

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: 210 KING STREET
SAN FRANCISCO, CALIFORNIA

DATE: MONDAY, JULY 30, 2007
9 A.M.

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

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; MONDAY, JULY 30, 2007

2 9 A.M.

3

4 MR. KELLER: SINCE WE HAVE ON THE TELEPHONE AND
5 PRESENT HERE A QUORUM, I'D LIKE TO ASK THE CHAIRMAN TO
6 CALL THE MEETING TO ORDER.

7 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
8 FACILITIES WORKING GROUP OF THE CALIFORNIA INSTITUTE FOR
9 REGENERATIVE MEDICINE --

10 MR. KELLER: DAVE, WE'RE HAVING A HARD TIME
11 HEARING YOU. PLEASE SPEAK UP A BIT MORE.

12 CHAIRMAN LICHTENGER: I'D LIKE TO CALL THE
13 FACILITIES WORKING GROUP OF THE CALIFORNIA INSTITUTE OF
14 MEDICINE TO ORDER. RICK, COULD YOU CALL THE ROLL.

15 MR. KELLER: YES. MARCY FEIT.

16 MS. FEIT: HERE.

17 MR. KELLER: ED KASHIAN.

18 MR. KASHIAN: HERE.

19 MR. KELLER: ROBERT KLEIN.

20 MR. KLEIN: HERE.

21 MR. KELLER: STUART LAFF.

22 MR. LAFF: HERE.

23 MR. KELLER: DAVID LICHTENGER.

24 CHAIRMAN LICHTENGER: HERE.

25 MR. KELLER: JOAN SAMUELSON. DAVID

BARRISTERS' REPORTING SERVICE

1 SERRANO-SEWELL.

2 VICE CHAIR SERRANO-SEWELL: HERE.

3 MR. KELLER: JEFF SHEEHY.

4 MR. SHEEHY: HERE.

5 MR. KELLER: JANET WRIGHT.

6 WE HAVE SEVEN. WE HAVE SEVEN PRESENT, WHICH IS
7 A QUORUM. JANET WRIGHT ADVISED ME THAT SHE DID HAVE SOME
8 CLINICAL RESPONSIBILITIES THIS MORNING AND WOULD TRY TO
9 JOIN US BY 9:30.

10 CHAIRMAN LICHTENGER: WILL ANYONE ELSE BE
11 JOINING US, RICK?

12 MR. KELLER: MAYBE JOAN.

13 WITH THAT, DAVID, WITH YOUR PERMISSION, I'D
14 LIKE TO BEGIN THE AGENDA.

15 CHAIRMAN LICHTENGER: PLEASE.

16 MR. KELLER: TODAY THE MEETING IS TO CONSIDER
17 ITEMS THAT WERE CARRIED OVER FROM THE LAST MEETING OF THE
18 FACILITIES WORKING GROUP RELATIVE TO TWO ISSUES ON THE
19 LARGE FACILITIES GRANT RFA 07-03. THOSE TWO SPECIFIC
20 ISSUES DEAL WITH THE CRITERIA, DEFINITIONS, EVALUATION
21 CRITERIA, AND SCORING TO BE USED BY THE FACILITIES
22 WORKING GROUP THAT NEEDS TO BE ADOPTED BY THIS GROUP AND
23 RECOMMENDED TO THE ICOC FOR ACTION AT THEIR AUGUST 8TH
24 MEETING.

25 SECONDLY IS THE ACTION BY THIS COMMITTEE ON THE

BARRISTERS' REPORTING SERVICE

1 SAME RFA TO APPROVE THE PROCESS FOR REVIEW AND RECOMMEND
2 IT TO THE ICOC.

3 I'VE PROVIDED A SET OF SLIDES, WHICH IS AN
4 EXTRACT WITH SOME MINOR ADJUSTMENTS FROM OUR MEETING
5 EARLIER THIS MONTH. I WANT TO KIND OF REVIEW HOW I'VE
6 SET THESE UP. WE HAVE THE FIVE CATEGORIES THAT WERE
7 ADOPTED AT THE LAST MEETING AND THE POINTS THAT WERE
8 ASSIGNED TO EACH CATEGORY.

9 FOR EACH OF THOSE CATEGORIES OR CRITERIA, WE
10 ADOPTED -- OR THE FACILITIES WORKING GROUP WORKED OUT A
11 DEFINITION. AND AFTER THE MEETING AND WITH INPUT FROM
12 THE APPLICANTS WHO ATTENDED AN INTERESTED PARTY AND INPUT
13 FROM THE PUBLIC ON JULY 25TH, WE PREPARED --

14 MS. SAMUELSON: JOAN HERE.

15 MR. KELLER: HELLO, JOAN. THANK YOU. WE'RE
16 JUST BEGINNING, AND I'M BEGINNING ON SLIDE 4.

17 MS. SAMUELSON: OKAY.

18 MR. KELLER: GETTING TO SCORING. AND SO FOR
19 EACH OF THESE CRITERIA, I'VE PREPARED A SLIDE THAT SHOWS
20 FOR EACH CRITERIA THE DEFINITION, EVALUATION STANDARD
21 THAT WOULD BE USED BASED ON THE INPUT THAT WE'VE
22 RECEIVED. SO IF I COULD -- MY INTENTION WOULD BE TO STEP
23 THROUGH THESE FAIRLY QUICKLY BECAUSE YOU'VE HAD THE
24 OPPORTUNITY TO DEVELOP THESE AND UNDERSTAND THE CRITERIA
25 AND WORKED ON THE DEFINITION. AND WE HAVE SOME MINOR --

BARRISTERS' REPORTING SERVICE

1 IF THERE'S ANY SORT OF MODIFICATIONS, THE MEMBERS SHOULD
2 ADVISE ME THAT YOU WANT TO DISCUSS THAT. SO WE'LL GO
3 THROUGH EACH CATEGORY IN THAT FASHION. IS THERE ANY
4 QUESTIONS?

5 ALL RIGHT. WITH THAT, I'LL BEGIN FIRST GOING
6 TO SLIDE 5 ON THE DEFINITION OF VALUE. THIS WAS WORKED
7 OUT AT THE LAST MEETING. THE INTERESTED PARTY MEETING
8 BROUGHT UP SOME INTERESTING -- COUPLE ISSUES RELATIVE TO
9 VALUE. THEY MAINLY DEAL WITH THE NATURE OF THE DETAIL
10 FOR THE COST ESTIMATE, AND WE BELIEVE THAT WE CAN HANDLE
11 THAT THROUGH LANGUAGE WITHIN THE RFA THAT WILL CLARIFY
12 THAT POINT. AND THE OTHER ISSUE THAT I THINK BEARS SOME
13 DISCUSSION AT THIS TIME BY THE WORKING GROUP WOULD BE
14 THAT AT YOUR LAST MEETING YOU ADOPTED THE NOTION THAT THE
15 VALUE CATEGORY WOULD ALSO ADDRESS SPECIAL FEATURES. AND
16 THERE WAS SOME DISCUSSION AT THAT INTERESTED PARTIES
17 MEETING THAT IT WOULD BE HELPFUL TO HAVE A BETTER
18 UNDERSTANDING OF WHAT THOSE SPECIAL FEATURES MIGHT BE AND
19 HOW THE SCORING WOULD DEAL WITH THOSE SPECIAL FEATURES.

20 SO WITH THAT --

21 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE A
22 SUGGESTION THAT IF ALL MEMBERS --

23 (TELEPHONE INTERFERENCE.)

24 CHAIRMAN LICHTENGER: WHAT I SUGGESTED IS THAT
25 SOMEONE ON THE CALL VIA PHONE, THEY SHOULD MUTE THEIR

BARRISTERS' REPORTING SERVICE

1 PHONE UNLESS THEY' RE SPEAKING.

2 MS. SAMUELSON: DID THAT TAKE CARE OF IT? MINE
3 WAS ON THE SPEAKER.

4 CHAIRMAN LICHTENGER: IF YOU' RE NOT ACTUALLY
5 SPEAKING AND YOU' RE ON VIA PHONE, IF YOU COULD MUTE YOUR
6 PHONE. THAT WAY WE DON' T HAVE ANY BACKGROUND NOISE.

7 MR. KELLER: SO I GUESS THE QUESTION ON THE
8 TABLE IS A BIT OF CLARIFICATION ON SPECIAL FEATURES AND
9 FOLLOW-UP TO THE LAST MEETING.

10 CHAIRMAN LICHTENGER: DO ANY MEMBERS HAVE ANY
11 COMMENTS ABOUT WHAT SORT OF SPECIAL FEATURES WE WOULD
12 CONSIDER ALLOWING UP TO FIVE POINTS UNDER VALUE?

13 MR. KLEIN: DAVID, THIS IS BOB KLEIN. AND THE
14 QUESTION IS WHY ARE WE NECESSARILY STARTING WITH THAT
15 POINT? UNDER INNOVATION AND SUSTAINABILITY, WHICH IS THE
16 POINT ABOVE THAT, CAN WE MAKE A COMMENT ON THAT CATEGORY
17 AS WELL?

18 CHAIRMAN LICHTENGER: SURE.

19 MR. KLEIN: WELL, I THINK THAT GIVEN A STATE
20 THIS SIZE, THE CAPACITY FOR INNOVATION IS BROADER THAN
21 JUST BEING CERTIFIED UNDER THE U. S. GREEN BUILDING
22 STANDARDS. AND SO WE SHOULD PROVIDE THAT THEY CAN GET
23 FULL POINTS FOR MEETING THE EQUIVALENT OF CERTIFIED UNDER
24 U. S. GREEN BUILDING STANDARDS OR THE EQUIVALENT VALUE IN
25 COMPARABLE INNOVATIONS/SUSTAINABILITY OR VALUE CREATION

BARRISTERS' REPORTING SERVICE

1 BECAUSE I DON'T KNOW, FOR EXAMPLE, UNDER THE U. S. GREEN
2 BUILDING STANDARDS, IF YOU PUT ENOUGH SOLAR PANELS IN,
3 THAT YOU ARE CARBON NEUTRAL AND SELF-SUSTAINING IN TERMS
4 OF ELECTRICITY, IF YOU GET FULL POINTS. LORI'S NODDING
5 AND TELLING ME THAT YOU WOULD, BUT THERE'S JUST SUCH A
6 BROAD RANGE OF INNOVATION, WE DON'T WANT TO BOX OURSELVES
7 IN. WE WANT TO BE ABLE TO HAVE THE DISCRETION THAT IF
8 THERE'S EQUIVALENT VALUE OF COMPARABLE INNOVATION OF
9 SUSTAINABILITY OR VALUE CREATION, THAT WE CAN GIVE FULL
10 POINTS FOR SOMETHING THAT WE HAVE NOT INDIVIDUALLY
11 IMAGINED AT THIS POINT.

12 CHAIRMAN LICHTENGER: STUART, WOULD YOU COMMENT
13 ON THAT?

14 MR. KELLER: I THINK THE ISSUE WOULD BE HOW WE
15 WOULD BE ABLE TO MEASURE THAT IF WE'RE CREATING A NEW
16 STANDARD OR EQUIVALENT STANDARD TO ONE THAT IS PUBLISHED
17 AND UNDERSTOOD BY THE INDUSTRY. WE COULD CERTAINLY USE
18 THE WORDS "OR EQUIVALENT" IN THIS, BUT I'M CONCERNED
19 ABOUT OUR ABILITY TO MAKE A JUDGMENT THAT WOULD BE FAIR
20 TO ALL THE PARTICIPANTS IF WE HAVE THOSE THAT MEET A
21 SPECIFIC CRITERIA RELATIVE TO THE GREEN BUILDING STANDARD
22 AND OTHERS POSE WHAT WOULD BE AN EQUIVALENT INNOVATION.

23 I CERTAINLY AGREE WITH THE OBJECTIVE OF KEEPING
24 IT WIDE, AS BROAD AS POSSIBLE. MY ONLY CONCERN IS I WANT
25 TO MAKE SURE THAT WE HAVE --

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: JEFF, IF YOU COULD MUTE YOUR PHONE.

2 CHAIRMAN LICHTENGER: JEFF, CAN YOU HEAR US?

3 MR. SHEEHY: HELLO.

4 CHAIRMAN LICHTENGER: CAN YOU MUTE THE PHONE
5 WHEN YOU' RE -- WE' RE HEARING YOUR BACKGROUND
6 CONVERSATION.

7 MR. SHEEHY: OKAY.

8 VICE CHAIR SERRANO-SEWELL: ON THIS ISSUE I
9 THINK IT' S IMPORTANT THAT WE GIVE SERIOUS THOUGHT TO
10 BOB' S SUGGESTION AND ALLOW THE APPLICANT TO PROVIDE SOME
11 EQUIVALENCY. I KNOW THAT THE LOCAL BUILDING CODE ALLOWS
12 FOR THAT HERE IN SAN FRANCISCO BECAUSE OF THE UNIQUE
13 BUILDING ENVIRONMENT THAT WE' RE IN. SO IT' S INCUMBENT ON
14 THE APPLICANT TO COME UP WITH SOMETHING THAT' S
15 EQUIVALENT.

16 BUT IT DOES PUT A GREATER BURDEN ON STAFF
17 BECAUSE THEY HAVE TO MAKE THE JUDGMENT, WELL, IF IT' S NOT
18 MEETING THE CERTIFIED STANDARD HERE, THEN IS IT, INDEED,
19 EQUIVALENT. AND THAT WILL REQUIRE MORE WORK ON STAFF' S
20 PART.

21 MR. KELLER: I THINK IT ALSO MEANS THAT A
22 JUDGMENT IS COMING DOWN FROM THE COMMITTEE AS WELL, AND
23 THAT' S CERTAINLY WITHIN YOUR PURVIEW TO DECIDE THAT YOU
24 ALL CAN DECIDE WHAT IS EQUIVALENT. BUT I WOULD BE
25 HARD-PRESSED TO BE -- I DON' T HAVE TO CREATE AN

BARRISTERS' REPORTING SERVICE

1 ENGINEERING OR A YARDSTICK THAT WOULD HELP ON THAT.

2 VICE CHAIR SERRANO-SEWELL: IF IT'S AN
3 EQUIVALENCY, THEN IT WOULD BE INCUMBENT ON THE APPLICANT
4 TO DEMONSTRATE TO STAFF THAT THIS IS INDEED EQUIVALENT.
5 THEY JUST CAN'T MAKE THAT STATEMENT ON THE APPLICATION.
6 THEY HAVE TO REALLY DEMONSTRATE IT.

7 MR. KLEIN: ON FUNCTIONALITY AND SHARED
8 RESOURCES AND IN URGENCY, WE'RE GOING TO MAKE A LOT OF
9 SUBJECTIVE DECISIONS. SO THIS IS NOT ATYPICAL. THE
10 COMMITTEE HAS A BROAD COMPOSITION IN TERMS OF THE
11 MEMBERSHIP IN ORDER TO BE ABLE TO HAVE DISCUSSIONS AND
12 MAKE SUBJECTIVE DECISIONS.

13 VICE CHAIR SERRANO-SEWELL: I AGREE, BUT I
14 DON'T WANT TO ADD "OR EQUIVALENCY" TO EVERYTHING. ONLY
15 IN AREAS WHERE IT'S NECESSARY.

16 MS. FEIT: I'D LIKE TO MAKE A COMMENT. IN THE
17 NOTES FROM THE MEETINGS THAT WERE HELD WITH THE
18 INTERESTED PARTIES, I NOTICED THERE WAS QUITE A BIT OF
19 DISCUSSION REGARDING NICHE PLAYERS AND SMALLER
20 INSTITUTIONS THAT WOULD BE SMALL CENTERS OF EXCELLENCE
21 AND THEIR ABILITY TO COMPETE WITH THE LARGER
22 ORGANIZATIONS, SUCH AS UCSF, WHO HAS A POLICY ABOUT GREEN
23 FACILITIES. I JUST WANT TO MAKE SURE THAT WE'RE NOT
24 MAKING IT DOUBLY DIFFICULT FOR THOSE NICHE PLAYERS TO
25 PARTICIPATE.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: THEY'RE GOING TO BE COMPETING IN A
2 SEPARATE CATEGORY, SO THEY WOULDN'T BE COMPETING AGAINST
3 UC SAN FRANCISCO.

4 MS. FEIT: I'M SORRY. I MISSED THE LAST
5 MEETING, SO I WASN'T AWARE OF THAT. THANK YOU.

6 CHAIRMAN LICHTENGER: IS STUART LAFF ON THE
7 PHONE?

8 MR. LAFF: YES.

9 CHAIRMAN LICHTENGER: STUART, WHAT'S YOUR
10 PERSPECTIVE ON THIS GREEN BUILDING STANDARD?

11 MR. LAFF: WELL, AS YOU CAN SEE, IT'S PRETTY
12 COMPLICATED. BUT THEY DO HAVE PRETTY SPECIFIC
13 REQUIREMENTS FOR GREEN BUILDINGS THAT ARE GOING TO GET
14 EITHER THE GOLD OR -- I GUESS, PLATINUM, GOLD, AND
15 SILVER. BUT THEY ALSO HAVE BELOW THAT A CATEGORY FOR
16 PEOPLE WHO ARE DOING A LOT OF THINGS TOWARDS A GREEN
17 BUILDING THAT DOES NOT QUALIFY THEM FOR THOSE THREE
18 LEVELS. DOES THAT MAKE SENSE TO YOU? AND SO THAT'S
19 WHERE SOME SUBJECTIVITY IS GOING TO COME IN ON THE
20 COMMITTEE'S PART, I THINK, IN SAYING IS THAT ENOUGH.

21 MR. KELLER: AND, STUART, WHAT WE'VE USED IN
22 THE LANGUAGE IS THAT IT'S CERTIFIED. IT JUST MEETS THE
23 THRESHOLD OF THE GREEN BUILDING STANDARD WITHOUT REGARD
24 TO THE LEVEL BEING IT PLATINUM OR SILVER OR THE THIRD
25 ECHELON BEING CERTIFIABLE. SO WE'VE JUST SAID THAT THE

BARRISTERS' REPORTING SERVICE

1 BAR IS A SINGLE BAR OF MEETING CERTIFIED; AND IF YOU WANT
2 TO GO BEYOND THAT, THAT'S CERTAINLY UP TO THE APPLICANT
3 TO DO THAT AT THE DISCRETION OF THE APPLICANT, BUT FOR
4 PURPOSES OF CIRM, THE POINTS WOULD BE BASICALLY
5 ESTABLISHED ON CERTIFIED.

6 MR. LAFF: OKAY. BUT WHAT I'M SAYING TO YOU IS
7 A GROUP COULD DO THREE THINGS WHICH ARE VERY SIGNIFICANT
8 TOWARDS A GREEN BUILDING, BUT AREN'T GOING TO QUALIFY YOU
9 FOR THAT. AND THOSE ARE THE GROUPS THAT I THINK YOU'RE
10 GOING TO HAVE TO HAVE SOME SUBJECTIVITY TO.

11 MR. KLEIN: RIGHT. AND WE HAVE THE OPTION BOTH
12 WAYS OF MEETING THIS IF WE SAY OR THE EQUIVALENT VALUE
13 AND COMPARABLE INNOVATION/SUSTAINABILITY.

14 MR. CHAIRMAN, I THINK WE'VE HAD A SIGNIFICANT
15 AMOUNT OF DISCUSSION ON THIS. COULD WE JUST REACH A
16 CONCLUSION ON THIS ITEM AND MOVE TO THE NEXT ITEM?

17 CHAIRMAN LICHTENGER: I'M COMFORTABLE IF
18 SOMEONE WANTS TO MAKE A MOTION THAT HAS THE LANGUAGE RICK
19 HAS PROPOSED. I'LL PROPOSE IT. DO I HAVE A SECOND?

20 MR. KLEIN: I'LL SECOND IT.

21 CHAIRMAN LICHTENGER: RICK, DO YOU WANT TO
22 CALL --

23 MR. KASHIAN: I'M SORRY. I DIDN'T HEAR THE
24 MOTION.

25 MR. KLEIN: THE MOTION IS TO ADD AFTER

BARRISTERS' REPORTING SERVICE

1 U.S. GREEN BUILDING STANDARDS OR THE EQUIVALENT VALUE AND
2 COMPARABLE INNOVATION/SUSTAINABILITY.

3 MS. PACHTER: CHAIRMAN LICHTENGER, THIS IS
4 TAMAR PACHTER. I MIGHT SUGGEST, GIVEN THE TIME THAT YOU
5 HAVE AVAILABLE TO YOU TODAY, THAT YOU COULD DISCUSS ALL
6 THE ITEMS AND THEN ENTERTAIN A SINGLE MOTION TO DEAL WITH
7 ALL OF THEM.

8 CHAIRMAN LICHTENGER: I THINK THAT WOULD BE
9 GREAT. RICK, CAN WE JUST KEEP --

10 MR. KLEIN: JUST, TAMAR, I WOULD SUGGEST,
11 BECAUSE THESE ARE ADDITIVE AND WE WON'T KNOW WHAT
12 POSITIONS WE'VE TAKEN, I THINK IT WOULD BE BETTER TO HAVE
13 DISCRETE COMPONENTS TO THIS IF WE CAN.

14 MS. PACHTER: IF YOU WISH YOU CAN.

15 CHAIRMAN LICHTENGER: THAT'S FINE. SO WE
16 HAVE -- THE MOTION IS, RICK, AS STATED. I PROPOSE THAT
17 WE HAVE A SECOND. YOU WANT TO CALL THE ROLL ON THIS,
18 RICK.

19 MR. KELLER: YES. MARCY FEIT.

20 MS. FEIT: YES.

21 MR. KELLER: ED KASHIAN.

22 MR. KASHIAN: YES.

23 MR. KELLER: ROBERT KLEIN.

24 MR. KLEIN: YES.

25 MR. KELLER: STUART LAFF.

BARRISTERS' REPORTING SERVICE

1 MR. LAFF: YES.

2 MR. KELLER: JEFF SHEEHY.

3 MR. SHEEHY: YES.

4 MR. KELLER: DAVID SERRANO-SEWELL.

5 VICE CHAIR SERRANO-SEWELL: YES.

6 MR. KELLER: DAVID LICHTENGER.

7 CHAIRMAN LICHTENGER: YES.

8 MS. SAMUELSON: JOAN SAMUELSON.

9 MR. KELLER: JOAN, I'M SORRY.

10 MS. SAMUELSON: YES.

11 MR. KELLER: THE MOTION CARRIES AND YOU CAN

12 MOVE TO THE NEXT ITEM.

13 CHAIRMAN LICHTENGER: SO, BOB, WE WERE TALKING

14 ABOUT THE SPECIAL FEATURES. SO WERE YOU PROPOSING --

15 MR. KLEIN: THEY ADDRESSED MY QUESTION ON THE
16 LAST ITEM. I DON'T HAVE A PARTICULAR POSITION ON SPECIAL
17 FEATURES.

18 CHAIRMAN LICHTENGER: I GUESS IF WE CAN'T COME
19 UP WITH A BETTER DEFINITION ON THIS ITEM, I WOULD PROPOSE
20 THAT WE ESSENTIALLY ROLL THESE POINTS UP INTO COST,
21 INNOVATION, SUSTAINABILITY, BUT I'M TOTALLY OPEN ON THIS.
22 CAN I GET SOME COMMENTS?

23 MS. SAMUELSON: WE MIGHT JUST LEAVE THIS IN
24 ABEYANCE UNTIL WE'VE MOVED FURTHER INTO THE AGENDA OR TO
25 THE END OF IT. IT SEEMS TO ME THERE MAY BE SOME OTHER

BARRISTERS' REPORTING SERVICE

1 ITEMS LIKE THIS WHERE WE DON'T WANT TO ROB PETER TO PAY
2 PAUL IN TERMS OF WHAT WE CONSIDER MOST IMPORTANT AMONG
3 THE CRITERIA. AND THERE MIGHT BE SOME LANGUAGE TO THAT
4 EFFECT SAYING, ASIDE FROM HOW WE RATE IT, TELLING THEM
5 THAT WE DON'T INTEND THESE BUILDINGS TO BE, FOR EXAMPLE,
6 GREEN ABOVE AND BEYOND ALL OTHER CRITERIA.

7 CHAIRMAN LICHTENGER: JOAN, I GUESS THE
8 QUESTION IS WHAT SPECIAL FEATURES ARE WE TALKING ABOUT IF
9 WE'VE ALREADY ADDRESSED THE GREEN BUILDING ISSUE?

10 MR. KLEIN: WHAT HAPPENS IF YOU'RE ABLE WITHIN
11 THIS SPACE TO CUT DOWN ON YOUR ADMINISTRATIVE LOAD IN
12 YOUR SPACE, OR WHAT HAPPENS IF YOUR COMMON AREA LOAD IS
13 MUCH LOWER, SO YOU HAVE MORE SPACE EFFECTIVELY IN THE
14 RESEARCH AREA? WHAT HAPPENS IF, IN FACT, THE WAY THAT
15 YOU'VE LAID OUT THE FACILITY, YOU GET MORE PI'S THAT CAN
16 SHARE A PARTICULAR LAB SPACE MORE EFFECTIVELY BECAUSE OF
17 BETTER DESIGN? HOW DO YOU TAKE THOSE ITEMS INTO
18 CONSIDERATION?

19 PERHAPS YOU CAN SAY THERE'S UP TO FIVE POINTS
20 IN THIS, BUT YOU'RE NOT COMMITTING YOURSELF TO AWARDING
21 THESE POINTS. YOU'RE TRYING TO CHALLENGE PEOPLE TO SHOW
22 HOW THEY CAN IMPROVE THE QUALITY OF WHAT WE'RE DOING
23 WITHOUT PENALIZING ANYONE.

24 VICE CHAIR SERRANO-SEWELL: THIS IS DAVID
25 SERRANO-SEWELL SPEAKING. I'LL ASK RICK. DO YOU THINK

BARRISTERS' REPORTING SERVICE

1 THIS IS SOMETHING QUANTIFIABLE IN THE SCORING PROCESS
2 THAT WE WILL BE ABLE TO IDENTIFY THESE ENHANCED
3 CAPABILITIES FOR DEVELOPMENT, OR WILL THAT TURN INTO
4 SOMETHING THAT WILL BE A HEADACHE FOR US DOWN THE ROAD?

5 MR. KELLER: I THINK WE ACTUALLY HAVE IN THE
6 FUNCTIONALITY CATEGORY THE ABILITY TO ASSESS THE
7 APPLICANT'S PROWESS IN ADDRESSING THOSE ISSUES THAT BOB
8 JUST MENTIONED IN TERMS OF BUILDING EFFICIENCIES AND
9 OTHER ISSUES. SO AT LEAST IN MY THINKING ABOUT HOW WE
10 ARE GOING TO ADDRESS THOSE THINGS, FUNCTIONALITY CARRIES
11 THE POINTS WHERE THAT WILL BE DONE. WE THOUGHT THAT
12 SPECIAL FEATURES WAS SOMETHING MUCH MORE DIFFERENT THAT
13 WAS PROGRAMMATICALLY BASED WHERE THERE MIGHT BE AN
14 ENHANCED CAPABILITY THAT WE'RE UNAWARE OF. MY SENSE IS
15 THAT THAT'S NOT THE CASE, AND THAT WE HAVE SUFFICIENT
16 FLEXIBILITY IN THE FUNCTIONAL CATEGORY TO ADDRESS ISSUES.

17 MR. KASHIAN: MR. CHAIRMAN, IN THE PRIOR
18 PARAGRAPH, IT WAS TWO ITEMS, WAS IT NOT, INNOVATION AND
19 SUSTAINABILITY? THE SPECIAL FEATURES FALL UNDER THE
20 CATEGORY INNOVATION AND IS A GOOD IDEA TO DIVIDE THESE
21 POINTS UP BETWEEN THOSE TWO ITEMS, OR ADD -- IN OTHER
22 WORDS, MAKE INNOVATION AND SUSTAINABILITY BOTH OF THEM UP
23 TO TEN POINTS. SPECIAL FEATURES IS NOTHING MORE THAN
24 INNOVATION FROM MY POINT OF VIEW.

25 CHAIRMAN LICHTENGER: CAN WE GET COMMENT FROM

BARRISTERS' REPORTING SERVICE

1 OTHER MEMBERS?

2 MS. FEIT: IS THIS THE AREA THAT WE WOULD
3 CONSIDER IF THE FACILITY IS BEING BUILT WITH A HIGHLY
4 COLLABORATIVE ENVIRONMENT SO THAT THERE'S A BIG
5 COLLABORATION OR CONSORTIUM? IS THIS THE AREA THAT WE
6 WOULD ADDRESS THAT?

7 CHAIRMAN LICHTENGER: NO, NOT NECESSARILY.

8 MR. KLEIN: WE HAVE A SHARED RESOURCES
9 CATEGORY, MARCY, THAT WOULD LOOK TO THAT ISSUE.

10 MS. FEIT: THANK YOU.

11 MR. KELLER: I WOULD ASK. MEMBER KASHIAN, WAS
12 THIS A MOTION TO MOVE THE FIVE POINTS OUT OF SPECIAL --

13 MR. KASHIAN: I WAS JUST TOSSING IT OUT FOR
14 DISCUSSION AMONG THE MEMBERS. IF THERE'S SOME
15 CONCURRENCE AMONG OTHERS, I WOULD MAKE THAT MOTION.

16 CHAIRMAN LICHTENGER: THAT MAKES SOME SENSE TO,
17 YOU KNOW, FROM MY PERSPECTIVE, TO PUT THE SPECIAL
18 FEATURES IN POINTS AND DIVIDE IT UP BECAUSE I DO --

19 MR. KELLER: COULD YOU SPEAK UP, DAVID? WE
20 DIDN'T HEAR.

21 CHAIRMAN LICHTENGER: I WOULD SUPPORT MEMBER
22 KASHIAN'S MOTION. I JUST WANT TO GET FEEDBACK FROM OTHER
23 MEMBERS.

24 MR. KLEIN: I THINK IT MAKES SOME SENSE TO DO
25 THAT BECAUSE IN TERMS OF CREATING VALUE IN CALIFORNIA, IF

BARRISTERS' REPORTING SERVICE

1 WE WANT TO CHALLENGE PEOPLE, IT'S AN INNOVATION AND
2 SUSTAINABILITY. WE WANT AS MANY GREAT IDEAS AS WE CAN
3 GARNER OUT THERE. SO WE CAN SPLIT THAT CATEGORY INTO TWO
4 SUBCATEGORIES, INNOVATION AND SUSTAINABILITY, EACH HAVING
5 FIVE POINTS.

6 CHAIRMAN LICHTENGER: SO COMMENTS ON BOB'S
7 SUGGESTION?

8 MS. SAMUELSON: I'M WONDERING IF THOSE AREN'T
9 SPECIAL FEATURES THEMSELVES THAT ARE SEPARATE FROM AN
10 OVERALL VALUE ASSESSMENT. DOES THAT MAKE SENSE?

11 VICE CHAIR SERRANO-SEWELL: PART OF THE
12 CHALLENGE I'M HAVING, CHAIRMAN, MAYBE JUST IT'S BECAUSE
13 OF THE HOUR OF THE MORNING, I JUST WANT TO MAKE SURE
14 WE'RE NOT LUMPING TWO DISTINCT CONCEPTS INTO ONE. IF IT
15 MAKES SENSE TO DO THAT, AND I HEAR THE CONSENSUS FROM THE
16 COMMITTEE, DAVID, IS I THINK TILTING IN THAT DIRECTION
17 FROM ED KASHIAN'S SUGGESTION. AND SO, DAVID, WE HAVE
18 MEMBERS OF THE PUBLIC HERE. IT MAY BE OF SOME BENEFIT ON
19 THIS ISSUE TO GET ANY COMMENTS FROM MEMBERS OF THE PUBLIC
20 ON THIS DISCRETE QUESTION. PERHAPS NOBODY WANTS TO
21 COMMENT; BUT IF YOU DO, THIS MIGHT BE AN OPPORTUNITY IF
22 YOU THINK THAT'S A GOOD IDEA, DAVID, JUST ON THIS
23 QUESTION.

24 CHAIRMAN LICHTENGER: NO. I THINK IT'S A GOOD
25 IDEA TO SEE IF THE PUBLIC HAS ANY IDEAS OF SPECIAL

BARRISTERS' REPORTING SERVICE

1 FEATURES THAT WE MAY HAVE MISSED. SO IF THE VICE CHAIR
2 COULD SPEARHEAD THIS FOR ME.

3 VICE CHAIR SERRANO-SEWELL: WE'RE AT THE CIRM
4 OFFICES. IS THERE ANY MEMBERS OF THE PUBLIC THAT WANTED
5 TO SAY ANYTHING ON THIS TOPIC, THAT OF SPECIAL FEATURES
6 BEING FOLDED INTO INNOVATION AND SUSTAINABILITY? IT
7 WOULD THEN BE A TEN-POINT CATEGORY WITHIN VALUE.

