

BEFORE 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: UCSF MISSION BAY
1675 OWENS STREET
SAN FRANCISCO, CALIFORNIA

DATE: WEDNESDAY, AUGUST 8, 2007
9:30 A.M.

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

BRS FILE NO.: 77061

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM	DESCRIPTION	PAGE NO.
	CALL TO ORDER	4
	ROLL CALL	5
	CONSENT ITEMS:	8
4.	CONSIDERATION OF MINUTES FROM THE FOLLOWING ICOC MEETINGS: A. APRIL 10, 2007 B. MAY 2, 2007 C. JUNE 4-5, 2007.	
5.	CONSIDERATION OF REGULATION 100120: MEDICAL AND ETHICAL STANDARDS, RECORD KEEPING REGULATION.	
6.	AMENDMENTS TO THE CIRM CONFLICT OF INTEREST CODE.	
	EXECUTIVE PRESENTATIONS:	
7.	CHAIRMAN'S REPORT	8
8.	REPORT FROM ACTING PRESIDENT INTERIM CHIEF SCIENTIFIC OFFICER	13 17
	ACTION ITEMS:	
	CONSIDERATION TO ADD AGENDA ITEM REGARDING AUTHORIZATION FOR NEGOTIATION AND EXECUTION OF PERSONAL SERVICES CONTRACT	23
9.	CONSIDERATION OF UPDATE FROM IP TASK FORCE AND PROPOSAL TO MODIFY THE PAYBACK REQUIREMENT FOR PRODUCTS LICENSED BY FOR-PROFIT ENTITIES.	25
10.	REPORT FROM AND POSSIBLE CONSIDERATION OF STUDY OF PROPOSAL FROM THE CALIFORNIA STATE UNIVERSITY SYSTEM.	29

BARRISTERS' REPORTING SERVICE

11. CONSIDERATION OF STANDARDS WORKING GROUP ITEMS FROM 7/27/07 MEETING INCLUDING: 61

- A. USE OF CELL LINES DERIVED UNDER JAPANESE GUIDELINES FOR DERIVATION AND UTILIZATION OF HUMAN EMBRYONIC STEM CELLS;
- B. LIMITATIONS ON PAYMENT FOR CELLS; AND
- C. REQUIREMENTS FOR USE OF SOMATIC CELLS AND HUMAN TISSUE

12. CONSIDERATION OF APPOINTMENT OF NEW SCIENTIFIC MEMBERS OF THE GRANTS REVIEW WORKING GROUP. 75

13. CONSIDERATION OF CONCEPT PLAN FOR RFA 07-03. 81, 131

CLOSED SESSION (NOT REPORTED, NOR HEREIN TRANSCRIBED)

OPEN SESSION:

15. PUBLIC REPORT OF ANY ACTION TAKEN, IF NECESSARY, DURING CLOSED SESSION. 120

CONSIDERATION OF AUTHORIZATION FOR NEGOTIATION AND EXECUTION OF PERSONAL SERVICES CONTRACT 122

16. PUBLIC COMMENT 208

ADJOURNMENT 209

BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; WEDNESDAY, AUGUST 8, 2007

2 9:30 A.M.

3

4 CHAIRMAN KLEIN: ALL RIGHT. I WANT TO WELCOME
5 EVERYONE TO SAN FRANCISCO. THANK YOU FOR JOINING US.
6 AND THANK YOU, MISSION BAY. WITH UC SAN FRANCISCO AND
7 GLADSTONE BEING OUR NEIGHBORS, WE'RE IN THE CENTER OF A
8 GREAT DEAL OF FINE AND OUTSTANDING SCIENTIFIC RESEARCH.
9 AND I UNDERSTAND LAST NIGHT THERE WAS HISTORY COMPARABLE
10 TO THE HISTORY THAT IS GOING TO BE MADE HERE TODAY. AS
11 WE LAUNCH THE MAJOR FACILITIES INITIATIVE TODAY, WE WILL
12 BE FOLLOWING ON BARRY BONDS PASSING THE RECORD IN THE
13 GAME LAST NIGHT FOR HOME RUNS. WE WILL HOPE THAT WE
14 MATCH HIS STYLE AND HIS PERFORMANCE WITHOUT ANY SPECIAL
15 BIOLOGICAL ASSIST. MAYBE WE SHOULD SAY WITHOUT ANY
16 SPECIAL ILLEGAL BIOLOGICAL ASSIST. BUT WE HOPE THAT HE
17 HAS A GREAT FUTURE IN BASEBALL AND NEW RECORDS ARE SET.

