOWARD THIS EXPANSION?

7 SO THOSE ARE THE FOUR THAT WE THOUGHT OF FOR
8 REVIEW. AND LET ME GIVE YOU AN EXAMPLE OF HOW PERHAPS
9 THE REVIEW MIGHT TAKE PLACE. I'M SORRY. I JUST WENT
10 OVER. HERE ARE SOME SLIDES AND IN YOUR SLIDES YOU CAN
11 SEE WHAT WE'RE GOING TO TRACK FOR THE FIRST CRITERION. I
12 WON'T REPEAT IT.

13 FOR THE SECOND CRITERION, EVIDENCE OF
14 PRODUCTIVITY AND EFFICACY OR EFFECTIVENESS, RELEVANT
15 CO-PUBLICATIONS WITH THEIR PARTNERS. SO IT'S NOT GOOD
16 ENOUGH THAT YOU SAY I HAVE A PARTNER. DID IT PRODUCE
17 ANYTHING FOR YOU? AND THE LENGTH OF TIME, TRACK RECORD,
18 FOR CORE SERVICES. I'VE LISTED HERE AND I'M INCLUDING
19 MORE, OUTREACH IS NOT NOTED HERE, BUT WE HAVE TAKEN THAT
20 DOWN BASED ON TODAY'S DISCUSSION.

21 MR. KLEIN: CAN WE ASK A QUESTION AS WE GO
22 HERE? CAN WE GO BACK TO THE FIRST REFERENCE TO THE JOINT
23 PUBLICATIONS? IN THE FORMAL PUBLICATION, HOPEFULLY ONE
24 WOULD TAKE INTO ACCOUNT THAT IF THERE'S A NEW CONSORTIA
25 OR A NEW COLLABORATION THAT WE'VE INCENTIVIZED AND HELPED

1 CREATE, THAT THEY WON'T BE PENALIZED FOR THE FACT THAT
2 IT'S A NEW COLLABORATION, THAT THIS IS A BENEFIT IF THEY
3 HAVE A HISTORY, BUT THEY WON'T BE KNOCKED OUT OF
4 COMPETITION IF THEY DON'T HAVE A PUBLICATION HISTORY
5 BECAUSE IT'S A NEW RELATIONSHIP.

6 DR. CHIU: ABSOLUTELY. HERE WE'RE TRYING TO
7 GIVE BENEFIT TO PEOPLE WHO HAVE SHOWN THEIR
8 COLLABORATIONS BEAR FRUIT. THAT'S ALL.

9 CHAIRMAN LICHTENGER: YOU COULD ALSO SOMEHOW
10 LOOK AT THE RESEARCH AND PUBLICATION OF THE INSTITUTIONS
11 AND THE INDIVIDUALS INVOLVED WITH THE NEW ORGANIZATION.

12 DR. CHIU: ABSOLUTELY. THAT WOULD GO TO HERE.
13 SCIENTIFIC PROGRAM, WE'LL HAVE NUMBER OF RELEVANT
14 PUBLICATIONS AND PATENT APPLICATIONS, FOR EXAMPLE, IN THE
15 PAST FIVE YEARS OF EACH OF THE MEMBERS OR THE PROGRAMS
16 THAT WOULD BE ENCOMPASSED. SO THAT'S EXACTLY WHAT WE
17 WERE THINKING OF AS WELL.

18 SORRY TO BE GOING OVER SO FAST. GIVEN THE
19 TIME, I THOUGHT CAPACITY FOR GROWTH, AND THAT IS
20 DEVELOPMENT, EXPANSION, AND CONTINUITY OF THE PROGRAM,
21 THE AMOUNT OF SPACE THAT THEY WOULD NEED TO SHOW
22 EXPANSION, AS WELL AS TO ACCOMMODATE THE CURRENT PROGRAMS
23 THAT THEY PROPOSE, NUMBER OF RECRUITS WITH MULTIYEAR
24 COMMITMENTS, NOT JUST X NUMBER OF POST DOCS, BUT REAL
25 FACULTY THAT THEY'RE GOING TO GET IN THERE, AND

1 INSTITUTIONAL RESOURCES TO HANDLE THESE AND OTHER
2 ACTIVITIES.

3 CHAIRMAN LICHTENGER: ONE THING THAT CAME UP IN
4 THE SHARED LAB RFA THAT I KNOW WAS A LITTLE FRUSTRATING
5 FOR ME AND SOME OTHER MEMBERS IS IS THERE ANY WAY THAT
6 YOU ARE GOING TO TRY TO ON THE SCIENTIFIC SIDE JUDGE THE
7 INSTITUTIONS OF HOW EFFECTIVELY THEY'RE GOING TO USE THE
8 FACILITIES? I DON'T WANT TO USE THE WORD "LEVERAGE"
9 BECAUSE IT MEANS SOMETHING ELSE, BUT HOW -- FOR EXAMPLE,
10 I MEAN IF THEY'VE GOT, NOT NECESSARILY THE NUMBER OF
11 PI'S, BUT IN SOME WAY I'M STRUGGLING WITH THIS BECAUSE
12 LORI AND RICK AND I DISCUSSED THIS, BUT EXACTLY HOW
13 EFFECTIVELY THEY'RE GOING TO USE THEIR FACILITIES IN
14 GETTING, NOT ONLY THE NUMBER OF PI'S, BUT HOW MUCH ACTUAL
15 USE AS A PERCENTAGE OF A 24/7 FACILITY.

16 DR. WRIGHT: SCIENCE PER SQUARE INCH PER
17 SECOND.

18 DR. CHIU: THAT IS AN IMPORTANT QUESTION, BUT
19 IT REALLY VARIES ON THE KIND OF SCIENCE, WHICH MAKES IT
20 DIFFICULT. TO LET'S SAY YOU CAN CRAM FIVE POST DOCS INTO
21 A SMALL LAB, AND YOU DO SOMETHING THAT'S NOT VERY SPACE
22 DEPENDENT. SCIENCE PER SQUARE INCH WILL LOOK VERY GOOD.
23 AS OPPOSED TO SOMETHING, LET'S JUST MAKE IT UP, YOU HAVE
24 TO TEST ANIMAL BEHAVIOR. SCIENCE PER SQUARE INCH NOW
25 DOESN'T QUITE HOLD UP. IT DEPENDS ON THE DISCIPLINE. SO

1 I FIND THAT A LITTLE BIT HARDER TO GRAPPLE WITH, RATHER
2 THE PUBLICATIONS AS WELL AS THE NUMBER OF GRANTS THEY
3 GET, THAT IS A REFLECTION OF THEIR SUCCESS IN THE FIELD,
4 AND THAT'S WHAT I WAS GOING BACK TO.

5 BUT PER SQUARE INCH REALLY DEPENDS ON THE SCOPE
6 AND THE TYPE OF PROGRAM. SO BIOINFORMATICS MIGHT BE VERY
7 DIFFERENT FROM BIOENGINEERING, AND I DON'T KNOW WHETHER
8 APPLICATION A WILL DEAL WITH SOMETHING THAT REQUIRES LESS
9 SPACE AND IS MORE DENSE IN TERMS OF SPACE, BUT THE VALUE
10 OF THE SCIENCE MAY BE EQUIVALENT, EVEN THOUGH ONE DOES
11 REQUIRE MORE SPACE BY THE NATURE OF THEIR INVESTIGATION.

12 MR. KLEIN: ARLENE, ON THIS CATEGORY AREN'T YOU
13 REALLY MEASURING INSTITUTIONAL COMMITMENT TO GROWTH --

14 DR. CHIU: YES.

15 MR. KLEIN: -- RATHER THAN CAPACITY? AS I LOOK
16 DOWN THIS LIST, IT'S REALLY THE INSTITUTIONAL COMMITMENT.

17 DR. CHIU: YES. WELL, THE APPLICATION'S
18 CAPACITY FOR GROWTH AS EXPRESSED BY THE INSTITUTION'S
19 COMMITMENT. THAT'S RIGHT. EXACTLY.

20 MR. KLEIN: THANK YOU.

21 DR. CHIU: SO THOSE ARE THE FOUR CRITERIA THAT
22 WE FELT CAPTURED ALL THE COMMENTS, BUT THEY SORT OF FIT
23 INTO THESE GROUPS. THIS GIVES YOU AN EXAMPLE OF WHAT WE
24 THINK THE SCORING MIGHT TAKE PLACE IN DECIDING BETWEEN
25 DIFFERENT APPLICATIONS.

1 CHAIRMAN LICHTENGER: I'M SORRY, ARLENE. JEFF
2 WANTED TO MAKE A COMMENT.

3 MR. SHEEHY: ACTUALLY I WAS JUST GOING TO
4 REEMPHASIZE. YOUR INTENSITY QUESTION, AGAIN, I'M SORRY
5 TO INTERRUPT, IT AGAIN COMES BACK TO THE FACULTY
6 RECRUITMENTS AND FACULTY RETENTION. I MEAN THE REALLY
7 RATE LIMITING FACTOR WE FACE AS A PROGRAM ARE HAVING
8 ENOUGH PEOPLE IN CALIFORNIA TO ACTUALLY DO THE WORK THAT
9 WE HAVE THE MONEY FOR. WHILE I KNOW YOU WANT US TO LOOK
10 AT THE SPACE AND GETTING AT THE INTENSITY OF WORK, IT'S
11 ACTUALLY FILLING THAT SPACE WITH ENOUGH SCIENTISTS TO DO
12 THE WORK THAT WE NEED TO FUND, WHICH, I THINK, IS A REAL
13 CRITICAL METRIC IN THAT PARTICULAR INSTANCE.

14 DR. WRIGHT: SO IT'S SCIENTISTS PER SQUARE
15 INCH. NO. KIDDING. IT'S THE PEOPLE TO DO THE WORK.

16 DR. CHIU: I THINK SO BECAUSE I WAS ALSO
17 THINKING BETWEEN LARGE ESTABLISHED PLACES AND SMALL
18 PLACES WITH A REAL COMMITMENT FOR GROWTH AND IN AREAS
19 THAT WE DON'T HAVE REPRESENTATION RIGHT NOW PERHAPS.

20 SO THESE ARE POSSIBLE RECOMMENDATIONS THAT MAY
21 COME OUT OF THE REVIEW. SO IF WE LOOK AT EACH ELEMENT,
22 WE'RE GOING TO COMPARE EACH APPLICATION ELEMENT BY
23 ELEMENT. AND WE'RE ENVISIONING, IT'S NOT ABSOLUTE YET,
24 THAT EACH ELEMENT MIGHT CARRY A HUNDRED POINTS, FOR
25 EXAMPLE. SO EACH ELEMENT WILL BE A WHOLE GRANT IN ITSELF

1 IN THE REVIEW. LET'S SAY THAT APPLICATION A APPLIED FOR
2 THREE ELEMENTS AND GOT THE GREEN LIGHT IN ALL THREE.
3 THAT'S VERY GOOD. YOU GOT RECOMMENDED FOR THREE MODULES.