8 MS. SANTA CRUZ: MY NAME IS DANA. I'M WITH THE
9 OFFICE OF THE PRESIDENT, UC BERKELEY. I GUESS IT JUST
10 SEEMS LIKE WHAT'S THE DIFFERENCE BETWEEN SPECIAL FEATURES
11 VERSUS INNOVATION?

12 CHAIRMAN LICHTENGER: SPEAK UP, PLEASE.

13 MR. KLEIN: THIS WAS DANA FROM OFFICE OF THE
14 PRESIDENT AT BERKELEY, AND SHE WAS SAYING WHAT'S THE
15 DIFFERENCE BETWEEN SPECIAL FEATURES AND INNOVATION. AND
16 WHAT I HEARD ED KASHIAN SAYING IS WE SPLIT THAT CATEGORY,
17 SO INNOVATION GET FIVE POINTS, SUSTAINABILITY GETS FIVE
18 POINTS.

19 SO SUSTAINABILITY COULD BE YOU'VE GOT MORE COST
20 BECAUSE YOU'VE USED MATERIALS THAT HAVE VERY LOW
21 MAINTENANCE COST AND, THEREFORE, THIS HELPS BALANCE OFF
22 USING VERY HIGH QUALITY MATERIALS THAT HAVE VERY LOW
23 LONG-TERM MAINTENANCE COST, FOR EXAMPLE. THAT'S A
24 SUSTAINABILITY ISSUE THAT YOU'VE GOT POINTS THAT CAN HELP
25 BALANCE THE COST OF INVESTING. OR YOU COULD HAVE GOTTEN

BARRISTERS' REPORTING SERVICE

1 EQUIPMENT THEORETICALLY WITH TEN-YEAR WARRANTIES UNDER
2 SOME INNOVATIVE PROGRAM THAT WOULD REDUCE YOUR LONG-TERM
3 COST, BUT IT WOULD INCREASE YOUR UP-FRONT COST, AND YOU
4 NEED THOSE POINTS TO OFFSET THAT KIND OF INVESTMENT
5 APPROACH.

6 MR. O'REAR: RALPH O'REAR, BUCK INSTITUTE. I
7 THINK IT'S A GOOD IDEA TO ROLL THE SPECIAL FEATURES UP
8 INTO THE INNOVATION AND SUSTAINABILITY AND CREATE THE TEN
9 POINTS. IN SOME WAYS IT CLARIFIES SOME OF THE ASPECTS WE
10 WOULD NEED TO DEAL WITH AS AN APPLICANT.

11 VICE CHAIR SERRANO-SEWELL: THANK YOU.

12 MR. KLEIN: FOR THE BENEFIT OF THE OTHERS, MR.
13 VICE CHAIR, DO YOU NEED TO SUMMARIZE WHAT HE JUST SAID?

14 VICE CHAIR SERRANO-SEWELL: THE GENTLEMAN FROM
15 THE BUCK INSTITUTE WAS SUPPORTIVE OF THE NOTION TO ROLL
16 SPECIAL FEATURES INTO INNOVATION/SUSTAINABILITY.

17 MR. COFFMAN: LOUIS COFFMAN FROM THE SAN DIEGO
18 CONSORTIUM. MY QUESTION IS THE INNOVATION/SUSTAINABILITY
19 AS IT'S CURRENTLY DEFINED, YOU GET FULL POINTS FOR
20 MEETING GREEN. IF WE MOVE THE FIVE POINTS UP HERE, DOES
21 THAT MEAN TEN POINTS FOR GREEN, OR WILL WE HAVE TO DEFINE
22 INNOVATION? I THINK THAT'S SIMILAR TO WHAT DANA WAS
23 ASKING BEFORE. I THINK SUSTAINABILITY ADDRESSES GREEN
24 BECAUSE YOU GET FULL POINTS FOR THAT. IF WE'RE GOING TO
25 MOVE IT UP, AND I WHOLLY SUPPORT MOVING IT UP TO SPECIAL

BARRISTERS' REPORTING SERVICE

1 FEATURES BECAUSE IT'S AMBIGUOUS AND VAGUE, I THINK WE
2 NEED TO FIND, TO THE POINT YOU MADE EARLIER ON, MR.
3 KLEIN, THOSE ARE EXCELLENT EXAMPLES OF INNOVATION. I
4 THINK THEY HAVE TO CLEARLY BE DEFINED.

5 VICE CHAIR SERRANO-SEWELL: THAT WAS AN
6 ARGUMENT IN SUPPORT, BUT WITH A CLEAR DEFINITION FOR
7 SPECIAL FEATURES.

8 MR. COFFMAN: OF INNOVATION.

9 MR. VENTRESCO: I WOULD AGREE WITH THAT, BUT I
10 WOULD ALSO SUGGEST PERHAPS AGGREGATING -- JOHN VENTRESCO
11 FROM UC BERKELEY. I WOULD SUGGEST AGGREGATING THE
12 SPECIAL FEATURES AND INNOVATION INTO ONE CATEGORY AND
13 SUSTAINABILITY WHICH IS MORE CLEARLY DEFINED.

14 VICE CHAIR SERRANO-SEWELL: THAT WAS WHAT YOU
15 SAID, BOB, ISN'T IT, SORT OF?

16 MR. KLEIN: MY INTERPRETATION OF THE COMMENT
17 THAT WAS MADE IS THAT I THINK ED KASHIAN'S VIEW WAS MOVE
18 SPECIAL FEATURES UP, COMBINE IT WITH INNOVATION, AND
19 SPLIT SUSTAINABILITY INTO A SEPARATE CATEGORY, SO YOU
20 HAVE INNOVATION, SPECIAL FEATURES, AND SUSTAINABILITY AS
21 A SEPARATE CATEGORY. EACH HAVE FIVE POINTS.

22 VICE CHAIR SERRANO-SEWELL: RIGHT.

23 MR. SHEEHY: AND THEN THE GREEN BUILDING
24 STANDARD, YOU WOULD GET THE TOTAL FIVE POINTS FOR
25 SUSTAINABILITY.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: FOR SUSTAINABILITY.

2 VICE CHAIR SERRANO-SEWELL: OR EQUIVALENT.

3 MR. KLEIN: AND I WOULD ALSO SAY, THOUGH, UNDER
4 INNOVATION/SPECIAL FEATURES, IT IS WITH THE STATE WITH AS
5 MUCH CREATIVITY AS CALIFORNIA, IT IS VERY DIFFICULT TO
6 DEFINE SPECIAL FEATURES/INNOVATION. I THINK YOU'RE GOING
7 TO HAVE SOME SUBJECTIVITY THERE FOR COMMITTEE DISCUSSION
8 BECAUSE IT COULD BE A BROAD RANGE OF THINGS THAT WE JUST
9 FLAT HAVEN'T ANTICIPATED. AND WE'RE TRYING TO SOLICIT
10 INNOVATION AND IDEAS FROM THE STATE AND THE INSTITUTIONS
11 THAT ARE IN THE STATE.

12 CHAIRMAN LICHTENGER: SO DO WE HAVE A MOTION TO
13 MAKE A SEPARATE CATEGORY FOR INNOVATION/SPECIAL FEATURES
14 UP TO FIVE POINTS?

15 MR. KLEIN: I'LL MAKE A MOTION THAT WE MOVE
16 SPECIAL FEATURES UP AND JOIN IT WITH INNOVATION, AND IT
17 HAVE FIVE POINTS, AND SUSTAINABILITY HAVE FIVE POINTS
18 WITH, AS JEFF SAID, THE SUSTAINABILITY CATEGORY WILL
19 RELATE TO THE GREEN BUILDING STANDARDS OR THE EQUIVALENT
20 AS PREVIOUSLY DISCUSSED. SO WE'RE SPLITTING IT INTO TWO
21 CATEGORIES UNDER THIS MOTION.

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

24 CHAIRMAN LICHTENGER: CALL ROLL, RICK, PLEASE.

25 MR. KLEIN: PUBLIC DISCUSSION MIGHT BE IN

BARRISTERS' REPORTING SERVICE

1 ORDER, MR. CHAIRMAN.

2 CHAIRMAN LICHTENGER: OKAY. ANY MEMBERS OF THE
3 PUBLIC THAT WISH TO COMMENT ON THIS CHANGE?

4 MS. NOLTA: JAN NOLTA, UC DAVIS. I AGREE WITH
5 THAT BECAUSE IT WILL MAKE IT MUCH EASIER FOR US TO
6 PREPARE THE APPLICATION.

7 VICE CHAIR SERRANO-SEWELL: ANY OTHER COMMENTS?
8 SEEING NONE, I THINK IT'S TIME FOR ROLL CALL.

9 MR. KELLER: YES. MARCY FEIT.

10 MS. FEIT: YES.

11 MR. KELLER: ED KASHIAN.

12 MR. KASHIAN: YES.

13 MR. KELLER: ROBERT KLEIN.

14 MR. KLEIN: YES.

15 MR. KELLER: STUART LAFF.

16 MR. LAFF: YES.

17 MR. KELLER: JOAN SAMUELSON.

18 MS. SAMUELSON: YES.

19 MR. KELLER: JEFF SHEEHY.

20 MR. SHEEHY: YES.

21 MR. KELLER: DAVID SERRANO-SEWELL.

22 VICE CHAIR SERRANO-SEWELL: YES.

23 MR. KELLER: DAVID LICHTENGER.

24 CHAIRMAN LICHTENGER: YES.

25 MR. KELLER: MOTION CARRIES.

BARRISTERS' REPORTING SERVICE

1 WITH THAT, I THINK WE'VE EXHAUSTED THE ISSUES
2 ON VALUE.

3 WE HAVE FOUR MORE CATEGORIES. I'M SENSITIVE TO
4 THE AMOUNT OF TIME YOU HAVE AVAILABLE TO GET ALL THE WAY
5 THROUGH THESE AND TO THE PROCESS ISSUES. SO WE'LL JUST
6 MENTION THAT WE'LL TRY TO GO AS QUICKLY AS WE CAN.

7 THE NEXT ITEM IS LEVERAGE. AND THE DEFINITION
8 THAT WAS WORKED OUT AT THE LAST MEETING DEALT WITH HOW
9 THE COSTS THAT ARE IN -- TO SUMMARIZE, WE HAD AGREED THAT
10 MATCHING FUNDS WOULD BE 20 PERCENT OF THE CIRM GRANT AND
11 THAT THE AMOUNT IN EXCESS OF THAT WOULD BE CONSIDERED
12 LEVERAGE, AND THAT COULD ALSO INCLUDE CAPITALIZED PROJECT
13 COST AND PURCHASE OF LAND AND/OR BUILDINGS WITH A
14 10-PERCENT LIMIT ON ADMINISTRATIVE COSTS.

15 FOR PURPOSES OF THE EVALUATION STANDARD, THE
16 EXAMPLE THAT I GAVE ON SLIDE 9 IS THAT WE WOULD SIMPLY
17 TAKE THE APPLICANT'S CALCULATION OF WHAT THEY WOULD TERM
18 LEVERAGE AND DIVIDE THAT BY THE CIRM FUNDING TO COME UP
19 WITH A RATIO. WE WOULD INCLUDE IN THE RFA EXAMPLES OR A
20 TEMPLATE THAT COULD BE FILLED OUT BY THE APPLICANT THAT
21 WOULD ALLOW THEM TO BASICALLY PREPARE THIS ANALYSIS ON A
22 UNIFORM BASIS. SO THAT'S HOW WE PERCEIVE IT.

23 SOME OF THE ISSUES THAT WERE BROUGHT UP AT THE
24 INTERESTED PARTIES MEETING WERE THAT WE NEEDED TO CLEARLY
25 UNDERSTAND WHAT THE 10-PERCENT LIMIT ON OVERHEAD,

BARRISTERS' REPORTING SERVICE

1 ARCHITECTS, ENGINEERING, AND ADMINISTRATIVE COSTS IS, AND
2 WE CAN DO THAT IN THE RFA. THERE WAS A QUESTION WHETHER
3 OR NOT INTEREST ON BORROWED FUNDS WOULD BE CONSIDERED
4 LEVERAGE, AND WE BELIEVE THAT THAT WOULD NOT -- WE ARE OF
5 THE MIND THAT IT IS NOT TO BE INCLUDED.

6 AND AN ISSUE THAT HAS COME UP RELATIVE TO
7 LEVERAGE, AND THE DEFINITION OF LEVERAGE IS THAT WE HAVE
8 STATED AND THE REQUIREMENTS ARE THAT THE MATCHING FUNDS
9 CAN ONLY BE SPENT AFTER THE NOTICE OF GRANT AWARD.
10 THEREFORE, EVERYTHING THAT'S SPENT ON THE PROJECT BY THE
11 APPLICANT PRIOR TO NOTICE OF GRANT AWARD COULD BE
12 LEVERAGE, BUT COULD NOT BE CONSIDERED PART OF THE
13 MATCHING FUNDS.

14 NOW, THERE MAY BE AS MUCH AS A SEVEN-MONTH LAG
15 BETWEEN ICOC APPROVAL OF THE LARGE FACILITIES GRANT
16 PROGRAM AND THE ACTUAL ISSUANCE OF THE NOTICE OF GRANT
17 AWARD. THEREFORE, IT MAY BEHOVE US TO PROMPT MORE
18 ACCELERATED PLANNING OF THESE PROJECTS AND TO ALLOW THE
19 APPLICANTS THE ABILITY TO COUNT THEIR EXPENDITURES ON
20 PLANNING ACTIVITIES FROM THE TIME OF THE ICOC APPROVAL,
21 WHICH WOULD BE SEVEN MONTHS SOONER THAN SAY -- POSSIBLY
22 SEVEN MONTHS SOONER THAN, SAY, COUNTING MATCHING FUNDS
23 FROM THE NOTICE OF GRANT AWARD. SO THAT ACHIEVES AN
24 OBJECTIVE THAT WE HAVE HERE, WHICH IS TO ACCELERATE THE
25 BEST WE CAN. IS THAT CLEAR, OR ARE THERE QUESTIONS ABOUT

BARRISTERS' REPORTING SERVICE

1 THAT ISSUE?

2 MR. SHEEHY: COULD I, JUST TO CLARIFY, AND I'M
3 SURE WE'VE SAID THIS MANY TIMES, BUT I JUST WANT TO BE
4 PERFECTLY CLEAR. AND I HOPE AS PART OF YOUR TEMPLATE
5 MAYBE OR YOUR EXAMPLES THAT YOU MAY BE PROVIDING WITH THE
6 RFA, THAT THE FUNDS THAT ARE USED TO OFFSET THE COST, TO
7 LEAVE A NET COST, WILL BE CONSIDERED AS PART OF LEVERAGE
8 OR MATCHING, RIGHT?

9 MR. KELLER: FUNDS USED TO OFFSET --

10 MR. SHEEHY: YEAH. WE'VE ALWAYS HAD THIS IDEA
11 THAT IF, FOR INSTANCE, YOU WANT TO HAVE I. M. PEI OR
12 FRANK GEARY DESIGN YOUR BUILDING AND YOUR NET COST --
13 YOUR COSTS LOOKED VERY HIGH, THAT YOU CAN GET DONATIONS
14 TO DRIVE DOWN THAT NET COST. AND YOUR NET COST IS,
15 THEREFORE, LOWER, BUT THEN YOU CAN'T REAPPLY THOSE FUNDS
16 AS LEVERAGE OR MATCHING FUNDS.

17 MR. KELLER: THAT'S WHERE THE 10-PERCENT LIMIT
18 COMES INTO PLAY, JEFF, BECAUSE WE WOULD ONLY COUNT THE
19 ACTUAL HARD COSTS OF THE PROJECT PLUS A 10-PERCENT CAP ON
20 ARCHITECTS, ENGINEERING, AND ADMINISTRATIVE COSTS. SO
21 THAT KIND OF LEVELS THE PLAYING FIELD RELATIVE TO HOW
22 MUCH EFFORT GOES INTO THAT CATEGORY AND HOW MUCH COST.

23 MR. SHEEHY: I JUST USE THAT AS AN EXAMPLE. WE
24 DID PUT FORTH THE NOTION THAT INSTITUTIONS WANTED TO
25 KEEP, FOR WHATEVER REASON, THAT THERE WAS -- I BELIEVE WE

BARRISTERS' REPORTING SERVICE

1 TALKED ABOUT THIS, THAT THERE WAS A BALANCE HERE. AND
2 THAT IF YOU WANTED TO BE MORE COMPETITIVE ON COST, YOU
3 COULD DRIVE DOWN YOUR NET COST BY ASSUMING MORE OF THOSE
4 COSTS YOURSELF, BUT YOU COULDN'T THEN COME BACK AND SAY
5 WE HAVE A MUCH MORE EXPENSIVE BUILDING AND WE ALSO ARE
6 HIGHLY -- YOU COULDN'T COUNT BOTH PLACES, I GUESS. YOU
7 CAN EITHER USE IT TO GET A LOWER NET COST, OR YOU CAN USE
8 IT AS HIGHER LEVERAGE, BUT YOU COULDN'T USE IT AS HIGHER
9 LEVERAGE AND LOWER NET COST.

10 MR. KLEIN: JEFF, I THINK THAT THERE WAS A
11 DISCUSSION ON THAT IN TERMS OF IF YOU HAVE INSTITUTIONS
12 THAT ARE IN HIGHLY URBAN SITES THAT ARE EXPENSIVE, THAT
13 WE'RE FUNDAMENTALLY, BY NECESSITY, NEEDING TO GIVE THEM A
14 MAXIMUM INCENTIVE TO CREATE LEVERAGE. OTHERWISE, WE
15 WON'T HAVE ENOUGH MONEY TO REACH ALL OF OUR GOALS. AND
16 THAT WE WANT TO LOOK AT THIS AND TEST THIS IN TERMS OF
17 NET COST, BUT ALSO IN TERMS OF LEVERAGE. SO IN SOME
18 SENSES LEVERAGE IS BEING CONSIDERED IN TWO CATEGORIES,
19 BUT WE PUT A BUNCH OF LIMITATIONS ON THINGS THAT MIGHT
20 OTHERWISE DRIVE UP COST, AS RICK SAYS, LIMITING
21 ARCHITECTURE.

22 SO I THINK WE GOT TO THE POINT OF SAYING UNLESS
23 WE'RE ABLE TO LOOK AT THAT LEVERAGE IN BOTH CATEGORIES,
24 WE'RE GOING TO KNOCK OUT ALL OF OUR HIGHLY URBAN SITES IN
25 OUR OWN POINT SYSTEM BECAUSE WE'D OTHERWISE BE PENALIZING

BARRISTERS' REPORTING SERVICE

1 THEM IN TWO CATEGORIES. EVEN THOUGH THEY GOT LEVERAGE,
2 THEY' D BE SO PENALIZED IN OTHER CATEGORIES, THEY' D BE
3 KNOCKED OUT OF COMPETITION.

4 MR. KASHIAN: MR. CHAIRMAN.

5 CHAIRMAN LICHTENGER: GO AHEAD, ED.

6 MR. KASHIAN: I' D LIKE TO ASK BOB KLEIN A
7 QUESTION. IT SEEMS TO ME LIKE OUR GOAL IS TO GET THESE
8 PEOPLE UP AND RUNNING AS FAST AS POSSIBLE. WHAT' S THE
9 PURPOSE OF PENALIZING THEM BY USING SOME OF THEIR
10 MATCHING FUNDS AHEAD OF GETTING THE GRANT?

11 MR. KLEIN: I DON' T UNDERSTAND THAT POINT.
12 THAT' S A SEPARATE POINT THAT I' D LIKE TO ASK A QUESTION
13 ABOUT. IT' S MY UNDERSTANDING THAT THEY' RE SAYING THAT
14 YOU COULDN' T USE -- IF YOU SPENT FUNDS EARLIER, WHICH
15 WE' RE TRYING TO INCENTIVIZE, YOU JUST CAN' T USE THEM ON
16 THE 20-PERCENT MATCH, BUT YOU CAN USE THEM FOR LEVERAGE.

17 VICE CHAIR SERRANO-SEWELL: THE 20-PERCENT
18 MATCH HAS TO BE CASH.

19 MR. KASHIAN: CASH, REGARDLESS OF WHAT
20 PERCENTAGE IT IS, BECAUSE THE GREATER MATCH THEY HAVE AND
21 THE FASTER THEY GET GOING, THE MORE THAT WE CAN, I
22 INDIVIDUALLY, TEND TO GRADE THEM.

23 MR. KLEIN: I THINK THAT WHAT THEY WERE
24 SAYING --

25 MR. KASHIAN: WE' RE PENALIZING FOR EITHER.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: I UNDERSTAND THE POINT. JUST TO
2 CLARIFY, THOUGH, MY UNDERSTANDING IS THEY'RE SAYING THEY
3 JUST CAN'T HAVE SPENT THE LAST 20 PERCENT OF THE PROJECT
4 COST. SO THE PROJECT CAN'T BE TOTALLY COMPLETE SO THAT
5 THEY'RE TRYING TO ALLOW THEM TO MOVE AHEAD AS FAST AS
6 POSSIBLE. THEY'RE JUST GOING TO HAVE TO HAVE 20 PERCENT
7 CASH THAT'S AVAILABLE AFTER THE GRANT IS AWARDED TOWARDS
8 THE TOTAL PROJECT COST. SO YOU COULD ACCELERATE IT AND
9 BE WAY DOWN THE STREAM IN CONSTRUCTION, AND I'M NOT
10 EXACTLY SURE ON THE HISTORY OF THE 20 PERCENT, BUT IT
11 DOESN'T BOTHER ME BECAUSE THEY WON'T BE COMPLETE WITH THE
12 PROJECT. SO I THINK THEY'RE ALLOWED TO ACCELERATE.

13 VICE CHAIR SERRANO-SEWELL: LET ME JUST MAKE
14 ONE THING CLEAR IN MY HEAD. THE 20-PERCENT MATCHING
15 GRANT AS DEFINED IN PROP 71, WE DECIDED THAT WOULD HAVE
16 TO BE CASH. WE'RE NOT TALKING ABOUT THAT.

17 MR. KLEIN: RIGHT.

18 VICE CHAIR SERRANO-SEWELL: I'M COMFORTABLE
19 WITH THE DEFINITION AS PROVIDED. I THINK IT GIVES
20 GUIDANCE TO THE APPLICANTS. IT'S ACROSS THE BOARD. IT'S
21 FAIR. IT'S OBJECTIVE. AND I DON'T THINK IT PENALIZES
22 THE APPLICANTS OR INSTITUTIONS IN AN UNFAIR WAY. THAT'S
23 MY OPINION.

24 MR. KLEIN: AS I UNDERSTAND, YOU CAN COUNT IT
25 TOWARDS LEVERAGE AT ANY TIME.

BARRISTERS' REPORTING SERVICE

1 BUT THE OTHER POINT, THOUGH, ED, THAT I THINK
2 IN THE PRIOR MEETING THAT YOU AND I HAD DISCUSSED, IN
3 THIS 10-PERCENT CAP ON ARCHITECTURAL AND ENGINEERING
4 COST, THE ENGINEERING COST UNDER THAT CAP, I'D ONLY
5 INTENDED TO BE STRUCTURAL AND CIVIL, NOT SYSTEMS. THE
6 IMPORTANT DISTINCTION IS THAT YOU MIGHT PUT A LOT OF
7 MONEY INTO DESIGNING YOUR ELECTRICAL SYSTEM TO
8 INCORPORATE SOLAR POWER, FOR EXAMPLE. YOU DON'T WANT TO
9 PENALIZE THAT KIND OF INNOVATION BY DISINCENTIVIZING THE
10 ENGINEERING.

11 MR. KASHIAN: I AGREE. BOB, THE POINT I'M
12 MAKING IS I THOUGHT YOUR ORIGINAL CONCEPT WAS TO MAKE
13 SURE THAT INTERNAL COSTS OR INTERNAL ADMINISTRATIVE COSTS
14 WERE NOT USED AS PART OF MATCHING FUNDS OR THE LEVERAGE,
15 EITHER ONE. BUT TO HIRE OUTSIDE ARCHITECTS AND THOSE
16 PEOPLE TO START THE PLANNING PROCESS, IT SEEMS TO ME LIKE
17 IT ACCELERATES THE WHOLE PROCESS. WHY SHOULDN'T IT BE
18 USED FOR BOTH?

19 MR. KLEIN: THE ISSUE IS THAT IN THAT
20 DISCUSSION, ED, IF I REMEMBER HISTORICALLY, A NUMBER OF
21 PEOPLE CAME UP WITH THIS ISSUE OF IF YOU WANT TO SPEND
22 MONEY ON A WORLD-CLASS ARCHITECT, YOU CAN SPEND IT, BUT
23 WE'RE GOING TO PUT INTERNAL OVERHEAD ARCHITECTURAL AND
24 ENGINEERING, MEANING STRUCTURAL AND CIVIL, UNDER A
25 10-PERCENT AGGREGATE CAP.

BARRISTERS' REPORTING SERVICE

1 MR. KASHIAN: THAT'S FINE. I DON'T HAVE ANY
2 PROBLEM WITH THAT.

3 MR. KLEIN: YOU CAN USE THOSE COSTS FOR YOUR
4 TOTAL PROJECT COST WITHIN THAT CAP.

5 MR. KASHIAN: AND YOUR MATCHING FUNDS, EVEN
6 THOUGH THEY'RE AHEAD OF THE GRANT.

7 MR. KLEIN: THEIR POSITION WAS THAT YOU CAN USE
8 THEM FOR LEVERAGE, BUT NOT FOR THE MATCHING BECAUSE
9 MATCHING THEY WANTED TO HAVE BE CASH. AS I SAID, I DON'T
10 HAVE A PROBLEM WITH THE CASH REQUIREMENT ON THE MATCHING
11 BECAUSE YOU'RE GOING TO ALWAYS HAVE -- YOU'RE NOT GOING
12 TO BE DOWN TO YOUR LAST 20 PERCENT OF CASH IN THE PROJECT
13 AT THE TIME THAT THIS AWARD GETS GRANTED. SO THEY'RE NOT
14 GOING TO BE DISINCENTIVIZED TO MOVE AHEAD AGGRESSIVELY
15 BECAUSE THEY'RE GOING TO NEED TO SPEND A LOT OF MONEY
16 UNDER LEVERAGE ANYWAY.

17 MR. KASHIAN: I'D LIKE TO HEAR FROM THE PUBLIC
18 ON THAT ISSUE.

19 VICE CHAIR SERRANO-SEWELL: ARE THERE ANY
20 MEMBERS OF THE PUBLIC THAT WISH TO COMMENT?

21 MR. REED: DON REED. THIS IS VERY COMPLICATED
22 STUFF, BUT I HEARD LAST TIME, DAVIS WAS TALKING ABOUT IT.
23 I HAVE NO HORSE IN THIS RACE. I WANT EVERYBODY TO WIN.
24 BUT I HEARD DAVIS SAYING BASICALLY THEY'VE BEEN WORKING
25 ON THEIR PROJECT FOR A LONG TIME AND THEY'RE FURTHER

BARRISTERS' REPORTING SERVICE

1 AHEAD ON SOME OF THEIRS. SO THEY WANT TO PUT IN MONEY
2 NOW AND THEN GET PAID BACK BECAUSE -- AND THAT WAS -- AS
3 A PART OF THEIR GRANT. SO IF THEY GET THE GRANT, THEN
4 THEY WOULD BE PAID BACK. I DON'T SEE THE PROBLEM WITH
5 THAT.

6 MS. NOLTA: I WANT TO CLARIFY. JAN NOLTA FROM
7 UC DAVIS. NOT PAY BACK, BUT CONSIDERED AS PART OF THE
8 MATCH BECAUSE WE'RE READY TO GO INTO CONSTRUCTION.

9 MR. KLEIN: CONSIDERED PART OF THE MATCH OR
10 PART OF LEVERAGE?

11 MS. NOLTA: PART OF THE MATCH WOULD BE GREAT IF
12 WE CAN DO THAT.

13 VICE CHAIR SERRANO-SEWELL: NO, WE'RE NOT.
14 IT'S GOING TO BE CASH. THAT WAS A UNANIMOUS DECISION
15 FROM THE WORKING GROUP. I'M SORRY TO INTERRUPT YOU, BUT
16 THAT WAS A UNANIMOUS DECISION OF THE WORKING GROUP. IN
17 MY MIND IT'S GOING TO WITH THE ACCEPTANCE AT THE ICOC.
18 OF COURSE, WHAT WE DO ARE JUST RECOMMENDATIONS.

19 MS. NOLTA: OKAY. IT JUST SEEMS THAT THERE'S
20 SO MANY PEOPLE THAT ARE FARTHER AHEAD.

21 MR. VENTRESCO: TOM VENTRESCO FROM UC BERKELEY.
22 I AGREE WITH MEMBER KASHIAN ABOUT THE TIMING ISSUE IS
23 CRITICAL HERE BECAUSE -- WHETHER IT'S, AS YOU SUGGEST, IT
24 MAY BE AT THE TIME OF THE GRANT APPROVAL RATHER THAN THE
25 ACTUAL AWARD. THOSE ARE FINER POINTS. BUT IT'S

BARRISTERS' REPORTING SERVICE

1 IMPORTANT THAT MONEY THAT THE INSTITUTION INVESTS IN THE
2 PROJECT FOR PLANNING IN ADVANCE BE COUNTED AS A MATCH FOR
3 THE OVERALL GRANT AMOUNT BECAUSE IT REACHES THAT GOAL OF
4 ACCELERATING THE PROJECT AND BEING ABLE TO DELIVER THE
5 END PRODUCT IN A TIMELY WAY YOU WOULD LIKE IT TO BE.

6 MR. ROMNEY: MARK ROMNEY WITH UC DAVIS. ONE OF
7 THE ISSUES FOR CLARIFICATION IS THAT WE CAN UNDERSTAND
8 IT'S EITHER MATCH OR LEVERAGE; BUT IF WE'RE ALLOWED TO GO
9 OUT TO BID, LET'S SAY, UNDER CONSTRUCTION, TAKING THE
10 RISK THAT WE DO NOT GET THE GRANT, BUT WE'RE GOING TO
11 CONTINUE WITH THE PROJECT, AT LEAST HAVING THAT PROJECT,
12 THE CONSTRUCTION COST, BE ELIGIBLE ON THE PROJECT. I
13 UNDERSTOOD AT THE LAST MEETING -- AT LEAST I
14 MISUNDERSTOOD THAT YOU COULD NOT GO OUT TO BID. YOU
15 COULDN'T DO ANYTHING UNTIL THE NOTICE OF GRANT AWARD. WE
16 STILL HAVE THE CASH BECAUSE WE'RE NOT GOING TO BE DONE
17 WITH 80 PERCENT OF CONSTRUCTION AT NOTICE OF GRANT AWARD.

18 MR. KLEIN: SO IF I COULD ASK A QUESTION TO
19 STAFF TO UNDERSTAND THIS. LORI , MAYBE YOU COULD HELP US
20 HERE. I THINK THAT THE STAFF IS SENSITIVE TO THE ISSUE
21 OF REIMBURSEMENT BECAUSE WE CERTAINLY WANT THEM TO BE
22 ABLE TO GO OUT AND ENTER INTO CONSTRUCTION BIDS AT THE
23 TIME EVEN BEFORE WE DO APPROVAL AS LONG AS IT'S AT THEIR
24 RISK. SO IS THE REAL QUESTION JUST THE QUESTION OF HOW
25 MUCH WE WOULD ACTUALLY REIMBURSE THEM? IS THAT THE

BARRISTERS' REPORTING SERVICE

1 QUESTION?

2 MS. HOFFMAN: I THINK THE STAFF RECOMMENDATION
3 IS THAT THE 20-PERCENT CASH MATCH ON APPROVAL OF THE ICOC
4 MEETING FOR PART 2, THAT AT THAT POINT THEN THE
5 INSTITUTIONS CAN BEGIN TO EXPEND EVEN THAT CASH MATCH
6 BECAUSE ONCE YOU'VE CERTIFIED, ONCE IT'S APPROVED, THEN
7 WE NO LONGER CARE IF IT'S EXPENDED. THE REAL ISSUE IS IF
8 THEY --

9 MR. KLEIN: BEFORE WE GO FURTHER, JUST SO THAT
10 PEOPLE ON THE PHONE MAKE SURE WE HEAR IT, WHAT LORI JUST
11 SAID IS THAT YOU'RE NOT HELD UP ON THE 20 PERCENT AT THE
12 TIME OF GRANT AWARD. IT'S AT THE TIME OF THE PART 2 ICOC
13 APPROVAL. THEN YOU CAN SPEND YOUR 20 PERCENT CASH. SO
14 YOU CAN HAVE SPENT IT BY THE TIME OF THE GRANT AWARD AND
15 STILL HAVE IT BE ELIGIBLE. THAT'S AN IMPORTANT POINT.