18 IN OUR SCHEDULE TODAY, IN ADDITION TO MAJOR
19 FACILITIES, WE BEGAN THE DAY WITH A SPOTLIGHT THAT DAVID
20 SERRANO-SEWELL LED ON CEREBRAL PALSY WITH DR. ROWITCH
21 FROM UC SAN FRANCISCO AND THE KAPLAN FAMILY, BEN AND
22 OLIVER, SUSAN, AND RON ALL BEING HERE TO TESTIFY TO THE
23 IMPORTANCE OF ADVANCING THE RESEARCH FOR CEREBRAL PALSY.

24 IT IS EXTRAORDINARY TO NOTE THAT SO MANY
25 INJURIES AND DISEASES RELATE BACK TO MYELIN DAMAGE.

BARRISTERS' REPORTING SERVICE

1 WHETHER IT'S SPINAL CORD INJURY, WHETHER IT'S CEREBRAL
2 PALSY, WHETHER IT'S MS, THE TYPE OF DAMAGE MAY BE
3 DIFFERENT, BUT MYELIN IS SUCH AN IMPORTANT PART OF OUR
4 BIOLOGICAL AND NERVOUS SYSTEMS, THAT IT IS A VERY GOOD
5 ILLUSTRATION OF HOW DIFFERENT AREAS OF DISEASES ARE TIED
6 TOGETHER BY A COMMON DEMAND FOR RESEARCH ON A PARTICULAR
7 PART OF THE BODY'S FUNCTION, AND THAT IF THAT PART IS
8 DAMAGED IN ANY WAY, WE HAVE A NUMBER OF DIFFERENT DISEASE
9 OR INJURY OUTCOMES THAT CAN BENEFIT FROM RESEARCH IN THAT
10 AREA.

11 I THINK THAT WE HAVE A GOOD COMPLEMENT OF THE
12 BOARD NOW PRESENT, SO, MELISSA KING, PLEASE LEAD US IN
13 THE PLEDGE OF ALLEGIANCE.

14 (THE PLEDGE OF ALLEGIANCE.)

15 CHAIRMAN KLEIN: MELISSA KING, WOULD YOU PLEASE
16 CALL THE ROLL.

17 MS. KING: DAVID MEYER FOR RICARDO AZZIZ.

18 DR. MEYER: HERE.

19 MS. KING: ROBERT PRICE FOR ROBERT BIRGENEAU.

20 DR. PRICE: HERE.

21 MS. KING: DAVID BRENNER. DENNIS CUNNINGHAM
22 FOR SUSAN BRYANT.

23 DR. CUNNINGHAM: HERE.

24 MS. KING: MARCY FEIT.

25 MS. FEIT: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: MICHAEL FRIEDMAN.
2 DR. FRIEDMAN: HERE.
3 MS. KING: MICHAEL GOLDBERG.
4 MR. GOLDBERG: HERE.
5 MS. KING: FRANK MARKLAND FOR BRIAN HENDERSON.
6 DR. MARKLAND: HERE.
7 MS. KING: DAVID KESSLER. BOB KLEIN.
8 CHAIRMAN KLEIN: HERE.
9 MS. KING: SHERRY LANSING. GERALD LEVEY.
10 MS. KING: MICHAEL LEVY FOR TED LOVE.
11 DR. LEVY: HERE.
12 MS. KING: TINA NOVA.
13 DR. NOVA: HERE.
14 MS. KING: ED PENHOET.
15 DR. PENHOET: HERE.
16 MS. KING: PHIL PIZZO.
17 DR. PIZZO: HERE.
18 MS. KING: CLAIRE POMEROY.
19 DR. POMEROY: HERE.
20 MS. KING: FRANCISCO PRIETO.
21 DR. PRIETO: HERE.
22 MS. KING: JOHN REED.
23 DR. REED: HERE.
24 MS. KING: DUANE ROTH.
25 MR. ROTH: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JOAN SAMUELSON. DAVID