4 CHAIRMAN LICHTENGER: SO IT'S A YES OR NO; IT'S
5 NOT A SCORE?

6 DR. CHIU: IT WILL BE A SCORE, BUT I'M JUST
7 THINKING THAT IF THE SCORE IS DRAWN AT 70 POINTS AND
8 ABOVE, I JUST SIMPLIFIED IT BY SAYING YES.

9 CHAIRMAN LICHTENGER: I JUST THOUGHT WE --

10 DR. CHIU: THERE WOULD BE A SCORE, BUT I WAS
11 JUST SIMPLIFYING IT TO THE TIER.

12 MR. KLEIN: AND TO CLARIFY THAT, TO GET A SCORE
13 ON X AND Y AND Z, SO IT'S A SEPARATE SCORE, NOT JUST AN
14 AGGREGATION.

15 DR. CHIU: THAT'S RIGHT. WE WERE ENVISIONING A
16 SEPARATE SCORE. SO IN APPLICATION B, THEY TOO APPLIED
17 FOR X, Y, Z AND THEY GOT GOOD SCORES IN X AND Y, BUT NOT
18 SO IN Z. IN C IT'S SELF-EXPLANATORY. D, THEY ONLY
19 APPLIED FOR X, AND THEY GOT A TERRIFIC SCORE FOR X, AND Y
20 AND Z ARE NOT APPLICABLE. AND POOR E APPLIED FOR X AND Y
21 AND REALLY DIDN'T SCORE VERY WELL. THESE ARE SOME
22 EXAMPLES OF POSSIBLE SCORES.

23 WE WILL THEN PRESENT THIS TO THE ICOC TO MAKE A
24 DETERMINATION. SO THIS IS WHERE WE SEE OURSELVES GOING
25 IF WE LOOKED AT IT IN TERMS OF BREADTH AND DEPTH. SO I

1 WILL STOP RIGHT HERE THEN.

2 CHAIRMAN LICHTENGER: I'M SORRY. COULD YOU GO
3 BACK TO THAT FUNDING SLIDE?

4 DR. CHIU: I TURN THIS BACK OVER TO RICK.

5 CHAIRMAN LICHTENGER: I'M SORRY. I THOUGHT
6 THAT WAS PART OF YOUR PRESENTATION. ARLENE, THANK YOU
7 FOR YOUR PRESENTATION. THAT WAS VERY HELPFUL, ESPECIALLY
8 TO ME BECAUSE I'M NOT INVOLVED WITH ANY OF THE OTHER
9 GROUPS.

10 RICK, WILL YOU NOW CONTINUE WITH THE DISCUSSION
11 FOR THE REVIEW PROCESS?

12 MR. KELLER: SURE. I THINK IT'S REALLY
13 IMPORTANT TO UNDERSTAND WHEN THE GRANTS WORKING GROUP
14 COMPLETES THEIR WORK, THEY'LL HAVE SOME PROPOSALS WHERE
15 THEY'VE SAID YES TO ALL ELEMENTS OF A PROPOSAL, SUCH AS
16 A. THERE MIGHT BE SOME PROPOSALS WHERE THEY HAVE SAID
17 YES TO A PORTION OF THE REQUEST AND SAID NO TO OTHER
18 PORTIONS, SUCH AS IN B OR C, OR THEY MAY HAVE SAID NO TO
19 THE ENTIRE PROPOSAL, SUCH AS IN E.

20 SO I THINK THE PROCESS FOR THE FACILITIES
21 WORKING GROUP NEEDS TO, BY VIRTUE OF THE FACT THAT WE'VE
22 SAID SCIENCE IS GOING TO LEAD, I THINK THE FACILITIES
23 WORKING GROUP REVIEW NEEDS TO ACKNOWLEDGE AND BE
24 SENSITIVE TO THE FACT THAT THOSE DECISIONS NEED TO BE
25 KNOWN. SO IN ORDER FOR YOU TO BE EFFECTIVE IN TERMS OF

1 HOW YOU GO ABOUT IT, SO PART OF FUNCTIONALITY IS WE'RE
2 GOING TO REVIEW PROPOSALS THAT ALIGN WITH THE PROGRAMS
3 THAT THE GRANTS WORKING GROUP SAID MAKE SENSE FOR B. AND
4 IF THEIR FACILITIES PROPOSAL THAT WAS SUBMITTED ASSUMED
5 X, Y, AND Z AND THE GRANTS GROUPS SAID NO TO Z, THEN WE
6 WANT TO BRING INTO ALIGNMENT THE FACILITIES PROPOSAL TO
7 THIS ASSUMING THE ICOC HAS ENDORSED ALL OF THAT.

8 VICE CHAIR SERRANO-SEWELL: I HAVE A QUESTION,
9 AND THAT QUESTION IS -- I'M STANDING UP BECAUSE I NEED TO
10 STRETCH -- IF AN INSTITUTION APPLIES FOR ALL THREE BOXES,
11 ELEMENT X, Y, AND Z, AND DO THE SCIENTIFIC REVIEW, WE SAY
12 NO, YOU ONLY GET TWO OF THE THREE OR ONE OF THE THREE,
13 WHATEVER, IS THAT A CURABLE DEFECT, THAT THEY CAN COME
14 BACK AND CHANGE? I JUST WANTED TO ASK.

15 MS. HOFFMAN: (SHAKES HEAD.)

16 VICE CHAIR SERRANO-SEWELL: IF THEY APPLY FOR
17 ALL THREE AND WE'RE ONLY GIVING THEM TWO THROUGH THE
18 SCIENTIFIC PROCESS, THAT'S ALL. I'M OKAY WITH THAT.

19 CHAIRMAN LICHTENGER: I HAVE A QUESTION AND
20 PROBABLY A RECOMMENDATION AT ICOC. CAN YOU GO TO THE
21 FUNDING SLIDE?

22 MR. KLEIN: TO DAVID'S COMMENT. WE COULD
23 THEORETICALLY SAY WE'RE ONLY GOING TO FUND TWO OF THE
24 THREE. IF YOU WANT TO PAY FOR THE THIRD, YOU CAN PAY FOR
25 IT.

1 VICE CHAIR SERRANO-SEWELL: YEAH, ABSOLUTELY.
2 YEAH, OF COURSE.

3 CHAIRMAN LICHTENGER: SO THIS IS -- I HAD A
4 QUESTION. SO I MENTIONED THIS TO BOB, BUT IT ALMOST --
5 ON THE STRATEGIC PLAN, AND I DON'T KNOW IF THIS IS SET IN
6 STONE AND WHAT THE ICOC'S POSITION IS, BUT IT ALMOST
7 SEEMS LIKE YOU WANT TO HAVE SMALL GRANTS, MEDIUM GRANTS,
8 AND THEN VERY, VERY LARGE GRANTS BECAUSE MY CONCERN IS
9 THAT YOU MAY HAVE SEVERAL WHAT I'LL CALL MEGA GRANT
10 APPLICATIONS, AND THEN YOU MIGHT HAVE SOME THAT MIGHT
11 SAY, WELL, WE NEED 20 OR 25 MILLION, AND YOU'LL HAVE
12 OTHERS THAT WILL SAY THEY WANT 50, AND I DON'T THINK YOU
13 WANT TO BE COMPARING A \$25-MILLION GRANT APPLICATION
14 VERSUS A \$50-MILLION GRANT APPLICATION. SO I JUST WANT
15 TO OPEN THAT UP FOR DISCUSSION.

16 MR. KELLER: THE PURPOSE OF THE SLIDE WAS TO
17 EXPLAIN THAT WHEN WE STARTED WITH THE STRATEGIC PLAN, WE
18 HAD THOUGHT OR THE PLAN INCLUDED THOSE TWO ELEMENTS. AS
19 WE MOVED FORWARD IN THE PROCESS CHRONOLOGICALLY, WE HAD A
20 DISCUSSION IN APRIL, AND THE ICOC SAID, NO, A SINGLE RFA
21 THAT ADDRESSES ALL THE NEEDS UNIFORMLY.

22 MR. SHEEHY: ACTUALLY A MOTION WAS NEVER
23 ADOPTED BY THE ICOC TO THAT EFFECT. IT WAS JUST A SENSE
24 OF THE COMMITTEE. AND THE STRATEGIC PLAN WAS ACTUALLY
25 VOTED ON AND ADOPTED BY THE ICOC.

1 VICE CHAIR SERRANO-SEWELL: LET'S JUST TAKE
2 THIS A LITTLE BIT FURTHER. JEFF'S ABSOLUTELY RIGHT.
3 THERE WAS NO FORMAL VOTE TAKEN, BUT THE SENSE -- I WAS AT
4 THAT MEETING. THE SENSE -- AND I DISAGREED. I THOUGHT
5 WE SHOULD DO MAYBE TWO OR THREE. WE WERE IN THE
6 MINORITY. JANET, WE WERE IN THAT VOTE.

7 MR. KLEIN: WELL, WHAT THEY WERE --

8 VICE CHAIR SERRANO-SEWELL: THE SENSE OF THE
9 COMMITTEE WAS VERY STRONG. THEY WANTED ONE RFA.

10 MR. KLEIN: ONE RFA, AND NO ONE IS DISAGREEING
11 WITH THAT; BUT WITHIN THE ONE RFA, YOU CAN STILL BREAK IT
12 DOWN WITHIN THREE CATEGORIES AND NOT BE INCONSISTENT. SO
13 YOU CAN HAVE LARGE, MEDIUM, AND SMALL.

14 DO YOU HAVE EVEN IN DRAFT A MORE COMPLICATED
15 CHART OF THEORETICALLY HOW YOU COULD BREAK THIS DOWN?

16 MR. KELLER: YOU MEAN THIS ONE?

17 MR. KLEIN: YEAH.

18 MR. KELLER: SO HERE'S A THEORETICAL WAY TO
19 BREAK IT DOWN. THE GRANTS WORKING GROUP WOULD DEVELOP
20 AND RECOMMEND THESE THREE CATEGORIES. AND FOR PURPOSES
21 OF A GIVING THEM BASICALLY DISTINCTION, WE'RE SAYING THAT
22 THERE WOULD BE CIRM INSTITUTES WHICH WOULD BE HIGHEST,
23 WHICH WOULD BE THE X, Y'S, AND Z'S; CENTERS OF EXCELLENCE
24 WHERE THERE MIGHT BE TWO ELEMENTS; AND THEN CIRM SPECIAL
25 PROGRAMS WHERE THERE WOULD BE ONE ELEMENT. AND, OF

1 COURSE, THE GRANTS WORKING GROUP, UNDER THOSE AREAS WHERE
2 THERE WOULD NOT BE SUPPORT FOR ANY OF THOSE LEVELS, THAT
3 THEY WOULD NOT BE COMPETITIVE AND NOT BE RECOMMENDED. SO
4 THOSE WOULD GO TO THE ICOC, THOSE RECOMMENDATIONS, IN
5 THOSE KIND OF CATEGORIES AS LEVELS OR STRATA WITHIN THE
6 RFA.