16 MS. HOFFMAN: AND ANYTHING SPENT PRIOR TO THAT
17 IS LEVERAGE. UNTIL THE ICOC APPROVES THESE GRANTS, WE
18 WOULD NOT THEN BE ABLE TO GO BACK AND REIMBURSE YOU FOR
19 COSTS EXPENDED PRIOR TO THAT DATE.

20 MR. KLEIN: LORI HAD A SECOND PART TO WHAT SHE
21 WAS SAYING.

22 CHAIRMAN LICHTENGER: CAN YOU RESTATE AFTER
23 LORI IS DONE BECAUSE IT'S HARD TO FOLLOW WHAT'S GOING ON
24 THERE.

25 MR. KLEIN: I WAS A LITTLE CONCERNED ABOUT

BARRISTERS' REPORTING SERVICE

1 THEIR ABILITY TO HEAR IT. LORI , WERE YOU ABLE TO FINISH
2 WHAT YOU WERE STATING?

3 MS. HOFFMAN: I WAS.

4 MR. KLEIN: THE SECOND PART OF WHAT SHE WAS
5 STATING WAS THAT THE KEY IS, BEFORE THE SECOND ICOC
6 APPROVAL, THERE CANNOT BE FUNDS EXPENDED BY THESE
7 JURISDICTIONS THAT THEY EXPECT TO BE REIMBURSED OUT OF
8 OUR GRANT FUNDS.

9 VICE CHAIR SERRANO-SEWELL: WHY ARE WE TALKING
10 ABOUT IT? WHAT'S THE BIG DEAL HERE? I WANT FROM THE
11 INSTITUTIONS WHY THEY'RE HAVING A HEADACHE ABOUT WHETHER
12 IT'S -- EXCUSE ME FOR INTERRUPTING, BUT WHY IS WHEN THE
13 ICOC VOTES OR THE NOTICE OF GRANT AWARD? DIDN'T YOU TALK
14 ABOUT THIS ALREADY AT THE INTERESTED MEETINGS? WHAT DID
15 STAFF RECOMMEND, NOTICE OF GRANT AWARD.

16 MR. KELLER: WE HAVE RECOMMENDED HERE TO DO IT
17 THAT BASICALLY ALLOWS AFTER THE APPROVAL OF THE PART 2 BY
18 THE ICOC, ALL COSTS INCURRED BY THE APPLICANT AFTER THAT
19 TIME ARE ESSENTIALLY AVAILABLE AS MATCHING FUNDS BECAUSE
20 WE THINK -- AND THE EXAMPLE, THE GOOD EXAMPLE IS THE
21 REPRESENTATIVE FROM UC DAVIS, IS THAT THIS ALLOWS THEM TO
22 BEGIN THE PROCESS OF GETTING CONTRACTS UNDER -- IF THEY
23 HAVE ALREADY COMPLETED THE PLANNING AND THAT'S THEIR
24 LEVERAGE, BUT THEIR MATCH IS PART OF THE CONSTRUCTION,
25 THEY CAN GET UNDERWAY UNDER THE CONSTRUCTION, AND WE

BARRISTERS' REPORTING SERVICE

1 DON' T HAVE TO WORRY ABOUT THAT REIMBURSEMENT LIMITATION
2 ON PROP 71 BECAUSE THEY' RE ACTUALLY SPENDING THEIR MONEY,
3 BUT IT' S COUNTING TOWARDS THE 20 PERCENT.

4 MR. KLEIN: WHY CAN' T THEY GO INTO CONSTRUCTION
5 AS LONG AS THEY DON' T COUNT ON ANY REIMBURSEMENT?

6 MS. HOFFMAN: THAT' S FINE.

7 MR. KLEIN: LORI IS SAYING THAT IS FINE AS
8 WELL. AS LONG AS IT' S AT THEIR RISK, THEY COULD GO INTO
9 CONSTRUCTION BEFORE THE ICOC APPROVAL. YOU COULD LET
10 YOUR CONTRACTS. THE KEY QUESTION LORI IS STATING IS YOU
11 JUST CAN' T GET REIMBURSEMENT FROM US FOR COSTS INCURRED
12 PRIOR TO THE ICOC MEETING THAT DOES THE APPROVAL.

13 MR. SHEEHY: BUT YOU COULD COUNT THOSE COSTS AS
14 LEVERAGE. YOU JUST CAN' T COUNT IT AS YOUR MATCH, AND
15 WE' RE TRYING TO SAY -- AND IT SEEMS REASONABLE. I MEAN
16 WE' RE ONLY TRYING TO SET ASIDE 20 PERCENT SO THAT WE CAN
17 CLEARLY FULFILL OUR STATUTORY PER PROP 71, THAT THERE WAS
18 A TRUE VALIDATABLE 20-PERCENT MATCH, BUT WE' RE ALLOWING
19 YOU TO COUNT ALL THIS TOWARDS YOUR LEVERAGE AND GET
20 POTENTIAL -- YOU KNOW, WE' RE GIVING 25 POINTS TO THAT.
21 IF YOU HAVE IT ALL COMPLETED BUT THE LAST 20 PERCENT AT
22 THE ICOC MEETING, AND YOU HAVE THAT 20 PERCENT IN CASH,
23 YOU HAVE, WHAT, 80 PERCENT IN LEVERAGE PLUS THE 20
24 PERCENT MATCH.

25 VICE CHAIR SERRANO-SEWELL: DAVID, WE HAVE A

BARRISTERS' REPORTING SERVICE

1 FEW MORE COMMENTS HERE, AND TO THE PUBLIC --

2 MR. SHEEHY: AND YOU CAN REIMBURSE --

3 VICE CHAIR SERRANO-SEWELL: THE COMMITTEE NEEDS
4 TO VOTE ON THIS BECAUSE THERE ARE OTHER MATTERS TO DEAL
5 WITH, BUT WE DO WANT TO HEAR BRIEFLY FROM EACH ONE OF YOU
6 THAT HAD YOUR HAND RAISED.

7 MR. ROMNEY: MARK ROMNEY AGAIN. IT WAS JUST
8 THE CLARIFICATION OF ELIGIBILITY OF THE CONSTRUCTION
9 PROJECT. MY UNDERSTANDING BEFORE WAS THAT IF YOU DID
10 ANYTHING BEFORE, IT WAS NOT ELIGIBLE. AND SO THAT'S WHAT
11 THE WHOLE REIMBURSEMENT QUESTION WAS BECAUSE YOU
12 BASICALLY WERE EXPENDING 10 MILLION, 15, 20 MILLION.

13 MR. AULL: LARRY AULL, OFFICE OF THE PRESIDENT,
14 UC. WITH THE DEADLINE OF TWO YEARS, I THINK THAT EVERY
15 CAMPUS, EVERY APPLICANT IS GOING TO BE MOVING VERY FAST
16 TO IMPLEMENT THE PROJECT AS SOON AS THERE IS AN APPROVAL
17 ON PART 2. I THINK THAT WOULD BE VERY IMPORTANT FOR THAT
18 EXPENDITURE AFTER THAT DATE TO QUALIFY FOR THE MATCH.

19 VICE CHAIR SERRANO-SEWELL: THANK YOU. FINAL
20 COMMENT FROM BERKELEY.

21 MR. VENTRESCO: YES, JUST BRIEFLY. NOT TO PUT
22 TOO FINE A POINT ON IT, ARE YOU TALKING ABOUT ACTUAL CASH
23 FLOW OR EXPENDITURES BECAUSE OUR BUDGETARY PROCESS
24 REQUIRES TO IDENTIFY FULL FUNDING AT THE OUTSET OF
25 PROJECT AWARD.

BARRISTERS' REPORTING SERVICE

1 MS. HOFFMAN: TOM, CIRM WILL NOT BE ASKING FOR
2 PROJECT APPROVAL OF THE PROJECT. SO IF THE CAMPUS GOES
3 FORWARD AND EXPENDS THOSE, IDENTIFIES THE FUNDS AND
4 EXPENDS THE FUNDS, WE DON'T CARE. SO IT'S NOT OUR ISSUE.

5 MR. VENTRESCO: AFTER WE'RE UNDERWAY WITH
6 CONSTRUCTION, YOU DON'T CARE WHAT COLOR THE MONEY IS AS
7 WE'RE SPENDING IT?

8 MS. HOFFMAN: NO. WE'RE JUST NOT GOING TO
9 REIMBURSE YOU FOR IT UNLESS THERE'S BEEN ICOC APPROVAL ON
10 PART 2. I DON'T KNOW EXACTLY HOW YOU WOULD BE ABLE TO GO
11 FORWARD ONLY BECAUSE YOU WOULDN'T BE ABLE TO IDENTIFY
12 CERTAIN FUNDS.

13 VICE CHAIR SERRANO-SEWELL: ONE FINAL COMMENT.

14 MS. SANTA CRUZ: DANA, OFFICE OF THE PRESIDENT.
15 I JUST WANT TO CLARIFY YOU'RE TALKING ABOUT TWO DIFFERENT
16 MILESTONES. ONE IS THE MILESTONE WHERE LEVERAGE BEGINS,
17 WHICH IS APPLICATION PART 2 ACCEPTANCE, AND THAT'S THE
18 CASH MILESTONE; IS THAT NOT TRUE?

19 MS. HOFFMAN: NO, THAT'S NOT TRUE. LEVERAGE
20 BEGINS NOW. SO WHATEVER YOU'RE EXPENDING IN THIS PROJECT
21 FOR THIS PROJECT WILL COUNT AS LEVERAGE. CASH MATCH IS
22 AFTER PART 2.

23 MS. SANTA CRUZ: AND YOU'RE STILL TALKING ABOUT
24 THE CIRM CASH COMING IN AT THE END.

25 MS. HOFFMAN: AGAIN, WE'RE NOT TALKING ABOUT

BARRISTERS' REPORTING SERVICE

1 WHEN CIRM MONEY COMES IN. ALL WE'RE SAYING IS WE WILL
2 NOT REIMBURSE ANY EXPENDITURES PRIOR TO ICOC APPROVAL OF
3 PART 2.

4 VICE CHAIR SERRANO-SEWELL: DAVID, DO YOU WANT
5 TO ENTERTAIN ANY MOTIONS AT THIS TIME?

6 MR. LAFF: I HAVE ONE QUESTION. DID WE SAY
7 WE'RE EXCLUDING MECHANICAL, ELECTRICAL ENGINEERING FROM
8 THE 10 PERCENT?

9 MR. KLEIN: I RAISED THE POINT OF EXCLUDING
10 MECHANICAL, ELECTRICAL FROM THE 10 PERCENT BECAUSE, GIVEN
11 THE FACT THAT WE HAVE IN SOME AREAS VERY HIGH SEISMIC
12 ISSUES, ETC. AND SOME CHALLENGING SITE CONDITIONS, I'M
13 SURE, THROUGH THE STATE, HAVING INDIRECT OVERHEAD PLUS
14 ARCHITECTURAL PLUS STRUCTURAL AND CIVIL WITHIN THE 10
15 PERCENT I THINK IS ABOUT ALL YOU CAN CREATE A STRONG LINE
16 ON.

17 MR. LAFF: I WOULD RATHER THINK ABOUT MAKING
18 THAT NUMBER 11 OR 12 PERCENT BECAUSE I DON'T WANT TO GIVE
19 ANYBODY THE ABILITY TO SPEND UNLIMITED FUNDS.

20 VICE CHAIR SERRANO-SEWELL: IN ANY ONE SPECIAL
21 CATEGORY. I AGREE, BOB.

22 MR. KASHIAN: THEY DON'T HAVE THAT ABILITY.

23 MR. LAFF: IF THE ENGINEERING IS NOT PART OF
24 IT, THEY CAN SPEND AS MUCH AS THEY WANT.

25 MR. KLEIN: WHAT INCENTIVE WOULD THEY HAVE TO

BARRISTERS' REPORTING SERVICE

1 SPEND EXTRA MONEY ON PLUMBING, ENGINEERING, OR
2 ELECTRICAL?

3 MR. LAFF: THE INCENTIVE THEY HAVE IS TO TRY A
4 LOT OF RESEARCH ON, SAY, ISSUES OF SUSTAINABILITY OR OF
5 FINDING SOME GOOD WAY OF FINDING AN INNOVATIVE SOLUTION.
6 THEY COULD SPEND TONS OF MONEY ON THAT.

7 MR. KELLER: COULD I OFFER JUST A
8 CLARIFICATION.

9 MR. KASHIAN: THEY WOULDN'T BE REWARDED IN MY
10 SCORING. DAVID, THIS IS ED KASHIAN. I'M LOSING THE
11 THREAD OF THIS DISCUSSION BECAUSE I'M NOT SURE OF THE
12 LEGAL RAMIFICATIONS OF WHAT WE'RE TALKING ABOUT. BUT AS
13 FAR AS OUR SCORING IS CONCERNED ON THESE ISSUES, IT IS
14 IMPORTANT TO ME TO, OF COURSE, TO LIVE WITHIN THE PROP 71
15 ISSUES AND PROPRIETARY WITH WHAT BOB KLEIN IS TRYING TO
16 ACCOMPLISH. BUT IT ALSO IS JUST IMPORTANT TO ME TO
17 INCENTIVIZE PEOPLE TO USE THEIR OWN MONEY TO START THE
18 PROCESS PRIOR TO FILING AN APPLICATION.

19 WITHIN THE LIMITS OF -- I THINK WE CAN GO TO
20 GREAT EXTREMES TO FIGURE OUT WHO'S GOING TO ABUSE THAT
21 ISSUE, BUT I THINK WE CAN ENCUMBER THOSE THINGS IN THE
22 PROCESS, AND I WOULD REALLY APPRECIATE YOUR POINT OF VIEW
23 ON THE SUBJECT.

24 MR. KLEIN: OKAY. I GUESS IT'S TWO THINGS.
25 ONE IS JUST A CLOSURE TO THIS, WHICH -- WE HAVE TWO ITEMS

BARRISTERS' REPORTING SERVICE

1 FOR CLOSURE. ONE ITEM FOR CLOSURE IS I WOULD LIKE TO
2 KEEP THE 10-PERCENT CAP ON ARCHITECTURAL, STRUCTURAL, AND
3 CIVIL ENGINEERING, AND INDIRECT OVERHEAD BECAUSE IF WE
4 DRILL DOWN TO THE LEVEL OF HOW MUCH PLUMBING OR
5 ELECTRICAL ENGINEERING, I THINK WE'RE GETTING TO A LEVEL
6 OF DETAIL THAT WE CAN'T MAKE THE RIGHT JUDGMENTS. AND WE
7 WILL HAVE PUT THE DISCIPLINE IN PLACE TO MAKE SURE THAT
8 EXCESSIVE AMOUNTS WON'T HAVE BEEN SPENT ON ARCHITECTURE,
9 FOR EXAMPLE. SO I'D LIKE TO LEAVE IT AT THAT LEVEL AND
10 AVOID THE RISK OF DISINCENTIVIZING SOME SUSTAINABILITY
11 ENGINEERING INVESTMENTS THAT MAY BE EXPENSIVE, BUT HAVE
12 GREAT LONG-TERM YIELD.

13 MR. KASHIAN: DAVID, WOULD YOU PLEASE GIVE ME
14 YOUR POINT OF VIEW?

15 CHAIRMAN LICHTENGER: I THINK -- ON WHICH
16 SPECIFIC POINT, ED? INCLUDING ELECTRICAL, PLUMBING?

17 MR. KASHIAN: NO. NO. I'D LIKE TO HEAR HOW WE
18 CAN CLARIFY THIS ISSUE AND STAY WITHIN THE LIMITS OF WHAT
19 BOB'S TRYING TO DO AND THE PROPOSITION 71 AND NOT
20 DISINCENTIVIZE PEOPLE TO SPEND THEIR OWN MONEY PRIOR TO
21 GETTING AN AWARD.

22 MR. KLEIN: ED, THAT'S THE SECOND ISSUE, WHICH
23 I DIDN'T YET ADDRESS. AND THE SECOND ISSUE IS I HAVE
24 COMPLETE ALIGNMENT WITH YOU, AS I THINK THE OTHER
25 COMMITTEE MEMBERS DO, ON THE ISSUE OF GIVING EVERY

BARRISTERS' REPORTING SERVICE

1 INCENTIVE TO INSTITUTIONS TO START AT THE EARLIEST
2 POSSIBLE DATE. WE CLARIFIED HERE THEY CAN GO INTO
3 CONTRACT. THEY CAN BID AND ENTER INTO BIDS RIGHT NOW IF
4 THEY WANTED TO. THAT WILL ALL BE COUNTED TOWARDS
5 LEVERAGE.

6 ON A REALISTIC BASIS, TO BE EFFECTIVE IN THESE
7 COMPETITIONS, THEY'RE GOING TO HAVE TO HAVE SOME
8 LEVERAGE. SO THE KEY, AS I UNDERSTAND IT, ON WHAT DAVID
9 SERRANO-SEWELL HAS REFERENCED AS A PRIOR UNANIMOUS VOTE
10 OF THIS COMMITTEE, WAS THAT IN ORDER TO LEGALLY AND
11 TECHNICALLY CONFORM WITH PROPOSITION 71, THAT THE
12 20-PERCENT MATCH WOULDN'T BE COUNTED AS BEING CREDITED
13 UNLESS IT WAS EXPENDED AFTER THE ICOC'S SECOND APPROVAL,
14 BUT ALL OTHER EXPENDITURES COULD BE COUNTED STARTING
15 TODAY. THEY CAN ENTER INTO CONTRACT. THEY CAN PROCEED
16 IMMEDIATELY, WHICH WE ALL WANT THEM TO DO.

17 SO I THINK THAT FROM THE AUDIENCE VIEWPOINT,
18 REPRESENTING A NUMBER OF JURISDICTIONS, WE HAVEN'T HEARD
19 ANY PROBLEMS WITH THAT APPROACH. AND I THINK THE
20 INSTITUTIONS WHO WANT TO ACCELERATE HAVE CONSISTENT
21 UNDERSTANDING WITH US, THAT THIS WILL NOT CREATE A
22 PROBLEM FOR THEM.

23 VICE CHAIR SERRANO-SEWELL: WE'RE ALL ON THE
24 SAME PAGE, I THINK, THE COMMITTEE MEMBERS.

25 CHAIRMAN LICHTENGER: ED, I JUST WANT TO

BARRISTERS' REPORTING SERVICE

1 CLARIFY BOB'S POINT. THEY CAN SPEND AS MUCH OF THEIR
2 MONEY AS THEY WANT PRIOR TO THE ICOC APPROVAL. IT JUST
3 WON'T COUNT TOWARDS -- WE WON'T REIMBURSE THEM FOR THOSE
4 DOLLARS; IS THAT CORRECT?

5 MR. KLEIN: THAT'S CORRECT.

6 MR. KASHIAN: I'M TOTALLY HAPPY WITH THE ISSUE.
7 NOW I WOULD APPRECIATE IT IF DAVID OR BOB OR SOMEONE
8 WOULD MAKE A MOTION TO CLARIFY THE ISSUE IN FRONT OF US
9 AS TO HOW OUR DISCUSSION TODAY MEETS THOSE GOALS.

10 CHAIRMAN LICHTENGER: DO YOU HAVE A MOTION ON
11 THE TABLE, BOB?

12 MR. KLEIN: IF WE'D LIKE TO HAVE A MOTION TO
13 CAPTURE THE ESSENCE OF WHAT WE'VE BEEN DISCUSSING, THE
14 MOTION WOULD BE THAT THE INSTITUTIONS --

15 VICE CHAIR SERRANO-SEWELL: I WOULD JUST SAY WE
16 CAN ADOPT THE MOTION AS IT'S DRAFTED AND REQUEST STAFF TO
17 PROVIDE AN EXAMPLE IN THE RFA SO IT'S CLEARLY UNDERSTOOD.
18 I THINK THAT WOULD BRING CLARITY TO ALL THE APPLICANTS.
19 I DON'T THINK WE NEED TO FIDDLE WITH THE LEVERAGE
20 DEFINITION. JUST GIVE AN EXAMPLE IN THE RFA, AND THEN
21 EVERYBODY WOULD UNDERSTAND IT.

22 MR. SHEEHY: I DO THINK WE NEED A MOTION,
23 THOUGH, TO CLEARLY STATE THAT WE'RE TALKING ABOUT FROM
24 ICOC APPROVAL OF PART 2 AS OPPOSED TO THE NOTION OF
25 NOTICE OF GRANT AWARD. SO WE DO NEED A MOTION TO THAT

BARRISTERS' REPORTING SERVICE

1 EFFECT.

2 I THINK THE APPROPRIATE MOTION WOULD BE THAT WE
3 WOULD CLARIFY THAT EXPENSES THAT WOULD BE COUNTED TOWARDS
4 THE MATCH CAN START -- EXPENDITURES THAT WOULD BE COUNTED
5 TOWARDS THE MATCH CAN BEGIN WITH APPROVAL BY THE ICOC OF
6 THE APPLICATION PART 2, AND THAT WE ALSO WOULD LIKE TO
7 REQUEST STAFF TO PROVIDE EXAMPLES IN THE RFA OF OUR
8 DISCUSSION TODAY TO CLARIFY WHAT THE DIFFERENCE IS
9 BETWEEN MATCH AND LEVERAGE AND WHICH COSTS CAN BE
10 APPROPRIATELY ASSIGNED TO EITHER.

11 VICE CHAIR SERRANO-SEWELL: I SECOND THE
12 MOTION.

13 CHAIRMAN LICHTENGER: RICK, CAN YOU CALL ROLL.

14 VICE CHAIR SERRANO-SEWELL: IS THERE ANY FINAL
15 PUBLIC COMMENT ON THIS MOTION JUST HERE AT CIRM OFFICES?
16 I'M JUST ASKING, DAVID.

17 MR. SIMPSON: JOHN SIMPSON. YES, THIS MAKES
18 GREAT SENSE.

19 VICE CHAIR SERRANO-SEWELL: THANK YOU. THERE'S
20 NO OTHER FURTHER COMMENT HERE, DAVID.

21 CHAIRMAN LICHTENGER: RICK, CAN YOU CALL ROLL.

22 MR. KELLER: YES. MARCY FEIT.

23 MS. FEIT: YES.

24 MR. KELLER: ED KASHIAN.

25 MR. KASHIAN: YES.

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1 MR. KELLER: ROBERT KLEIN.

2 MR. KLEIN: YES.

3 MR. KELLER: STUART LAFF.

4 MR. LAFF: YES.

5 MR. KELLER: JOAN SAMUELSON.

6 MS. SAMUELSON: YES.

7 MR. KELLER: JEFF SHEEHY.

8 MR. SHEEHY: YES.

9 MR. KELLER: DAVID SERRANO-SEWELL.

10 VICE CHAIR SERRANO-SEWELL: YES.

11 MR. KELLER: DAVID LICHTENGER.

12 CHAIRMAN LICHTENGER: YES.

13 MR. KELLER: MOTION CARRIES UNANIMOUSLY.

14 WITH THAT, I'D LIKE TO MOVE ON TO THE NEXT SET

15 OF SLIDES ON URGENCY. THE DEFINITION ADOPTED AT YOUR

16 PREVIOUS MEETING DEALT WITH TWO ISSUES UNDER URGENCY.

17 ONE WAS THE NOTION OF PLACING A HIGH PRIORITY ON

18 COMPLETION OF THE PROJECT WITHIN TWO YEARS. AND THE

19 SECOND ISSUE DEALT WITH THE INSTITUTION HAVING A HISTORIC

20 AND PROVEN TRACK RECORD OF DELIVERING CAPITAL PROJECTS.

21 WE ESTABLISHED THAT THE START DATE WOULD BE THE

22 NOTICE OF GRANT AWARD, AND THE END DATE WOULD BE THE

23 CIRCUMSTANCE WHERE THE BUILDING IS AVAILABLE FOR

24 OCCUPANCY OR INSTALLATION OF EQUIPMENT.

25 FOR PURPOSES OF THE EVALUATION STANDARD, WE'RE

BARRISTERS' REPORTING SERVICE

1 SUGGESTING THAT THE TWO-YEAR COMPLETION STANDARD BE
2 AWARDED UP TO TEN POINTS. YOU HAD IDENTIFIED A TOTAL OF
3 20 POINTS FOR THIS CATEGORY, AND THAT THE PROVEN TRACK
4 RECORD COMPONENT WOULD ALSO RECEIVE UP TO TEN POINTS.
5 THAT WOULD PROVIDE THE 20 POINTS FOR THIS ISSUE.

6 ON THE POINT OF ISSUES THAT WERE RAISED AT THE
7 JULY 25TH MEETING, IN TERMS OF THE JULY 25TH INPUT, WE
8 JUST NEED TO CLARIFY IN TERMS OF HOW THE TWO YEAR OR LESS
9 POINT SCORING WILL BE HANDLED RELATIVE TO THE
10 IMPLEMENTATION PHASE. AND WE CAN HANDLE THAT WITHIN THE
11 FACILITIES GRANT ADMINISTRATION POLICY.

12 MR. KLEIN: COULD YOU STATE THAT AGAIN? WHAT
13 DO YOU NEED TO KNOW?

14 MR. KELLER: THE ISSUE IS THAT IF APPLICANTS
15 PROVIDE A SCHEDULE OF TWO YEARS, AND THE COMMITTEE JUDGES
16 THE TWO YEARS AS FAVORABLE AND AWARDS POINTS, WHAT IS THE
17 CIRCUMSTANCE WHERE THAT ENTITY DOES NOT ACTUALLY DELIVER
18 THE PROJECT WITHIN TWO YEARS? AND BASICALLY WE NEED TO
19 HAVE SOME, SHALL I SAY, INCENTIVES WITHIN THE FACILITIES
20 GRANT ADMINISTRATION POLICY THAT WOULD LEVEL THE PLAYING
21 FIELD FOR THE IMPLEMENTATION PHASE. AND THAT MIGHT MEAN
22 THAT THERE WOULD BE EITHER CIRCUMSTANCES OR CONSEQUENCES
23 FOR EXTENDING THE SCHEDULE BEYOND THE TWO YEARS, EITHER
24 FINANCIAL --

25 MS. PACHTER: YOU'RE POSTPONING DEALING WITH

BARRISTERS' REPORTING SERVICE

1 THAT UNTIL WE DEAL WITH THE GRANTS ADMINISTRATION POLICY.

2 MR. KELLER: WE'LL DO IT WITH THE GRANTS
3 ADMINISTRATION POLICY.

4 MR. KLEIN: TWO THINGS. ONE IS WE PREVIOUSLY
5 DISCUSSED DEBORAH HYSEN'S PROPOSAL THAT WE USE A
6 PARTICULAR CRITICAL PATH EXHIBIT AS A STANDARDIZED
7 EXHIBIT, WHICH MY UNDERSTANDING FROM LORI AND RICK IS
8 THAT WE'RE GOING TO DO. BUT ON THAT, YOU KNOW, IF WE
9 HAVE A GOVERNMENTAL INTERVENTION THAT STOPS THEM FROM
10 COMPLETING, WE NEED TO HAVE AN EXCUSE, AN ABILITY TO
11 EXCUSE THAT BASED UPON REASONABLE EXAMINATION THAT THEY
12 TOOK EVERY EFFORT TO AVOID THAT PROBLEM OR TO RESOLVE
13 THAT PROBLEM IN A TIMELY MANNER.

14 IT'S ALSO IMPORTANT THAT EVEN THOUGH THIS
15 STARTS ON GRANT AWARD, THAT IF SOMEONE DRAGS OUT THE
16 GRANT AWARD FOR EXTRA MONTHS BECAUSE THEY'RE NOT BEING
17 COOPERATIVE, I THINK THAT NEEDS TO BE TAKEN INTO
18 CONSIDERATION AS WELL, WHICH CAN BE ADDRESSED IN THE
19 GRANT ADMINISTRATION POLICY.

20 BUT ESSENTIALLY IN THEORY THE FACILITIES
21 COMMITTEE SHOULD HAVE THE ABILITY, I THINK, TO MEET,
22 BASED UPON RECOMMENDATION OF STAFF OF NONPERFORMANCE, AND
23 BE ABLE TO NOT PAY THE LAST 10 OR 15 PERCENT OF OUR GRANT
24 IF SOMEONE SAYS THEY'RE GOING TO PERFORM IN TWO YEARS,
25 THEY GOT POINTS ON THAT, AND THEY MATERIALLY HAVE NOT

BARRISTERS' REPORTING SERVICE

1 PERFORMED. SO THAT'S THE ONLY THING THAT'S GOING TO
2 REALLY DRIVE DISCIPLINE INTO THIS PROCESS.

3 BUT I'D CERTAINLY LIKE TO HEAR WHAT OTHER
4 COMMITTEE MEMBERS BELIEVE.

5 CHAIRMAN LICHTENGER: SO I THINK ANYONE CAN
6 SUBMIT A SCHEDULE THAT SHOWS THE COMPLETION WITHIN TWO
7 YEARS. ANYONE CAN DO THAT. I DON'T FEEL IT REALLY -- IT
8 DOESN'T REALLY TO ME HAVE THE SAME MEANING AS COMPLETING
9 IT WITHIN TWO YEARS. I THINK THERE HAS TO BE STRONG,
10 STRONG INCENTIVE OR DISINCENTIVE TO SUBMIT A SCHEDULE AND
11 NOT LIVE UP TO IT BECAUSE THE REALITY IS THAT WE'RE NOT
12 GOING TO HAVE THE ABILITY TO KNOW IF THEY HAVE BEEN
13 REALISTIC IN THEIR SCHEDULE ON ANY PARTICULAR ITEM,
14 ESPECIALLY WHEN IT COMES TO PERMIT APPROVALS. AND THEN
15 TO CLAIM, OH, WELL, IT TOOK US LONGER TO GET A PERMIT AND
16 THEY DIDN'T HIT THE TWO YEARS. I THINK THIS IS A REAL
17 ISSUE FOR US.

18 MR. KELLER: DAVID, THIS IS RICK. I THINK WHAT
19 WE'RE TRYING TO POINT OUT HERE IS THAT I THINK EVERYBODY
20 IS IN AGREEMENT THAT THIS IS AN AREA THAT NEEDS TO BE
21 DEALT WITH. JUST AS YOU SAY, YOU'RE NOT CLAIRVOYANT.
22 AND FOR PURPOSES OF REVIEWING THE RFA, YOU'RE GOING TO
23 HAVE TO ACCEPT THE APPLICANT'S PROPOSAL. AND IN THE
24 FACILITIES GAP THAT WE ULTIMATELY BRING BACK FOR
25 FORMULATION AND RECOMMENDATION TO THE ICOC, WE WILL

BARRISTERS' REPORTING SERVICE

1 ADDRESS THIS ISSUE OF PERFORMANCE AS A SEPARATE ISSUE, AS
2 AN IMPLEMENTATION ISSUE, NOT A SCORING ISSUE.

3 MS. FEIT: AS WE DISBURSE THE GRANTS, THEN AM I
4 TO BELIEVE THERE WILL BE A WITHHOLD FOR THE COMPLETION AT
5 THE END OF THE PROJECT SO THAT WE CAN HAVE SOME KIND OF
6 RECOURSE FOR NONPERFORMANCE?

7 MR. KELLER: YES. THAT'S OUR INTENTION.

8 MS. FEIT: OKAY. THANK YOU.

9 MR. KLEIN: SO I THINK WHAT WE'RE SAYING IS
10 WHAT WE NEED IS A PROPOSAL. AND JUST TO PUT SOMETHING
11 OUT THERE, I PROPOSE THAT IF SOMEONE IS GIVEN POINTS ON A
12 TWO-YEAR SCHEDULE AND DOES NOT PERFORM WITHIN THE TWO
13 YEARS, THAT THAT EVALUATION BY STAFF COME BACK TO THIS
14 COMMITTEE, AND THIS COMMITTEE BE AUTHORIZED TO WITHHOLD
15 UP TO 15 PERCENT OF THE GRANT IF, IN FACT, THAT
16 PERFORMANCE HAS NOT BEEN ACHIEVED. SO THAT IS AN
17 AUTHORIZATION ONLY, AND I'D LIKE TO SEE WHAT OTHER
18 MEMBERS THINK.