2 SERRANO-SEWELL.

3 MR. SERRANO-SEWELL: HERE.

4 MS. KING: JEFF SHEEHY.

5 MR. SHEEHY: HERE.

6 MS. KING: JONATHAN SHESTACK. OSWALD STEWARD.

7 DR. STEWARD: HERE.

8 MS. KING: JANET WRIGHT.

9 DR. WRIGHT: HERE.

10 MS. KING: WE DO HAVE A QUORUM.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

12 BEGINNING TODAY'S AGENDA, WE'LL GO TO ITEMS 4, 5, AND 6

13 ON THE CONSENT CALENDAR. I'D LIKE TO, AS AN

14 INFORMATIONAL ITEM, NOT AS A MATTER OF DEBATE OR

15 DISCUSSION, UNLESS SOMEONE WANTS TO OPEN IT, JUST POINT

16 OUT THAT ONE OF THOSE ITEMS IS A CONFLICTS OF INTEREST

17 PROVISION. WE DON'T PUT THOSE ON CONSENT UNLESS IT'S

18 PURELY ADMINISTRATIVE. SCOTT TOCHER, IF YOU COULD INFORM

19 US, IT'S MY UNDERSTANDING THAT THIS ITEM IS MERELY IN THE

20 NORMAL UPDATE PROCESS TO ADD ADDITIONAL POSITIONS WE HAVE

21 IN THE AGENCY TO THE CONFLICTS PROVISIONS; IS THAT

22 CORRECT?

23 MR. TOCHER: THAT'S CORRECT. THIS IS A

24 REQUIREMENT OF THE GOVERNMENT CODE, POLITICAL REFORM ACT,

25 THAT AGENCIES ENGAGE IN A BIENNIAL REVIEW.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: MAYBE WE CAN GET SOME MORE
2 VOLUME ON YOUR MIC.

3 MR. TOCHER: IS THIS ON? YES, IT'S A
4 GOVERNMENT CODE REQUIREMENT OF THE POLITICAL REFORM ACT
5 THAT AGENCIES EVERY TWO YEARS UPDATE THEIR CONFLICT OF
6 INTEREST CODE TO REFLECT THE CURRENT ORGANIZATIONAL
7 STRUCTURE OF THE AGENCY. SO THIS IS ADDING NEW
8 POSITIONS.

9 CHAIRMAN KLEIN: OKAY. SO WITH THAT, UNLESS
10 THERE IS SOME ADDITIONAL COMMENT, I'D LIKE TO KNOW IF
11 THERE'S A MOTION TO MOVE THE CONSENT CALENDAR.

12 DR. WRIGHT: SO MOVED.

13 CHAIRMAN KLEIN: SO MOVED BY DR. WRIGHT.

14 MR. GOLDBERG: SECOND.

15 CHAIRMAN KLEIN: SECOND BY MICHAEL GOLDBERG.
16 IS THERE DISCUSSION? IS THERE A DISCUSSION BY THE
17 PUBLIC? SEEING NONE, ALL IN FAVOR. MOTION PASSES.

18 WE WILL GO TO ITEM 7 ON THE AGENDA. DURING THE
19 INTERIM BETWEEN THE LAST MEETING AND THIS ONE, I WAS
20 FORTUNATE TO GO TO THE INTERNATIONAL STEM CELL RESEARCH
21 CONFERENCE IN AUSTRALIA, BRINGING TOGETHER 2,000 OF THE
22 WORLD'S BEST RESEARCHERS. DR. PATRICIA OLSON WAS THERE
23 REPRESENTING OUR AGENCY FROM THE SCIENTIFIC LEADERSHIP
24 POSITION. AND IN MAKING TWO PRESENTATIONS TO THAT GROUP,
25 I HAD TREMENDOUS AMOUNT OF POSITIVE FEEDBACK ABOUT THE

BARRISTERS' REPORTING SERVICE

1 LEADERSHIP THAT CIRM IS PROVIDING GLOBALLY AND HOW IT'S
2 ACTING AS A FORCE TO GET OTHER NATIONS TO REALLY INCREASE
3 THEIR BUDGETS AND OTHER STATES IN THE UNITED STATES TO
4 INCREASE THEIR BUDGETS IN THE STEM CELL RESEARCH AREA SO
5 THEY COULD REALLY REMAIN COMPETITIVE AND FORM NEW
6 COLLABORATIONS WITH SCIENTIFIC RESEARCHERS, BENEFITING
7 PATIENTS IN CALIFORNIA, PATIENTS NATIONALLY, AND PATIENTS
8 GLOBALLY.