7 VICE CHAIR SERRANO-SEWELL: MONEY WOULD BE
8 ASSIGNED TO EACH OF THESE BOXES.

9 MR. KELLER: THEN WE'RE GOING TO SAY AT THE
10 FACILITIES WORKING GROUP YOU COULD IN EACH LEVEL EVALUATE
11 THE APPLICATION AND ESTABLISH A HIGH OR LOW OR BASED ON
12 TECHNICAL AND FINANCIAL REVIEW. IN THIS CASE TRYING TO
13 DEAL WITH THE ISSUE OF CONSORTIA WAS IMPORTANT, SO WHAT
14 WE THOUGHT IS WE SHOULD START WHERE THERE'S PROBABLY THE
15 MOST POSSIBILITIES IN TERMS OF HOW THINGS WOULD HAPPEN.
16 AND SO WE ESTABLISHED A CONSORTIUM AWARD AMOUNT. AND
17 THEN NOT KNOWING -- AND THE ICOC CAN DECIDE ON THE RANK.
18 WE'VE JUST HERE IDENTIFIED THE LEVEL OF FUNDING RELATIVE
19 TO THE OTHER LEVELS.

20 CHAIRMAN LICHTENGER: BUT NOW BASED UPON OUR
21 CRITERIA, THIS WOULD HAVE TO BE ADJUSTED.

22 MS. HOFFMAN: IN FACT, YOUR CRITERIA WORKS IN
23 THIS SCENARIO PERFECTLY BECAUSE WHAT HAPPENS IS EACH
24 LEVEL IS JUDGED AGAINST THOSE OTHER INSTITUTIONS IN THAT
25 LEVEL. SO AN EMERGING PROGRAM IS NOT COMPETING AGAINST

1 AN INSTITUTE.

2 CHAIRMAN LICHTENGER: I'M TALKING MORE ABOUT
3 THIS CONSORTIUM AWARD AMOUNT CATEGORY.

4 MS. HOFFMAN: I THINK THE CRITERIA STILL, IN
5 FACT, MUCH LIKE WHAT DEBBIE SAID EARLIER, SHE WANTED TO
6 MAKE SURE THAT, IN FACT, THE CONSORTIUM WAS GOING TO BE
7 ABLE TO COMPETE IN THEIR OWN LEVEL AS WELL AS SEEK POINTS
8 UNDER THIS NEW SHARED RESOURCE SCORING.

9 MR. KLEIN: SO SHE HAS CONSORTIA WITHIN THE
10 UPPER LEVEL. AND, FOR EXAMPLE, THE UPPER LEVEL COULD GO
11 FROM 20 MILLION TO 60 MILLION BECAUSE YOU'VE GOT FOUR
12 INSTITUTIONS THAT ARE AGGREGATING ANY THEORETICAL CAP.
13 THE CENTERS COULD GO FROM 10 MILLION TO 20 MILLION, AND
14 THE LOW CATEGORY COULD GO FROM FIVE TO TEN SOMETHING.

15 CHAIRMAN LICHTENGER: SO MAYBE I'M BEING A
16 WORDSMITH HERE, BUT I GUESS HERE'S MY QUESTION. SO THE
17 WAY -- BY HAVING THE WORD "CONSORTIUM AWARD AMOUNT" AT
18 THE TOP, BUT THEORETICALLY COULDN'T YOU HAVE AN
19 INSTITUTION THAT SCORES HIGH IN ALL THREE CATEGORIES AND
20 COULD BE, EVEN THOUGH THEY'RE NOT A CONSORTIUM, THEY
21 COULD GET THE HIGHEST AMOUNT?

22 MR. KELLER: THAT WOULD BE THE HIGH AWARD
23 AMOUNT.

24 CHAIRMAN LICHTENGER: RIGHT. BUT --

25 VICE CHAIR SERRANO-SEWELL: WHY IS CONSORTIA AT

1 THE HIGHEST LEVEL?

2 MS. HOFFMAN: IN FACT, YOU'RE RIGHT. SO, FOR
3 EXAMPLE, THROUGH THE SCIENTIFIC PROCESS, IF THE GRANTS
4 WORKING GROUP WERE TO ONLY FIND THAT THE CONSORTIUM
5 COULD, INDEED, COMPETE ON AN XY AND NOT AN XYZ, THEN THEY
6 WOULD BE AT THE HIGHEST LEVEL OF THE CENTER OF
7 EXCELLENCE.

8 MR. KLEIN: BUT WHAT THEY'RE SAYING IS
9 SOMETHING DIFFERENT HERE, WHICH IS THAT THIS
10 THEORETICALLY, INSTEAD OF LABELED CONSORTIUM, WOULD BE
11 LABELED AGGREGATED AWARD CAP. IN OTHER WORDS, AGGREGATED
12 AWARD CAP IS WHERE TWO INSTITUTIONS HAVE GONE TOGETHER.
13 THE POINT IS THAT WHAT YOU'RE SAYING IS THAT IF YOU HAVE
14 A CENTER -- IF YOU HAVE A NUMBER OF INSTITUTIONS THAT GO
15 TOGETHER, THEY COULD THEORETICALLY QUALIFY IF THEY HAD A
16 HIGH SCIENTIFIC SCORE IN ALL THREE CATEGORIES FOR A
17 HIGHER CAP THAN AN INDIVIDUAL INSTITUTION THAT HAD A VERY
18 HIGH SCORE.

19 MS. HOFFMAN: THAT'S CORRECT.

20 CHAIRMAN LICHTENGER: SO THIS IS EXACTLY MY
21 QUESTION. WHY?

22 MR. KELLER: BECAUSE THE MEMBERS OF THE
23 CONSORTIA ARE GIVING UP THE RIGHT TO HAVE THEIR OWN
24 PROJECT BY ENTERING THE CONSORTIA. AND, THEREFORE, YOU
25 DON'T WANT TO PENALIZE THEM. IF YOU WANT TO SAY WE'RE

1 GOING TO SHARE RESOURCES, SMALL ALIGNS WITH LARGE.

2 CHAIRMAN LICHTENGER: LET ME GIVE YOU A
3 HYPOTHETICAL. LET'S SAY THERE'S ONE PARTICULAR
4 INSTITUTION AND THEY SCORE REALLY HIGH IN ALL THE
5 SCIENTIFIC CATEGORIES, RIGHT, AND THEY WANT A LOT OF
6 MONEY, AND THEY HAVE A GREAT FACILITIES SCORE, THEY HAVE
7 GREAT SCIENCE SCORES, AND THEY'RE ASKING FOR THE SAME
8 AMOUNT AS THE CONSORTIUM. I THINK THAT TO PENALIZE THEM
9 BECAUSE THEY DON'T HAVE OTHER INSTITUTIONS, I'M CONCERNED
10 ABOUT THIS.

11 MS. HOFFMAN: THERE'S ANOTHER WAY TO HAVE DONE
12 THIS. WE CAN GO BACK. WHAT WOULD END UP HAPPENING IS
13 THE SAME THING. SO WHAT YOU WOULD HAVE IS FOUR SEPARATE
14 INSTITUTIONS APPLYING FOR THIS STRATA OF MONEY. AND, IN
15 FACT, IN THE CONSORTIUM TWO TO THREE OF THOSE
16 INSTITUTIONS PERHAPS WOULD ONLY RECEIVE THE FIVE TO \$10
17 MILLION AS A NICHE PROGRAM. AND THEN ONE OF THOSE
18 INSTITUTIONS WOULD PROBABLY BE ABLE TO COMPETE IN THE
19 INSTITUTE -- ON THE INSTITUTE LEVEL. THE OUTCOME IS
20 ESSENTIALLY THE SAME.

21 AND AS RICK SAID EARLIER, WHEN YOU ASK THE
22 OTHER MEMBERS OF THE CONSORTIUM TO GIVE UP THEIR RIGHT TO
23 APPLY FOR THIS MONEY --

24 VICE CHAIR SERRANO-SEWELL: NO. NO. NO.

25 MS. HOFFMAN: -- IT'S AN ECONOMY OF SCALE.

1 VICE CHAIR SERRANO-SEWELL: WE DIDN'T ASK THEM
2 TO GIVE UP ANYTHING. THEY ELECTED THROUGH THEIR OWN FREE
3 WILL.

4 MR. KELLER: WE ENCOURAGED THEM.

5 VICE CHAIR SERRANO-SEWELL: I DON'T RECALL.

6 MR. KELLER: WE ENCOURAGED CONSORTIUMS.

7 MR. KLEIN: THE BOARD HAS MANY, MANY TIMES --

8 VICE CHAIR SERRANO-SEWELL: WE'VE STATED ON THE
9 RECORD THAT WE VALUE -- I'M NOT GOING TO ARGUE THIS
10 POINT. WE STATED ON THE RECORD AS A VALUE THAT WE LIKE
11 COLLABORATION AND WE THINK IT'S GOOD, BUT I DON'T EVER
12 RECALL ASKING SAN DIEGO THROUGH A FORMAL ACTION TO DO A
13 CONSORTIUM. AT WHAT MEETING DID THAT HAPPEN?

14 MR. KLEIN: THERE'S NO FORMAL MOTION, BUT WHAT
15 THERE IS IS A LOT OF POLICY DIRECTION AND DISCUSSION OF
16 COLLABORATION TO CREATE CENTERS OF EXCELLENCE AND MORE
17 SYNERGY IN THE SCIENCE AND MORE SHARED RESOURCES. AND ON
18 A MATHEMATICAL MODEL, IT DOES BENEFIT US IN DISTRIBUTING
19 FUNDS AND GETTING MORE MILEAGE OUT OF OUR FUNDS TO HAVE
20 FOUR INSTITUTIONS GOING TOGETHER. AND YOU DO HAVE TO
21 HAVE SOME INCENTIVE FOR THEM NOT TO APPLY SEPARATELY
22 BECAUSE THEY COULD GET THEORETICALLY FUNDS APPLYING
23 SEPARATELY IF THEY WERE ALL SUCCESSFUL. THEY'VE REDUCED
24 THEIR RISK BY APPLYING TOGETHER BECAUSE THEY'RE GOING TO
25 GET A HIGHER SCIENTIFIC SCORE, BUT WE'RE BALANCING THE

1 FACT WE'RE CREATING ANOTHER KIND OF MONUMENTAL PLAYER IN
2 THE STATE.

3 VICE CHAIR SERRANO-SEWELL: I DON'T RECALL --
4 THAT'S MY POINT IS WE DIDN'T ASK SAN DIEGO TO DO A
5 CONSORTIUM.

6 MS. HOFFMAN: I STAND CORRECTED BECAUSE, VICE
7 CHAIR SERRANO-SEWELL, YOU ARE CORRECT. WE NEVER ASKED
8 THEM. SO WE COULD GO BACK AND PROVIDE ANOTHER OPTION.
9 SINCE WE'RE NOT VOTING TODAY OR RECOMMENDING, WE COULD GO
10 BACK AND PROVIDE ANOTHER OPTION.