19 VICE CHAIR SERRANO-SEWELL: I HAVE A COMMENT ON
20 THAT. MY ONLY -- I AGREE WITH IT IN CONCEPT, BOB, BUT MY
21 ONLY TWEAK WOULD BE IS THAT WE HAVE THE AUTHORITY, WHEN I
22 SAY WE, THE ICOC, CIRM, HAS THE AUTHORITY TO WITHHOLD THE
23 15 PERCENT, AS YOU STATED, IF THEY DON'T COMPLETE WITHIN
24 THE TWO-YEAR TIMEFRAME, BUT THAT WE DELEGATE THE STAFF
25 THE AUTHORITY TO MAKE THAT DECISION. AND IF THE

BARRISTERS' REPORTING SERVICE

1 APPLICANT IS UNHAPPY, THEY CAN THEN PETITION THE
2 FACILITIES WORKING GROUP. I WOULD JUST FOR EXPEDIENCY --
3 NOT EXPEDIENCY, MORE EFFICIENCY, I'D LIKE TO SEE STAFF
4 THAT WOULD HAVE THE EXPERTISE AND READILY AVAILABLE
5 RESPONSE WITHOUT HAVING TO GET THIS WORKING GROUP
6 TOGETHER. IF YOU'RE OKAY WITH THAT.

7 MR. KLEIN: AS A FRIENDLY AMENDMENT, I WOULD
8 ACCEPT THAT SO THAT IF THE APPLICANT IS NOT SATISFIED
9 WITH THE STAFF RECOMMENDATION, THAT THEY'RE GOING TO
10 APPEAL TO THE FACILITIES GROUP.

11 VICE CHAIR SERRANO-SEWELL: YES, ABSOLUTELY.

12 MR. KLEIN: I WOULD ACCEPT THAT AMENDMENT.

13 CHAIRMAN LICHTENGER: I THINK WE NEED MORE
14 DISCUSSION ON EXACTLY WHEN YOU SAY WITHHOLD THE 15
15 PERCENT OF THE CIRM, SO ARE YOU PROPOSING AS A PENALTY
16 THAT ESSENTIALLY THE APPLICANT WOULD NOT GET 15 PERCENT
17 OF THE GRANT AWARD IF THEY DIDN'T HIT THEIR DATE?

18 MS. PACTHER: CAN I INTERRUPT FOR A SECOND?

19 MR. KLEIN: JUST A SECOND, TAMAR. JUST LET ME
20 CLARIFY AND THEN I'M GOING TO CALL ON TAMAR. THE POINT
21 HERE IS THAT IF SOMEONE HAS PROPOSED THAT THEY GET POINTS
22 FOR PERFORMANCE AND THEY DON'T, THAT THE STAFF AND/OR ON
23 APPEAL THE COMMITTEE COULD DECIDE THAT UP TO 15 PERCENT.
24 IT'S NOT AUTOMATIC. IF, IN FACT, THEY HAVE A LEGITIMATE
25 GOVERNMENTAL EXCUSE, IT MAY BE ZERO. BUT UP TO 15

BARRISTERS' REPORTING SERVICE

1 PERCENT OF THE GRANT MAY BE WITHHELD FOR NONPERFORMANCE
2 ON THE TIME PERIOD ON WHICH THEY GOT THEIR POINTS.

3 VICE CHAIR SERRANO-SEWELL: MEMBERS, TAMAR,
4 GENERAL COUNSEL, WANTED TO COMMENT.

5 MS. PACTER: I JUST WANT TO POINT OUT AGAIN
6 THAT THIS IS NOT AN ISSUE THAT WE NEED TO REACH FOR THE
7 RFA, AND IT CLEARLY IS A COMPLICATED ONE THAT MAY BE MORE
8 PROPERLY ADDRESSED IN THE CONTEXT OF YOUR CONSIDERATION
9 OF THE FACILITIES GAP, ESPECIALLY GIVEN THE AMOUNT OF
10 WORK YOU NEED TO GET THROUGH THIS MORNING.

11 SO MY SUGGESTION WOULD BE TO NOT CONSIDER ANY
12 MOTION RIGHT NOW UNTIL YOU ACTUALLY HAVE THE FACILITIES
13 GAP BEFORE YOU BECAUSE THAT'S REALLY WHAT'S GOING TO
14 GOVERN HOW THE INSTITUTE IS GOING TO RESPOND TO THE
15 ACTUAL PERFORMANCE OF THE GRANT.

16 MR. SHEEHY: I DO THINK THE DISCUSSION IS
17 HELPFUL SO THAT APPLICANTS KNOW THAT WE INTEND TO TAKE --
18 THAT WITHIN THE GRANTS ADMINISTRATION POLICY, WE DO
19 INTEND TO TAKE THIS TWO-YEAR URGENCY SERIOUSLY, SO PLEASE
20 SUBMIT REALISTIC SCHEDULES.

21 MR. KLEIN: I'M PERFECTLY HAPPY TO WAIT UNTIL
22 THE GAP TO SEE HOW THE STAFF RECOMMENDS IMPLEMENTING THIS
23 PROVISION.

24 VICE CHAIR SERRANO-SEWELL: IT'S FLAGGED.
25 DAVID, I DON'T THINK THERE ARE ANY FURTHER COMMENTS ON

BARRISTERS' REPORTING SERVICE

1 THE COMMITTEE MEMBERS HERE AT CIRM.

2 CHAIRMAN LICHTENGER: I THINK THAT MAKES GOOD
3 SENSE. BY THE WAY, I THINK THIS IS AN ISSUE THAT WE'LL
4 HAVE TO FLESH OUT IN A LOT OF DETAIL. SUFFICE IT TO SAY
5 THAT APPLICANTS NEED TO KNOW THAT WE'RE GOING TO BE VERY
6 SERIOUS ABOUT THIS.

7 I HAVE TWO ISSUES REGARDING URGENCY THAT I WANT
8 TO BRING UP. IS THAT OKAY, DAVID?

9 VICE CHAIR SERRANO-SEWELL: YES, PLEASE.

10 CHAIRMAN LICHTENGER: SO ONE IS -- ONE OF THE
11 CONCERNS I HAD, AND I JUST DISCUSSED THIS WITH RICK, WAS
12 IF WE GIVE TEN POINTS ON THIS TWO-YEAR COMPLETION, BUT
13 LET'S SAY HYPOTHETICALLY FOR THE LARGEST GRANT
14 APPLICATION, NONE OF THE APPLICANTS ACTUALLY PROPOSE
15 MEETING IT, EVERYONE WOULD GET ZERO IN THAT. SO IF WE
16 GIVE TEN POINTS -- LET'S SAY HYPOTHETICALLY YOU COULD
17 HAVE --

18 VICE CHAIR SERRANO-SEWELL: WHAT'S THE PROBLEM
19 WITH THAT, DAVID? THE SCORES -- WERE THAT TO HAPPEN IN
20 THE HYPOTHETICAL, THEN THE SCORES WOULD JUST BE TEN
21 POINTS LOWER ACROSS THE BOARD.

22 CHAIRMAN LICHTENGER: NO. NO. NO. YOU'RE NOT
23 LETTING ME FINISH MY POINT. IT IS A VERY IMPORTANT POINT
24 HERE. HYPOTHETICALLY YOU COULD HAVE TWO APPLICANTS, ONE
25 WITH A 25-MONTH SCHEDULE AND ONE WITH A 35-MONTH

BARRISTERS' REPORTING SERVICE

1 SCHEDULE, BOTH GETTING ZERO POINTS IN THIS CATEGORY.

2 MR. KLEIN: NO. TEN POINTS OF THE 20 POINTS
3 FOR URGENCY ARE BASED UPON THEIR ABILITY TO DELIVER ON AN
4 EXPEDITED SCHEDULE, AND YOU WOULD HAVE GRADIENTS IN THAT
5 TEN POINTS SO THAT SOMEONE COULD HAVE A PHENOMENAL
6 ABILITY TO DELIVER; BUT IF THEY SAID THEY'RE GOING TO
7 DELIVER IN 36 MONTHS AND SOMEBODY HAD A PHENOMENAL
8 ABILITY TO DELIVER, BUT THEY'RE GOING TO DELIVER IN 25
9 MONTHS, SOMEONE'S GOING TO GET TEN POINTS AND SOMEONE'S
10 GOING TO GET TWO.

11 CHAIRMAN LICHTENGER: OKAY. I JUST THINK WE
12 NEED TO HAVE CLARIFICATION UNDER PROOF BECAUSE IT SAYS
13 PROVEN TRACK RECORD. YOU COULD CONCEIVABLY HAVE A TEAM
14 WITH A VERY GOOD PROVEN TRACK RECORD, BUT THEY SHOW A
15 LESS AGGRESSIVE SCHEDULE. I'M JUST TRYING TO SAY THAT WE
16 NEED TO FLESH OUT THE CONCEPT OF PROVEN TRACK RECORD AND
17 SCHEDULE.

18 MR. KLEIN: SO YOU'RE ASKING THE STAFF JUST TO
19 PUT SOMETHING IN THE TEXT TO INDICATE THAT GRADIENT
20 METHOD OF EVALUATING PEOPLE WITH A PROVEN TRACK RECORD SO
21 THAT THEY UNDERSTAND IT'S NOT AN AUTOMATIC TEN POINTS
22 JUST TO HAVE A PROVEN TRACK RECORD.

23 CHAIRMAN LICHTENGER: I GUESS WHAT I'M TRYING
24 TO SAY, BOB, IS THERE'S ACTUALLY TWO ITEMS. YOU CAN
25 CONCEIVABLY HAVE AN EXTREMELY STRONG TEAM, RIGHT, BUT

BARRISTERS' REPORTING SERVICE

1 THEY HAVE A BAD SCHEDULE.

2 MR. KLEIN: RIGHT.

3 CHAIRMAN LICHTENGER: OKAY. THEN YOU CAN HAVE
4 A WEAK TEAM WITH A GREAT SCHEDULE. SO WHAT I'M SAYING IS
5 THAT YOU COULD -- WHAT I'M SAYING IS THAT THIS --
6 REMEMBER, WE'RE SAYING PROVEN TRACK RECORD UP TO TEN
7 POINTS. I THINK IT HAS TO SAY PROVEN TRACK RECORD AND
8 EXPEDITED SCHEDULE. WE SHOULD CHANGE HOW THIS IS -- THE
9 CLARIFICATION ON THIS POINT.

10 MR. KLEIN: IT SAYS PROVEN TRACK RECORD OF
11 DELIVERY. I SEE. SO THE PROBLEM IS THE MODIFIER IS IN
12 THE WRONG PLACE FROM YOUR PERSPECTIVE. SO YOU WANT IT TO
13 SAY HAS AN HISTORIC AND PROVEN TRACK RECORD OF DELIVERING
14 CAPITAL PROJECTS ON AN EXPEDITED SCHEDULE AND HAS
15 SUBMITTED AN EXPEDITED SCHEDULE ON THIS PROJECT.

16 CHAIRMAN LICHTENGER: RIGHT. RIGHT.

17 MR. KLEIN: THAT MAKES SENSE. EVERYONE HERE IS
18 SAYING THAT MAKES SENSE.

19 CHAIRMAN LICHTENGER: I JUST WANT PEOPLE TO
20 KNOW BECAUSE THE WAY IT READS NOW, YOU COULD HAVE A GREAT
21 TRACK RECORD, BUT A BAD SCHEDULE AND YOU HAVE TO GET THE
22 TEN POINTS.

23 VICE CHAIR SERRANO-SEWELL: DAVID, YOU MADE A
24 REALLY GOOD POINT. AND WE' LL TAKE THAT AS MOTION, IF
25 THAT' S OKAY WITH YOU.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: SECOND.

2 VICE CHAIR SERRANO-SEWELL: SINCE YOU'RE THE
3 CHAIR AND MADE THE MOTION, I'LL MANAGE THE ROLL CALL. IS
4 THERE ANY COMMENTS FROM THE PUBLIC ON THIS ITEM? SEEING
5 NO PUBLIC COMMENTS, RICK, CAN YOU CALL THE ROLL, PLEASE.

6 MR. KELLER: YES. MARCY FEIT.

7 MS. FEIT: YES.

8 MR. KELLER: ED KASHIAN.

9 MR. KASHIAN: NO.

10 MR. KELLER: ROBERT KLEIN.

11 MR. KLEIN: YES.

12 MR. KELLER: STUART LAFF.

13 MR. LAFF: I THINK I'M GOING TO ABSTAIN.

14 MR. KELLER: JOAN SAMUELSON.

15 MS. SAMUELSON: I -- I --

16 VICE CHAIR SERRANO-SEWELL: JOAN, DO YOU WANT
17 TO HOLD AND SEE HOW EVERYBODY ELSE VOTES?

18 MS. SAMUELSON: WHY NOT.

19 VICE CHAIR SERRANO-SEWELL: WE'LL PAUSE. WE'LL
20 PASS.

21 MR. KELLER: JEFF SHEEHY.

22 MR. SHEEHY: YES.

23 MR. KELLER: DAVID SERRANO-SEWELL.

24 VICE CHAIR SERRANO-SEWELL: YES.

25 MR. KELLER: DAVID LICHTENGER.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: YES.

2 MS. SAMUELSON: MY CONCERN IS THAT I THOUGHT WE
3 WERE REACHING CONSENSUS ON THE LANGUAGE. AND I'M
4 RELUCTANT TO APPROVE IT IF TWO OF OUR REAL ESTATE EXPERTS
5 ARE RELUCTANT.

6 VICE CHAIR SERRANO-SEWELL: ONE IS ABSTAINING
7 AND ONE IS VOTING NO. SO HOW DO YOU WISH TO VOTE, JOAN?
8 THE MOTION IS GOING TO CARRY.

9 MS. SAMUELSON: ALL RIGHT. YES.

10 MR. KELLER: MOTION CARRIES.

11 MR. KASHIAN: DAVID, I'D LIKE TO MAKE A COMMENT
12 TO RICK KELLER. I THINK EVERY ONE OF OUR CONTRACTS,
13 WHOEVER YOU AWARD THEM TO, SHOULD INCLUDE A COMPLETE
14 FORCE MAJEURE CLAUSE, ANY ISSUES THAT ARE BEYOND THEIR
15 CONTROL, INCLUDING CIVIL COMMOTION, BESIDE GOVERNMENT
16 STRIKES AND THAT KIND OF THING.

17 I ALSO BELIEVE THAT YOU CAN ENSURE, IF YOU'RE
18 IN DOUBT ABOUT THE CAPABILITY OF THE EXECUTION OTHER THAN
19 GOVERNMENTAL ISSUES, YOU CAN REQUIRE THE GENERAL
20 CONTRACTOR IN THE INSTITUTION TO GET A COMPLETION BOND.
21 THERE ARE MORE THAN ONE WAYS TO DEAL WITH THIS, AND I
22 BELIEVE THAT THE STAFF IS OBLIGATED TO PROVIDE TO THE
23 COMMITTEE AND TO THE ICOC THE PROS AND CONS OF EACH
24 INDIVIDUAL APPLICATION. AND REMEMBER SOMETHING. WE'RE
25 NOT DEALING WITH JUST PEOPLE OFF THE STREET OR UNKNOWN

BARRISTERS' REPORTING SERVICE

1 QUANTITIES. THESE ARE WELL-ESTABLISHED, LONG-TERM
2 INSTITUTIONS. AND THAT'S THE ONLY COMMENT I HAVE.

3 MR. KELLER: WE WILL TAKE THAT UNDER
4 ADVISEMENT, AND I'LL WORK WITH GENERAL COUNSEL ON
5 APPROPRIATE LANGUAGE THAT WE SHOULD HAVE IN THE RFA.

6 WITH THAT, I'D MOVE US TO THE SHARED RESOURCES
7 CATEGORY. THIS CATEGORY, THE DEFINITION WAS ADOPTED AT
8 THE LAST MEETING ADDED BY THE COMMITTEE. I WANT TO POINT
9 OUT THE FACT THAT IN THE COURSE OF ASKING FOR COMMENTS ON
10 THE DEFINITION, MEMBER JANET WRIGHT SUGGESTED A REVISION,
11 A MINOR ONE, BUT WITH IMPLICATIONS THAT WARRANT YOUR
12 ENDORSEMENT.

13 CHAIRMAN LICHTENGER: RICK, THIS IS DAVID. I
14 JUST WANT TO MENTION ONE OTHER ITEM ON URGENCY, I'M
15 SORRY, BEFORE WE GO ON. YOU SAY -- I JUST THINK YOU NEED
16 TO CLARIFY SOME LANGUAGE UNDER THE END DATE. YOU SAY THE
17 BASE BUILDING IS AVAILABLE FOR OCCUPANCY AND/OR
18 INSTALLATION OF EQUIPMENT. BECAUSE, AGAIN, YOU KNOW, THE
19 BASE BUILDING, WE TALKED ABOUT THIS AD NAUSEUM AT OUR
20 LAST MEETING. I JUST THINK WE'RE GOING TO NEED TO
21 CLARIFY THAT THE SPACE IS REALLY READY FOR OCCUPANCY
22 BECAUSE WHEN YOU START USING THE WORD "BASE BUILDING," IT
23 BECOMES SOMEWHAT DIFFICULT TO CLARIFY THIS ISSUE.

24 MR. KASHIAN: JEFF, I TOTALLY AGREE WITH THAT,
25 BUT WOULD YOU CONSIDER SAYING IS OCCUPIED INSTEAD OF

BARRISTERS' REPORTING SERVICE

1 READY FOR OCCUPANCY?

2 VICE CHAIR SERRANO-SEWELL: POINT OF ORDER,
3 CHAIRMAN LICHTENGER. THIS IS DAVID SERRANO-SEWELL. I
4 WOULD, JUST BEFORE WE GO INTO A TANGENT CONVERSATION
5 ABOUT END DATE, I JUST WANT TO REMIND OUR COLLEAGUES THAT
6 DAVID IS RIGHT. WE DID HAVE A FULL, HEALTHY DISCUSSION
7 ABOUT THIS ISSUE AT OUR LAST FACILITIES WORKING GROUP
8 MEETING. I THINK THE DEFINITION WE CAME UP WITH IS A
9 GOOD ONE. I RECALL THAT BOB HAD SOME POINTS ABOUT ONE
10 FLOOR BEING READY AND THE OTHER NOT, AND IT ALL SEEMED
11 VERY REASONABLE. I DON'T SEE IN OUR NOTES ANY PUSHBACK
12 FROM THE INSTITUTIONS THAT WILL APPLY FOR GRANTS. IN THE
13 INTEREST OF TIME, CHAIRMAN LICHTENGER, WE REALLY DO NEED
14 TO MOVE ON TO SHARED RESOURCES.

15 CHAIRMAN LICHTENGER: I'M OKAY WITH THAT.

16 VICE CHAIR SERRANO-SEWELL: THANK YOU. LET'S
17 HAVE THAT -- CAN WE START THAT CONVERSATION?

18 MR. KLEIN: DAVID, I DO UNDERSTAND. I JUST, IN
19 COMMENTING ON WHAT DAVID JUST SAID, I WOULD UNDERLINE
20 WHAT HE JUST SAID ABOUT THE FLOOR BEING AVAILABLE. WHEN
21 WE'RE TALKING ABOUT THE BASE BUILDING, WE'RE TALKING
22 ABOUT THE BASE BUILDING DESIGNATED FOR CIRM SPACE. SO IF
23 IT'S ONE FLOOR DESIGNATED FOR OUR FLOOR, THAT'S THE FLOOR
24 THAT HAS TO BE READY FOR OCCUPANCY.

25 VICE CHAIR SERRANO-SEWELL: THAT WAS MY

BARRISTERS' REPORTING SERVICE

1 UNDERSTANDING FROM THE CONVERSATION.

2 MR. KELLER: IF I CAN MOVE ON TO THE SHARED
3 RESOURCES THEN, WE DID HAVE THE ONE REVISION TO THE
4 DEFINITION THAT YOU HAD AT YOUR LAST MEETING. I'D
5 RECOMMEND THAT WHATEVER MOTION, IF YOU AGREE WITH THAT,
6 THIS WOULD REQUIRE THAT THE BENEFITS OF SHARED RESOURCES
7 REDUCE THE COST TO CIRM RATHER THAN REDUCE THE COST OF
8 THE OVERALL PROJECT.

9 THE EVALUATION STANDARD THAT WAS IDENTIFIED WAS
10 THAT THE SHARED RESOURCES SHOULD BE IDENTIFIED AS
11 FACILITIES CAPITAL ASSETS RATHER THAN OPERATIONAL OR
12 COLLABORATIVE ELEMENTS. SO IT MAY BE CONFUSING ON THE
13 SLIDE. LET ME MAKE SURE THAT YOU UNDERSTAND, THAT WHEN
14 WE WENT INTO THE INTERESTED PARTIES MEETING, WE HAD
15 IDENTIFIED UP TO TEN POINTS THAT WOULD SAY SHOW US HOW
16 YOU'RE USING SHARED RESOURCES RELATIVE TO CAPITAL ASSETS
17 TO DRIVE DOWN COSTS AND BE MORE EFFICIENT AND PROMOTE THE
18 OBJECTIVES OF THE MISSION, THE VALUE OF CIRM'S MISSION.

19 AS WE HAD THE DISCUSSION, IT WAS CLEAR -- AND
20 THE SECOND ISSUE WAS THAT WE ASSIGN FIVE POINTS THAT
21 SAID, WELL, IN THE CASE WHERE YOU HAVE COLLABORATIONS OR
22 THE OPPORTUNITY TO REDUCE OPERATING COSTS OR PROMOTE
23 COLLABORATIONS, THERE COULD BE FIVE POINTS ASSIGNED, AND
24 THAT WOULD BE PART OF THE SHARED RESOURCES SCORING FOR
25 THE PART 2.

BARRISTERS' REPORTING SERVICE

1 AFTER CONSIDERABLE DISCUSSION, WE SETTLED ON
2 THE FACT THAT THE OPERATION AND COLLABORATIVE COMPONENT
3 IS REALLY AN ELEMENT OF PART 1. AND THAT THE RECOMMENDED
4 EVALUATION STANDARD WOULD BE 15 POINTS SOLELY BASED ON
5 THE SHARED RESOURCES THAT ARE RELATED TO FACILITIES
6 CAPITAL ASSETS. AND SO THAT'S THE PROPOSAL AS IT HAS
7 BEEN DRAFTED.

8 AND IF YOU WANT TO UNDER THE OTHER ISSUE OF
9 SAYING IF THESE SHARED RESOURCES ARE UNDER A FORMAL
10 CONSORTIUM VERSUS A MORE, SHALL I SAY, INFORMAL SHARED
11 FACILITY, YOU MAY WANT TO GIVE SOME GUIDANCE ABOUT HOW
12 THOSE 15 POINTS WOULD BE DISTRIBUTED UNDER THOSE TWO
13 SCENARIOS. SO YOU HAVE SOME GRADATION THERE AS
14 POSSIBILITY AS WELL.

15 CHAIRMAN LICHTENGER: COMMENTS FROM MEMBERS.

16 MR. SHEEHY: DO WE NEED A MOTION TO ADOPT
17 MEMBER WRIGHT'S REVISION AND ALSO JUST TO START A
18 DISCUSSION TO MAKE THAT SHIFT THAT CAME OUT OF THAT
19 MEETING TO SAY CAPITAL ASSETS, THE WHOLE 15 POINTS APPLY
20 THERE?

21 MR. KLEIN: CAN WE SPLIT THOSE CONCEPTS AND
22 DEAL WITH MEMBER WRIGHT FIRST?

23 MR. SHEEHY: YEAH. I THINK WE SHOULD GO AHEAD.
24 IF WE NEED TO ADOPT THAT, LET'S GO AHEAD.

25 MR. KLEIN: IF JEFF IS MAKING A MOTION TO ADOPT

BARRISTERS' REPORTING SERVICE

1 MEMBER WRIGHT' S PROPOSAL, I ' D SECOND THAT.

2 CHAIRMAN LICHTENGER: CAN WE RESTATE IT SO IT' S
3 CLEAR?

4 MR. KELLER: THE MOTION IS TO ADOPT THE REVISED
5 WORDING OF INSERTING "TO CIRM" IN THE DEFINITION OF
6 SHARED RESOURCES AS IT APPLIES TO SLIDE 14 AS WAS ADOPTED
7 BY THIS COMMITTEE AT THE JULY 12TH MEETING.

8 CHAIRMAN LICHTENGER: FAIR ENOUGH. CALL THE
9 ROLL, PLEASE.

10 MR. KELLER: YES. MARCY FEIT.

11 MS. FEIT: YES.

12 MR. KELLER: ED KASHI AN.

13 MR. KASHI AN: YES.

14 MR. KELLER: ROBERT KLEIN.

15 MR. KLEIN: YES.

16 MR. KELLER: JOAN SAMUELSON.

17 MS. SAMUELSON: YES.

18 MR. KELLER: JEFF SHEEHY.

19 MR. SHEEHY: YES.

20 MR. KELLER: DAVID SERRANO-SEWELL.

21 VICE CHAIR SERRANO-SEWELL: YES.

22 MR. KELLER: DAVID LICHTENGER.

23 CHAIRMAN LICHTENGER: YES.

24 MR. KELLER: DID I GET YOU, STUART?

25 MR. LAFF: NO, BUT MY ANSWER IS YES.

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: MOTION CARRIES.

2 MR. KLEIN: THE VICE CHAIR WAS OUT OF THE ROOM.
3 HE DIDN'T HAVE A CHANCE TO ASK IF THERE WAS ANY PUBLIC
4 COMMENT.

5 VICE CHAIR SERRANO-SEWELL: IS THERE ANY
6 MEMBERS OF THE PUBLIC WHO WISH TO COMMENT AFTER THE FACT?
7 NEVER TOO LATE.

8 MR. KELLER: THAT HANDLES THE FIRST PART OF
9 MEMBER SHEEHY'S ISSUES.

10 MR. KLEIN: MY UNDERSTANDING WOULD BE, I'D LIKE
11 TO CLARIFY, SO WHEN CAPITAL ASSETS, IF SOMEONE HAS A VERY
12 EXPENSIVE CORE SETUP OF EQUIPMENT, THAT WOULD BE A
13 CAPITAL ASSET. IT'S NOT JUST BUILDINGS. IT WOULD BE
14 VERY EXPENSIVE EQUIPMENT?

15 MR. SHEEHY: MAYBE WE CAN GET SOME PUBLIC
16 COMMENT ON THIS TOO BECAUSE I'M NOT CLEAR ON -- I AGREE
17 IT'S A LITTLE MORE -- IT SEEMED A LITTLE BIT SIMPLER,
18 THOUGH I UNDERSTAND WHY. WE HAVE THE COLLABORATIONS
19 ISSUE, WHICH I DO THINK IS THE OTHER REVIEW PROCESS, BUT
20 WHAT ARE THE PARAMETERS THAT WE WANT TO DEFINE FOR
21 COLLABORATION WITHIN THIS CONTEXT -- OR SHARED FACILITY
22 WITHIN THIS CONTEXT?

23 MR. KLEIN: THE REASON I ASK THE QUESTION IS
24 THAT THERE ARE INSTITUTIONS LIKE THE STOWERS INSTITUTE
25 THAT HAS A CENTRALIZED CORE, AND THEY BELIEVE, FOR

BARRISTERS' REPORTING SERVICE

1 EXAMPLE, THAT HAVING A CENTRALIZED CORE WITH A DEDICATED
2 STAFF LEADS TO MORE PRODUCTIVITY OF VERY EXPENSIVE
3 EQUIPMENT, IT LEADS TO BETTER QUALITY AND CONSISTENT
4 RESULTS. AND SO IT'S POSSIBLE THAT TWO ORGANIZATIONS ARE
5 WORKING TOGETHER, AND ONE HAS AN EXTREMELY EXPENSIVE CORE
6 EQUIPMENT. INSTEAD OF US DUPLICATING THAT CORE, THEY
7 PLEDGED ACCESS TO THIS OTHER GROUP TO BE ABLE TO USE THAT
8 CORE, AND THAT THAT PROVIDES COST SAVINGS TO US, AND
9 THAT'S CAPITAL EQUIPMENT.

10 SO I JUST WANTED TO CLARIFY THAT IT'S CAPITAL
11 EQUIPMENT AS WELL AS CAPITAL BUILDING.

12 MR. SHEEHY: I WONDER IF THIS HAS SOME VALUE IN
13 TERMS OF THE CONTEXT OF WHAT SEEMS TO BE THE MORE GLOBAL
14 ISSUE HERE, WHICH IS ARE WE REALLY TALKING ABOUT
15 CONTINUUM FROM ZERO POINTS FROM BEING A SINGLE
16 INSTITUTION COMPLETELY BY YOURSELF TO SETTING UP AS OUR
17 PARADIGM A FORMAL CONSORTIUM WHERE EVERYTHING VIRTUALLY
18 ALMOST SOUP TO NUTS IS IN ONE BUILDING THAT'S BEEN
19 COLLABORATED. IN OTHER WORDS, WHAT IS OUR SPECTRUM
20 BECAUSE THAT MAY HELP US DEFINE WHAT WE CONSIDER TO BE
21 THE CAPITAL ASSETS AND WHERE THEY FALL IN THAT KIND OF
22 CONTINUUM? DOES THAT MAKE SENSE? I DO SEE THAT WE HAVE
23 THE LARGER GLOBAL ISSUE. WE HAVE X POINTS FOR SHARED
24 FACILITY AND Y POINTS FOR A FORMAL CONSORTIUM, WHICH
25 SEEMS TO LEAD INTO THE DISCUSSION IS WHAT IS OUR

BARRISTERS' REPORTING SERVICE

1 CONTINUUM HERE.

2 SO SHARED CORE FACILITIES MIGHT BE, YOU KNOW,
3 SOMEWHERE ON THAT SPECTRUM FOR THOSE 15 POINTS WITH THE
4 OVERALL HIGHEST POINT TOTAL GOING TO A FORMAL CONSORTIUM
5 WHERE INSTITUTIONS COLLABORATIVELY BUILD ONE SINGLE
6 FACILITY THAT THEY SHARE COMPLETELY.

7 MR. KLEIN: IN OTHER WORDS, YOU GET MORE
8 EFFICIENCY IF THAT SHARED CORE IS IN THE SAME BUILDING
9 THAN IF IT'S IN ANOTHER INSTITUTION'S BUILDING, BUT YOU
10 GET POINTS FOR BOTH.

11 MS. FEIT: ALSO, I THINK IT WAS IN THE
12 DISCUSSIONS WITH INTERESTED PARTIES THAT A VERY EXPENSIVE
13 PIECE OF EQUIPMENT MIGHT, A CT TOMOGRAPHY PIECE OF
14 EQUIPMENT, COULD BE IN THE MILLIONS OF DOLLARS. SO THAT
15 COULD BE A SHARED RESOURCE OF SIGNIFICANCE.

16 MR. KLEIN: YEAH. THAT WAS THE SAME POINT I
17 WAS MAKING, MARCY, BUT I THANK YOU FOR THE BRILLIANT
18 ILLUSTRATION.

19 JEFF IS RAISING THE POINT THAT POTENTIALLY WE
20 NEED TO INDICATE THAT IN THE SCALE, THAT IF THE --
21 BECAUSE OF A CONSORTIUM, THE EQUIPMENT IS IN THE SAME
22 BUILDING BECAUSE ALL INSTITUTIONS HAVE COME TOGETHER TO
23 BUILD A COMMON BUILDING, THEY WOULD PRODUCE HIGHER
24 EFFICIENCY; AND, THEREFORE, THEY SHOULD GET POINTS FOR
25 THAT THAT ARE TOWARDS THE UPPER END OF THE SCALE.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I'M JUST TRYING TO PUT THIS
2 DISCUSSION IN SOME SORT OF CONTEXT BECAUSE IT SEEMS TO ME
3 THAT THE LARGER ISSUE IS, YOU KNOW, WHAT COUNTS AND THEN
4 HOW MUCH IT COUNTS. AND IT SEEMS LIKE THIS DISCUSSION
5 STARTED WITHIN THE CONTEXT OF A CONSORTIUM, OF A FORMAL
6 CONSORTIUM, YOU KNOW, HOW DO WE REWARD. AND THAT IT DOES
7 SAVE CIRM MONEY TO HAVE MORE INSTITUTIONS COLLABORATE AND
8 SHARE RESOURCES, AND THAT HAS BEEN A LONG HELD VALUE THAT
9 THE ICOC HAS EXPRESSED.