9 AND I'D LIKE TO FOCUS US ON THE FACT THAT IN
10 LEVERAGING CALIFORNIA'S RESEARCH ASSETS AND KEEPING
11 CALIFORNIA RESEARCHERS AT THE LEADING EDGE OF THE GLOBAL
12 ADVANCEMENTS IN MEDICAL RESEARCH AND THERAPIES,
13 CALIFORNIA HAS A UNIQUE ROLE BECAUSE OF THE VISION OF THE
14 PUBLIC IN CALIFORNIA IN APPROVING THE \$3 BILLION IN 2004.

15 NEXT FEBRUARY WE WILL HOST THE INTERNATIONAL
16 STEM CELL FORUM. NOW IT'S APPROXIMATELY 19 NATIONS. WE
17 AS AN AGENCY, A STATE AGENCY, ARE THE ONLY STATE ENTITY
18 THAT'S A PART OF THE INTERNATIONAL GLOBAL STEM CELL
19 FORUM, THAT STEERS GLOBAL POLICY AND LOOKS FOR POLICY
20 OBJECTIVES AND CRITICAL LINKAGES IN RESEARCH. THE LAST
21 CONFERENCE OF THAT GROUP IN SINGAPORE, DR. ARLENE CHIU
22 AND DR. ZACH HALL ATTENDED, AND THEY EXTENDED AN
23 INVITATION FOR THAT GROUP TO BE HOSTED BY CALIFORNIA
24 INSTITUTE FOR REGENERATIVE MEDICINE NEXT FEBRUARY IN SAN
25 FRANCISCO, SO I HOPE WE WILL ALL LOOK FORWARD TO THAT

BARRISTERS' REPORTING SERVICE

1 DATE.

2 BUT IT IS EXTRAORDINARY FOR A STATE TO BE AT
3 THE CENTER OF AN INTERNATIONAL GLOBAL COLLABORATION
4 TRYING TO ADVANCE STEM CELL RESEARCH, MAKING CERTAIN THAT
5 ALL OF THE RESEARCH ADVANCEMENTS GO TO THE BENEFIT OF
6 MEDICINE AND THERAPY DEVELOPMENT ACROSS THE GLOBE.

7 THAT, OF COURSE, INCLUDES TRYING TO ADVANCE
8 STEM CELL BANKS. AND IN OUR LAST MEDICAL STANDARDS
9 MEETING OF THIS BOARD, THERE IS AN ITEM I THINK THAT WILL
10 BE ADDRESSED TODAY WHERE WE JUST APPROVED THE STEM CELL
11 BANK LINES FROM JAPAN. IT'S VERY IMPORTANT.

12 (DR. KESSLER ARRIVES.)

13 CHAIRMAN KLEIN: IT'S VERY IMPORTANT THAT WE
14 HAVE MEDICAL AND ETHICAL STANDARDS THAT ARE GLOBALLY
15 CONDUCIVE TO COLLABORATION AND CONSISTENT AT A VERY HIGH
16 STANDARD.

17 ADDITIONALLY, I WENT THIS LAST YEAR TO --
18 EXCUSE ME. IT SEEMS LIKE A YEAR. I WENT THIS LAST MAY
19 TO CANADA AT THE INVITATION OF GOVERNOR SCHWARZENEGGER TO
20 MEET WITH CANADIAN RESEARCHERS ON COLLABORATIVE EFFORTS
21 THERE. I AM PART OF THE STEM CELL PARTNERSHIP BETWEEN
22 CALIFORNIA AND CANADA. ZACH HALL WAS A PART OF THAT
23 PARTNERSHIP. HOPEFULLY OUR NEW PRESIDENT, WHEN WE FINISH
24 THE PRESIDENTIAL SEARCH, WILL BECOME A PART OF THAT
25 COLLABORATIVE EFFORT TO REALLY ADVANCE COLLABORATION

BARRISTERS' REPORTING SERVICE

1 BETWEEN CALIFORNIA INSTITUTIONS AND CANADIAN
2 INSTITUTIONS, FOCUSED IN THIS CASE ON THE CANCER STEM
3 CELL PROJECT.

4 AND FOR STAFF IT IS CRITICAL THAT STAFF BE ABLE
5 TO REALLY PARTICIPATE GLOBALLY AS WELL AS ACROSS THIS
6 COUNTRY IN MEDICAL RESEARCH CONFERENCES, IN MEDICAL
7 RESEARCH WORKSHOPS. AS WE KNOW, THE NATION OF ENGLAND
8 THROUGH THE MRC LAST YEAR SPONSORED LEADING CALIFORNIA
9 RESEARCHERS AND DR. ARLENE CHIU AND ZACH HALL IN A
10 WORKSHOP IN ENGLAND TO LOOK AT THE STATE OF THE ART
11 BETWEEN CALIFORNIA AND ENGLAND IN STEM CELL RESEARCH AND
12 LOOK FOR METHODS TO ADVANCE COLLABORATIONS. SO I THINK
13 WE ARE WELL DOWN THIS PATH IN GLOBAL LEADERSHIP AND
14 COLLABORATION.