11 MR. SHEEHY: I ACTUALLY AGREE WITH DAVID
12 LICHTENGER'S POINT, BUT I THINK BOTH DAVIDS, I BELIEVE
13 THE REALITY WILL REFLECT THIS AFTER THE FACT ASSUMING
14 THAT BASED ON THE WAY THAT THE VARIOUS PIECES OF THE
15 CONSORTIUM HAVE BEEN SCORING IN GENERAL ON SCIENTIFIC
16 MERIT UP TO THIS POINT. HOWEVER, I DO HAVE A PROCESS
17 ISSUE WITH THIS IMPLICATION THAT THEY HAVE AN ADVANTAGE
18 IN COMPETING WHEN THE MAIN CRITERION FOR MERIT IS
19 SCIENTIFIC QUALITY. AND WE'RE PROSPECTIVELY AWARDING
20 POINTS BEFORE WE'VE EVEN FINALIZED OUR CRITERIA FOR THE
21 FACILITIES WORKING GROUP, AND WE HAVE IMPLIED THAT THEY
22 HAVE -- THEY START OFF WITH A LEG AHEAD.

23 WE HAVE BUILT INTO THE FACILITIES WORKING GROUP
24 CRITERIA TO BENEFIT CONSORTIUM BECAUSE THIS IS A VALUE.
25 IN FACT, WE ADDED A NEW CATEGORY TODAY. THE SCIENTIFIC

1 REVIEW BASED ON THE SCORES THAT HAVE BEEN ACHIEVED BY THE
2 INSTITUTIONS, YOU KNOW, CLEARLY INDICATE THAT THERE'S
3 MORE STRENGTH FOR MANY OF THE INSTITUTIONS IN
4 COLLABORATING THAN THERE IS GOING ALONE AGAINST SOME OF
5 THE OTHER INSTITUTIONS. SO I AM EXTREMELY TROUBLED BY
6 THIS SPECIAL CATEGORY THAT'S NOW EMERGED, AND I WOULD
7 HOPE IN FUTURE ITERATIONS THAT PERHAPS WE PUT EVERYBODY
8 ON A LEVEL PLAYING FIELD.

9 I THINK THE CREAM WILL RISE TO THE TOP, BUT
10 THAT WOULD BE MY STRONG POLICY RECOMMENDATION.

11 MR. KLEIN: JEFF, LET ME ASK A QUESTION. I HAD
12 SUGGESTED THAT THE LABEL SHOULD BE AGGREGATED CAP BECAUSE
13 THEN ANY INSTITUTIONS WORKING TOGETHER COULD QUALIFY FOR
14 A HIGHER AMOUNT.

15 MR. SHEEHY: NO.

16 CHAIRMAN LICHTENGER: WHY WOULDN'T IT BE
17 AGGREGATED IF YOU HAVE AN INSTITUTION THAT SCORES
18 SCIENTIFICALLY HIGH IN ALL THREE CATEGORIES AND IS ASKING
19 FOR THE SAME AMOUNT AS A CONSORTIUM?

20 MR. KLEIN: THE REASON IS IS THAT IF YOU HAVE A
21 GOAL OF DEVELOPING A WHOLE PORTFOLIO OF OUTSTANDING
22 RESEARCH FACILITIES, AND YOU HAD THREE INSTITUTIONS IN
23 THE STATE WITH 97S, YOU WOULDN'T WANT TO PUT ALL YOUR
24 MONEY IN THOSE EVEN IF THEY GOT A 97.

25 MR. SHEEHY: ACTUALLY I WOULD SAY YES. I THINK

1 THAT ONE CAN MAKE, FROM A SCIENTIFIC AND FROM -- YOU
2 COULD EASILY -- IF WE -- AND I'VE HAD THIS DISCUSSION. I
3 THINK ACTUALLY IF YOU WERE REALLY TRYING TO GET CURES TO
4 PEOPLE THE FASTEST, YOU WOULD GIVE MONEY TO THE PEOPLE
5 WHO HAVE THE CRITICAL MASS AND NOW AND AS MUCH AS MONEY
6 AS YOU CAN GIVE THEM.

7 MR. KLEIN: THEY MAY NOT HAVE THE SAME --

8 MR. SHEEHY: WE HAVE A FURTHER OBLIGATION TO
9 THE PEOPLE OF CALIFORNIA TO NOT -- TO NOT CONCENTRATE
10 THIS IN A HANDFUL OF INSTITUTIONS AND TO DEVELOP THE
11 OVERALL CAPACITY IN THE STATE. BUT HAVING SAID THAT, THE
12 MAIN CRITERION THAT WE HAVE HEARD AGAIN AND AGAIN IS
13 SCIENTIFIC MERIT. AND THIS SCHEME TURNS SCIENTIFIC MERIT
14 ON ITS HEAD AND PREJUDICES THE PROCESS FROM THE BEGINNING
15 AND CREATES THE OBLIGATION TO FUND PEOPLE SIMPLY FOR THE
16 FACT THAT THEY DECIDED TO WORK TOGETHER.

17 VICE CHAIR SERRANO-SEWELL: BOB, LET ME ADD TO
18 THAT. IF, AS YOU SAY, AND I DON'T DISAGREE WITH YOU,
19 THAT WE HAVE STATED INDIRECTLY THAT WE VALUE
20 COLLABORATION, THEN FINE. IT OUGHT TO BE HIGHER POINTS
21 IN THE SCIENTIFIC REVIEW, AND IT OUGHT TO HAVE HIGHER
22 POINT IN OUR FACILITIES REVIEW. RIGHT NOW IT'S AT 15.
23 IT SHOULD BE 50, BUT IT'S NOT. AGAIN, I GO BACK TO THE
24 POINT I MADE PREVIOUSLY. WE CAN'T DESIGN THIS REALLY
25 AROUND ONE APPLICANT.

1 MR. KLEIN: I AGREE WITH THAT.

2 VICE CHAIR SERRANO-SEWELL: WE CAN'T DO THAT,
3 AND THAT'S WHAT WE'RE DOING.

4 MR. KLEIN: I SUGGESTED A DIFFERENT TITLE.

5 VICE CHAIR SERRANO-SEWELL: I DON'T THINK THAT
6 SOLVES THE PROBLEM.

7 MR. SHEEHY: IT'S NOT A QUESTION OF TITLE.

8 MR. KLEIN: LET ME ADDRESS JEFF'S POINT IF I
9 CAN AND THEN YOUR POINT IS THAT IF WE ON A MEDICAL MERIT
10 BASIS, JEFF, LET'S SAY THAT WE HAVE THREE INSTITUTIONS
11 THAT ARE ALL 97S AND THEY HAPPEN TO BE VERY OVERLAPPING
12 IN THEIR EXPERTISE, AND THERE'S A WHOLE BUNCH OF DISEASES
13 THAT HAVE ABSOLUTE EXCELLENCE, BUT THEY'RE 90 SCORES IN
14 OTHER INSTITUTIONS. SO THE POINT IS THAT ON A PORTFOLIO
15 BASIS HISTORICALLY YOU HAVE A VERY HIGH PREDICTABILITY OF
16 SUCCESS. AND THE MORE YOU NARROW IT, THE LESS YOUR
17 POSSIBILITIES OF SUCCESS.

18 VICE CHAIR SERRANO-SEWELL: RICK, HOW MANY
19 APPLICATIONS DO YOU THINK THERE WILL BE THE CONSORTIUM
20 CATEGORY? I KNOW WE ANTICIPATE ONE. THEY DID A
21 PRESENTATION. IS IT GOING TO BE TWO? IS IT GOING TO BE
22 THREE?

23 MR. KLEIN: I DON'T AGREE WITH THE CONSORTIUM
24 TITLE.

25 MR. KELLER: I WOULD ANTICIPATE --

1 CHAIRMAN LICHTENGER: HOW MANY DO WE EXPECT TO
2 APPLY?

3 MS. HOFFMAN: LEGAL ENTITY.

4 MR. KASHIAN: WHAT'S THE DEFINITION OF A --

5 MS. HOFFMAN: THE DEFINITION OF A CONSORTIUM
6 WOULD BE THAT IT IS A LEGAL ENTITY. IT MAY NOT BE, AS
7 THE CHAIRMAN SAID --

8 MR. KASHIAN: TWO OR MORE INSTITUTIONS OR FIVE
9 OR MORE?

10 MS. HOFFMAN: YES.

11 CHAIRMAN LICHTENGER: HOW MANY APPLICATIONS DO
12 WE EXPECT AT THIS HIGHEST CIRM INSTITUTE LEVEL, RICK?

13 VICE CHAIR SERRANO-SEWELL: NO. NO. NO. NO.
14 I WANT MY QUESTION ANSWERED FIRST. I ASKED ABOUT THE
15 CONSORTIUM. HOW MANY CONSORTIUM APPLICATIONS DO YOU
16 THINK WE'RE GOING TO GET? IF YOU DON'T KNOW THE ANSWER,
17 FINE. I KNOW WE'RE GOING TO GET ONE.

18 MR. KELLER: RIGHT. THAT'S THE ONLY ONE I KNOW
19 ABOUT.

20 MR. KASHIAN: I KNOW OF ANOTHER. IF THE
21 DEFINITION IS ONE OR MORE, I KNOW THAT THE UNIVERSITY OF
22 MERCED AND UC SACRAMENTO HAVE DECIDED TO GO TOGETHER. IS
23 THAT A CONSORTIUM?

24 VICE CHAIR SERRANO-SEWELL: MIGHT VERY WELL BE.
25 I DON'T KNOW.

1 MR. KLEIN: THAT'S WHY I SAID ANY TWO OR MORE
2 SHOULD QUALIFY.

3 MR. SHEEHY: I DISAGREE. THIS IS A WHOLE
4 ADDITIONAL ELEMENT THAT HAS BEEN PUT IN PLACE WITHOUT ANY
5 PROCESS, AND IT PENALIZES PREESTABLISHED CENTERS OF
6 EXCELLENCE.

7 MS. HOFFMAN: THAT'S FINE. THIS IS THE
8 STRAWMAN AGAIN, SO WE'RE HAPPY TO TAKE IT OUT.

9 CHAIRMAN LICHTENGER: CAN WE GO BACK TO THAT
10 OTHER SLIDE? CAN'T WE JUST HAVE A HIGH AMOUNT --

11 MR. KELLER: YES.

12 CHAIRMAN LICHTENGER: -- AND A LOW AMOUNT AND
13 LEAVE IT AT THAT, AND I THINK WE SOLVED OUR PROBLEM?

14 MR. KLEIN: I THINK THAT'S A GOOD APPROACH.
15 BUT SECONDLY, ON OUR CALL, I'D LIKE TO DISCUSS THE ISSUE
16 OF CAPS. THE REASON FOR THAT IS I THINK THAT THERE IS A
17 LEGITIMATE POLICY DISCUSSION, THAT WE DIVERSIFY OUR RISK
18 AND INCREASE OUR PROBABILITY OF SUCCESS IF WE HAVE, AS
19 LONG AS THEY'RE VERY HIGHLY RATED ON SCIENCE, A BROADER
20 DISTRIBUTION.