10 I GUESS IT SEEMS TO ME THAT WE SHOULD FIGURE
11 OUT -- WE ACTUALLY HAVE A NUMERICAL WEIGHTING HERE THAT
12 WE MIGHT NEED TO SET UP A CONTINUUM OR SCALE OR WHAT HAVE
13 YOU AND SAY CERTAIN THINGS WILL COUNT ON THAT SCALE.
14 BUT, FOR INSTANCE, IF SOMEONE DID HAVE THE TYPE OF THING
15 THAT MARCY JUST EXPLAINED THAT WAS AVAILABLE REGIONALLY
16 TO MULTIPLE INSTITUTIONS, WOULD THAT COUNT FOR THE FULL
17 15 POINTS? I GUESS IT'S THE KIND OF QUESTION THAT STARTS
18 DEBATE.

19 CHAIRMAN LICHTENGER: I'D LIKE TO COMMENT ON
20 JEFF'S COMMENT. THIS IS DAVID. YOU KNOW, ONE OF MY
21 CONCERNS THAT I'VE HAD IS THAT YOU MAY HAVE AN
22 INSTITUTION, AN APPLICANT, THAT IS NOT A CONSORTIUM, BUT
23 HAS MADE TREMENDOUS EFFORT, AS MARCY IS POINTING OUT, AS
24 JEFF'S POINTING OUT, ON THE COLLABORATION FRONT. MY
25 CONCERN IS THAT I DON'T WANT TO IN ADVANCE OF SEEING WHAT

BARRISTERS' REPORTING SERVICE

1 THOSE EFFORTS MIGHT BE NOT BE WILLING TO GIVE SOME OTHER
2 POTENTIAL APPLICANT FULL POINTS UNDER THE SHARED
3 RESOURCES VERSUS JUST GRANTING A CONSORTIUM, BECAUSE WE
4 ONLY KNOW OF ONE, THOSE POINTS.

5 MR. KLEIN: IN TERMS OF GETTING TO JEFF'S
6 POINT, THOUGH, JEFF, WHAT ABOUT IF THE WAY WE AWARDED THE
7 CONSORTIUM A BENEFIT WAS THAT IN TERMS OF THE TOTAL CAP
8 WE WOULD AWARD, SINCE IT'S IN THE SAME BUILDING,
9 INCREASING THEIR CAP FOR THESE COSTS THAT CAN BE
10 IDENTIFIED THAT ARE GOING TO BE SHARED BY MULTIPLE
11 INSTITUTIONS IN THE SAME BUILDING? SO IF WE HAVE A \$40
12 MILLION TOTAL CAP, AND THERE'S \$5 MILLION OF CRITICAL
13 EQUIPMENT IN HERE THAT IS NOW GOING TO BE SHARED BY THREE
14 OR FOUR INSTITUTIONS UNDER A CONSORTIUM, THAT THEY WOULD
15 BE ABLE TO GET THEIR CAP INCREASE FOR THE MAXIMUM GRANT
16 BECAUSE OF THE ADDED EFFICIENCY.

17 MR. SHEEHY: THAT'S ANOTHER ISSUE. IT'S HARD
18 FOR ME TO UNDERSTAND HOW -- I THINK THAT'S ALMOST AN ICOC
19 ISSUE. I WASN'T ARGUING FOR ANY PARTICULAR POINT. I WAS
20 JUST TRYING TO PUT OUT THERE THAT THE DISCUSSION REALLY
21 OUGHT TO FOCUS ON THIS CONTEXT. I DON'T HAVE AN OPINION
22 ON WHAT SHOULD GET THE MOST POINTS AND HOW IT SHOULD FIT.
23 I WAS JUST TRYING TO LEAD US TOWARDS -- IF WE'RE GOING TO
24 START TALKING ABOUT, I THINK THAT WHEN WE DO AN RFA, WE
25 ASK PEOPLE TO COMPETE ON AN EQUAL BASIS AND WE DON'T

BARRISTERS' REPORTING SERVICE

1 ASSUME THAT SOMEONE IS GOING TO GET MORE MONEY BECAUSE IT
2 ALMOST SEEMS LIKE THAT WE'RE A PRIORI DECIDING THAT THE
3 CONSORTIUM GETS MORE MONEY.

4 MR. KLEIN: NO. YOU'D HAVE TO SAY ON A
5 SCIENTIFIC BASIS THERE WAS A VALUE TO IT.

6 MR. SHEEHY: BUT YOU MAY HAVE A VALUE AT AN
7 INSTITUTION, AS DAVID JUST DESCRIBED, THAT HAS SOME VERY
8 UNIQUE FACILITIES THAT THEY MAKE WIDELY AVAILABLE ON A
9 REGIONAL BASIS, AND WHY WOULD THEY NEED TO BE -- WHY
10 WOULDN'T THEY BE ABLE TO COMPETE FOR MORE MONEY ON THAT
11 BASIS AS WELL? YOU KNOW, IF WE'RE GOING TO SAY YOU'RE
12 GOING TO LET A LOT OF PEOPLE USE YOUR STUFF --

13 MR. KLEIN: WHY DON'T WE DO BOTH? WHY DIDN'T
14 WE ADOPT IT FOR WHEN YOU CAN SHOW A SCIENTIFIC VALUE?

15 MR. SHEEHY: BECAUSE THEN OUR CAPS START TO
16 BECOME MEANINGLESS, AND THEN IT GETS VERY DIFFICULT TO
17 DEFINE. YOU'RE TALKING ABOUT A FUNDING ISSUE AS OPPOSED
18 TO A POINT ISSUE. SO IF YOU'RE JUST TALKING ABOUT
19 WHATEVER CAPS WE'RE GOING TO PUT IN PLACE FOR THE MAXIMUM
20 AMOUNT THAT AN INSTITUTION CAN BE, IF WE MAKE THOSE
21 VARIABLE, I THINK WE NEED TO BE MORE -- IF IT IS, INDEED,
22 THE DESIRE OF THE ICOC TO CAP AT A MAXIMUM VALUE WHAT A
23 GRANT AWARD WOULD BE, THEN I THINK -- I MEAN I THINK
24 THAT'S AN ICOC QUESTION. I JUST DON'T KNOW IF I'M READY
25 AT THIS POINT. WE'RE TRYING TO FIGURE OUT HOW TO SCORE.

BARRISTERS' REPORTING SERVICE

1 THE ICOC DECIDES THAT HAVING FACILITIES WITHIN FACILITIES
2 BE WIDELY AVAILABLE, THEY WANT TO GIVE PEOPLE MORE MONEY,
3 THAT'S FOR THE ICOC, BUT I DON'T SEE HOW THAT RELATES TO
4 OUR SCORING.

5 MS. KING: CHAIRMAN LICHTENGER, I JUST WANTED
6 TO LET YOU ALL KNOW THAT DAVID SERRANO-SEWELL HAS NOW
7 DIALED INTO THE CALL.

8 CHAIRMAN LICHTENGER: VERY GOOD. THANK YOU.
9 BOB, I THINK JEFF'S GOT A VERY GOOD POINT. WE'RE TALKING
10 ABOUT THE SCORING NOW. WE'RE NOT TALKING ABOUT THE
11 DOLLARS.

12 MR. KLEIN: ALL RIGHT. I WAS JUST TRYING TO
13 PICK UP ON JEFF'S POINT AND FIND A DIFFERENT WAY BECAUSE
14 I HEARD THE EMPHASIS ON MAKING SURE THAT WE PROVIDED
15 ADEQUATE INCENTIVE FOR OTHER INSTITUTIONS TO COLLABORATE,
16 WHICH I AGREE WITH.

17 MR. SHEEHY: I'M JUST TRYING TO FIGURE OUT HOW
18 TO SCORE IT.

19 CHAIRMAN LICHTENGER: I DON'T KNOW IF I'M READY
20 TO, QUOTE, PUT IN A PROPOSAL, BUT I WANTED TO KIND OF
21 BRING UP THIS POINT AGAIN, THAT MAYBE WE DON'T
22 NECESSARILY DIFFERENTIATE IN OUR DEFINITION BETWEEN A
23 CONSORTIUM AND A COLLABORATION AND ALLOW THE KIND OF
24 APPLICANT TO STAND ON THEIR OWN MERIT IN COMPARING, LET'S
25 SAY, A CONSORTIUM VERSUS OTHER APPLICANTS. THERE WILL

BARRISTERS' REPORTING SERVICE

1 HAVE TO BE SOME JUDGMENTS MADE RELATIVE TO COMPARING
2 THEM. IF YOU'VE GOT AN INSTITUTION THAT IS NOT A
3 CONSORTIUM, BUT HAS DONE EVERYTHING ELSE RIGHT AND IS
4 LEVERAGING THEIR CORE EQUIPMENT AND EVERYTHING ELSE, THEN
5 PERHAPS THEY WOULD GET THE SAME SCORE AS THE CONSORTIUM.

6 MS. HOFFMAN: CHAIRMAN LICHTENGER, I'D LIKE TO
7 CLARIFY THAT. IN FACT, WE DO HAVE A DEFINITION FOR
8 COLLABORATION AND CONSORTIUM, AND THERE IS QUITE A
9 DIFFERENCE. I BELIEVE THAT THAT WAS PRESENTED AT YOUR
10 LAST WORKING GROUP MEETING, AND THAT WE WOULD BE LOOKING
11 UNDER CONSORTIUM FOR SOMETHING THAT DENOTED A LEGAL
12 ENTITY, SOMETHING MORE THAN AN MOU ALL THE WAY UP TO
13 LIMITED LIABILITY CORPORATION PERHAPS.

14 MR. KLEIN: WHILE WE'RE DISCUSSING THIS, JUST
15 TO HAVE ALL THE ITEMS ON THE TABLE, OPERATIONS AND
16 COLLABORATIONS HAVE BEEN DELETED BECAUSE SUPPOSEDLY IT'S
17 PART OF THE SCIENTIFIC EVALUATION; BUT IN THE SCIENTIFIC
18 EVALUATION, IF THE COLLABORATION IS JUDGED TO HAVE
19 SCIENTIFIC VALUE ON AN OPERATIONAL BASIS, THERE'S CLEARLY
20 COST SAVINGS IF THERE IS A SCIENTIFIC VALIDATION.

21 SO IF WE GET BACK FROM PART 1 THAT THERE'S A
22 SCIENTIFIC VALUE TO THAT COLLABORATION, FOR EXAMPLE,
23 HAVING A SHARED CORE STAFF THAT'S DEDICATED STAFF THAT IS
24 AVAILABLE TO MULTIPLE INSTITUTIONS THAT HAVE A WRITTEN
25 FORMAL AGREEMENT, THEN IN TERMS OF THE GRANTS THAT CAN BE

BARRISTERS' REPORTING SERVICE

1 CARRIED OUT AND WHAT THEIR COST IS AND THE ABILITY TO
2 ADVANCE OUR SCIENTIFIC MISSION, WHY CAN'T WE THEN,
3 SUBJECT TO THERE BEING SCIENTIFIC MERIT TO IT, ASSIGN
4 POINTS UNDER OPERATIONAL VALUE TO COLLABORATIONS?

5 MR. SHEEHY: MAYBE WE JUST CALL THAT CORES, AND
6 MAKE IT CLEAR THAT WHAT WE'RE TALKING ABOUT IN TERMS OF
7 OPERATIONAL -- AND, PUBLIC, PLEASE. WE'RE STRUGGLING
8 WITH THIS. WE'RE TRYING TO DO WHAT'S FAIR. THERE IS
9 OBVIOUSLY A VALUE TO CORES BEING SET UP BOTH INTERNALLY
10 AND ONES THAT ARE AVAILABLE TO OTHER INSTITUTIONS. I
11 MEAN CORES WILL ACCELERATE THE WAY THE SCIENCE MOVES
12 FORWARD. A GMP CORE, FOR INSTANCE, IS A TREMENDOUS
13 VALUE.

14 MR. KLEIN: SO YOU'RE ASKING FOR PUBLIC
15 COMMENT.

16 MR. SHEEHY: ANY INPUT. I'M KIND OF IN THE
17 WOODS ON THIS.

18 MS. HOFFMAN: IF YOU GO BACK TO THE ORIGINAL
19 SLIDE, RICK, IN FACT, STAFF HAD RECOMMENDED THAT THERE
20 WOULD BE FIVE POINTS ALLOCATED TO OPERATIONS AND
21 COLLABORATIVES. AND WHEN WE WENT INTO THE INTERESTED
22 PARTIES MEETING, IN FACT, IT BECAME VERY DIFFICULT TO
23 FERRET OUT WHAT WOULD BE OPERATIONS AT AN INSTITUTION AND
24 HOW WOULD WE MEASURE THE SHARED ASPECTS.

25 SO, FOR EXAMPLE, IF THERE WAS A SITUATION WHERE

BARRISTERS' REPORTING SERVICE

1 FACULTY WERE GOING TO BE HIRED OR THERE WOULD BE SOME
2 KIND OF A SHARED MANAGEMENT SITUATION, THOSE WOULD BE TWO
3 DIFFERENT SITUATIONS WHERE THE SHARED MANAGEMENT
4 SITUATION MAY BE, IF YOU SAID SPECIFICALLY UNDER
5 OPERATIONS THAT THAT'S WHAT YOU WERE LOOKING FOR, MAYBE
6 YOU COULD ASSIGN POINTS.

7 I THINK THE OTHER ISSUE IN TERMS OF FACULTY AND
8 COLLABORATIONS AND SCIENTIFIC COLLABORATION WOULD ALL BE
9 CAPTURED IN PART 1. THAT'S WHY ULTIMATELY WE TOOK IT
10 OUT.

11 MR. KLEIN: IF THE PART 1 SCORE, THOUGH,
12 VALIDATES THAT THERE'S A VALUE TO THIS.

13 MS. HOFFMAN: THEY WON'T BE VALIDATING THAT
14 THERE'S A VALUE TO IT OTHER THAN A SCIENTIFIC VALUE.

15 MR. KLEIN: BUT IF THERE'S A SCIENTIFIC VALUE,
16 WHICH IS OUR MISSION, THEN --

17 MS. HOFFMAN: THEN THEY SCORE HIGH IN THAT
18 AREA. THAT'S EXACTLY RIGHT.

19 MR. KLEIN: WE CAN CONSIDER WHETHER THERE'S A
20 COST BENEFIT FROM OUR PERSPECTIVE THAT SHOULD BE GIVEN
21 POINTS.

22 MS. HOFFMAN: I THINK WE NEED TO DEFINE WHAT IT
23 IS THAT WE WOULD BE ASKING FOR IN ORDER TO MAKE A VALUE
24 ON WHATEVER AVOIDANCE COST SAVINGS. THAT'S WHAT WE
25 COULDN'T DO. WE COULDN'T FIGURE OUT HOW WE WOULD COME UP

BARRISTERS' REPORTING SERVICE

1 WITH THAT.

2 MR. SHEEHY: I'M JUST TRYING TO VISUALIZE. I
3 DON'T KNOW IF THE SCIENCE IS AT THIS POINT, BUT WE HAVE
4 DAVIS HERE, SO I HOPE YOU'LL FORGIVE ME FOR MAKING STUFF
5 UP ABOUT YOUR PROGRAM. THAT'S A NEUTRAL. BUT YOU HAVE
6 THE PRIMATE FACILITY THAT SERVES AS A SHARED FACILITY, I
7 THINK, UP AND DOWN THE STATE, MAYBE THE WESTERN U.S. AND
8 IF THAT BECOMES A MAJOR SHARED FACILITY, IF YOUR VISION
9 HAS THAT AS A SHARED FACILITY FOR THE STEM CELL, AT LEAST
10 WITHIN THE GROUP OF WORKING WITHIN CALIFORNIA, HOW WILL
11 WE CAPTURE THAT VALUE IF IT THERE WAS A DEDICATED STEM
12 CELL PORTION?

13 BY THE SAME TOKEN, YOU CAN SEE ON A FACULTY
14 BASIS, IF THERE WAS AN INSTITUTION THAT DIDN'T HAVE
15 TENURE TRACK ACADEMIC APPOINTMENTS AND YOU DECIDED IN
16 COLLABORATION WITH SOMEONE GETTING HIRED AT A
17 COLLABORATING INSTITUTION TO OFFER A TENURE TRACK
18 POSITION AND THAT BROUGHT IN, SAY, A SUPERSTAR SCIENTIST,
19 SAY JAMIE THOMPSON OR SOME OF THE OTHER SUPERSTARS
20 WANDERING AROUND THE WORLD, WELL, HE'S FROM WISCONSIN.
21 WE BROUGHT IN SOMEBODY FROM AUSTRALIA OR FROM THE UK.
22 HOW DO WE MEASURE THAT? THAT DEFINITELY HELPS US WITH
23 OUR MISSION AND SHOULD HAVE SOME WEIGHT AT SOME POINT IN
24 THIS PROCESS AND THAT IS COLLABORATION. I DON'T KNOW HOW
25 TO EXPRESS THAT.

BARRISTERS' REPORTING SERVICE

1 MS. FEIT: I THINK THAT WE SHOULD RELY ON THE
2 INSTITUTIONS APPLYING FOR A COLLABORATIVE GRANT, THAT
3 THEY WOULD HAVE MOU'S OR LETTERS OF UNDERSTANDING OR
4 CONTRACTS IN PLACE THAT WOULD SPELL OUT THE RELATIONSHIP
5 AND, IN FACT, WHY THEY'RE DOING IT. SO THAT WOULD HELP
6 US IN TERMS OF PUTTING SOME KIND OF FACTOR TO IT.

7 MS. HOFFMAN: MEMBER FEIT, THAT WILL BE IN PART
8 1. THE SCIENTIFIC REVIEW WILL GO OVER THAT AND CERTAINLY
9 GIVE POINTS TO ALL THOSE PARTICULAR COLLABORATIONS. I
10 THINK MORE TO THE POINT, ON MEMBER SHEEHY'S COMMENT, ON A
11 PRIMATE CENTER THAT WAS ALREADY BUILT BY THE CAMPUS, BY
12 THE UNIVERSITY. IN FACT, WE THINK IT'S GREAT THAT YOU
13 WOULD WANT TO SHARE IT, BUT WHAT WILL HAPPEN IN I THINK
14 ALMOST EVERY CASE IS THERE WILL BE A RECHARGE COST
15 ASSOCIATED. SO IF THERE ARE OTHER INSTITUTIONS WITHIN
16 THE STATE OF CALIFORNIA THAT CHOOSE TO USE THE PRIMATE
17 CENTER, THEY'LL PAY FOR IT.

18 AND SO THE QUESTION HERE TODAY IS WOULD YOU
19 WANT TO THEN ASSOCIATE ANY KIND OF ADDITIONAL POINTS
20 WITH --

21 MR. KLEIN: FOR EXAMPLE, MEMBER SHEEHY POINTED
22 OUT IT WOULD BE A GREAT BENEFIT NOT TO HAVE EACH OF THESE
23 FACILITIES TRY AND BUILD THEIR OWN GMP FACILITIES.
24 CLEARLY, EVEN THOUGH THERE'S A CHARGE FOR THE COST OF
25 USING THE GMP FACILITY, IF WE DON'T HAVE TO PAY FOR THE

BARRISTERS' REPORTING SERVICE

1 CAPITAL COST, THAT'S A HUGE BENEFIT TO THE TAXPAYERS OF
2 CALIFORNIA, AND IT'S A HUGE BENEFIT TO OUR MISSION AND TO
3 OUR ABILITY TO SPREAD THE FUNDS. I ABSOLUTELY WANT TO
4 AWARD POINTS WHEN WE'VE AVOIDED MAJOR CAPITAL COST EVEN
5 THOUGH THERE IS A USE CHARGE ASSOCIATED WITH ACCESSING
6 IT.

7 MR. SHEEHY: IT BENEFITS US BOTH. I THINK IT
8 HAS A DUAL PURPOSE BECAUSE NOT ONLY DOES IT SAVE US MONEY
9 FOR HAVING TO BUILD OTHER FACILITIES, IT HELPS US
10 SCIENTIFICALLY BECAUSE EVERYBODY IS USING THE SAME CELLS,
11 SO DISCOVERIES ARE EASILY REPLICABLE.

12 MR. KLEIN: RIGHT. SO THE SCIENTIFIC PART WILL
13 CAPTURE THE USE OF THE SAME CELLS AND THE CONSISTENCY.
14 WE WANT TO ADDRESS THE COST SIDE OF THIS BENEFIT OF NOT
15 HAVING TO REPLICATE ALL THESE FACILITIES EACH TIME.

16 CHAIRMAN LICHTENGER: BOB, YOU KNOW, I AGREE
17 WITH YOU TOTALLY. THIS IS THE POINT I'VE BEEN TRYING TO
18 MAKE IS THAT LET'S SAY HYPOTHETICALLY YOU HAVE AN
19 INSTITUTION WHOSE GMP FACILITY IS A VIVARIUM, AND THEY
20 CHOOSE TO BUILD THE NEW FACILITY NEXT TO THAT BUILDING OR
21 ATTACH IT TO THAT BUILDING. THAT COULD -- YOU KNOW,
22 YOU'RE TALKING ABOUT SAVING \$20 MILLION DOLLARS.

23 MR. KLEIN: WELL, EXACTLY. AND AS TO THE CORE
24 ISSUE THAT JEFF MENTIONED, INSTEAD OF HAVING A SEPARATE
25 CATEGORY FOR FIVE POINTS, I THINK THAT, SUBJECT TO THERE

BARRISTERS' REPORTING SERVICE

1 BEING SCIENTIFIC VALIDATION TO A CORE THAT IS SHARED,
2 THAT WE BE ABLE TO ANALYZE, WE'D BE ABLE TO TAKE THAT
3 INTO CONSIDERATION IN THESE 15 POINTS ON A COST BASIS IN
4 TERMS OF ADVANCING THE MISSION, TO BE ABLE TO HAVE SHARED
5 CORES, WHICH WE WANT TO INCENTIVIZE.

6 MR. SHEEHY: I JUST CAN IMAGINE THAT SOMEBODY
7 GETS A HIGH SCORE AND HAS ALL THE PAPERWORK FOR A WIDELY
8 AVAILABLE CORE, AND THEN THEY COME HERE AND DON'T GET
9 ANYTHING BECAUSE THERE'S NO SHARED CAPITAL.

10 MR. KLEIN: THAT'S RIGHT.

11 MR. SHEEHY: SO THEY END UP WITH ZERO ON THIS
12 BASIS, BUT THEY'VE GOTTEN THIS INCREDIBLE RECOGNITION
13 FROM THE SCIENTIFIC SIDE. AGAIN, THIS IS ALL ABOUT --
14 THIS IS A TECHNICAL -- I WANT TO TRY TO FOCUS ON THE
15 TECHNICAL EXERCISE OF HOW DO WE AWARD POINTS. WE HAVE 15
16 POINTS HERE THAT WE HAVE TO SPREAD AROUND, AND THAT'S
17 REALLY WHAT WE'RE TRYING TO GET TO.

18 MR. KLEIN: SO WOULD YOU BE RECEPTIVE TO A
19 MOTION THAT SAID THAT WE INCORPORATE IN HERE, NOT FOR A
20 SPECIAL SET ASIDE OF POINTS, BUT THE EVALUATION OF THE
21 SAVINGS FROM CORES AS PART OF OUR POINTS?

22 MR. SHEEHY: ADD THAT UNDER CAPITAL ASSET, AND
23 WE'RE STILL TALKING ABOUT --

24 MR. KLEIN: CORE'S GOT EQUIPMENT. BUT THE
25 VALUE OF THE -- THE FINANCIAL VALUE OF BOTH THE EQUIPMENT

BARRISTERS' REPORTING SERVICE

1 AND THE EXPERT STAFF THAT'S DEDICATED. SO THAT HAS A
2 FINANCIAL VALUE SEPARATE FROM THE SCIENTIFIC SCORE.

3 CHAIRMAN LICHTENGER: BOB, WOULDN'T THE STAFF
4 BE SEPARATE UNDER THE SCIENTIFIC REVIEW?

5 MR. KLEIN: THE SCIENTIFIC REVIEW JUST GIVES
6 YOU POINTS FOR THE SCIENCE, BUT THEN YOU COME HERE, YOU
7 GET NO POINTS FOR THE FINANCIAL SAVINGS.

8 MR. SHEEHY: I THINK, DAVID, WHAT THE SCIENCE
9 SIDE WILL DO WILL VALIDATE THE REALITY OF THE
10 COLLABORATION. WHAT WE HAVE TO DECIDE IN OUR CONTEXT IS
11 DOES THAT PROVIDE COST SAVINGS BENEFIT TO CIRM THAT WE
12 CAN THEN USE TO AWARD POINTS WITHIN THE SHARED RESOURCES
13 15-POINT SCALE. THAT'S HOW I KIND OF WOULD VISUALIZE
14 THAT. SO THE VALIDATION THAT THIS IS, INDEED, SAY, A GMP
15 CORE THAT WILL BE WIDELY AVAILABLE AND SAVE CIRM FROM
16 HAVING TO BUILD A GMP CORE AT X FACILITY AND Y FACILITY
17 AND Z FACILITY. WE END UP WITH ONLY BUILDING ONE, AND
18 THE ROBUSTNESS AND THE SHAREDNESS OF THAT IS VALIDATED BY
19 THE SCIENTISTS WHO ARE REALLY THE ONLY PEOPLE WHO CAN
20 VALIDATE THAT. AND THEN YOU COME BACK TO US WITH HAVING
21 HAD THIS VALIDATED, THEN WE HAVE THE ABILITY WITHIN THIS
22 15-POINT SCALE TO GIVE THEM SOME POINTS KNOWING THAT
23 THERE IS A REAL SHARED CORE THAT WILL BE SET UP WITH CIRM
24 FUNDS.

25 MR. KLEIN: THAT DOESN'T HAVE TO SERVE TEN

BARRISTERS' REPORTING SERVICE

1 INSTITUTIONS BECAUSE IT MAY NOT BE LARGE ENOUGH, BUT
2 VALIDLY, SCIENTIFICALLY SERVES TWO OR THREE, THAT'S A
3 REAL VALUE IF THOSE TWO OR THREE DON'T HAVE TO PRODUCE
4 THAT FACILITY.

5 CHAIRMAN LICHTENGER: RICK, DO YOU HAVE ANY
6 PROPOSED CLARIFICATIONS OF LANGUAGE TO INCORPORATE THIS
7 ISSUE?

8 MS. SAMUELSON: I'D LIKE TO ASK THE QUESTION
9 BEFORE YOU GET DOWN TO LANGUAGE. SHOULDN'T THIS INCLUDE,
10 AND MAYBE IT ALREADY WILL, FUTURE COLLABORATIONS BEYOND
11 EXISTING RELATIONSHIPS? SO THAT IF THERE'S A BENEFIT
12 FROM A SHARED RESOURCE THAT A FUTURE SCIENTIFIC TEAM THAT
13 ISN'T YET EVEN COMPETING FOR FUNDING, BUT COMES INTO THE
14 STATE OR IS CREATED IN THE STATE IN THE NEXT SEVERAL
15 YEARS, AND THAT'S MADE AVAILABLE BY THE BUILDING OF THE
16 THIS FACILITY.

17 MR. KLEIN: JOAN, THERE WOULD HAVE TO BE A
18 CONTRACTUAL AGREEMENT IN PLACE SO WE COULD EVALUATE IT
19 BECAUSE WE CAN'T SPECULATE ON THE POSSIBILITY. IT'D HAVE
20 TO BE AN ACUTELY FOCUSED AND HIGHLY ARTICULATED
21 CONTRACTUAL AGREEMENT SO THAT WE COULD OBJECTIVELY
22 EVALUATE IT.

23 MS. SAMUELSON: THIS MAY NOT BE THE CASE, BUT
24 IT SEEMS TO ME IT COULD BE, THAT THE WAY A BUILDING IS
25 BUILT, THAT IT INCORPORATES COMPONENTS THAT ARE ASSETS

BARRISTERS' REPORTING SERVICE

1 THAT WOULD BE ASSETS FOR OTHERS COMING IN AND USING THEM,
2 LIKE A PRIMATE FACILITY OR A MICROARRAY OR SOME KIND OF
3 STATE-OF-THE-ART EDUCATIONAL AND TRAINING SITE THAT COULD
4 BE WIDELY USED SO THAT OTHER PLACES COMING INTO THIS
5 FIELD COULD BENEFIT FROM IT.

6 MR. KLEIN: ISN'T THAT UNDER FUNCTIONALITY,
7 JOAN?

8 CHAIRMAN LICHTENGER: I THINK THAT WOULD BE
9 COVERED UNDER OTHER CATEGORIES, JOAN.

10 MS. SAMUELSON: AS LONG AS IT IS. IT SEEMS TO
11 ME IT IS UNDER THE DEFINITION OF SHARED RESOURCES.

12 CHAIRMAN LICHTENGER: IT ISN'T A SHARED
13 RESOURCE YET. IT'S A POTENTIAL SHARED RESOURCE. I THINK
14 THAT WE COULD -- I THINK THERE ARE TWO OTHER CATEGORIES
15 THAT WE'D BE ABLE TO GIVE FOLKS SOME CREDIT IN TERMS OF
16 CREATING A FACILITY THAT HAS INNOVATIVE SPECIAL FEATURES
17 AND THAT WOULD ALSO CREATE FUNCTIONALITY. I THINK WE CAN
18 GET IT TWO WAYS, BUT WE CAN'T GET IT THIS WAY.

19 MS. SAMUELSON: ALL RIGHT.

20 MR. KLEIN: UNDER THIS ONE ON LANGUAGE, WHAT
21 I'D LIKE TO MAKE A MOTION IS THAT IF THE SCIENTIFIC
22 EVALUATION HAS VERIFIED A SCIENTIFIC VALUE TO THE
23 COLLABORATION, THEN WE BE ABLE TO INCLUDE IN OUR 15
24 POINTS WITH NO SPECIFIC SET ASIDE, BUT AWARD POINTS FOR
25 SHARED CORES WITH DEDICATED SCIENTIFIC STAFF OF HIGH

BARRISTERS' REPORTING SERVICE

1 COMPETENCE BASED UPON THE POTENTIAL FINANCIAL SAVINGS TO
2 OUR MISSION AND THE STATE. SO IS THERE A SECOND TO THAT?

3 MR. SHEEHY: I SECOND.

4 CHAIRMAN KLEIN: BOB, CAN YOU RESTATE, PLEASE?

5 MR. KLEIN: SUBJECT TO RESTATING, JEFF IS
6 SECONDING THIS. SO THAT SUBJECT TO THE SCIENTIFIC
7 VALIDATION OF THE SCIENTIFIC VALUE TO THE COLLABORATION,
8 THAT WE BE ABLE WITHIN THE 15 POINTS WITH NO SPECIFIC SET
9 ASIDE TO BE ABLE TO AWARD POINTS FOR SHARED CORES, FOR
10 THE CORE ITSELF, THE VALUE OF THE EQUIPMENT IN THE CORE
11 THAT'S AVAILABLE FOR SHARING, AS WELL AS THE VALUE OF THE
12 DEDICATED SCIENTIFIC STAFF OF HIGH EXPERTISE FOR THE
13 FINANCIAL BENEFIT TO THE STATE AND OUR MISSION OF THAT
14 SHARED CORE AND THE DEDICATED STAFF.

15 CHAIRMAN LICHTENGER: I HAVE A QUESTION.

16 MR. KLEIN: JUST TO CLARIFY, JEFF, IS THAT --

17 MR. SHEEHY: I'VE SECONDED.

18 MR. KLEIN: JEFF HAS SECONDED.

19 CHAIRMAN LICHTENGER: NOW LET'S OPEN IT UP FOR
20 DISCUSSION. SO THE ONLY PART THAT I HAVE A QUESTION ON,
21 I LIKE WHERE YOU'RE GOING. WHEN YOU TALK ABOUT THE STAFF
22 COMPONENT, IS THAT WITHIN OUR PURVIEW IN THE FACILITIES
23 WORKING GROUP THAT WE SHOULD ADDRESS THIS STAFF ISSUE?