15 IT IS NOT A SLOGAN THAT WE HAVE REITERATED TIME
16 AND TIME AGAIN THAT THIS IS A RACE AGAINST DISEASE, NOT A
17 RACE BETWEEN STATES OR NATIONS. WE ARE COMMITTED TO
18 GLOBAL COLLABORATION. WE ARE COMMITTED TO COLLABORATION
19 BETWEEN THE STATES. AND WITH THE \$5 BILLION PENDING IN
20 APPROPRIATIONS ACROSS THE STATES AT THIS POINT, WHETHER
21 IT'S MASSACHUSETTS' RECENT BILLION-DOLLAR EFFORT TO
22 ADVANCE THIS, OR WHETHER IT'S THE BILLION DOLLARS FROM
23 THE NEW YORK, IT IS A TREMENDOUS ENHANCEMENT OF OUR
24 RESEARCH POTENTIAL TO HAVE ADVANCEMENTS IN THESE OTHER
25 STATES THAT ARE COMPLEMENTARY TO THE RESEARCH WE'RE DOING

BARRISTERS' REPORTING SERVICE

1 HERE AND ADDITIVE TO THE RESEARCH WE'RE DOING HERE IN
2 CALIFORNIA.

3 WITH THAT COMMITMENT TO REALLY ADVANCING
4 THERAPIES IN THIS COUNTRY FOR THE BENEFIT OF ALL
5 CALIFORNIANS AND ALL HUMANITY, ONE OF OUR GREAT GAPS IN
6 CAPACITY IS IN MAJOR FACILITIES. AND TODAY WE WILL
7 HOPEFULLY ADVANCE THAT AGENDA WITH THE HELP OF STAFF.
8 THE WORK OF RICK KELLER AND LORI HOFFMAN AND THE
9 FACILITIES COMMITTEE HAS, IN FACT, BEEN VERY WELL
10 RECEIVED, AND I WILL COMMENT ON THAT LATER.

11 BUT I WOULD LIKE TO POINT OUT THAT A FAVORITE
12 CONSTRUCTIVE CRITIC OF THIS ORGANIZATION IS JOHN SIMPSON.
13 AND I WOULD LIKE TO READ TO YOU WHAT HE HAD TO SAY AFTER
14 THE FACILITIES COMMITTEE COMPLETED ITS PUBLIC MEETINGS.
15 SAID, "I JUST VERY QUICKLY WANTED TO COMMEND THE WORKING
16 GROUP. I KNOW THAT SEVERAL MONTHS AGO MANY PEOPLE WERE
17 SHOCKED THAT THIS PROCESS WAS GOING TO TAKE PLACE. I
18 THINK THERE WAS AN EXPECTATION THAT THIS WAS GOING TO BE
19 RAMMED THROUGH THE ICOC. MAYBE NOT RAMMED THROUGH, BUT
20 DEALT WITH VERY QUICKLY THERE. AND I THINK THE HEARINGS,
21 INTERESTED PARTIES MEETINGS, AND THIS PROCESS HAVE REALLY
22 DEMONSTRATED AND HAVE BENEFITED THE POTENTIAL APPLICANTS
23 AND DRAWN THEM IN IN A WAY THAT I HAVEN'T SEEN HAPPEN
24 BEFORE. SO IT WAS TIME-CONSUMING, BUT VALUABLE TIME
25 SPENT BY ALL OF YOU. AND YOU SHOULD BE COMMENDED FOR

BARRISTERS' REPORTING SERVICE

1 THAT. AND I THINK THAT WHENEVER THIS KIND OF PROCESS CAN
2 BE DONE, IT ENHANCES THE OUTPUT AND THE WORK. SO THANK
3 YOU ALL VERY MUCH."