21 VICE CHAIR SERRANO-SEWELL: LET'S FLAG IT.

22 MR. KLEIN: SO THE ISSUE IS TO REALLY NOT
23 MISLEAD PEOPLE TO BELIEVE THAT WE'RE GOING TO GIVE \$90
24 MILLION TO ONE INSTITUTION REGARDLESS OF THEIR SCIENTIFIC
25 SCORE, THAT THERE IS SOME VALUE IN DISTRIBUTING THIS

1 MONEY TO VERY HIGH SCIENCE IN DIFFERENT AREAS.

2 MR. KASHIAN: BOB, FROM MY POINT OF VIEW, A
3 CONSORTIUM HAS A LOT OF THE ADVANTAGES WITH MORE
4 INSTITUTIONS WORKING ON THESE THINGS THAN WHEN IT'S NOT.
5 SO BY DEFINITION, BY PROVIDING THAT RESOURCE
6 SCIENTIFICALLY, THEY'RE GOING TO HAVE A LEG UP, BUT IT
7 ALSO BRINGS WITH IT A LOT OF BAGGAGE. WHAT'S THE OLD
8 ADAGE ABOUT A HORSE -- A CAMEL BEING BUILT BY COMMITTEE
9 OR A HORSE OR SOMETHING? ANYWAY, THE POINT I'M TRYING TO
10 MAKE IS THE GOVERNANCE OF IT IS GOING TO BE AS ESSENTIAL
11 TO EVALUATE AS THE SCIENTIFIC END, AND IT IS ESSENTIAL
12 BECAUSE YOU CANNOT DEAL WITH THE COMMITTEE AS PEOPLE COME
13 AND GO.

14 MR. KLEIN: THIS IS THE FIRST TIME I'VE SEEN
15 THIS.

16 DR. WRIGHT: I JUST WANT TO ADDRESS ONE POINT
17 OR PUSH BACK. I WOULD RESPECTFULLY DISAGREE THAT THIS
18 PARADIGM UP-ENDS THE SCIENTIFIC PREDOMINANCE, THE FACT
19 THAT SCIENCE COMES FIRST, JEFF, BECAUSE TO GET TO THIS
20 SLIDE, WE HAD TO GET SCIENTIFIC SCORES, RIGHT? WHATEVER
21 CONSORTIUM WOULDN'T HAVE GOTTEN ON THAT LIST HAD THE
22 SCIENCE SCORE NOT BEEN HIGH.

23 MR. SHEEHY: THE ONLY POINT I'M MAKING IS THAT,
24 ACCORDING TO THIS SCHEME, THEY GET MORE MONEY SIMPLY
25 BECAUSE THERE'S MORE THAN ONE INSTITUTION WHICH IS NOT

1 BASED ON ANY SCIENTIFIC MERIT. YOU COULD HAVE AN
2 INSTITUTION THAT HAS HIGHER SCORES SCIENTIFICALLY AND HAS
3 A BETTER PLAN THAT GOT LESS MONEY SIMPLY BECAUSE THEY'RE
4 NOT PART OF A CONSORTIUM.

5 DR. WRIGHT: NO, BECAUSE WE'RE GOING TO TAKE
6 INTO ACCOUNT THAT SCIENTIFIC SCORE.

7 VICE CHAIR SERRANO-SEWELL: JANET'S RIGHT.
8 WHAT IT DOES IS IT ASSUMES THAT THE CONSORTIUMS WILL BE
9 IN THE CIRM INSTITUTES. THEY MAY NOT. THAT'S WHAT IT
10 DOES.

11 MR. SHEEHY: IT ALSO ASSUMES THEY WERE THE
12 HIGHEST SCORES WITH THE DOLLAR SIGNS.

13 MR. KLEIN: I THINK WE'VE SOLVED IT BY TAKING
14 IT OUT.

15 CHAIRMAN LICHTENGER: I THINK WE'RE PUNTING BY
16 JUST GETTING RID OF THAT TOP CATEGORY AND JUST CALLING IT
17 HIGH AWARD AND LOWER. IS EVERYBODY OKAY WITH THAT? I
18 THINK THAT SOLVES MY INTELLECTUAL ISSUE WITH THIS.

19 DR. WRIGHT: I JUST -- I STILL THINK THERE'S
20 VALUE IN COLLABORATING, BRINGING PROGRAMS TOGETHER. SO I
21 DON'T WANT TO LOSE THAT INCENTIVE.

22 CHAIRMAN LICHTENGER: CAN'T IT BE PART OF THE
23 PROGRAMMATIC REVIEW AND TAKEN INTO ACCOUNT IF THEY HAVE
24 THE --

25 MR. KLEIN: THE QUESTION THAT I'M JUST ASKING

1 THAT BE CONSIDERED, AND MAYBE JANET IS IN THE SAME
2 CATEGORY, IS WHEN WE HAVE OUR LATER CALL, DISCUSSING IF
3 WE ARE GOING TO HAVE CAPS, IF INSTITUTIONS -- TWO OR
4 MORE INSTITUTIONS COME TOGETHER, ASSUMING THEY BOTH GET
5 HIGH SCIENTIFIC OR THE COMBINED TOTAL HAS A HIGH
6 SCIENTIFIC SCORE, CAN THEY GET MORE -- COULD THEY QUALIFY
7 POTENTIALLY FOR A GREATER AMOUNT THAN THE CAP ON ANY
8 INDIVIDUAL GRANT?

9 MR. SHEEHY: SEE, I HAVE A BIG PROBLEM WITH
10 THAT. I THINK THE WAY TO ADDRESS THAT IS TO GIVE PEOPLE
11 MORE POINTS IN THE PROCESS. IF WE CONSIDER THIS A VALUE,
12 IT IMPLIES THAT THERE IS A RIGHT TO THE CIRM FUNDING BY
13 THESE INSTITUTIONS. AND I HAVE A SERIOUS PROBLEM. IT
14 DOES. IT SAYS THAT EVERYBODY GETS MONEY. AND IF TWO OF
15 YOU COME TOGETHER, YOU GET MORE MONEY. THAT'S WHAT IT
16 FEELS LIKE TO ME.

17 MR. KLEIN: YOU HAVE THE POSSIBILITY.

18 DR. WRIGHT: IT'S THE OPPORTUNITY.

19 VICE CHAIR SERRANO-SEWELL: I THINK WHAT I HEAR
20 BOB SAYING IS IF THEY --

21 MR. SHEEHY: SCIENTIFIC MERIT.

22 VICE CHAIR SERRANO-SEWELL: WHAT I UNDERSTOOD
23 BOB TO SAY, AND CORRECT ME IF I'M WRONG, BOB, IS IF AFTER
24 THE SCIENTIFIC REVIEW IS DONE, THAT IS FIRST, AND THEY'RE
25 IN THE HIGHEST TIER, THEN THERE'S -- AND THEY ARE A

1 CONSORTIUM, THEN THERE IS THE OPPORTUNITY, NOT THE RIGHT,
2 THE OPPORTUNITY TO GIVE THEM MORE MONEY. I STILL KIND OF
3 HAVE A PROBLEM WITH THAT.

4 MR. SHEEHY: ON WHAT OBJECTIVE BASIS ARE WE
5 DECIDING TO DO THAT?

6 MR. KLEIN: BECAUSE WE HAVE A POLICY --

7 VICE CHAIR SERRANO-SEWELL: BECAUSE WE LIKE
8 CONSORTIUMS.

9 MR. SHEEHY: OUR POLICY SHOULD BE IMPLEMENTED
10 THROUGH POINTS THAT ARE AWARDED ON A BASIS THAT IN SOME
11 WAY CAPTURES WHAT THAT MULTIPLE INSTITUTION, ENTITY, AND
12 THE VITALITY AND THE REALITY OF THAT. WE DON'T
13 PROACTIVELY SAY BECAUSE TWO INSTITUTIONS DO SOMETHING,
14 THAT THEY DESERVE MORE THAN ONE INSTITUTION THAT MAY BE
15 DOING THE SAME THING MUCH BETTER.

16 MR. KLEIN: I AGREE WITH YOUR CONCLUSION. I
17 AGREE WITH YOUR CONCLUSION. I JUST WOULD HOPE THAT THE
18 POINT SYSTEM WILL RECOGNIZE THE COLLABORATIVE VALUE THAT
19 HAS BEEN TALKED ABOUT SO MANY TIMES ON OUR BOARD.

20 MR. SHEEHY: I'VE BEEN TRYING TO TALK ABOUT
21 THIS, HAVING THE POINT SYSTEM BOTH CREATING A NEW
22 CATEGORY, BOTH MITIGATING AGAINST POTENTIAL LOSS OF
23 POINTS THAT A CONSORTIUM MIGHT EXPERIENCE, BUT BECAUSE
24 OF, SAY, FALLING BEHIND ON URGENCY, I'VE LOOKED FOR WAYS
25 IN ORDER TO REWARD THAT THROUGH POINTS. I DO NOT -- I

1 FEEL VERY UNCOMFORTABLE WITH PROSPECTIVELY AWARDING
2 SPECIAL STATUS TO MULTI -INSTITUTION ENTITIES OVER SINGLE
3 INSTITUTION ENTITIES WHEN THERE' S NO SCIENTIFIC BASIS FOR
4 DOING SO.

5 MR. KLEIN: THAT' S NOT THE INTENT.

6 MR. SHEEHY: YOU SAID THAT YOU WANT TO RAISE
7 THE CAP FOR MULTI -INSTITUTION COLLABORATIONS.

8 VICE CHAIR SERRANO-SEWELL: IF THEY MEET THE
9 SCIENTIFIC THRESHOLDS.

10 MR. SHEEHY: BUT WHY? WHY WOULD YOU GIVE MORE
11 MONEY TO TWO INSTITUTIONS THAN YOU WOULD TO ONE
12 INSTITUTION UNLESS THE SCIENTIFIC SCORE WAS HIGHER?

13 VICE CHAIR SERRANO-SEWELL: JEFF, LET ME JUST
14 MAKE THE ARGUMENT. I' M NOT SAYING I AGREE WITH THAT.
15 WHAT I HEAR BOB SAYING IS, AGAIN, I' M JUST MAKING THE
16 ARGUMENT THAT WE VALUE COLLABORATION, AND WE VALUE THE
17 CONSORTIUM SUCH THAT, SUCH THAT WE ARE WILLING TO GIVE
18 SPECIAL STATUS AND CONSIDERATION TO THOSE UNIQUE
19 APPLICATIONS.

20 MR. KLEIN: IF THE SCIENTIFIC SCORE MERITS.

21 VICE CHAIR SERRANO-SEWELL: THAT' S WHAT I SAID.

22 CHAIRMAN LICHTENGER: KIND OF LIKE MOST FAVORED
23 NATION STATUS.

24 VICE CHAIR SERRANO-SEWELL: SO THAT' S THE
25 RATIONALE AND POLICY JUSTIFICATION FOR IT. JEFF AND I

1 HAVE MADE, I THINK, SOME COUNTER AND EQUALLY AS
2 PERSUASIVE POLICY ARGUMENTS THAT WE OUGHT NOT TO DO THAT,
3 AND WE'LL HAVE THIS CONVERSATION LATER. IT'S HELPFUL TO
4 GET THESE ISSUES FLESHED OUT NOW.