24 MR. KLEIN: THIS IS THE FINANCIAL SIDE OF THE
25 BENEFIT TO THE MISSION. ONLY IF THE SCIENTIFIC PEER

BARRISTERS' REPORTING SERVICE

1 REVIEW HAS VALIDATED THE SCIENTIFIC VALUE OF THE
2 COLLABORATION.

3 CHAIRMAN LICHTENGER: I WOULD SUPPORT THAT AS
4 LONG AS WE CLARIFY THAT.

5 MR. KLEIN: I AS A FRIENDLY AMENDMENT I INCLUDE
6 THAT CLARIFICATION.

7 MR. SHEEHY: SECOND AGREES.

8 MS. SAMUELSON: I'M NOT SO SURE THAT WE CAN
9 MAKE JUDGMENTS AS A WORKING GROUP TO MAKE A JUDGMENT
10 ABOUT THE COLLABORATIVE BENEFIT OVER TIME BECAUSE THERE
11 MAY BE VERY DIFFERENT ONES AND VERY DIFFERENT SPACE NEEDS
12 IN BASIC SCIENCE OPERATIONS FROM ONE THAT'S BASIC OR
13 CLINICAL. IT'S A BUILDING FOR ALL PURPOSES, RIGHT?

14 MR. KLEIN: JOAN --

15 MS. SAMUELSON: I THINK IT'S GOING TO BE
16 DIFFICULT.

17 MR. KLEIN: THIS WHOLE INITIATIVE IS DIFFICULT.
18 BUT WE ARE CHALLENGED THROUGHOUT THIS PROCESS, BUT WE'RE
19 TRYING TO GO THROUGH A SYSTEM WHERE HOPEFULLY WE CREATE
20 SOME VALIDATION OF SOME MODELS THAT WORK, AND IT'S A TEST
21 OF OUR ABILITY TO BE CREATIVE AND OBJECTIVE. AND IT'S
22 HOW THOUGHTFULLY WE COMMIT OURSELVES TO THE EXERCISE WILL
23 BE A RECORD THAT WILL PROVE OUR EFFECTIVENESS OR NOT, BUT
24 WE HAVE MANY, MANY VERY COMPLICATED JUDGMENTS WITH
25 SUBJECTIVITY IN THIS WHOLE PROCESS.

BARRISTERS' REPORTING SERVICE

1 MR. KASHIAN: MR. CHAIRMAN, I CALL FOR THE
2 QUESTION.

3 MR. SHEEHY: COULD WE GET PUBLIC COMMENT?

4 MR. KLEIN: PUBLIC COMMENT. DAVID
5 SERRANO-SEWELL, WOULD YOU LIKE JEFF SHEEHY OR I TO ASK
6 FOR PUBLIC COMMENT GIVEN YOU'RE NOW ON THE PHONE, BUT NOT
7 HERE?

8 VICE CHAIR SERRANO-SEWELL: BOB, IF YOU DON'T
9 MIND, THAT WOULD BE OKAY.

10 MR. KLEIN: WE HAVE A GENTLEMAN IN THE FRONT
11 ROW.

12 MR. ROMNEY: MARK ROMNEY WITH UC DAVIS AGAIN.
13 CLARIFICATION ON THE CONSORTIUM. IS IT THE SINGLE
14 APPLICANT WITHIN THE CONSORTIUM THAT REQUESTS THE SHARED
15 FACILITY POINTS?

16 MR. KLEIN: THAT'S NOT THE MOTION. WE CAN
17 ANSWER YOUR QUESTION, BUT THAT'S NOT THE MOTION THAT'S
18 BEFORE US. ANY ADDITIONAL QUESTIONS AS TO THE MOTION?

19 MR. SIMPSON: JOHN SIMPSON FROM FOUNDATION FOR
20 TAXPAYER AND CONSUMER RIGHTS. WE'VE BEEN BIG ADVOCATES
21 OF RECOGNIZING COLLABORATION. WHAT I UNDERSTAND THIS TO
22 DO ESSENTIALLY IS VALIDATE IT FROM THE POINT OF VIEW OF
23 THE SCIENCE, AND THEN PUT A REAL COST VALUE ON THAT IN
24 YOUR WORKING GROUP, WHICH IT SEEMS TO ME TO BE PERFECTLY
25 AND IMMEDIATELY SENSIBLE, AND YOU SHOULD PASS IT.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: THERE ARE NO OTHER PUBLIC COMMENTS.
2 AND I BELIEVE SOMEONE HAS CALLED THE QUESTION.

3 MR. KELLER: YES. MARCY FEIT.

4 MS. FEIT: YES.

5 MR. KELLER: ED KASHIAN.

6 MR. KASHIAN: YES.

7 MR. KELLER: ROBERT KLEIN.

8 MR. KLEIN: YES.

9 MR. KELLER: STUART LAFF.

10 MR. LAFF: YES.

11 MR. KELLER: JOAN SAMUELSON.

12 MS. SAMUELSON: YES.

13 MR. KELLER: JEFF SHEEHY.

14 MR. SHEEHY: YES.

15 MR. KELLER: DAVID SERRANO-SEWELL.

16 VICE CHAIR SERRANO-SEWELL: YES.

17 MR. KELLER: DAVID LICHTENGER.

18 CHAIRMAN LICHTENGER: YES.

19 MR. KELLER: MOTION CARRIES.

20 IF I MAY NOW, I'LL MOVE ON TO THE LAST
21 CATEGORY, WHICH IS FUNCTIONALITY AND REMIND YOU OF SOME
22 SENSITIVITY HERE TO YOUR TIME. I'M GOING TO TRY TO GO --
23 THERE WAS NO CONTROVERSY ON FUNCTIONALITY, BUT WE STILL
24 NEED TO GET TO THE PROCESS DISCUSSION. AND I'M SENSITIVE
25 TO THE FACT THAT YOU HAD TWO HOURS SCHEDULED FOR THIS.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: RICK, I WANT TO MAKE SURE THIS
2 GENTLEMAN IN THE FRONT ROW.

3 MR. ROMNEY: I'M FINE. I CAN WITHDRAW.

4 MR. KLEIN: IF STAFF AFTER THIS COULD PLEASE
5 ADDRESS THIS GENTLEMAN'S CONCERN.

6 CHAIRMAN LICHTENGER: I JUST WANT TO MAKE SURE
7 THAT I'M CLEAR ON WHERE WE ENDED UP ON THIS. ESSENTIALLY
8 WE HAVE NOT CLARIFIED EXACTLY HOW WE'RE GOING TO
9 DETERMINE A COMPARISON BETWEEN A FORMAL CONSORTIUM AND
10 POTENTIAL -- ANOTHER APPLICANT THAT HAS SHARED FACILITIES
11 AND IS COLLABORATING AND HAS ALSO GOT AN ISSUE IN TERMS
12 OF THE CORE, CORRECT?

13 MR. KLEIN: WE HAVEN'T INDICATED WHETHER WE'LL
14 DIFFERENTIATE IN POINTS.

15 CHAIRMAN LICHTENGER: RIGHT.

16 MR. KLEIN: BUT WE HAVE INDICATED -- JEFF HAS
17 INDICATED THAT IF THERE'S A DEMONSTRATION THAT THERE'S A
18 HIGHER EFFICIENCY TO IT ALL BEING IN ONE BUILDING, IT
19 COULD BE CONSIDERED, BUT THERE'S NO SPECIFIC OBJECTIVE
20 WAY AT THIS POINT GIVEN THE LACK OF INFORMATION TO
21 DIFFERENTIATE.

22 CHAIRMAN LICHTENGER: I JUST WANT TO MAKE SURE
23 I WAS CLEARLY UNDERSTANDING WHERE WE WERE. THANK YOU.
24 GO AHEAD, RICK.

25 MR. KELLER: ON FUNCTIONALITY, THE DEFINITION

BARRISTERS' REPORTING SERVICE

1 ADOPTED BY THE GROUP AT THE LAST MEETING DEALT WITH THE
2 FACT THAT WE ARE EVALUATING THE APPLICANTS ON HOW THE
3 FACILITIES PROPOSAL MEETS THE PROGRAMMATIC NEEDS WITH AN
4 EMPHASIS ON HOW THAT PROPOSAL IMPROVES THE CAPACITY AND
5 CAPABILITY OF REGENERATIVE MEDICINE RESEARCH.

6 WE HAD THE DISCUSSION WITH THE INTERESTED
7 PARTIES. THE ONLY ISSUE OF CONCERN WAS THAT WE SHOULD
8 CLARIFY AT WHAT POINT IN TIME ARE WE TALKING ABOUT
9 INCREASING CAPACITY. AND WE FIND THAT THE CAPACITY OF
10 THE PROJECT, BASICALLY THAT THE COMPLETION OF THE PROJECT
11 WOULD BE THE MILESTONE WE'RE LOOKING AT IN TERMS OF HOW
12 DOES PROPOSAL FROM THE APPLICANT INCREASE THE CAPACITY
13 FOR RESEARCH.

14 SO WE DON'T SEE ANY SIGNIFICANT ISSUES BEYOND
15 THAT THAT WE CAN CLARIFY WITHIN THE RFA. WE THINK THAT
16 THE DEFINITION ADOPTED BY THE FACILITIES WORKING GROUP
17 SHOULD STAND.

18 CHAIRMAN LICHTENGER: MAKES SENSE TO ME.

19 MR. KASHIAN: I MOVE THAT MOTION OR I MAKE A
20 MOTION TO THAT EFFECT.

21 CHAIRMAN LICHTENGER: I DON'T THINK WE NEED A
22 MOTION, DO WE, RICK?

23 MR. KLEIN: COULD WE HAVE SOME DISCUSSION ON
24 THIS?

25 CHAIRMAN LICHTENGER: SURE. ANY MEMBERS WANT

BARRISTERS' REPORTING SERVICE

1 TO MAKE COMMENTS?

2 MR. KLEIN: JUST FOR PURPOSE OF UNDERSTANDING,
3 IF, FOR EXAMPLE, THERE WERE MORE PI'S ACCOMMODATED IN THE
4 SQUARE FOOTAGE ON A PER SQUARE FOOTAGE BASIS BECAUSE OF
5 THE EFFICIENCY OF THE DESIGN, THAT'S SOMETHING WE CAN
6 CONSIDER UNDER THIS CATEGORY. BUT IT'S ALSO HOW WELL WE
7 CAN CONSIDER THIS IS GOING TO BE DEPENDENT ON THE LEVEL
8 OF INFORMATION THAT WE GET FROM THE APPLICANTS. AND I
9 WOULD HOPE THAT IF WE PUT LIMITATIONS ON PAGES, WE HAVE
10 PROVISIONS WHERE PEOPLE CAN PROVIDE SUPPLEMENTAL
11 INFORMATION THAT WE CAN CONSIDER EVEN THOUGH WE MAY NOT
12 CONSIDER BECAUSE, FOR EXAMPLE, IT MAY BE THAT THERE ARE
13 PRIVATE OFFICES INCORPORATED FOR RESEARCHERS, AND THERE'S
14 A CASE TO BE MADE THAT'S REALLY RESEARCH EFFECTIVE SPACE.
15 THAT'S NOT ADMINISTRATIVE SPACE IN THE BUILDING. THOSE
16 KINDS OF EXPLANATIONS MIGHT BE VERY HELPFUL IN ALLOWING
17 US TO UNDERSTAND THE FUNCTIONAL VALUE OF THE SPACE. DOES
18 THAT MAKE SENSE, MR. CHAIRMAN?

19 CHAIRMAN LICHTENGER: YES, I THINK IT DOES.

20 MR. KELLER: I THINK AT LEAST FOR THE
21 UNIVERSITY OF CALIFORNIA APPLICANTS, THE STANDARD
22 DOCUMENTATION THAT'S USED FOR APPLICATION FOR STATE FUNDS
23 IS THE PROJECT PLANNING GUIDE, AND THE FUNCTIONALITY
24 ISSUE IS BASICALLY RELYING UPON THE LEVEL OF DETAIL
25 THAT'S TYPICALLY INCLUDED IN THOSE KINDS OF DOCUMENTS.

BARRISTERS' REPORTING SERVICE

1 SO WE FEEL THAT WE' LL HAVE CONSIDERABLE INFORMATION ON
2 THE FUNCTIONALITY.

3 I ALSO WANT TO POINT OUT IN THE LAST SLIDE ON
4 THIS TOPIC OF EVALUATION CRITERIA WAS ALSO WE WANT TO
5 CLARIFY THAT THERE' S ONE APPLICANT PERMITTED PER
6 INSTITUTION OR ONE APPLICATION PER INSTITUTION OR
7 CONSORTIA, AND FUNDING IS FOR A SINGLE PROJECT ON A
8 SINGLE SITE. AND THIS IS TO MAINTAIN KIND OF THE
9 UNI FORMITY OF THE CIRM' S INVESTMENT AND UNDERSTANDING
10 THAT WE DON' T WANT TO BE DIFFUSE. WE WANT IT TO BE VERY
11 CLEAR ABOUT WHAT CIRM' S INVESTMENT IS IN. WE WANT TO
12 MAKE THAT CLARIFICATION IN THE RFA.

13 MR. KLEIN: THAT' S A VERY IMPORTANT POINT HERE
14 BECAUSE I DON' T WANT TO DISINCENTIVIZE COLLABORATION.
15 HOPEFULLY LORI WILL COME BACK DURING THIS DISCUSSION
16 BECAUSE I THINK THIS IS AN IMPORTANT POINT TO HER.

17 BUT THE KEY HERE IS IF THERE' S A SHARED
18 RESOURCE THAT WILL BE HELPFUL TO THE SCIENTIFIC MISSION
19 AND VALIDATED IN THE SCIENTIFIC EVALUATION, WE DON' T WANT
20 THAT SHARED RESOURCE TO STOP SOMEONE FROM CREATING A
21 NICHE PROPOSAL FOR SPECIAL EXPERTISE FOR FUNDING. SO I
22 WOULDN' T WANT TO SEE THIS PROVISION INTERPRETED TO SAY
23 THAT IF YOU SHARE RESOURCES WITH ANYONE, THEN YOU' RE
24 KNOCKED OUT OF COMPETING ON A SITUATION WHERE YOU COME IN
25 WITH A SPECIALIZED RESEARCH CAPACITY AND YOU WANT A

BARRISTERS' REPORTING SERVICE

1 TARGETED GRANT. OTHERWISE THAT WOULD BE HIGHLY
2 COUNTERPRODUCTIVE TO WHAT WE'VE SAID IS OUR GOAL. BUT
3 HOW DO OTHER MEMBERS FEEL?

4 CHAIRMAN LICHTENGER: DO WE REALLY NEED TO
5 CLARIFY THIS?

6 MR. KLEIN: WELL, ACCORDING TO WHAT I HEARD
7 PREVIOUSLY FROM LORI IS THAT WHAT I JUST SAID WOULD NOT
8 BE PERMITTED. SOMEONE WENT TO GET HER AND HOPEFULLY SHE
9 IS COMING BACK, AND WE CAN HAVE THIS AS A FULLY INFORMED
10 DISCUSSION WITH HER PRESENT.

11 MR. SHEEHY: LET'S TRY TO VISUALIZE THIS.
12 LET'S SAY YOU HAVE ENTITY X THAT IN SOME WAY IS
13 CONTRIBUTING TO A SHARED GMP FACILITY. AND THEIR
14 PARTICULAR EXPERTISE IS IN BASIC SCIENCE. AND THEY WANT
15 TO SET UP THEIR OWN -- APPLY FOR THEIR OWN FACILITY FOR
16 BASIC SCIENCE. AND BASIC SCIENCE WOULD NOT NECESSARILY
17 NEED A GMP FACILITY FOR A LOT OF THE WORK THEY DO. SO
18 WHILE THEY WOULD WANT TO BE ABLE TO, SO TO SPEAK, BUY
19 INTO THAT CAPACITY WITHIN THE SHARED RESOURCE AT
20 INSTITUTION Y, THEY STILL WOULD WANT THEIR OWN LABS TO DO
21 BASIC RESEARCH.

22 MR. KLEIN: RIGHT. LET ME RESTATE IT FOR
23 LORI'S BENEFIT BECAUSE IT'S IMPORTANT TO GET HER INPUT ON
24 THIS. LORI, THE POINT ON ONE INSTITUTION, ONE
25 APPLICATION, I'M TRYING TO UNDERSTAND THAT SOME MEMBERS

BARRISTERS' REPORTING SERVICE

1 OF THE COMMITTEE THINK THAT THIS IS PERMITTED. I'M
2 AFRAID THAT YOU THINK IT'S NOT PERMITTED, SO THAT'S WHY I
3 ASKED IF PERHAPS THEY COULD FIND YOU, WHICH IS THAT IF
4 YOU HAVE A SHARED FACILITY, AND WHETHER IT'S A VIVARIUM
5 OR A GMP FACILITY OR SOME OTHER SHARED FACILITY, WHICH WE
6 WANT TO ENCOURAGE, THEN AS I UNDERSTAND WHAT THIS SAYS IS
7 THAT YOU CANNOT THEN APPLY SEPARATELY. IF YOU HAVE A
8 SPECIALTY IN HIGH THROUGHPUT PROCESSING OR YOU HAVE A
9 CLINICAL EXPERTISE OR YOU HAVE A BASIC SCIENCE EXPERTISE,
10 YOU COULDN'T DO A NICHE APPLICATION ON YOUR OWN FOR THAT.

11 SO THE INTENT WAS CAN WE HAVE THIS RULE WORK SO
12 YOU CAN'T DO TWO SEPARATE APPLICATIONS FOR FUNDS FOR
13 YOURSELF, BUT IT DOESN'T DISCOURAGE PEOPLE FROM
14 COLLABORATING ON SHARED FACILITIES.

15 MS. HOFFMAN: LET ME SAY THIS PERHAPS A
16 DIFFERENT WAY. SO UNDER THE LEGAL CONSORTIUM, WE WON'T
17 USE A REAL -- WE'LL JUST USE A HYPOTHETICAL
18 THREE-INSTITUTION CONSORTIUM AND THEY APPLY, ONE
19 APPLICATION FOR ONE PROJECT ON ONE SITE. WE ASSUME THAT
20 NONE OF THOSE THREE APPLICATIONS -- NONE OF THOSE THREE
21 INSTITUTIONS WOULD COME IN FOR A SEPARATE APPLICATION.

22 NOW, HERE'S ANOTHER SCENARIO. IF THERE IS AN
23 INSTITUTION THAT WITHIN A 90-MILE RADIUS HAS SCIENTIFIC
24 COLLABORATIONS WITH OTHER INSTITUTIONS AND IT MAKES THEIR
25 SCIENCE PERHAPS STRONGER, THEY'RE DOING SOME PUBLICATIONS

BARRISTERS' REPORTING SERVICE

1 TOGETHER, BUT THEY ALL APPLY SEPARATELY. ONE WOULD APPLY
2 FOR A NICHE PROGRAM, ONE WOULD APPLY FOR BASIC SCIENCE
3 AND PRECLINICAL. THAT'S FINE. SO THEY HAVE SCIENTIFIC
4 COLLABORATION, BUT IT DOESN'T THEN AFFECT THE BUILDING OR
5 THE APPLICATION FOR THEIR ON-SITE SPACE.

6 MR. KLEIN: BUT THEN TO BE CLEAR, THEY SHOULD
7 ALSO GET -- THERE SHOULD BE POINTS FOR SHARED FACILITIES,
8 SHARED RESOURCES.

9 MS. HOFFMAN: YOU GAVE POINTS FOR SHARED
10 FACILITIES.

11 MR. KLEIN: SO THEY CAN HAVE THEIR SEPARATE
12 APPLICATION FOR THEIR OWN GRANT, BUT THE COLLABORATORS
13 WILL GET POINTS FOR SHARED FACILITIES UNDER THE OTHER
14 APPLICATION BECAUSE IT'S SAVING US MONEY.

15 MS. HOFFMAN: EVERYBODY WOULD. I DON'T KNOW
16 THAT IT'S SAVING US MONEY. I THINK THIS IS THE ISSUE
17 WITH ONE APPLICATION, ONE PROJECT, ONE SITE, THAT, IN
18 FACT, IF YOU ALLOW AN INSTITUTION TO COLLABORATE WITH
19 SEVERAL OTHER INSTITUTIONS AND THEN STILL ALLOW THEM TO
20 ALSO GO THROUGH PART 1 AND PART 2 OF THE APPLICATION AND
21 RECEIVE THEIR OWN FUNDS, I'M NOT SURE THAT IT'S SAVING
22 MONEY.

23 I THINK THAT THERE IS BENEFIT IN SCIENTIFIC
24 COLLABORATION AND THROUGH RECHARGE FOR A GMP FACILITY OR
25 A PRIMATE CENTER THAT WE COULD GET -- THE WHOLE STATE OF

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA WOULD RECEIVE THOSE PARTICULAR SYNERGIES. BUT
2 I'M NOT SURE THAT WE WOULD REALLY WANT TO ENCOURAGE ONE
3 INSTITUTION TO BE A PART OF A COLLABORATIVE THAT WOULD
4 GIVE MORE MONEY TO THAT INSTITUTION AND THEN STILL ALLOW
5 THAT SAME COLLABORATIVE INSTITUTION TO APPLY FOR SEPARATE
6 FUNDS.

7 MR. KLEIN: THEY'RE NOT GETTING THE MONEY FOR
8 AN ENLARGED PRIMATE CENTER. SO THE ENLARGED PRIMATE
9 CENTER IS SAVING US MONEY BECAUSE SOMEBODY ELSE IS USING
10 THE PRIMATE CENTER, OR THEY'RE NOT GETTING MONEY BECAUSE
11 IT'S A GMP APPLICATION THEY'RE MAKING AS A NICHE. SO WE
12 ARE SAVING MONEY BECAUSE THE EXISTING GMP FACILITY IS
13 BEING USED IN A COLLABORATION.

14 SO THE POINT IS THAT THE SEPARATE APPLICATION
15 CANNOT BE FOR THE VERY SAME THING FOR WHICH THEY ARE
16 GETTING POINTS.

17 VICE CHAIR SERRANO-SEWELL: CALL ME WHEN YOU
18 GUYS NEED MY VOTE. I HAVE TO GO INTO A MEETING. IF YOU
19 DON'T NEED MY VOTE FOR QUORUM PURPOSES, THEN DON'T CALL
20 ME BACK.

21 MR. KASHIAN: MR. CHAIRMAN, I ALSO HAVE TO
22 LEAVE. THANK YOU.

23 CHAIRMAN LICHTENGER: ED, CAN WE CALL YOU FOR A
24 VOTE IF WE NEED TO?

25 MR. KASHIAN: YES. YOU NEED TO USE MY CELL

BARRISTERS' REPORTING SERVICE

1 PHONE.

2 MR. KLEIN: WHICH IS WHAT NUMBER?

3 MR. KASHIAN: (559) 301-3219.

4 MR. KLEIN: THE WHOLE WORLD SHOULD NOT WRITE
5 DOWN HIS CELL PHONE NUMBER.

6 MR. SHEEHY: TO GO BACK TO THE DISCUSSION, YOU
7 CAN IMAGINE --

8 MR. KASHIAN: I WOULD BE VERY PLEASED IF ANY OF
9 YOU WOULD USE IT.

10 MR. SHEEHY: TO GO BACK TO THE DISCUSSION, AND
11 TO USE LORI'S EXAMPLE, SO LET'S SAY YOU'RE A BASIC
12 SCIENCE FACILITY, AND YOU MAY ACTUALLY WORK WITH
13 INSTITUTION X ON THE GMP FACILITY, YOU MIGHT KICK INTO
14 INSTITUTION Y FOR A VIVARIUM. IF YOUR APPLICATION
15 DOESN'T INCLUDE EITHER ONE OF THOSE, WHY WOULD YOU NOT
16 WANT TO ALLOW THOSE PEOPLE?

17 MS. HOFFMAN: AS LONG AS IT DOESN'T INCLUDE IT.

18 MR. SHEEHY: BUT I CAN DEFINITELY SEE IT WOULD
19 BE PROBLEMATIC IF THEY SAY, OH, WE WANT MONEY FOR A GMP
20 FACILITY AND A VIVARIUM AND WE WANT TO BE PART OF THIS
21 GMP FACILITY AND WE WANT TO BE PART OF THIS VIVARIA, THEN
22 THAT DOESN'T MAKE SENSE.

23 CHAIRMAN LICHTENGER: JEFF, I AGREE WITH YOU.
24 THAT WAS MY CONCERN AS WELL.

25 MR. KLEIN: SO AS I UNDERSTAND WHAT'S BEING

BARRISTERS' REPORTING SERVICE

1 SAID IS THAT YOU CAN BE PART OF A COLLABORATION THAT IS
2 SCIENTIFICALLY VALIDATED AND GET POINTS FOR SHARED
3 FACILITIES AS LONG AS YOUR NICHE APPLICATION IS NOT FOR
4 THE VERY FACILITY FOR WHICH SHARED FACILITY POINTS WERE
5 GIVEN.

6 MS. HOFFMAN: AS LONG AS -- WE NEED TO, I
7 THINK, ALSO CLARIFY THAT IF YOU'RE A LEGAL CONSORTIUM AND
8 THEN, IN FACT, RECEIVING ADDITIONAL FUNDS IN YOUR
9 APPLICATION BECAUSE OF THE SYNERGIES OF THE CONSORTIUM,
10 THE CONSORTIUM MEMBERS CAN'T APPLY SEPARATELY.

11 MR. SHEEHY: CONSORTIUM MEMBERS SHOULD NOT
12 APPLY SEPARATELY.

13 MS. HOFFMAN: THAT'S THE DISTINCTION. IN FACT,
14 IF YOU'RE COLLABORATING, THE ONE COLLABORATOR ISN'T
15 RECEIVING ANY ADDITIONAL FUNDS.

16 MR. KLEIN: SO I'D LIKE TO MAKE A MOTION WITH
17 THE CLARIFICATION, INCORPORATING LORI'S COMMENTS. VERY
18 SPECIFICALLY, THAT YOU BE PERMITTED AS A SINGLE
19 INSTITUTION TO, A, COLLABORATE AND POINTS WOULD BE
20 AWARDED FOR SHARED FACILITIES IN THE COLLABORATION AND
21 SEPARATELY PROVIDE A NICHE APPLICATION AS LONG AS, A,
22 YOU'RE NOT A MEMBER OF A CONSORTIUM WHERE, IN FACT, THE
23 CONSORTIUM MEMBERS ARE ALL GETTING FUNDS TOGETHER FOR
24 THEIR COLLABORATIVE SHARED FACILITY. DOES THAT CAPTURE
25 THE INTENT?

BARRISTERS' REPORTING SERVICE

1 MS. HOFFMAN: THE COLLABORATIVE DOESN'T RECEIVE
2 ANY ADDITIONAL MONIES FOR THEIR ONE FACILITY IF SOMEBODY
3 ELSE IS --

4 MR. KLEIN: AND THE COLLABORATION DOES NOT
5 RECEIVE ADDITIONAL MONIES -- THE COLLABORATOR WITH THE
6 SHARED FACILITY IS NOT APPLYING SEPARATELY FOR ADDITIONAL
7 MONIES FOR THAT SHARED FACILITY.

8 MR. SHEEHY: EXACTLY.

9 MR. KLEIN: OKAY. SO THAT IS THE MOTION. IS
10 THERE A SECOND?

11 MR. SHEEHY: SECOND.

12 MR. KLEIN: SECOND BY JEFF.

13 CHAIRMAN LICHTENGER: RICK, LORI, I JUST HAVE A
14 QUESTION FOR YOU. DO YOU THINK THAT BOB'S MOTION -- BY
15 THE WAY, I SUPPORT THE MOTION, BOB. FRIENDLY AMENDMENT.
16 I WANT TO MAKE SURE THAT WE'RE COVERING EXPLICITLY AND
17 CLEARLY ENOUGH THOSE SITUATIONS OUTSIDE OF CONSORTIUM.
18 DO YOU FEEL THAT THIS COVERS IT?

19 MR. KLEIN: I THINK SO.

20 MR. KELLER: YES.

21 CHAIRMAN LICHTENGER: OKAY. RICK, CAN YOU CALL
22 THE ROLL.

23 MR. KLEIN: IS THERE PUBLIC COMMENT HERE?
24 THERE IS A MEMBER IN THE BACK WITH PUBLIC COMMENT.

25 MR. COFFMAN: LOUIS COFFMAN FROM THE SAN DIEGO

BARRISTERS' REPORTING SERVICE

1 CONSORTIUM. ARE WE TALKING ABOUT FUNCTIONAL OVERLAP?
2 EFFECTIVELY THERE'S NO FUNCTIONAL OVERLAP IN MULTIPLE
3 APPLICATIONS. THIS IS UNDER THE FUNCTIONAL THING THAT
4 SAID IF YOU'RE GOING TO ACHIEVE X IN YOUR APPLICATION, WE
5 CAN'T SEE YOU APPLYING FOR X IN ANOTHER APPLICATION. SO
6 WE'RE JUST TRYING TO ELIMINATE FUNCTIONAL OVERLAP. IS
7 THAT SIMPLY STATED?

8 MR. KLEIN: WELL, WE'RE TRYING TO ACHIEVE THAT
9 AND PROVIDE SOME EXPLICIT RULES IN ORDER TO ACHIEVE THAT
10 OBJECTIVE.

11 CHAIRMAN LICHTENGER: IN OTHER WORDS, JUST TO
12 CLARIFY, YOU WOULDN'T WANT TO HAVE TWO SEPARATE
13 APPLICANTS BOTH BUILDING A VIVARIUM ON THEIR OWN AND THEN
14 TALKING ABOUT HOW THEY WOULD BE COLLABORATING ON THEIR
15 VIVARIUM.

16 MR. KLEIN: THAT'S A GOOD EXAMPLE. SO ANY
17 OTHER PUBLIC COMMENTS? CALL THE ROLL.

18 MR. KELLER: YES. MARCY FEIT.

19 MS. FEIT: YES.

20 MR. KELLER: ED KASHIAN. ROBERT KLEIN.

21 MR. KLEIN: YES.

22 MR. KELLER: STUART LAFF.

23 MR. LAFF: YES.

24 MR. KELLER: JOAN SAMUELSON.

25 MS. SAMUELSON: YES.

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: JEFF SHEEHY.

2 MR. SHEEHY: YES.

3 MR. KELLER: DAVID SERRANO-SEWELL. DAVID
4 LICHTENGER.

5 CHAIRMAN LICHTENGER: YES.

6 MR. KELLER: SIX AFFIRMATIVE.

7 MR. KLEIN: DO WE HAVE A QUORUM?

8 MS. PACHTER: WE DO NOT.

9 MR. KLEIN: WE NEED TO CALL A MEMBER FOR A
10 QUORUM.

11 MR. KELLER: SHOULD WE PROCEED WITH THE REST OF
12 THE MEETING?

13 MR. KLEIN: WE'LL HOLD THE VOTE OPEN, MR.
14 CHAIRMAN, IF THAT'S ACCEPTABLE TO YOU, WHILE WE CALL ONE
15 OF TWO MEMBERS WHO HAVE INDICATED THEY CAN BE CALLED FOR
16 VOTES.

17 MS. PACHTER: YOU MAY WANT TO WAIT UNTIL YOU
18 HAVE A SERIES OF VOTES TO CALL THEM IN INSTEAD OF CALLING
19 THEM INDIVIDUALLY ON EACH VOTE.

20 MR. KLEIN: WE'LL HOLD THE VOTE OPEN, MR.
21 CHAIRMAN, IF THAT'S ACCEPTABLE.

22 CHAIRMAN LICHTENGER: THAT'S ACCEPTABLE.

23 MR. KELLER: THE NEXT ITEM DEALS WITH THE OTHER
24 AGENDA ITEM THAT I MENTIONED THAT HAS TO DO WITH THE
25 PROCESS FOR REVIEW THAT WE DISCUSSED AT THE PREVIOUS

BARRISTERS' REPORTING SERVICE

1 MEETING. I'M GOING TO JUST BRIEFLY RUN THROUGH THE FIRST
2 FOUR OR FIVE SLIDES THAT DEAL WITH KIND OF THE OVERVIEW
3 OF HOW THE REVIEW WOULD TAKE PLACE.

4 WE WOULD EXPECT THAT WE WOULD CONTINUE WITH THE
5 PART 1 SCIENTIFIC REVIEW THROUGH THE GRANTS WORKING GROUP
6 AND A TECHNICAL REVIEW BY THE FACILITIES WORKING GROUP.
7 THE SCIENTIFIC REVIEW HAS BEEN ORGANIZED TO DEAL WITH THE
8 DEPTH AND BREADTH OF THE SCIENCE THAT THE APPLICANT HAS
9 IN STEM CELL RESEARCH PROGRAMS. WE'VE FURTHER DEVELOPED
10 THE GRANULARITY OF IDENTIFYING ELEMENTS OF THE PROGRAM
11 THAT DEAL WITH BASIC AND DISCOVERY RESEARCH, WE'RE
12 CALLING ELEMENT X; PRECLINICAL RESEARCH, ELEMENT Y; AND
13 PRECLINICAL DEVELOPMENT AND CLINICAL RESEARCH AS ELEMENT
14 Z.