4 WE ARE ALL COMMITTED TO TRANSPARENCY. WE'RE
5 ALL COMMITTED TO A PUBLIC PROCESS. I THINK WE HAVE
6 COMPLETED THIS PART OF THE PUBLIC PROCESS VERY WELL. IT
7 COMES TO THE ICOC TODAY, BUT IT'S NICE TO KNOW THAT,
8 WHILE WE DO GET CRITICIZED FROM TIME TO TIME, THERE ARE
9 ALSO GOOD WORDS FROM OUR CRITICS WHEN WE REALLY COMMIT
10 OURSELVES TO A PUBLIC PROCESS AS WE ATTEMPT TO DO EVERY
11 TIME, BUT HOPEFULLY INDICATIVE OF THIS COMMENT, WE'RE
12 GETTING BETTER AT IT, AND PEOPLE'S WORST EXPECTATIONS ARE
13 NOT BEING MET, BUT THEIR BEST EXPECTATIONS ARE BEING
14 EXCEEDED.

15 IN ADDITION, WE WILL GO THROUGH A CROWDED
16 AGENDA WITH OTHER ITEMS, SO WHAT I WOULD LIKE TO DO HERE
17 IS CALL UPON THE ACTING PRESIDENT AND THE INTERIM CHIEF
18 SCIENTIFIC OFFICER TO MAKE THEIR REPORTS.

19 MS. HOFFMAN: THANK YOU, CHAIRMAN KLEIN. GOOD
20 MORNING AND WELCOME. AS THE CHAIRMAN JUST STATED, THE
21 REPORT ON PROGRESS MADE BY THE FACILITIES WORKING GROUP
22 SINCE YOUR LAST MEETING HAS BEEN QUITE A SUCCESS. WE
23 WENT THROUGH THE FOUR MEETINGS AS WELL AS THE JULY 12TH
24 MEETING BY THE FACILITIES WORKING GROUP, AND WE WILL
25 BRING TO YOU TODAY AS AGENDA ITEM 13 THE CONCEPT PLAN FOR

BARRISTERS' REPORTING SERVICE

1 THE MAJOR FACILITIES GRANTS.

2 ALSO, I'D LIKE TO REPORT ON THE PROGRESS ON THE
3 SHARED RESEARCH LAB AWARDS. AFTER YOUR JUNE MEETING, WE
4 ISSUED A LETTER ON JUNE 20TH TO THE APPROVED APPLICANTS.
5 AND OF THOSE 17 GRANTS APPROVED, WE HAVE NOW ISSUED OUR
6 FIRST CHECK FOR THE SHARED RESEARCH LABS. WE HAVE SEVEN
7 NOTICE OF GRANT AWARDS OUT TO THE INSTITUTIONS FOR
8 SIGNATURE AND TWO MORE NOTICE OF GRANT AWARDS IN
9 PROGRESS.

10 AND IT IS WITH MIXED EMOTIONS THAT I REPORT TO
11 YOU TODAY THAT KIRK KLEINSCHMIDT AND SCOTT TOCHER WILL BE
12 LEAVING THE INSTITUTE AT THE END THIS MONTH. KIRK IS OUR
13 DIRECTOR OF LEGISLATION AND RESEARCH POLICY, AND SCOTT
14 TOCHER IS OUR INTERIM ASSOCIATE GENERAL COUNSEL.

15 KIRK WORKED ON THE CAMPAIGN FOR PROP 71 AND
16 JOINED THE STAFF OF THE CIRM IMMEDIATELY THEREAFTER.
17 SCOTT HAS BEEN WITH US SINCE DECEMBER OF '05. BOTH HAVE
18 BEEN KEY TO THE DEVELOPMENT OF OUR POLICIES AND
19 REGULATIONS AND TO OUR EFFORTS TO BUILD POSITIVE WORKING
20 RELATIONSHIPS IN SACRAMENTO. WE ARE SORRY TO SEE THEM
21 GO.

22 KIRK HAS ACCEPTED AN OFFER TO LEAD GOVERNMENT
23 RELATIONS PROGRAMS FOR KAISER IN NORTHERN CALIFORNIA.
24 SCOTT PLANS TO TAKE TIME OFF AND TRAVEL BEFORE SETTLING
25 ON HIS NEXT SET OF CHALLENGES. WE WISH THEM BOTH THE

BARRISTERS' REPORTING SERVICE

1 VERY BEST. THEY LEAVE WITH OUR ABIDING THANKS FOR THEIR
2 EFFORTS AND DEDICATION TO THE INSTITUTE.

3 KIRK'S RESPONSIBILITIES --

4 (APPLAUSE.)