5 MR. KLEIN: I AGREE WITH HIS OUTCOME, THAT WE
6 HAVE TO LOOK AT THE MISSION AND THE SCIENTIFIC SCORE AND
7 SCIENTIFIC VALUE.

8 MR. SHEEHY: I THINK THAT WE CAN REWARD THIS
9 THROUGH THE USE OF POINTS WITHIN A VERY CLEAR PROCESS,
10 BUT I DON'T THINK WE START OFF BEFORE SAYING YOU GET MORE
11 MONEY IF THERE'S TWO OF YOU THAN IF YOU'RE ONE.

12 CHAIRMAN LICHTENGER: I'D LIKE TO LET RICK WRAP
13 UP THIS PROCESS REVIEW QUICKLY SO WE CAN TAKE PUBLIC
14 COMMENTS.

15 MR. KELLER: WE CONSIDERED AND HAD ADVICE THAT
16 THERE WERE POSSIBLY FIVE DIFFERENT OPTIONS FOR ACTUALLY
17 DOING THE REVIEWS FOR THE LARGE FACILITIES GRANTS THROUGH
18 THE GRANTS WORKING GROUP AND THE FACILITIES WORKING
19 GROUP. I WANT TO GO OVER THOSE REAL QUICKLY.

20 THE FIRST ONE IS WHAT WE CLASSIFIED AS THE
21 ONE-STEP, WHICH BASICALLY SAID THAT WE WOULD DO IT LIKE
22 WE DID THE SHARED LABS WHERE WE HAVE A CONCURRENT GRANTS
23 WORKING GROUP AND FACILITIES WORKING GROUP REVIEW.

24 SECOND ONE REALLY RESPONDS, AND THE PROBLEM
25 WITH THE ONE-STEP IS THAT CHART I MENTIONED WHERE IF THE

1 GRANTS WORKING GROUP MAKES A DECISION ABOUT THE XYZ, WE
2 DON'T HAVE ANY WAY TO ADJUST. SO WENT TO A SEQUENTIAL
3 TWO-STEP REVIEW WHERE THE GRANTS WORKING GROUP WOULD MAKE
4 THEIR RECOMMENDATION TO THE ICOC. THEY WOULD DECIDE
5 WHO'S IN WHAT CATEGORY. AND THEN FACILITIES -- AND THEY
6 WOULD ALSO OPINE ON WHAT SORT OF FINANCIAL STRATEGY WOULD
7 BE EMPLOYED, KNOWING HOW MANY WERE IN EACH CATEGORY.

8 SO THE ICOC MAKES THOSE DECISIONS AND THEN SAYS
9 GIVE US, FACILITIES, YOUR BEST EVALUATION OF THOSE THREE
10 LEVELS OF THE ONES THAT WE HAVE APPROVED.

11 AND THIRD IS A VARIATION WHERE THERE'S JUST A
12 SINGLE RFA WITH NO SPECIFIC FUNDING LEVELS AT ALL.

13 FOURTH IS A COMBINED REVIEW WHERE THE GRANTS
14 WORKING GROUP AND FACILITIES WORKING GROUP WOULD GET
15 TOGETHER IN A LARGER ROOM AND IN ONE MEETING WOULD HAVE
16 THE OPPORTUNITY TO REVIEW PROPOSALS.

17 CHAIRMAN LICHTENGER: SOUNDS LIKE A FUN
18 MEETING.

19 MR. KELLER: AND THE LAST ONE WAS THAT --

20 VICE CHAIR SERRANO-SEWELL: SOFTBALL TEAMS.

21 MR. KELLER: ANOTHER OPTION WAS THAT WE COULD
22 HAVE THE FACILITIES WORKING GROUP BE THE EXCLUSIVE
23 REVIEWER, BUT HAVE IT AUGMENTED WITH SCIENTIFIC EXPERTS
24 OR A PANEL OF EXPERTS TO ADVISE ON THE SCIENTIFIC SIDE.
25 SO IT'S IMPORTANT TO UNDERSTAND THE DIFFERENCES BETWEEN

1 THIS ONE-STEP AND TWO-STEP IN TERMS OF -- I WANT TO
2 EMPHASIZE THOSE TWO AT THIS POINT.

3 ON THE ONE-STEP, AS YOU CAN SEE, WE WOULD HAVE
4 AN APPLICATION PREPARED BY THE APPLICANTS. WE JUST DO A
5 REVIEW. CONCURRENT FACILITIES AND GRANTS WORKING GROUP
6 AND THEN TO THE ICOC.

7 UNDER THE TWO-STEP, PREPARATION, GRANTS WORKING
8 GROUP REVIEW, TO ICOC, AND THEN BASED ON THOSE SCIENTIFIC
9 DETERMINATIONS OF LEVEL, THEN THE PART 2 APPLICATION
10 WOULD BE PREPARED, AND THEN WE WOULD GO TO THE FACILITIES
11 WORKING GROUP AND HAVE THAT RECOMMENDATION.

12 AND THE LAST BULLET IS MISSING, WHICH WOULD BE
13 ICOC SECOND TIME RIGHT HERE. APPROVAL AT THAT TIME.

14 CHAIRMAN LICHTENGER: SO WE'RE GOING TO PLAN ON
15 A TELECONFERENCE ON THE 30TH.

16 MR. KELLER: RIGHT. WE'RE GOING ASK PEOPLE TO
17 COMMENT ON WHAT YOU DEVELOP TODAY IN TERMS OF THE
18 CRITERIA, STANDARDS, AND SCORING. SO WE'RE GOING TO HAVE
19 THAT MEETING ON JULY 25TH.

20 MR. SHEEHY: I JUST WANTED TO TRY TO UNDERSTAND
21 IN THE FIRST STEP PROCESS. NOW, IT SEEMS TO ME THE WAY
22 THAT WE HAD DISCUSSED BEFORE, THAT THERE WAS A WAY TO
23 ALLOCATE GRANTEES BETWEEN DIFFERENT SIZES OF GRANTS. HOW
24 WOULD THAT TAKE PLACE IN THE ONE-STEP PROCESS?

25 MR. KELLER: HOW WOULD THE STRATIFICATION

1 OCCUR?

2 MR. SHEEHY: YEAH.

3 MR. KELLER: I DON'T KNOW. I DON'T KNOW.

4 MR. SHEEHY: SO --

5 MR. KELLER: YOU'D HAVE TO BASICALLY -- I THINK
6 IF THE DECISION WERE MADE, I GUESS I WOULD GO TO THIS.
7 AND IF THERE WOULD ONLY BE GREEN AND RED, YOU EITHER WENT
8 THROUGH OR YOU ARE OUT. SO YOU COULDN'T HAVE A PARTIAL
9 APPROVAL BY THE SCIENCE WORKING GROUP.

10 MR. SHEEHY: IN TERMS OF THE FACILITIES WORKING
11 GROUP, HOW WOULD -- THEY WOULD ACTUALLY BE APPROVING
12 EVERY GRANT FOR EVERY CATEGORY IN WHICH THEY APPROVED OR
13 NOT APPROVING THEM.

14 MR. KELLER: UNDER THIS PROPOSAL, THE ICOC
15 WOULD HAVE TO -- BACK ON THE ONE-STEP, ARE YOU SAYING?

16 MR. SHEEHY: WELL, IT JUST SEEMS TO ME IN THE
17 ONE-STEP -- SEE, IN THE TWO-STEP, IT SEEMS LIKE WE HAD
18 THE STRATIFICATION AND THEN THE FACILITIES WORKING GROUP.
19 IT GETS CLEAR TO ME WHAT THE ROLE IS IN THAT SCHEME OF
20 THE FACILITIES WORKING GROUP. IN THE FIRST ONE, IT SEEMS
21 LIKE THAT THE FACILITIES WORKING GROUP IS DOING A LOT OF
22 WORK ON STUFF THAT HAS BEEN JUDGED, BUT THE INTERFACE
23 HASN'T BEEN MADE. AND SO REALLY THE FACILITIES WORKING
24 GROUP DOESN'T EVEN REALLY MAKE SENSE IN THE LARGER SCHEME
25 BECAUSE THEY'VE APPROVED -- THEY'LL BE LOOKING AT, SAY, A

1 TIER 1 XYZ WHEN THE SCIENTIFIC REVIEW WILL CLEARLY
2 INDICATE THAT IT MAY BE ONLY AN X, BUT WE'VE JUST
3 APPROVED.

4 MR. KELLER: AND WE NOT RECOMMEND THE ONE-STEP
5 PROCESS.

6 VICE CHAIR SERRANO-SEWELL: SO THE
7 RECOMMENDATION, AS I UNDERSTAND IT FROM STAFF, IS THE
8 TWO-STEP PROCESS. IS THAT RIGHT, RICK AND LORI? I THINK
9 I LIKE THE TWO-STEP PROCESS AS WELL. EVERYBODY LIKES THE
10 TWO-STEP PROCESS.

11 I HAVE A QUESTION THOUGH. BOB, DID YOU HAVE A
12 COMMENT ON THIS TWO-STEP PROCESS?

13 MR. KLEIN: YEAH. IN TERMS OF THE TWO-STEP
14 PROCESS, I THINK IT'S IMPORTANT TO FIGURE OUT HOW TO
15 SHORTEN UP THE TIMEFRAME IN TERMS OF ICOC REVIEW, ETC.
16 BECAUSE THE -- FOR EXAMPLE, WE MIGHT NOT NEED A TEN-DAY
17 NOTICE TO THE ICOC BECAUSE THEY'RE GOING TO COME BACK TO
18 THE ICOC LATER AGAIN. THIS IS AN INTERIM STEP. AND THE
19 KEY IS THAT IN TERMS OF THE DATES AND MOVING THE DATES
20 OUT INTO THE FUTURE, WE'RE GOING TO COME BACK TO THE ICOC
21 FOR A FINAL DECISION. THE PEOPLE ON THE FACILITIES GROUP
22 ARE MANY OF THE BOARD MEMBERS THAT WILL BE ABLE TO VOTE
23 AT THE ICOC BECAUSE A LOT OF THE OTHER BOARD MEMBERS WILL
24 HAVE CONFLICTS.

25 AND IN OUR PHONE CALL, WE SHOULD GET

1 INFORMATION FROM COUNSEL ON HOW THE CONFLICTS WILL BE
2 PLAYED OUT BECAUSE IT MAY BE -- BUT IT MAY BE VERY
3 IMPORTANT TO GIVE THESE INSTITUTIONS, AFTER THEY GET
4 THEIR SCIENTIFIC SCORES, ENOUGH TIME TO EVALUATE IF THEY
5 WANT TO ADJUST THEIR APPLICATION SO THAT WHEN THEY COME
6 TO US, IF IT'S BEEN SAID THEY'RE NOT GOING TO RATE
7 SCIENTIFICALLY IN THREE CATEGORIES, THEY TRY AND GIVE US
8 A PROPOSAL THAT REALLY ADDRESSES TWO CATEGORIES SO THAT
9 WE'RE REALLY JUDGING SOMETHING THAT IS APPROPRIATE.