15 THESE ELEMENTS CAN BE -- EACH APPLICANT WOULD
16 THEN SELF-SELECT RELATIVE TO THE SPECIFIC ELEMENTS THAT
17 THEY ARE GOING TO APPLY FOR. AND THE GRANTS WORKING
18 GROUP HAS ADOPTED OR WOULD DEVELOP -- THE GRANTS WORKING
19 GROUP WOULD APPLY SPECIFIC CRITERIA TO DEVELOP THE
20 QUALITY AND STRENGTHS OF THE PROGRAM THAT ARE DISPLAYED
21 ON SLIDE 24.

22 I THINK THE RESULTING POSSIBLE GRANTS WORKING
23 GROUP RECOMMENDATION OUTCOME WOULD BE THAT APPLICANTS
24 MIGHT HAVE APPLIED FOR X, Y, AND Z AND RECEIVED A
25 RECOMMENDATION FROM THE GRANTS WORKING GROUP, OR THEY MAY

BARRISTERS' REPORTING SERVICE

1 HAVE APPLIED FOR ALL THREE AND HAD ONLY ONE OR TWO OF THE
2 ELEMENTS APPROVED, OR THEY MAY HAVE APPLIED FOR ONLY ONE
3 AND HAD ONE APPROVED, OR MAY HAVE HAD NONE OF THE
4 ELEMENTS APPROVED. SO THAT'S WHAT THAT SLIDE IS TRYING
5 TO EXPLAIN.

6 THE PURPOSE OF EXPLAINING THIS PARTICULAR SLIDE
7 IS TO MAKE SURE YOU UNDERSTAND THAT THERE REALLY NEEDS TO
8 BE A DETERMINATION BY THE GRANTS WORKING GROUP BEFORE THE
9 FACILITIES WORKING GROUP CAN DO THEIR WORK. THAT'S OUR
10 CONCLUSION.

11 AND SO THERE WOULD HAVE TO BE SOME ADJUSTMENTS
12 IN THE CAPITAL PROPOSAL WHERE THE GRANTS WORKING GROUP
13 MADE A RECOMMENDATION AND THE ICOC ADOPTS THAT
14 RECOMMENDATION THAT IS DIFFERENT THAN THE PROPOSAL THAT
15 WAS INITIALLY PROPOSED BY THE APPLICANT.

16 SO UNDER THE OPTIONS FOR PROCESS REVIEW, WE HAD
17 A BRIEF DISCUSSION OF THIS AGAIN AT THE LAST MEETING, BUT
18 THE SEQUENTIAL TWO-STEP REVIEW WOULD PROVIDE FOR THE
19 GRANTS WORKING GROUP RECOMMENDATIONS TO GO TO THE ICOC.
20 AND UPON APPROVAL BY THE ICOC, WE WOULD ISSUE THE
21 DIRECTIONS FOR THE COMPLETION OF PART 2 OF THE
22 APPLICATION. WE WOULD DO THAT REVIEW, AND THE FACILITIES
23 WORKING GROUP WOULD UNDERTAKE ITS PROCESS, AND THE ICOC
24 WOULD THEN HAVE FINAL APPROVAL OF THE PART 2.

25 ON SLIDE 26 THERE'S ALSO A SEQUENTIAL TWO-STEP

BARRISTERS' REPORTING SERVICE

1 REVIEW THAT MIGHT ALSO INCLUDE OPTIONS THAT WOULD BE
2 CONSIDERED WHERE THE GRANTS WORKING GROUP MIGHT RECOMMEND
3 EITHER A PANEL, OR THE ICOC OR THIS GROUP COULD RECOMMEND
4 A PANEL OF PEOPLE TO DO THAT INITIAL REVIEW.

5 I THINK, DAVID, YOU WANTED TO DISCUSS THAT
6 FURTHER. NOT ON THE PHONE.

7 CHAIRMAN LICHTENGER: SO I GUESS, RICK, MY
8 QUESTION IS IS THERE A WAY TO HAVE A SEQUENTIAL TWO-STEP
9 REVIEW, BUT FACILITATE THAT WE MAKE IT AS EXPEDIENT AND
10 QUICK AS POSSIBLE SO THAT THERE AREN'T KIND OF LARGE GAPS
11 IN TERMS OF THE REVIEW BY THE FACILITIES WORKING GROUP?

12 MR. KLEIN: THIS IS BOB KLEIN. IF I COULD
13 COMMENT, DAVID. ONE OF THE KEYS HERE IS THAT AFTER THE
14 SCIENTIFIC SCORE, WE HAVE TO HAVE ADEQUATE TIME FOR THESE
15 INSTITUTIONS TO ADJUST. SO THAT, FOR EXAMPLE, IF AN
16 INSTITUTION APPLIED FOR X, Y, AND Z AND HAD A HIGH
17 SCIENTIFIC SCORE FOR X AND Y, BUT NOT Z, THEY WOULD HAVE
18 ADEQUATE TIME TO PULL THEMSELVES TOGETHER AND HAVE A GOOD
19 QUALITY APPLICATION FOR X AND Y BECAUSE WE DON'T WANT TO
20 KNOCK THEM OUT TOTALLY. THEY HAVE HIGH VALIDITY FOR X
21 AND Y AS THE SCIENTIFIC SCORE CAME BACK TO US. WE WANT
22 TO AWARD THAT. WE WANT TO REWARD THAT BY RECOGNIZING
23 THEIR AREA OF HIGH COMPETENCY, BUT THEY NEED TIME TO
24 RESTRUCTURE THEIR APPLICATION. IT'S NOT GOING TO HAPPEN
25 QUICKLY. THEY NEED PROBABLY TEN WEEKS TO DO THAT BECAUSE

BARRISTERS' REPORTING SERVICE

1 IT'S NOT JUST AN ARCHITECTURAL ISSUE AND A BUDGETING
2 ISSUE. THEIR FACULTY HAS BEEN INVOLVED. THEIR
3 ADMINISTRATION HAS BEEN INVOLVED. THEIR DONORS MAY HAVE
4 BEEN INVOLVED.

5 SO WE NEED TO PROVIDE ADEQUATE TIME FOR THEM TO
6 COMPREHENSIVELY RESUBMIT A CREDIBLE GRANT SO THAT WE CAN
7 REALLY BE ABLE TO LOOK AT THE SCIENTIFIC VALIDITY FOR
8 EVERYONE WHO HAD A HIGH SCORE.

9 CHAIRMAN LICHTENGER: I GUESS, BOB, MY ONLY
10 CONCERN ABOUT THAT TWO-STEP PROCESS WHERE THERE IS THAT
11 APPROXIMATE THREE-MONTH PERIOD FOR THE RESUBMISSION IS
12 WHAT I'VE HEARD FROM EVERYONE ABOUT HOW CONSTRUCTION
13 COSTS ARE GOING UP. AND I'M JUST WONDERING IF THERE IS
14 SOME KIND OF DIFFERENT WAY WE CAN STRUCTURE IT WHERE WE
15 DON'T HAVE -- WHERE WE HAVE A TWO-STEP SEQUENTIAL REVIEW,
16 YET WE DON'T HAVE TO -- WE DON'T LOSE THAT TIMEFRAME.

17 MR. KLEIN: YOU KNOW, IT'S NOT NECESSITY THAT
18 THEY LOSE TIME BECAUSE IF THEY SEE THEY HAVE A HIGH X AND
19 Y SCORE, FOR EXAMPLE, THEY CAN HYPOTHETICALLY FIT THEIR
20 POINTS INTO THE SYSTEM BECAUSE THEY KNOW WHAT THEIR
21 LEVERAGE IS, THEY KNOW WHAT THEIR SCIENTIFIC SCORE IS.
22 THEY DON'T KNOW EXACTLY HOW WE'RE GOING TO VIEW SHARED
23 FACILITIES; BUT IF THEY READ THE MINUTES OF THESE
24 MEETINGS, THEY'VE GOT A FAIRLY GOOD IDEA.

25 SO THEY COULD ACTUALLY GO INTO CONSTRUCTION

BARRISTERS' REPORTING SERVICE

1 BEFORE THE FINAL MEETING AND HAVE THOSE COSTS COUNT
2 TOWARDS LEVERAGE BECAUSE THEY'VE DECIDED THAT NOW THAT
3 THEY'RE APPLYING ON X AND Y, THEY KNOW THEY GOT VERY HIGH
4 SCIENTIFIC SCORES, THEY KNOW HOW HIGH THEIR LEVERAGE IS,
5 AND THEY KNOW WHO THEY'RE GOING TO BE COMPETING AGAINST.
6 SO THEY'VE GOT A PRETTY GOOD IDEA OF WHERE THEY'RE GOING
7 TO BE.

8 DIFFERENT RISK TOLERANCES EXIST AT VARIOUS
9 INSTITUTIONS THAT MAY LIMIT THOSE OPTIONS. SO I AGREE WE
10 NEED TO MAKE IT EXPEDITIOUSLY AS POSSIBLE, BUT THERE'S
11 YEARS OF EXPERTISE THAT HAVE BEEN BUILT UP IN THESE
12 INSTITUTIONS. AND WE WANT TO PROVIDE THEM ADEQUATE TIME
13 TO REGROUP, IF NECESSARY.

14 MR. SHEEHY: AND, DAVID, IF I COULD ADD TO
15 THAT. THE FACT THAT THE ICOC WILL HAVE VALIDATED THOSE
16 SCIENTIFIC SCORES IS A REALLY STRONG SIGNAL. IN MANY
17 WAYS THIS PROCESS WOULD ALLOW THEM TO MOVE FASTER. YOUR
18 TWO-STEP PROCESS, I'M NOT CONVINCED, COULD BE COMPLETED.
19 IN OTHER WORDS, PEOPLE MAY BE AWARE OF A STRONG
20 SCIENTIFIC SCORE, BUT WITHOUT THE VALIDATION BY THE
21 DECISION MAKER, THE ICOC, OF THOSE SCORES, THEN THERE
22 STILL IS UNCERTAINTY IN THE WAY IN WHICH THE VALIDATION
23 OF THE SCIENTIFIC SCORES BY THE ICOC AT THAT EARLY DATE
24 WOULD REMOVE.

25 THE SECOND POINT IS THAT THAT CHANGES

BARRISTERS' REPORTING SERVICE

1 FUNDAMENTALLY THE RELATIONSHIP BETWEEN THE FACILITIES
2 WORKING GROUP AND THE APPLICANT AND CIRM AND THE
3 APPLICANT IN THAT, BY HAVING CREATED THAT SCIENTIFIC
4 FLOOR AND APPROVE THAT BY THE ICOC, WHAT WE'RE REALLY
5 DOING IS TRYING TO FACILITATE THE BUILDING OF THESE
6 BUILDINGS THROUGH THE FACILITIES WORKING GROUP. WE'RE
7 LOOKING AT TECHNICAL ASPECTS. WE'RE NOT TRYING TO KNOCK
8 THEM OUT IN THE SAME WAY THAT THE SCIENTIFIC REVIEW WILL
9 BE ELIMINATING PEOPLE. WE'RE REALLY TRYING TO HELP
10 PEOPLE GET THEIR BUILDINGS AND GET THEM FUNDED IN THE
11 BEST POSSIBLE WAY.

12 THAT'S WHY I THINK THE SEQUENTIAL MAY HAVE THE
13 ABILITY TO ACTUALLY HELP GET THEM UP AND RUNNING FASTER
14 BECAUSE WE WON'T HAVE THIS MORE COMPLICATED THING AT A
15 LATER DATE BEING PRESENTED ALL AT ONCE AND THEN THEM
16 TRYING TO PULL THREADS OUT, AND US HAVING CURES AND ALL
17 THIS STUFF WE HAD THE LAST TIME. THIS WILL ALL BE WORKED
18 OUR IN THAT INTERIM PERIOD, AND WE SHOULD BE ABLE TO GO
19 FORWARD WITH SOME REALLY STRONG PROPOSALS THAT WE CAN
20 FUND EARLY.

21 CHAIRMAN LICHTENGER: SO LET ME JUST -- LET ME
22 ASK A QUESTION OF THE COMMITTEE. SO YOU COULD HAVE TWO
23 SCENARIOS, AND YOU COULD CONCEIVABLY HAVE -- LET'S ASSUME
24 THAT WE'VE GOT A SITUATION WHERE THE GRANTS WORKING GROUP
25 HAS KNOCKED OUT SO MANY APPLICANTS ON SCIENCE

BARRISTERS' REPORTING SERVICE

1 CONCEIVABLY, THAT THERE'S ENOUGH DOLLARS TO FUND ALL THE
2 LEFT-OVER GRANT APPLICATIONS.

3 MR. KLEIN: REALIZE, THEY WON'T HAVE KNOCKED
4 THEM OUT BECAUSE THESE ARE ADVISORY GROUPS. ICOC HAS TO
5 MAKE THE FINAL DECISION. AND THE ICOC MIGHT FIND THAT
6 THE SCORE IS BELOW RECOMMENDED, BUT AT THE MARGIN, AND
7 THAT IF THEY GET A HIGH FACILITIES SCORE BECAUSE THERE'S
8 A LOT OF VALUE, THE ICOC MAY APPROVE SOME THAT ARE RIGHT
9 AT THE MARGIN. SO NOT NECESSARILY FINAL DECISIONS.

10 CHAIRMAN LICHTENGER: THAT'S WHAT I'M NOT CLEAR
11 ABOUT WHAT'S GOING TO BE IN THIS FIRST STEP AT THE ICOC.
12 WHAT WOULD ACTUALLY GET APPROVED BY THE ICOC?

13 MR. SHEEHY: THE ICOC WOULD APPROVE THE
14 SCIENTIFIC SCORES. TO GIVE YOU A SENSE, REMEMBER WITH
15 THE SHARED FACILITIES, THAT THE GRANTS WORKING GROUP DID
16 NOT PUT FORWARD FOR FUNDING AS MANY APPLICATIONS AS WERE
17 EVENTUALLY FUNDED BY THE ICOC. SO AN APPLICANT
18 INSTITUTION WITH A SCORE ON THAT MARGIN WOULD NOT BE ABLE
19 TO MOVE FORWARD UNTIL THE FACILITIES WORKING GROUP AND
20 THEN THE ICOC IN PHASE II OF THE PROCESS HAD GONE FORWARD
21 IF YOU'RE TALKING ABOUT A COMPRESSED PROCESS. WHEREAS,
22 IN THIS NONCOMPRESSED PROCESS, THE SEQUENTIAL PROCESS,
23 SOMEONE CAN BE RIGHT AT THE MARGIN OR A LITTLE BELOW, AND
24 THE ICOC WILL SAY THAT WE DECIDED TO MOVE FORWARD. THOSE
25 FOLKS WOULD HAVE A HIGH PROBABILITY OF SUCCEEDING.

BARRISTERS' REPORTING SERVICE

1 THEY' D HAVE TO REALLY MESS UP THEIR FACILITIES PART 2 NOT
2 TO GET FUNDED SO THAT THEY COULD MOVE FORWARD. WHEREAS,
3 BEFORE IN THE PAST, THOSE PEOPLE WHO SAW THEY SCORED
4 ABOVE 90 OR WHATEVER THE GRANTS WORKING GROUP FELT LIKE
5 THEY COULD PROBABLY MOVE AHEAD, BUT THOSE WHO DIDN'T GET
6 APPROVED BY THE GRANTS WORKING GROUP WERE ON PINS AND
7 NEEDLES FOR THE FACILITIES WORKING GROUP AND THEN ON PINS
8 AND NEEDLES FOR THE ICOC.

9 DO YOU SEE THE DIFFERENCE, DAVID? THE ICOC AS
10 THE FINAL DECISION MAKER INTERVENING AT THIS EARLY STAGE
11 SENDS A CLEAR SIGNAL TO THE PEOPLE WHO ON THE BASIS OF
12 SCIENCE, WHICH ICOC HAS ALWAYS PUT AS THE PREMIUM
13 VALIDATOR, THAT THEY CAN MOVE FORWARD IN SOME FASHION ON
14 THEIR PLANS.

15 MR. KLEIN: DAVID, THE SCIENTIFIC GROUP MAY
16 GIVE A VERY HIGH SCORE TO BASIC DISCOVERY, FOR EXAMPLE,
17 AND NOT A SCORE IN THE FUNDING RANGE, IN QUOTES, AS
18 RECOMMENDED FOR PRECLINICAL, BUT THE ICOC COULD SAY,
19 LOOK, WE NEED MORE PRECLINICAL CAPACITY, AND WE REALLY
20 ARE GOING TO EVALUATE DIFFERENTLY THE COMMITMENT BY THIS
21 INSTITUTION TO DEVELOP ITS PRECLINICAL CAPACITY AND ITS
22 COMMITMENT TO HIRE FACULTY, ETC., TO EXPAND THIS. SO
23 WE'RE GOING TO APPROVE THIS ENTITY ON A SCIENTIFIC SCORE
24 TO BE INCLUDED FOR COMPETITION ON AN X AND Y BASIS AS
25 WELL.

BARRISTERS' REPORTING SERVICE

1 BUT DR. CHIU HAS A COMMENT, AND I THINK WE
2 SHOULD HEAR. HER COMMENT SHOULD BE VERY ILLUMINATING.

3 DR. CHIU: THANK YOU. I JUST WANT TO MAKE THE
4 POINT THAT THE ICOC MAKES ALL FINAL DECISIONS, AND THAT
5 THE SCORE IS JUST A NUMBER. BUT IN THE WRITE-UP, THAT
6 WILL EXPLAIN THE JUSTIFICATION AND THE SCIENTIFIC -- THE
7 GRANTS WORKING GROUP'S REASON FOR COMING UP WITH A
8 CERTAIN SCORE. THE ICOC HAS IN THE PAST LOOKED VERY
9 CAREFULLY AT THE LANGUAGE USED TO MAKE DECISIONS ABOUT
10 WHETHER TO GO WITH THE RECOMMENDATION OR NOT GO WITH THE
11 RECOMMENDATION. SO IT'S NOT JUST A NUMBER, BUT THE
12 RATIONALE BEHIND THE NUMBER.

13 MR. KLEIN: I THINK THAT'S A VERY IMPORTANT
14 POINT. LET ME ASK DR. CHIU. SO THE FACILITIES GROUP
15 WILL SEE AND THE ICOC WILL SEE A SCIENTIFIC SCORE,
16 SEPARATE ONE FOR X VERSUS Y VERSUS Z?

17 DR. CHIU: THAT IS OUR CURRENT MODEL.

18 MR. KLEIN: WHICH IS VERY HELPFUL BECAUSE THEN
19 WE CAN MAKE MUCH MORE DISCRETE DECISIONS ON AN INFORMED
20 BASIS RATHER THAN HAVING APPROVED OR NOT APPROVED. SO
21 GETTING THE SCORE ITSELF WILL BE VERY HELPFUL.

22 MR. SHEEHY: DAVID, IF YOU ACTUALLY LOOK AT THE
23 TIMELINE, THE SEQUENTIAL PROCESS ACTUALLY GIVES MORE
24 ADVICE TO THE APPLICANT EARLIER THAN THE ONE-STEP
25 PROCESS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: JEFF, I'M NOT OPPOSING.

2 MR. SHEEHY: I THINK IT'S GOOD WE EXPLAIN THIS
3 THOUGH.

4 MR. KLEIN: I THINK YOUR QUESTIONS ARE VERY
5 HELPFUL BECAUSE IT'S GOING TO HELP EVERYONE UNDERSTAND
6 THIS.

7 MR. SHEEHY: IT SEEMS TO ACCELERATE BY ABOUT A
8 MONTH WHEN SOMEONE MIGHT REASONABLY BEGIN, IF THEY HAD
9 UNCERTAINTY, WHEN THEY MIGHT REASONABLY BEGIN MOVING
10 FORWARD.

11 CHAIRMAN LICHTENGER: JEFF, I DON'T THINK WE
12 HAVE ADDRESSED THE CORE QUESTION THAT I'M ASKING. MAYBE
13 I'M NOT EXPLAINING MYSELF CLEARLY. IF THE GRANTS WORKING
14 GROUP HAS GONE THROUGH THE APPLICATION AND MAKES A
15 RECOMMENDATION TO THE ICOC AT WHAT POINT TO HAVE THE
16 CUTOFF, IS THAT MY UNDERSTANDING OF WHAT'S GOING TO
17 HAPPEN IN THE FIRST STEP?

18 MR. SHEEHY: THEY'RE GOING TO EVALUATE EACH
19 APPLICATION FOR ITS SCIENTIFIC MERIT, SCORE IT, PROVIDE A
20 DESCRIPTION EXPLAINING WHY IT RECEIVED THE SCORE THAT IT
21 RECEIVED. THE ICOC THEN WILL DECIDE WHICH PARTS OF WHICH
22 APPLICATIONS THEY WANT TO PROCEED FORWARD WITH.

23 CHAIRMAN LICHTENGER: I SEE. SO LET'S ASSUME
24 HYPOTHETICALLY WE HAVE TWO SCENARIOS. THIS IS WHERE I'M
25 GOING. SCENARIO ONE IS WHERE THE ICOC HAS MADE A

BARRISTERS' REPORTING SERVICE

1 DECISION AT LEAST ON WHAT APPLICATION THEY WANT TO GO
2 FORWARD WITH THE FACILITIES WORKING GROUP, RIGHT? BUT
3 LET'S ASSUME THAT ALL THOSE APPLICATIONS ARE WITHIN OUR
4 FUNDING LIMIT. THEN I GUESS THE QUESTION IS WHY ARE WE
5 GOING THAT NEXT STEP, FACILITIES WORKING GROUP, IF ALL
6 THOSE APPLICATIONS ARE DEEMED SCIENTIFIC -- HAVE
7 SCIENTIFIC MERIT AND THAT THE ICOC HAS VOTED TO HAVE THEM
8 PROCEED TO THE NEXT STEP?

9 MS. SAMUELSON: THIS IS JOAN. THAT'S RELATED
10 TO MY QUESTION BECAUSE IT SEEMS TO ME THAT THE SCIENTIFIC
11 SCORE ON ITS OWN AND THEN ANY CONCLUSIONS MADE FROM IT,
12 IT'S ENTIRELY THEORETICAL WITHOUT THE RECOMMENDATIONS
13 FROM THE FACILITIES WORKING GROUP AS PART OF THAT SAME
14 ANALYSIS.

15 MR. SHEEHY: WELL, I THINK, FIRST OF ALL,
16 THERE'S -- I GUESS NOW YOU'VE GOT ME CONFUSED, WHICH IS
17 HARD TO DO. BECAUSE I THINK WHAT YOU ARE TRYING TO SAY,
18 ON ONE HAND DAVID'S SAYING IF THE SCIENCE IS OKAY, WHY
19 ARE WE DOING FACILITIES? JOAN IS SAYING, WELL, IF THE
20 SCIENCE IS OKAY, WHY CAN'T WE DO FACILITIES AT THE SAME
21 TIME. IF WE DO FACILITIES AT THE SAME TIME, IT WILL SLOW
22 DOWN THE WHOLE PROCESS. IF THE SCIENCE IS OKAY, WE STILL
23 NEED TO FIND THE VALUE FOR THE TAXPAYERS THROUGH THE
24 FACILITIES PROCESS, AND THAT IS OUR ROLE HERE AT THE
25 FACILITIES WORKING GROUP.

BARRISTERS' REPORTING SERVICE

1 WE SAW THIS ON SOME OF THE SHARED FACILITIES
2 GRANTS. WE HAD SHARED FACILITIES GRANTS THAT SCORED VERY
3 HIGH, THAT WE GOT VALUE FROM THE FACILITIES WORKING GROUP
4 PROCESS TO REFINE, TO CHANGE, TO REALLY MOLD THOSE
5 APPLICATIONS THAT PROVIDED A BETTER FACILITY FOR THAT
6 INSTITUTION, BETTER VALUE FOR CIRM AND THE STATE OF
7 CALIFORNIA. SO THIS FACILITIES PLAYS A VERY IMPORTANT
8 ROLE IN BRINGING PARTICULAR EXPERTISE THAT IS CONTAINED
9 IN THOSE APPLICATIONS TO BEAR ON THAT INFORMATION AND TO
10 SHAPE THAT AND REFINE IT.

11 MR. KLEIN: JUST TO AUGMENT WHAT JEFF HAS SAID,
12 YOU ARE GOING TO GET A 99 SCIENTIFIC SCORE, BUT YOU BRING
13 US IN SOMETHING THAT'S \$1800 A FOOT AND YOU DON'T HAVE
14 LEVERAGE AND YOU DON'T HAVE JUSTIFICATIONS, WE MAY SAY,
15 LOOK, WE'LL GIVE YOU 15 MILLION AND YOU CAN FIGURE OUT
16 HOW YOU'RE GOING TO COVER THE REST OF THESE COSTS BECAUSE
17 YOU HAVEN'T JUSTIFIED TO THE TAXPAYERS IN CALIFORNIA AND
18 TO THE OTHER APPLICANTS IN OUR MISSION HOW YOU ARE GOING
19 TO JUSTIFY THIS. AND WE MAY GIVE MORE MONEY TO A LOWER
20 SCORE THAT HAS BETTER LEVERAGE AND BETTER VALUE FOR THE
21 SCIENTIFIC MISSION.

22 SO IT IS NOT OR EVEN CLOSE TO OVER WHEN YOU GET
23 A HIGH SCIENTIFIC SCORE.

24 CHAIRMAN LICHTENGER: BOB, I GUESS MAYBE --
25 HERE'S THE THING. IF THE ICOC APPROVES APPLICATIONS TO

BARRISTERS' REPORTING SERVICE

1 PROCEED TO THE NEXT STEP WHERE ALL OF THOSE APPLICATIONS
2 CONCEIVABLY COULD BE FUNDED FOR THE AMOUNT THEY'VE ASKED,
3 THEN WHAT ROLE DOES THE FACILITIES WORKING GROUP PLAY IN
4 THAT? THAT'S WHAT I'M ASKING.

5 MR. SHEEHY: TO DECIDE HOW MUCH MONEY THEY GET.

6 MR. KLEIN: YOU KNOW, FIRST OF ALL, I GUESS
7 PEOPLE ARE GOING TO ASK FOR MORE MONEY THAN WE HAVE.
8 SECONDLY, THE IMPORTANT POINT HERE IS THAT, AGAIN,
9 SOMEBODY ASKED FOR A VERY HIGH PER SQUARE FOOT COST AND
10 DOESN'T PROPERLY JUSTIFY IT, AND WE'RE NOT GETTING THE
11 VALUE OUT OF IT, YOU KNOW, WE DON'T HAVE TO SPEND ALL OF
12 OUR MONEY. IT'S JUST NOT GOING TO HAPPEN. WE CAN PUT
13 MORE MONEY AROUND SEVERAL GMP FACILITIES IN THE STATE.
14 THERE ARE OTHER SCIENTIFIC VALUES THAT WILL COME UP THAT
15 WE CAN SERVE.

16 SO THE FACT THAT WE HAVE THIS MONEY TO
17 ALLOCATE, IF WE COME BACK WITH A RECOMMENDATION FROM THE
18 FACILITIES GROUP TO THE ICOC IN THE SECOND ROUND THAT
19 THESE PEOPLE HAVEN'T DEMONSTRATED VALUE, THERE'S
20 EXCESSIVE COST, THERE'S NOT SUFFICIENT LEVERAGE, I WOULD
21 DOUBT THAT YOU ARE GOING TO GET THE FULL ALLOCATION FOR
22 THAT APPLICANT THAT THEY MIGHT OTHERWISE QUALIFY FOR
23 BASED ON THEIR SCIENTIFIC SCORE.

24 CHAIRMAN LICHTENGER: WHAT YOU'RE SAYING, AND
25 THIS IS GOOD THAT THIS IS COMING ON THE PUBLIC RECORD, IS

BARRISTERS' REPORTING SERVICE

1 ESSENTIALLY THAT, EVEN HYPOTHETICALLY, IF WE HAVE
2 SUFFICIENT DOLLARS TO FUND ALL THOSE APPLICATIONS AFTER
3 THE GRANTS WORKING GROUP AND THE ICOC HAVE APPROVED FOR
4 THOSE APPLICATIONS MOVING FORWARD, CONCEIVABLY IF AN
5 APPLICATION HAS A LOW SCORE ON THE FACILITIES SIDE, THAT
6 THE ICOC MAY CHOOSE TO CUT BACK THE FUNDING OR REALLOCATE
7 FUNDING TO ANOTHER APPLICANT.

8 MR. KLEIN: THEY COULD HAVE THE TOP SCORE AND
9 WE COULD CUT IT BACK AND REALLOCATE IT BECAUSE IT'S
10 EXCESSIVE COST, IT'S NOT JUSTIFIED, THERE'S INADEQUATE
11 LEVERAGE. SO SOMEONE WHO HAS THE TOP SCORE IS NOT HOME.
12 THEY HAVE TO DEMONSTRATE THEY'VE DONE EVERYTHING THEY CAN
13 TO GET VALUE FOR THIS MISSION.

14 CHAIRMAN LICHTENGER: OKAY. THAT CLARIFIES MY
15 QUESTION, BOB. THANK YOU.

16 MR. KLEIN: I WANT TO KNOW DOES THAT MAKE SENSE
17 TO THE REST OF THE COMMITTEE?

18 MR. SHEEHY: JOAN HAD A QUESTION. I'M NOT SURE
19 WE ANSWERED HERS.

20 MS. SAMUELSON: I'M NOT -- IT DOESN'T
21 INHERENTLY MAKE SENSE TO ME TO HAVE THE ICOC REVIEWING
22 AND VOTING ON A BUILDING PROJECT WITHOUT THE ANALYSIS OF
23 THE FACILITY, THE PLAN FOR THAT FACILITY.

24 MR. KLEIN: THEY'RE NOT GOING TO VOTE ON THE
25 BUILDING PROCESS AT ALL WITHOUT THE EVALUATION FROM THIS

BARRISTERS' REPORTING SERVICE

1 COMMITTEE. THEY'RE ONLY GOING TO VOTE ON THE SCIENTIFIC
2 SCORE. THEN IT COMES --

3 MS. SAMUELSON: IT'S NOT A SCIENTIFIC PROGRAM
4 PER SE. IT'S THE SCIENTIFIC VALUE OF A BUILDING THAT IS
5 TO BE CONSTRUCTED. I DON'T SEE HOW YOU SEPARATE THE TWO.

6 MR. KLEIN: THE BUILDING PART OF IT AND THE
7 COST AND HOW MUCH THEY'RE GOING TO GET IN FUNDING IS NOT
8 VOTED ON UNTIL THEY HAVE THE RECOMMENDATION FROM THIS
9 COMMITTEE.

10 MS. SAMUELSON: I KNOW. I KNOW. BUT I DON'T
11 SEE HOW THE ICOC CAN MAKE AN INTELLIGENT ASSESSMENT OF
12 THE MERITS OF THE PROPOSED BUILDING INDEPENDENT OF ANY OF
13 THE FACILITIES ANALYSIS.

14 CHAIRMAN LICHTENGER: JOAN, I UNDERSTAND YOUR
15 PERSPECTIVE. TAMAR, ARE THERE ANY PROBLEMS WITH THE
16 ONE-STEP FROM A LEGAL AND FROM A PRACTICAL PERSPECTIVE?

17 MS. PACHTER: THERE ARE PRACTICAL PROBLEMS.
18 WELL, THERE ARE CONFLICT ISSUES FOR THE ICOC, SOME OF
19 WHICH ARE AMELIORATED BY A TWO-STEP PROCESS THAT ARE NOT
20 ADDRESSED BY A ONE-STEP PROCESS, YES.

21 MS. FEIT: AND THAT'S WHY I THINK THE
22 IMPORTANCE OF WHAT THE FACILITIES WORKING GROUP WILL DO
23 IN LOOKING AT THE FACILITIES PIECE, THAT IT CAN'T JUST BE
24 A ROLLOVER FROM THE ICOC BECAUSE THERE ARE DEFINITELY
25 CONFLICTS ON THAT BOARD.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: THAT IS A MATERIAL POINT AS WELL IN
2 THIS PROCESS.