10 VICE CHAIR SERRANO-SEWELL: THAT MAKES A LOT OF
11 SENSE. I WANT TO ASK A RELATED QUESTION TO YOUR POINT
12 ABOUT THE TIMING, BOB. PERHAPS YOU HAVE AN IDEA OF THIS
13 BASED ON THE CONVERSATIONS OR SOMEBODY HAS AN IDEA OF
14 THIS. IF WE GO WITH THE TWO-STOP PROCESS, WHICH I
15 ENDORSE, WHEN WOULD THE ICOC BE TAKING ACTION? THAT IS
16 MY QUESTION. FINAL ACTION, WHEN WOULD THEY BE APPROVING
17 THE GRANTS? WHEN IS THE ESTIMATED DATE WHEN THAT WOULD
18 HAPPEN?

19 MS. HOFFMAN: THERE ARE SEVERAL DATES.

20 VICE CHAIR SERRANO-SEWELL: CAN YOU GIVE ME THE
21 EARLIEST AND THE LATEST?

22 MS. HOFFMAN: IT COULD BE AS EARLY AS MARCH.
23 IT COULD BE AS LATE AS MAY. I WOULD SAY THAT THE
24 TWO-STEP PROCESS, GIVEN AFTER PART 1 THE ICOC WOULD MEET,
25 THERE WOULD BE MANY INSTITUTIONS THAT AT THAT POINT WOULD

1 KNOW WHETHER OR NOT THEY WERE COMPETING STILL FOR THIS
2 MONEY, WHICH I THINK WOULD BE VERY HELPFUL AND WOULD GIVE
3 THEM CERTAINLY AN ADDITIONAL THREE MONTHS UNTIL THAT NEXT
4 ICOC MEETING SO THAT THEY FELT MORE COMFORTABLE SPENDING
5 ADDITIONAL RESOURCES ON DEVELOPING THESE PLANS.

6 SO I DO THINK THAT THE TWO-STOP PROCESS
7 CERTAINLY DOES HELP THE INSTITUTIONS AND THAT THAT
8 EARLIER DATE IS INDEED VALUABLE.

9 CHAIRMAN LICHTENGER: I HAVE A QUESTION. SO
10 WHAT IS THE FIRST ICOC MEETING ACTION ABOUT?

11 MS. HOFFMAN: ON THE TWO-STEP, IT COULD BE AS
12 EARLY AS DECEMBER.

13 CHAIRMAN LICHTENGER: NO. NO. WHAT IS THE
14 ACTUAL ACTION?

15 VICE CHAIR SERRANO-SEWELL: THEY'RE RATIFYING
16 THE SCIENTIFIC GRANTS WORKING GROUP'S RECOMMENDATION.

17 MR. KELLER: IT WOULD BE ACTION ON THIS SLIDE,
18 WHICH WOULD BE THEY RECEIVE THE APPLICATIONS AND HAVE
19 SCORED THEM ALONG THESE LINES, YES, NO, AND THEN THEY
20 WOULD GO FORWARD, AND THEY WOULD RECOMMEND APPLICANTS AS
21 INSTITUTES, CENTERS, OR WHATEVER NAMES WE ASSIGN.

22 MR. KLEIN: THEY MIGHT PRIORITIZE THEM ON
23 SCIENTIFIC SCORES.

24 MR. SHEEHY: I HAVE A QUESTION BECAUSE I DO
25 THINK IT'S VERY USEFUL, ESPECIALLY WITHIN THE CONTEXT OF

1 STAFF INTERACTION WITH THIS WORKING GROUP, TO REALLY TAKE
2 ADVANTAGE OF THE CURATIVE ABILITIES THAT WE TOOK SUCH
3 GREAT ADVANTAGE WITH THE FIRST TIME AROUND. AND I WONDER
4 IF THIS TWO-STEP PROCESS, IT MAY BE PUSHING THINGS OUT A
5 BIT, IF THAT MIGHT BE ABLE TO BE UNDERSTOOD, THAT THAT
6 WOULD ALLOW INSTITUTIONS THAT DEMONSTRATED SIGNIFICANT
7 SCIENTIFIC MERIT TO BE REALLY VERY, VERY COMPETITIVE
8 ESPECIALLY ON ISSUES SUCH AS LEVERAGE. YOU KNOW, THEY
9 COULD REALLY COME UP, WORKING WITH STAFF AND WITHIN THE
10 CONTEXT OF THIS WORKING GROUP -- THE SCIENTIFIC WORKING
11 GROUP IS PRETTY BLACK AND WHITE. YOU EITHER SCORED WELL
12 OR YOU DIDN'T SCORE WELL, AND WE HAVEN'T HAD A LOT OF
13 GRAY.

14 THIS WORKING GROUP SEEMS TO ME TO HAVE A LOT
15 MORE FOR GRAY BECAUSE SCIENTIFIC MERIT -- THIS ISN'T --
16 ALMOST EVERYTHING THAT HAPPENS HERE CAN BE CURED FAIRLY
17 EASILY. IF YOU'RE NOT A GOOD SCIENTIST AND YOU DON'T
18 HAVE A GOOD IDEA, IT'S REALLY HARD TO FIX THAT. BUT IF
19 YOU HAVE A BAD PLAN OR IF YOU DON'T HAVE ENOUGH LEVERAGE
20 OR THERE'S SOME FLAW, AND YOU'VE GOT GOOD SCIENCE GOING
21 ON, IT SEEMS TO ME THAT WE HAVE A REAL OPPORTUNITY IN
22 THIS PROCESS TO REALLY GET PEOPLE UP AND RUNNING EVEN IF
23 IT TAKES US ANOTHER MONTH IN REALLY WELL-DESIGNED
24 FACILITIES THAT CAN ACCOMPLISH OUR MISSIONS.

25 CHAIRMAN LICHTENGER: BUT THEN --

1 VICE CHAIR SERRANO-SEWELL: LET ME SUGGEST THAT
2 THIS IS A VERY -- THAT THIS IS AN ICOC DISCUSSION. I'M
3 NOT TRYING TO TAKE JURISDICTION AWAY FROM THIS COMMITTEE
4 OR THE OPPORTUNITY TO COMMENT AND MAKE A RECOMMENDATION.
5 BUT I THINK THERE'S SOME SENSITIVITY AROUND A COUPLE OF
6 ISSUES. ONE, GIVING THE OPPORTUNITY FOR APPLICANTS TO
7 CURE, THAT COULD DRAW OUT THE TIMELINE. AND ALSO LETTING
8 THE ICOC SORT OF DECIDE WHAT IT VALUES MORE.

9 I'LL GIVE YOU A VERY CONCRETE EXAMPLE. I THINK
10 THE ICOC WANTS TO APPROVE THESE GRANTS IN MARCH, NOT MAY.
11 SO WHAT CAN WE DO? OR NOT. I COULD BE WRONG. MY POINT
12 IS THE ICOC IS GOING TO HAVE TO DECIDE ON THIS WHETHER
13 WE'RE GOING TO ALLOW CURES OR NOT CURE. THAT'S ALL ICOC
14 STUFF, I RESPECTFULLY SUBMIT.

15 CHAIRMAN LICHTENGER: I'D LIKE TO LET TAMAR
16 HAVE A FINAL COMMENT.

17 MS. PACHTER: I JUST WANT TO CLARIFY BECAUSE
18 IT'S NOT A CURE. WHAT IT IS IS A REAL TWO-STEP PROCESS.
19 SO IN THE ONE-STEP YOU HAVE TO WRITE YOUR PART 1 AND PART
20 2 AT THE SAME TIME. IN THE TWO-STEP, YOU WRITE YOUR PART
21 1 AND YOU DON'T WRITE YOUR PART 2. YOU GO ALL THE WAY
22 THROUGH TO THE ICOC, AND THE ICOC TELLS YOU YOU'RE XYZ,
23 YOU'RE AN XY, YOU'RE AN X, AND THEN YOU WRITE YOUR PART 2
24 APPLICATION. SO YOU KNOW WHAT BUCKET YOU'RE IN WHEN
25 YOU'RE WRITING YOUR PART 2 APPLICATION. SO IT'S NOT A

1 MATTER OF CURE, I DON'T THINK, IN THE SENSE THAT YOU WERE
2 TALKING ABOUT IT, BUT YOU HAVE THE ABILITY TO TAILOR YOUR
3 APPLICATION TO THE BUCKET THAT YOU'RE IN.

4 MR. SHEEHY: MY ONLY --

5 CHAIRMAN LICHTENGER: JEFF, EXCUSE ME. ARLENE
6 CHIU HAD A COMMENT.

7 MR. SHEEHY: I JUST WANTED TO SAY I THINK OUR
8 ROLE, AS I KIND OF UNDERSTOOD PROP 71, I THINK OUR ROLE
9 HERE IS REALLY TO FACILITATE GETTING THESE BUILDINGS
10 BUILT. AND WITH THE SCIENCE OUT OF THE WAY, OUR ROLE IS
11 LESS ABOUT FUND OR NOT FUND. WE KNOW YOU'RE DOING GOOD
12 SCIENCE. IT'S TO FIGURE OUT A WAY TO DO IT. AND SO OUR
13 DELIBERATIVE PROCESS HAS A DIFFERENT CHARACTER THAN THE
14 ONE THAT WE PERHAPS HAD IN THE SHARED FACILITIES, WHICH
15 WAS THUMBS UP OR THUMBS DOWN. WE START OFF KNOWING THE
16 SCIENTIFIC -- KNOWING THAT ALL OF THESE ARE
17 SCIENTIFICALLY CREDIBLE. AND EVEN THOUGH CURES MAY BE
18 NOT THE RIGHT WORD, BUT WE CAN HAVE A DIFFERENT QUALITY
19 DISCUSSION WITH THE INSTITUTIONS THAN WHEN WE DON'T KNOW
20 THE SCIENTIFIC SCORES, AND WE CAN'T REALLY BE IN A ROLE
21 WHERE WE'RE TRYING TO FACILITATE A GOOD PROJECT. WE'LL
22 BE IN A ROLE WHERE WE'RE THUMBS UP OR THUMBS DOWN, AND
23 THEN WE'LL SIT THERE AND WE'LL MIX AND MATCH LIKE WE DID
24 WITH THE SHARED FACILITIES. AND I DO THINK THE QUALITY
25 OF THAT DISCUSSION WITHIN THE CONTEXT OF THIS WORKING

1 GROUP WOULD BE MUCH BETTER.

2 DR. CHIU: SO I COULDN'T AGREE MORE, AND I
3 THINK I HEAR IT THAT THE SCIENCE WILL ACTUALLY BE THE
4 DETERMINANT FACTOR IN MANY INSTANCES, THE RECOMMENDATION
5 TO THE ICOC, OF WHETHER IT'S GOING TO BE A THREE-UNIT,
6 TWO-UNIT, OR ONE-UNIT. AND, THEREFORE, BECAUSE THIS IS A
7 REALLY NEW PROCESS, THE NIH DOESN'T REALLY FUND VERY MANY
8 FACILITIES, THE WRITING OF THE SCIENCE, AND I WENT
9 THROUGH IT RATHER QUICKLY, BUT THIS IS A VERY NEW
10 ENTERPRISE IN TERMS OF BREADTH AND DEPTH. AND EACH
11 APPLICATION ACTUALLY WILL BE REVIEWED THREE TIMES,
12 DEPENDING ON ITS X, Y, OR Z.

13 SO I THINK THE WRITING OF THE FIRST PART HAS TO
14 BE DONE RATHER WELL, OR THEY'RE DOOMED. AS YOU SAY, IT
15 WILL BE CLEAR AFTER THE SCIENCE. THERE'S NO CURATIVE
16 PROCESS. AFTER THE SCIENCE, YOU WILL KNOW WHETHER YOU'RE
17 XYZ OR XY. WHETHER YOU'RE A CONSORTIUM OR NOT DOESN'T
18 MATTER. IT'S THE EXCELLENCE OF THE SCIENCE. THEY NEED
19 TO EXPRESS IT VERY WELL.

20 BY THE SAME TOKEN, THE REVIEW OF THE SCIENCE
21 HAS TO BE DONE VERY CAREFULLY BECAUSE WE'RE NOW BEING
22 STEWARDS OF THE PUBLIC'S MONEY, AND THE SCIENCE HAS TO DO
23 IT CORRECTLY AND FAIRLY FOR LARGE, MEDIUM, OR SMALL
24 ENTERPRISES. AND THAT'S WHY I THINK, FIRST OF ALL, THAT
25 WRITING OF THE APPLICATION, THEY NEED SUFFICIENT TIME.

1 NOW THAT WE'VE DECIDED WHAT IT IS, THE APPLICATION NEEDS
2 TO BE CRAFTED WELL, AND THE APPLICATION NEEDS TO BE
3 REVIEWED AS WELL. AND AS YOU KNOW, THE GRANTS WORKING
4 GROUP IS MADE UP OF THE SCIENTIFIC MEMBERS, 15 PEOPLE ALL
5 FROM OUTSIDE OF THE STATE. WE NEED TO GET THE RIGHT
6 QUALITY OF PEOPLE WITH BROAD VISION TO GET THEM TO COME
7 HERE TO REVIEW THEM. WE NEED TO EDUCATE THEM HOW TO
8 REVIEW THESE GRANTS. THEY'RE NOT LIKE YOUR REGULAR
9 SCIENTIFIC GRANTS. WE'RE LOOKING AT CRITERIA THAT'S VERY
10 DIFFERENT FROM THE GRANTS WORKING GROUP.

11 SO FOR THOSE REASONS -- AND THEN WHEN WE
12 PRESENT IT TO ICOC, IT'S NOT JUST A SCORE. IT'S A
13 RECOMMENDATION, AND THE WRITE-UPS WILL SPELL OUT
14 STRENGTHS, WEAKNESSES IN EACH OF THESE CATEGORIES. FOR
15 THESE REASONS, I THINK THAT THE REVIEW HAS TO BE DONE
16 VERY CAREFULLY AND WITH DELIBERATION. AND SO TO RUSH IT
17 IN ORDER TO MEET THE TIMETABLE OF CUTTING TWO MONTHS OR
18 WHATEVER, I THINK WE DESERVE THOUGHT. WE'RE NOT JUST
19 BRINGING A SCORE TO THE ICOC. IF IT'S JUST A SCORE WE
20 CAN CALCULATE AT THE END OF THE MEETING, IT'S DONE. BUT
21 WRITING UP TO CAPTURE THE REASONS WHY THEY GOT THOSE
22 SCORES WOULD BE NECESSARY.

23 SO I THINK AIMING FOR A DECEMBER 8TH MEETING IS
24 GOING TO BE REALLY DIFFICULT THINKING ABOUT TIMELINES.
25 THAT'S MY POINT. IF WE CALL AN ECTOPIC MEETING LIKE

1 EARLY JANUARY FOR THE ICOC, WE COULD WRITE, HOPEFULLY,
2 VERY CLEAR REVIEWS OF EACH ONE OF THEM SO THAT THESE
3 REVIEWS ARE MEANINGFUL AND HELPFUL.

4 VICE CHAIR SERRANO-SEWELL: ARLENE, THIS IS THE
5 CONVERSATION I WANT TO HAVE AT THE ICOC IN THE AUGUST
6 MEETING. BOB, PLEASE CALENDAR ENOUGH TIME BECAUSE I WANT
7 THE ICOC TO UNDERSTAND IT COULD BE MARCH, IT COULD BE THE
8 VARIOUS DATES, BECAUSE THE ICOC COULD SAY, YOU KNOW, WE
9 REALLY WANT TO ISSUE THESE FACILITIES GRANTS WITH ALL DUE
10 RESPECT, AND WE WANT TO STAY TO THIS AGGRESSIVE TIMELINE,
11 DECEMBER 8TH, AT OUR DECEMBER 8TH MEETING. SO WE GOT TO
12 FIND A WAY TO MAKE THAT HAPPEN. ARLENE, OR THEY COULD
13 SAY SOMETHING ELSE. THEY COULD SAY, YOU KNOW, YOU'RE
14 RIGHT. TO DO THIS IN A THOUGHTFUL AND DELIBERATIVE
15 MANNER, WE'LL TAKE MORE TIME AND WE'RE WILLING TO
16 SACRIFICE THE TIME TO ENSURE THAT WE GET WHAT YOU JUST
17 DESCRIBED. I'M JUST THROWING THAT ON THE TABLE. IT'S
18 NOT A SETTLED ISSUE.

19 MR. KLEIN: THEY COULD ALSO SAY DECEMBER 20TH,
20 NOT DECEMBER 8TH BECAUSE THERE COULD BE SOME INTERMEDIATE
21 POSITION. BUT I WANT TO GO BACK TO JEFF'S POINT BECAUSE
22 I THINK THAT IT REALLY IS CURATIVE BECAUSE I DON'T
23 BELIEVE THAT THEY'RE REALLY GOING TO WRITE THEIR
24 APPLICATION FOR PART 2 AFTER PART 1. THEY'VE ALREADY
25 WRITTEN THEIR PART 2 APPLICATION. IT'S EMBODIED IN

1 WHAT -- THEY'VE GOT ARCHITECTURAL PLANS UNDERWAY BASED
2 UPON A SCALE. WHAT'S GOING TO HAPPEN IS THAT AFTER THEY
3 GET THE SCIENTIFIC SCORE, IF THEY'VE GOT HIGH SCORES IN
4 X, Y, AND NOT Z, THEY'RE GOING TO SCALE BACK THEIR
5 BUILDING. AND THEY NEED TIME TO REFORM THEIR SCHEMATICS,
6 THEIR CONSTRUCTION COST ESTIMATES, AND THEIR SUBMISSION
7 TO BE ABLE TO SUBMIT PART 2 BECAUSE THEY'RE GOING REFORM
8 BASED UPON THE GUIDANCE THEY'RE GETTING OUT OF THE
9 SCIENTIFIC SCORE.

10 SO THIS TWO-STEP PROCESS, IN FACT, THEY'VE
11 BUILT IN SOME TIME FOR THE APPLICANTS TO DO THAT. AND
12 THAT'S A VERY IMPORTANT INTERNAL FEEDBACK PROGRAM THAT
13 ALLOWS THEM TO COME IN WITH A PART 2 THAT'S REALISTIC
14 BASED UPON THE SCIENTIFIC SCORE.

15 DR. CHIU: WE COULD EVEN SEND THEM THE SCORES
16 IMMEDIATELY WITHOUT THE WRITE-UPS SO THAT WE CAN GIVE
17 THEM A THREE-WEEK BLOCK AHEAD OF TIME BECAUSE THE
18 WRITE-UPS HAVE TO BE DONE CORRECTLY. WE COULD GIVE THEM
19 THE SCORES EARLY TO GIVE THEM MORE TIME FOR SUBMISSION,
20 BUT I THINK THE ICOC NEEDS TO SEE THAT THESE ARE WELL
21 JUSTIFIED, THE SCORES, BECAUSE THESE ARE BIG DECISIONS
22 WHETHER YOU'RE AN XYZ OR AN X.

23 MR. KLEIN: YOU CAN DO BOTH. SEND THEM THE
24 SCORES AND HAVE THE ICOC REVIEW THEM SO THAT THEY GET THE
25 HEADS UP AND THE LEAD-TIME, AND THEY CAN BE THINKING

1 ABOUT IT WHILE THE ICOC COMES TO TERMS WITH IT.

2 DR. CHIU: ALL I'M SAYING IS I'VE LOOKED AT THE
3 CALENDARS VERY, VERY CAREFULLY, AND IT WILL BE VERY
4 DIFFICULT TO HAVE A REVIEW BEFORE THE BEGINNING OF
5 DECEMBER TO GIVE ADEQUATE TIME BOTH FOR THE REVIEW AND
6 GETTING THE RIGHT PEOPLE AND FOR WRITING A GOOD PART 1
7 APPLICATION.

8 MR. KLEIN: THAT SOUNDS RIGHT.

9 DR. CHIU: IF WE THEN HAVE THE ICOC MEET THE
10 END OF DECEMBER. IF THE REVIEW IS, SAY, DECEMBER 1 AND
11 2, GETTING THOSE WRITE-UPS DONE BY THE 20TH TO POST, WE
12 HAVE TO POST THEM, AND THEN THE MEETING WILL BE THE 30TH
13 OF DECEMBER, THAT'S A POSSIBILITY; BUT DECEMBER 8TH, WHEN
14 THE REVIEW IS DECEMBER 1ST, I DON'T SEE HOW THAT CAN BE
15 DONE.

16 CHAIRMAN LICHTENGER: ARLENE, I HATE TO CUT YOU
17 OFF. SO WE'RE GOING TO SCHEDULE THIS FOR A
18 TELECONFERENCE ON AUGUST 30TH, TIME TO BE DETERMINED.

19 RICK, IS THERE ANYTHING -- YOU WANT TO JUST FINISH THIS
20 UP, AND THEN WE'LL TAKE PUBLIC COMMENTS, OR ARE YOU DONE?

21 SO WE'RE GOING TO MOVE TO THE FINAL PART OF THE
22 MEETING. ANYONE WHO WOULD LIKE TO MAKE PUBLIC COMMENTS,
23 I'D ASK YOU TO LIMIT YOURSELF TO THREE MINUTES OR LESS,
24 PREFERABLY LESS. ANYONE WISH TO COME UP AND MAKE PUBLIC
25 COMMENTS? GREAT. THANK YOU. MEETING IS ADJOURNED.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(THE MEETING WAS THEN ADJOURNED AT 6: 20

P. M.)

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

SHERATON GATEWAY HOTEL
BURLINGAME, CALIFORNIA
ON
THURSDAY, JULY 12, 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
BARRISTER' S REPORTING SERVICE
1072 S.E. BRISTOL STREET
SUITE 100
SANTA ANA HEIGHTS, CALIFORNIA
(714) 444-4100