3 CHAIRMAN LICHTENGER: THAT'S WHY I WAS BRINGING
4 IT UP, BOB, BECAUSE, QUITE CANDIDLY, I AGREE
5 WHOLEHEARTEDLY WITH JOAN'S POINT, THAT IF THERE WASN'T
6 THIS CONFLICT OF INTEREST ISSUE, THAT I WOULD ACTUALLY
7 SUPPORT A ONE-STEP REVIEW BECAUSE I THINK JOAN IS A
8 HUNDRED PERCENT ON ON THIS. FROM A CONFLICT PERSPECTIVE,
9 IF WE HAVE TO DO A TWO-STEP PROCESS, THEN I GUESS WE HAVE
10 TO.

11 MR. KLEIN: I DON'T THINK WE HAVE TO DO A
12 TWO-STEP PROCESS, BUT IT DOES -- REMEMBER, THE TWO-STEP
13 PROCESS ALLOWS THE APPLICANT, IF THEY DON'T GET A GOOD
14 SCIENTIFIC SCORE, TO ADJUST THEIR PROPOSAL SO THAT WE
15 HAVEN'T LOST THEM AS A TALENTED, IMPORTANT ASSET OF THE
16 STATE.

17 MS. SAMUELSON: I AGREE WE WANT TO DO THAT
18 SOMEWHERE IN THE PROCESS.

19 CHAIRMAN LICHTENGER: I DON'T UNDERSTAND YOUR
20 POINT ON THAT. WHY -- IF THERE WAS A CONCURRENT REVIEW
21 THAT OCCURRED, I'M NOT UNDERSTANDING WHY THERE COULDN'T
22 BE A LATER CHANGE -- A RESUBMISSION IN TERMS OF THE
23 APPLICATION.

24 MR. KLEIN: WELL, WE WOULD HAVE TO HOLD UP
25 EVERYONE'S ALLOCATIONS POTENTIALLY BECAUSE WE WOULDN'T

BARRISTERS' REPORTING SERVICE

1 KNOW BASED ON THE RESUBMISSION HOW WE WOULD ALLOCATE
2 FUNDING.

3 CHAIRMAN LICHTENGER: WELL, I UNDERSTAND THAT.

4 MR. SHEEHY: AND THE OTHER THING, DAVID, IS
5 THAT THAT WOULD STOP OUR WHOLE PROGRAM BECAUSE WE'D HAVE
6 TO RECONVENE A REVIEW PANEL, BOTH THE SCIENTIFIC AND
7 FACILITIES REVIEW PANEL. AND THOSE WOULD BE REVIEWS THAT
8 WE COULDN'T USE FOR SCIENTIFIC REVIEWS OR OTHER
9 FACILITIES. SO IT'S NOT -- IT'S A ZERO-SUM GAME. EVERY
10 TIME WE CONVENE THE GRANTS WORKING GROUP OR THE
11 FACILITIES WORKING GROUP, WE'RE NOT ABLE TO CONVENE IT,
12 FOR THIS GRANT CYCLE, WE'RE NOT ABLE TO DO OTHER GRANTS
13 THAT COULD CONCEIVABLY BE DONE IN THAT TIMEFRAME.

14 SO BY DOING THIS MAJOR FACILITIES, WE'RE NOT
15 DOING TRANSLATIONAL RESEARCH, WE'RE NOT DOING THE BIOLOGY
16 OF STEM CELLS, WE'RE NOT STARTING THE PROCESS OF A STEM
17 CELL BANK FACILITY OR A GMP FACILITY OR THE OTHER TYPES
18 OF THINGS THAT MAY HAVE BEEN ENVISIONED IN THE SCIENTIFIC
19 STRATEGIC PLAN. SO IT'S NOT LIKE THAT WE CAN SIT AND
20 PLAY WITH THIS OVER THE TIME.

21 I ACTUALLY BELIEVE THAT THE TWO-STEP PROCESS
22 MAKES THE MOST SENSE. I'VE NEVER BEEN COMFORTABLE WITH
23 THE FACILITIES WORKING GROUP ACTING BLINDLY TO EVALUATE
24 PROPOSALS THAT HAVE NO SCIENTIFIC MERIT. IT'S A WASTE OF
25 OUR TIME. IT'S REALLY A WASTE OF THE ICOC'S TIME. I

BARRISTERS' REPORTING SERVICE

1 THINK THIS PROCESS I WOULD PREFER GOING FORWARD WHERE WE
2 GET THE SCIENTIFIC CRITERIA OUT IN FRONT.

3 AND WHAT WE END UP DOING TOO WITH THIS ONE-STEP
4 PROCESS, AS WE SAW IN THE SHARED FACILITIES GRANTS, IS
5 THAT THE ICOC BASICALLY IGNORES THE WORK OF THE
6 FACILITIES WORKING GROUP AND MAKES ALL OF ITS DECISIONS
7 BASED SOLELY ON THE SCIENCE. WHEREAS, I DO THINK THAT
8 PER PROPOSITION 71 AND PER VALUE FOR THE TAXPAYERS, THAT
9 THERE IS INCREDIBLE VALUE ADDED IN THE FACILITIES WORKING
10 GROUP BY LOOKING AT THE TECHNICAL ASPECTS OF HOW THESE
11 BUILDINGS ARE CONSTRUCTED AND HOW THEY'RE USED.

12 SO I THINK IT'S A REAL MISTAKE. WELL, I'M
13 BUILDING UP TO A MOTION. I ALSO THINK THAT WE WILL END
14 UP BUILDING MORE FACILITIES WITH THIS TWO-STEP PROCESS
15 BECAUSE THE PEOPLE WHO GET THE SCIENTIFIC SCORES WILL
16 HAVE A CHANCE TO SHAPE AND TAILOR IT TO MEET THE
17 FACILITIES -- TO MAKE IT WITHIN THE FACILITIES CONTEXT.
18 AND I THINK A SINGLE UP AND DOWN IS MORE LIKELY TO END UP
19 WITH LESS FACILITIES BUILT. WE WILL GET STARTED EARLIER
20 BECAUSE THE ICOC WILL HAVE AN EARLIER DECISION POINT, SO
21 WE WILL SEND A SIGNAL TO THE PEOPLE WHO HAVE GOOD, STRONG
22 SCIENTIFIC PROGRAMS THAT THEY CAN MOVE FORWARD AT AN
23 EARLIER DATE BY AT LEAST A MONTH.

24 BASED ON THAT, I'D LIKE TO PROPOSE THAT WE GO
25 WITH THE SEQUENTIAL TWO-STEP PROCESS WITH THE GRANTS

BARRISTERS' REPORTING SERVICE

1 WORKING GROUP RECOMMENDATIONS TO THE ICOC, FOLLOWED UP
2 WITH THE FACILITIES WORKING GROUP REVIEW, WITH THAT THEN
3 FORWARDED TO THE ICOC FOR FINAL APPROVAL.

4 MR. KLEIN: SECOND.

5 CHAIRMAN LICHTENGER: RICK, CAN YOU CALL THE
6 ROLL, PLEASE.

7 MR. KLEIN: WE NEED TO ASK IF THERE'S PUBLIC
8 COMMENT IF WE CAN, PLEASE. AND I THINK WE HAVE A PUBLIC
9 COMMENT HERE.

10 MR. REED: YEAH. THIS IS DON REED. I WOULD
11 SUPPORT A TWO-STEP FOR TWO REASONS. FIRST OF ALL,
12 BECAUSE THERE'S SO MUCH INFORMATION TO BE GATHERED ON
13 BOTH SIDES OF THE ISSUE. I THINK IT NEEDS TO BE FIRST
14 THE SCIENCE AND THEN THE BANG FOR THE BUCK FOR
15 CALIFORNIA.

16 ALSO, I THINK THAT THE REST OF THE NATION,
17 WHICH MANY STATES ARE CONSIDERING SIMILAR FUNDING
18 MEASURES, NEEDS TO BE -- WE ARE AN EXAMPLE TO THEM. AND
19 WE WILL BE STUDIED AS A PATTERN, AND I THINK THAT'S
20 IMPORTANT TO CONSIDER AS WELL.

21 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
22 TAXPAYER AND CONSUMER RIGHTS. I WANT TO BACK THIS
23 BECAUSE DON DID, BUT ALSO BECAUSE IT CORRECTLY PUTS THE
24 SCIENCE FIRST, LET'S THAT BE EVALUATED, AND THEN PUTS THE
25 FOCUS ON THE VALUE FOR THE TAXPAYER, WHICH IS ESSENTIAL.

BARRISTERS' REPORTING SERVICE

1 AND I CAN SEE SOME PEOPLE GETTING KNOCKED OUT IN EITHER
2 PLACE, WHICH ULTIMATELY MAKES FOR BETTER SCIENCE.

3 MR. KLEIN: ANY ADDITIONAL COMMENTS? NO
4 ADDITIONAL COMMENTS. I BELIEVE THERE'S A CALL OF THE
5 QUESTION.

6 MS. SAMUELSON: COULD YOU RESTATE WHAT THE
7 PROPOSAL IS?

8 MR. SHEEHY: YES. TO DO A SEQUENTIAL TWO-STEP
9 REVIEW WITH THE GRANTS WORKING GROUP CONVENING,
10 EVALUATING THE APPLICATIONS, AND SENDING THEIR
11 RECOMMENDATION TO THE ICOC. THE ICOC THEN WILL TAKE
12 ACTION ON THOSE RECOMMENDATIONS. THEN THERE WILL BE
13 SCHEDULED A FACILITIES WORKING GROUP REVIEW, WHICH WILL
14 THEN REVIEW PART 2 OF THE APPLICATIONS, AND THEN THOSE --
15 THEN THE WHOLE THING WILL MOVE FORWARD TO THE ICOC FOR A
16 FINAL FUNDING DECISION.

17 MR. KLEIN: JOAN, THE FIRST EVALUATION IS THE
18 SCIENCE, NOT THE BUILDING.

19 MR. KELLER: WE'VE ASKED TO GET ED KASHIAN ON
20 THE PHONE SO HE'D HAVE THE BENEFIT OF THIS -- TO
21 PARTICIPATE IN THIS VOTE ON THIS MOTION AND THEN ALSO TO
22 ASK HIM TO VOTE ON THE ROLL THAT IS OPEN. SO WE CAN JUST
23 INDULGE YOUR PATIENCE FOR ONE MINUTE, WE SHOULD KNOW
24 WITHIN A FEW SECONDS IF HE'S AVAILABLE.

25 MR. KLEIN: I THINK YOU COULD BEGIN THE ROLL

BARRISTERS' REPORTING SERVICE

1 CALL.

2 MS. SAMUELSON: IS ED GOING TO HAVE AN INFORMED
3 BASIS TO BE ABLE TO MAKE A DECISION?

4 MR. KLEIN: HE'S HAD THE MATERIALS, AND WE'LL
5 RESTATE THE MOTION FOR HIM.

6 MR. KELLER: OKAY.

7 CHAIRMAN LICHTENGER: IS ED ON NOW?

8 MR. KELLER: NOT YET. YOU WANT ME TO BEGIN?

9 CHAIRMAN LICHTENGER: NO. NO. ONE OTHER QUICK
10 THING. ANY THERE OTHER ITEMS THAT WE NEED TO COVER IN
11 TODAY'S SESSION?

12 MR. KELLER: NO.

13 CHAIRMAN LICHTENGER: GO AHEAD, RICK.

14 MR. KELLER: YES. MARCY FEIT.

15 MS. FEIT: YES.

16 MR. KELLER: ED KASHIAN. ROBERT KLEIN.

17 MR. KLEIN: YES.

18 MR. KELLER: STUART LAFF.

19 MR. LAFF: YES.

20 MR. KELLER: JOAN SAMUELSON.

21 MS. SAMUELSON: NO.

22 MR. KELLER: JEFF SHEEHY.

23 MR. SHEEHY: YES.

24 MR. KELLER: DAVID SERRANO-SEWELL. DAVID
25 LICHTENGER.

BARRISTERS' REPORTING SERVICE

1 THE REPORTER: I'M SORRY. I DIDN'T HEAR THAT.

2 MS. KING: DAVID SERRANO-SEWELL IS JOINING THE
3 CALL AND WOULD LOVE A SUMMARY OF THE DISCUSSION AND THE
4 VOTES THAT ARE ON THE DECK.

5 VICE CHAIR SERRANO-SEWELL: A VERY BRIEF ONE.

6 MR. KLEIN: DAVID, JEFF SHEEHY MADE A MOTION
7 THAT WE'RE IN THE MIDDLE OF VOTING ON. COULD YOU, JEFF,
8 SUMMARIZE THE MOTION?

9 MR. SHEEHY: DAVID, WE'RE SUPPORTING THE
10 SEQUENTIAL TWO-STEP REVIEW WITH THE GRANTS WORKING GROUP
11 MAKING THEIR RECOMMENDATION TO THE ICOC, WHICH WILL THEN
12 VOTE ON THOSE RECOMMENDATIONS, THEN A LATER FACILITIES
13 WORKING GROUP REVIEW OF PART 2, WITH THAT THEN GOING --
14 WITH THOSE RECOMMENDATIONS THEN GOING TO THE ICOC FOR
15 FINAL DECISION.

16 VICE CHAIR SERRANO-SEWELL: IS THAT THE MOTION
17 ON THE TABLE?

18 MR. KLEIN: THAT IS.

19 VICE CHAIR SERRANO-SEWELL: THANK YOU FOR THE
20 SUMMARY AND HOLDING OFF A VOTE TILL I COULD JOIN BACK IN
21 IN. I APPRECIATE IT. HOPE IT DIDN'T DELAY THE MEETING
22 ANY LONGER THAN NECESSARY.

23 I'M GOING TO SUPPORT THE MOTION. THE ONE ISSUE
24 I'M GOING TO BRING UP AT THE FULL ICOC, BECAUSE I DON'T
25 THINK WE HAVE TIME FOR DISCUSSION NOW, IS WHETHER -- THIS

BARRISTERS' REPORTING SERVICE

1 HAS TO DO WITH THE TIME TABLE AND WHEN THE FACILITIES
2 GRANTS CAN BE AWARDED. IF IT WOULD HELP -- IN TERMS OF
3 THE TIMELINE, IF WE COULD CONSIDER, AGAIN, I DON'T WANT
4 TO HAVE DISCUSSION. I'M JUST GIVING A PREVIEW OF WHAT
5 I'M GOING TO TALK ABOUT AT THE ICOC MEETING. IF WE COULD
6 DELEGATE THE AUTHORITY TO SOME OTHER GROUP OTHER THAN THE
7 SCIENTIFIC WORKING GROUP. I AGREE WITH THE TWO-STEP
8 PROCESS. IT'S THE WAY TO GO. MY ONLY TWEAK TO IT IS,
9 INSTEAD OF THE SCIENTIFIC WORKING GROUP MAKING THAT
10 INITIAL SCIENTIFIC REVIEW, THAT IT IS SOME OTHER YET TO
11 BE APPOINTED BODY FILLED WITH THE -- POPULATED BY THE
12 RIGHT TYPE OF EXPERTS THAT COULD BASICALLY SERVE THAT
13 SAME FUNCTION.

14 AND I MAKE THIS SUGGESTION IF AND ONLY IF IT
15 WOULD BE SHORTENING THE PROCESS SO WE COULD AWARD THE
16 FACILITIES GRANTS SOONER RATHER THAN LATER. I NOTED ON
17 ONE OF THE FINAL SLIDES THAT THERE WASN'T A TIMELINE FOR
18 THE TWO-STEP PROCESS.

19 MR. SHEEHY: YES, THERE IS.

20 VICE CHAIR SERRANO-SEWELL: THAT WAS MY ONLY
21 COMMENT.

22 MR. SHEEHY: I DO THINK YOU'D HAVE LITIGATION
23 RISKS FROM BOARD MEMBERS WHO WEREN'T ABLE TO PARTICIPATE
24 IN A STATUTORILY OBLIGATED GRANTS WORKING GROUP REVIEW.

25 VICE CHAIR SERRANO-SEWELL: JEFF, I DON'T KNOW

BARRISTERS' REPORTING SERVICE

1 ANYTHING ABOUT THAT. WE WOULD NEED LEGAL COUNSEL TO DO A
2 MEMORANDUM OF POINTS AND AUTHORITIES.

3 MR. SHEEHY: I WOULD HAVE DIFFICULTY CEDING MY
4 AUTHORITY TO AN OUTSIDE PANEL WITH WHAT I'VE OBTAINED
5 FROM THE VOTERS IN PROP 71. SO I CAN TELL YOU YOU'D HAVE
6 LITIGATION RISK.

7 MR. KLEIN: AT THIS POINT, AS I UNDERSTAND,
8 DAVID IS ASKING FOR JUST A REVIEW AND DISCUSSION, AND
9 LEGAL COUNSEL CAN PREPARE A REVIEW WHICH I THINK WILL
10 ADDRESS, JEFF, YOUR ISSUE.

11 VICE CHAIR SERRANO-SEWELL: THIS IS DONE -- I
12 DO THIS IN THE SPIRIT OF WANTING TO GET THESE FACILITIES
13 GRANTS TO THE INSTITUTION SOONER RATHER THAN LATER.
14 THAT'S WHAT'S MOTIVATING ME, NOT TO CIRCUMVENT OR WORK
15 OUTSIDE OF PROP 71. ANYBODY WHO KNOWS ME, JEFF, KNOWS
16 THAT I'M ALL ABOUT FOLLOWING PROP 71. I HAVE BEEN FROM
17 DAY ONE I'VE SERVED ON THIS BOARD. IN FACT, I'VE WORKED
18 CLOSELY WITH BOB KLEIN ON LEGAL ISSUES. I'VE ALWAYS BEEN
19 CONCERNED ABOUT EXPOSURE. I'VE ALWAYS KEPT THAT IN MIND.

20 QUITE FRANKLY, JEFF, IT'S BEEN THE PATIENT
21 ADVOCATES THAT HAVE CONSISTENTLY FROM DAY ONE FOUGHT TO
22 ENSURE THAT WE HAVEN'T EXPOSED OURSELVES TO ANY KIND OF
23 LIABILITY. NOT ONLY AS A PATIENT ADVOCATE, BUT AS AN
24 ATTORNEY, I'M VERY SENSITIVE TO THOSE ISSUES. AND I
25 WOULDN'T MAKE A PROPOSAL WITHOUT HAVING DONE BY OWN

BARRISTERS' REPORTING SERVICE

1 INTERNAL THOUGHT PROCESSES AND DUE DILIGENCE, NOR IS THIS
2 THE FIRST TIME I'VE RAISED THE ISSUE CERTAINLY WITH RICK.
3 AND SO IT'S, AS BOB SAID, IT'S AN ITEM OF DISCUSSION
4 ONLY.

5 MR. KLEIN: JEFF, CERTAINLY YOU'VE PROVEN WHAT
6 YOU'VE JUST SAID IN SPADES MANY TIMES OVER. SO WE ALL
7 TAKE YOUR COMMENTS IN THAT CONTEXT.

8 WE'RE IN THE MIDDLE OF A VOTE, ED. BASICALLY
9 THIS IS A VOTE ON WHETHER TO HAVE A TWO-STEP PROCESS IN
10 EVALUATION OR A ONE-STEP PROCESS. AND MAYBE, JEFF
11 SHEEHY, YOU COULD REPEAT IT FOR THE BASIS OF ED. BUT,
12 DAVID, YOU WANT TO CAST YOUR VOTE?

13 VICE CHAIR SERRANO-SEWELL: ON JEFF'S MOTION?

14 MR. KLEIN: YES.

15 VICE CHAIR SERRANO-SEWELL: YEAH. I ALREADY
16 SAID I WAS GOING TO VOTE YES, BUT I INTEND ON BRINGING UP
17 THIS OTHER ISSUE AT THE BOARD. I NEED TO BE BRIEFED ON
18 THE TIMELINE.

19 MR. KLEIN: I UNDERSTAND COMPLETELY. AND IF
20 YOU COULD BOTH STAY ON, WE HAVE ONE OTHER MOTION WITH AN
21 OPEN VOTE. BUT, JEFF, FOR ED KASHIAN COULD YOU
22 SUMMARIZE?

23 MR. SHEEHY: YES. SO THE MOTION IS TO DO A
24 SEQUENTIAL TWO-STEP REVIEW WITH THE GRANTS WORKING GROUP
25 RECOMMENDATION TO THE ICOC, THE ICOC MEETING, AND THEN

BARRISTERS' REPORTING SERVICE

1 TAKING ACTION ON THOSE RECOMMENDATIONS. AND THEN
2 FACILITIES WORKING GROUP MEETING ON PART 2 OF THE
3 APPLICATION AND FORWARDING THEIR RECOMMENDATIONS ON TO
4 THE ICOC FOR APPROVAL.

5 MR. KLEIN: THE PURPOSE OF THIS, ED, IS THAT BY
6 A TWO-STEP PROCESS, IF SOMEONE APPLIES ON AN XYZ BASIS,
7 AND THEY HAVE A HIGH SCORE ON X AND Y, WE DON'T WANT TO
8 COMPLETELY KNOCK THEM OUT. THEY'RE AN ASSET TO THE
9 STATE. WE WANT THEM TO HAVE TIME TO THEN REVISE THEIR
10 APPLICATION AND SUBMIT ON THE AREAS THEY'VE RATED HIGHLY
11 ON SO THAT WE CAN CONSIDER IT.

12 NOW, THE ICOC HAS THE ABILITY TO APPROVE THEM
13 ON X, Y, AND Z IN ANY CASE, BUT THIS GIVES THEM AN
14 ABILITY, IF THEY WANT TO CHANGE THEIR APPLICATION, TO
15 BETTER POSITION IT FOR AWARD TO DO SO. SO THE TWO-STEP
16 PROCESS IS WHAT'S BEEN RECOMMENDED IN THIS MOTION BY JEFF
17 SHEEHY AND SECONDED BY ME.

18 MR. KASHIAN: OKAY. THANK YOU. I'M IN FAVOR
19 OF THE MOTION.

20 MR. KLEIN: WHO ELSE HAS NOT VOTED?

21 MR. KELLER: THAT'S ALL. THE MOTION CARRIES
22 SEVEN AYES, ONE NO.

23 MR. KLEIN: THE SECOND MOTION WITH AN OPEN VOTE
24 IS --

25 MR. KELLER: YOUR MOTION ON SHARED FACILITIES.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: LET ME SUMMARIZE THIS ITEM. IT'S
2 IMPORTANT TO CLARIFY THAT IF YOU ARE A COLLABORATOR AND
3 HAVE PUT FORWARD AN ASSET LIKE A VIVARIUM AS A SHARED
4 FACILITY, THAT DOES NOT STOP YOU FROM MAKING A SEPARATE
5 APPLICATION FOR A NICHE SUCH AS HIGH THROUGHPUT SCREENING
6 OR IMAGING OR SOME OTHER CRITICAL ASSET THAT YOU MAY HAVE
7 SPECIAL EXPERTISE IN, THAT, HOWEVER, YOU CANNOT GET
8 POINTS OVER HERE TO YOUR COLLABORATIVE GROUP FOR A SHARED
9 FACILITY AND THEN SAY, BUT I'M APPLYING SEPARATELY FOR
10 THE VIVARIUM. YOU CAN'T APPLY SEPARATELY FOR THE SAME
11 THING THAT YOU'VE OFFERED AS A SHARED FACILITY.

12 THE IMPORTANT POINT HERE IS TO MAKE CERTAIN
13 THAT WE DON'T DISINCENTIVIZE COLLABORATION BUT, IN FACT,
14 REQUIRE THAT SOMEONE, IF THEY'RE APPLYING FOR A SPECIAL
15 AWARD FOR A SPECIAL AREA OF KNOWLEDGE, NOT HAVE IT
16 COUNTED TWICE.

17 MR. KELLER: THAT WOULD INCLUDE THE SCIENTIFIC
18 VALUE OF THE COLLABORATION HAS BEEN EVALUATED BY THE
19 GRANTS WORKING GROUP.

20 MR. KLEIN: AND THAT IS SUBJECT TO THE
21 SCIENTIFIC VALUE BEING VALIDATED BY THE SCIENTIFIC
22 REVIEW.

23 MS. PACTER: JUST TO CLARIFY --

24 MR. KASHIAN: WHO MADE THE MOTION?

25 MR. KLEIN: I MADE THE MOTION. THE MOTION WAS

BARRISTERS' REPORTING SERVICE

1 SECONDED BY JEFF SHEEHY. AND THE MOTION AT THIS POINT
2 HAS FIVE YES VOTES ON IT.

3 VICE CHAIR SERRANO-SEWELL: I VOTE YES.

4 MR. KASHIAN: I'LL VOTE YES.

5 MR. KELLER: MOTION CARRIES.

6 MR. KLEIN: ANY ADDITIONAL QUESTIONS BY THE
7 MEMBERS? MR. CHAIRMAN, THOSE TWO ITEMS HAVE BEEN
8 COMPLETED. IS THERE ANY -- MR. CHAIRMAN, YOU MAY WANT AN
9 ENDING SESSION PUBLIC COMMENT.

10 CHAIRMAN LICHTENGER: BEFORE I ASK FOR THAT,
11 RICK, THERE ARE NO OTHER AGENDA ITEMS THAT YOU HAVE?

12 MR. KELLER: CORRECT.

13 CHAIRMAN LICHTENGER: I JUST WANT TO -- I WANT
14 TO REGISTER A CONCERN. I ABSTAINED FROM THE VOTE ON THE
15 TWO-STEP VERSUS ONE-STEP. I JUST WANT TO VOICE A CONCERN
16 TO THE ICOC TO CONSIDER THAT IT'S VERY, VERY IMPORTANT IN
17 THIS TWO-STEP PROCESS THAT THERE -- IT'S CLEARLY
18 COMMUNICATED TO THE APPLICANTS THAT THEIR EVENTUAL
19 FUNDING LEVELS AND WHETHER THEY GET FUNDED WILL ALSO BE
20 DETERMINED BY THE FACILITIES WORKING GROUP'S EVENTUAL
21 SCORES.

22 MR. KLEIN: MR. CHAIRMAN, I WILL INCORPORATE
23 THAT INTO MY CHAIRMAN'S COMMENTS IN THIS SESSION OR IN
24 THE PORTION OF THE ICOC MEETING WHERE WE CONSIDER THESE
25 RECOMMENDATIONS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: EXCELLENT. THANK YOU.

2 VICE CHAIR SERRANO-SEWELL: BOB, I HAVE A FINAL
3 COMMENT. THANK YOU. AND THAT IS TO LORI HOFFMAN, AND
4 THAT IS A REQUEST. AND, LORI, YOU CAN TELL ME IF YOU CAN
5 DO IT OR NOT. BASED ON THE MOTION THAT PASSED FOR THE
6 TWO-STEP PROCESS, IS IT POSSIBLE AT THE ICOC MEETING ON
7 AUGUST 8TH TO FILL IN SOME DATES WITH THAT SLIDE THAT HAS
8 THE TWO-STEP PROCESS TIMELINE? IT'S A QUESTION THAT THE
9 ICOC WILL ASK, IN MY OPINION, AND IT'S BEST TO PROVIDE
10 SOME DATES. IS THAT SOMETHING YOU CAN DO?

11 MS. HOFFMAN: DAVID, WE'RE HAPPY TO DO THAT,
12 AND WE THINK THAT THAT'S AN ICOC ISSUE. AND SO I WOULD
13 ASSUME THAT THE ICOC WOULD BE VOTING ON THOSE DATES AS
14 WELL.

15 MR. KLEIN: DAVID, FOR YOUR CONSIDERATION, I
16 CAN TELL YOU THAT PRIOR TO THAT MEETING, IF THE MEMBERS
17 OF THIS COMMITTEE COULD GIVE ME THEIR SUGGESTIONS, AT THE
18 BOARD LEVEL I'M GOING TO RECOMMEND THE BOARD SCHEDULE
19 ADDITIONAL MEETINGS TO ACCOMMODATE THIS PROCESS,
20 INCLUDING POTENTIALLY A JANUARY 7TH MEETING OR
21 APPROXIMATELY JANUARY 7TH, FOR THE SCIENTIFIC REVIEW SO
22 THAT WE COULD HAVE THAT EARLIER, AND POSSIBLY MOVING THE
23 MEETING IN APRIL BACK A COUPLE OF WEEKS TO BE ABLE TO
24 HAVE THE TIME NECESSARY FOR APPLICANTS TO DO A MAJOR
25 ADJUSTMENT, IF THEY NEED A MAJOR ADJUSTMENT BASED UPON

BARRISTERS' REPORTING SERVICE

1 THEIR SCIENTIFIC SCORE, TO COME IN WITH A FULLY
2 COMPREHENSIVE PROPOSAL AFTER CONSIDERING THE SCORE THEY
3 GOT SCIENTIFICALLY.

4 VICE CHAIR SERRANO-SEWELL: GREAT. THANK YOU.

5 CHAIRMAN LICHTENGER: BOB, IF YOU COULD ASK IF
6 THERE'S ANY PUBLIC COMMENT.

7 MR. KLEIN: IS THERE ANY PUBLIC COMMENT?

8 MR. COFFMAN: LOUIS COFFMAN FROM THE SAN DIEGO
9 CONSORTIUM. MEMBER KLEIN, YOU ALLUDED TO CAPS, AND
10 THERE'S BEEN SOME DISCUSSION OF RANGES BASED UPON XYZ,
11 XY, AND X. IS THERE ANY DISCUSSION -- WILL THE
12 APPLICANTS GET SOME GUIDANCE AS TO WHAT THOSE RANGES WILL
13 BE IF THERE ARE TO BE ANY?

14 MR. KLEIN: AT THE ICOC MEETING THERE WILL BE A
15 DISCUSSION OF THE RANGES. THERE'S BEEN A PREVIOUS
16 DISCUSSION IN PUBLIC MEETINGS OF RANGES THAT WE HAVE HAD
17 AS A FACILITIES GROUP, AND THAT INFORMATION WILL BE
18 PASSED ON TO THE ICOC IN A DISCUSSION AT THE ICOC MEETING
19 OF THOSE RANGES.

20 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
21 TAXPAYER AND CONSUMER RIGHTS. I JUST VERY QUICKLY WANTED
22 TO COMMEND THE WORKING GROUP. I KNOW THAT SEVERAL MONTHS
23 AGO MANY PEOPLE WERE SHOCKED THAT THIS PROCESS WAS GOING
24 TO TAKE PLACE. I THINK THERE WAS AN EXPECTATION THAT
25 THIS WAS GOING TO BE RAMMED THROUGH THE ICOC. MAYBE NOT

BARRISTERS' REPORTING SERVICE

1 RAMMED THROUGH, BUT DEALT WITH VERY QUICKLY THERE. AND I
2 THINK THE HEARINGS, THE INTERESTED PARTIES MEETING, AND
3 THIS PROCESS HAVE REALLY DEMONSTRATED AND HAVE BENEFITED
4 THE POTENTIAL APPLICANTS AND DRAWN THEM IN IN A WAY THAT
5 I HAVEN'T SEEN HAPPEN BEFORE. SO IT WAS TIME-CONSUMING,
6 BUT VALUABLE TIME SPENT BY ALL OF YOU, AND YOU SHOULD BE
7 COMMENDED FOR THAT. AND I THINK THAT WHENEVER THIS KIND
8 OF PROCESS CAN BE DONE, IT ENHANCES THE OUTPUT AND THE
9 WORK. SO THANK YOU ALL VERY MUCH.

10 MR. KLEIN: THANK YOU. WE DEEPLY APPRECIATE
11 THE COMMENT. AND I THINK SPEAKING FROM THE BOARD
12 PERSPECTIVE, I'D LIKE TO SAY I THINK THAT WE SHOULD GIVE
13 A HAND OF APPLAUSE TO THE STAFF AND TO THE CHAIR AND VICE
14 CHAIR OF THIS COMMITTEE FOR THEIR DEDICATED EFFORT IN
15 BRINGING US THROUGH THERE PROCESS.

16 (APPLAUSE.)

17 CHAIRMAN LICHTENGER: RICK, IF THERE'S NO OTHER
18 ISSUES TO COVER, I'D LIKE TO ADJOURN THE MEETING.

19 MR. KELLER: IT'S ADJOURNED. THANK YOU.

20 MR. KASHIAN: MR. CHAIRMAN, I VOTE YES.

21 (THE MEETING WAS THEN CONCLUDED AT 12:02
22 P. M.)

23

24

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BARRISTERS' REPORTING SERVICE

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REPORTER'S CERTIFICATE

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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

13

14

210 KING STREET
SAN FRANCISCO, CALIFORNIA

15

ON

MONDAY, JULY 30, 2007

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WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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23

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