5 MS. HOFFMAN: SO THANK YOU. MY PERSONAL THANKS
6 TO BOTH OF YOU.

7 NOW I WOULD LIKE TO BRING YOUR ATTENTION TO AN
8 ITEM THAT WAS ON YOUR JUNE AGENDA THAT WE ACTUALLY DIDN'T
9 GET TO. AND THIS IS THE PROPOSED '07-'08 ADMINISTRATIVE
10 BUDGET. I BELIEVE IT MIGHT BE DIFFICULT FOR YOU TO SEE
11 THE SCREEN AND THESE NUMBERS, SO LET ME JUST GIVE YOU THE
12 HIGHLIGHTS.

13 THE TOTAL BUDGET FOR '07-'08 IS PROJECTED AT
14 8.096 MILLION. THAT IS IN RELATIONSHIP TO THE '06-'07
15 BUDGET OF 7.3 MILLION. ON THE NEXT SLIDE, IF YOU COULD
16 SEE IT, YOU WOULD NOTICE THAT WE HAVE PROJECTED HIRING
17 DATES AND INCLUDED THOSE IN THE BUDGET. THERE WILL BE
18 TEN NEW STAFF MEMBERS BUDGETED FOR THE SCIENCE OFFICE,
19 THREE NEW STAFF IN THE OFFICE OF ADMINISTRATION, AND
20 THEN, OF COURSE, THE PRESIDENT AND AN ADDITIONAL STAFF IN
21 THE LEGAL OFFICE.

22 THE NEXT SLIDE JUST DETAILS THE INTERAGENCY AND
23 EXTERNAL CONTRACT BUDGET FOR NEXT YEAR AS WELL. AND
24 CERTAINLY IF YOU HAVE ANY QUESTIONS, I'D BE HAPPY TO
25 ANSWER THEM NOW OR AT A LATER DATE.

BARRISTERS' REPORTING SERVICE

1 SO IF THERE ARE NONE, I WOULD ASK DR. CHIU TO
2 COME UP AND GIVE HER PRESENTATION. THANK YOU SO MUCH.

3 CHAIRMAN KLEIN: THANK YOU.

4 (APPLAUSE.)

5 DR. CHIU: I'M WAITING FOR MY SLIDES, BUT GOOD
6 MORNING.

7 CHAIRMAN KLEIN: FOR THE BENEFIT OF THE BOARD,
8 IS THERE SOMEONE THAT MIGHT MOVE THE AMERICAN FLAG BACK A
9 LITTLE TO A MORE PROMINENT PLACE ON THE DAIS?

10 DR. PIZZO: ACTUALLY THE MORE RELEVANT QUESTION
11 IS WHETHER SOMEONE COULD MOVE THE PROJECTOR AND SCREEN TO
12 A PLACE WHERE WE CAN ACTUALLY SEE IT.

13 CHAIRMAN KLEIN: WHAT THE HOPE WAS WAS THAT, AS
14 WE GO THROUGH THE AGENDA ITEMS, WE'LL HAVE A BREAK, AND I
15 WOULD -- DR. PENHOET AND I JUST DISCUSSED, DR. PIZZO,
16 THAT MAYBE WE WOULD TRY AND ACCOMPLISH THAT LARGER FEAT
17 DURING THAT PERIOD.

18 DR. PIZZO: I'D BE WILLING TO GET UP AND DO IT
19 NOW.

20 CHAIRMAN KLEIN: LET ME ASK STAFF HOW DIFFICULT
21 WILL IT BE TO MOVE THE SCREEN?

22 MS. KING: WE HAVE ADDRESSED THAT, AND WE WILL
23 HAVE TO TAKE IT DOWN, SO IT WILL TAKE A LITTLE WHILE FOR
24 THE PROJECTOR TO BE MOVED AS WELL.

25 DR. PIZZO: WE'LL BE PATIENT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU. SO WE ARE GOING
2 TO -- WE HAVE IT CLEARLY, I THINK, ON THE FACILITIES
3 STAFF AGENDA TO MOVE IT, BUT WE'LL TRY AND GO THROUGH
4 THIS AGENDA ITEM AND THEN MOVE IT BEFORE WE GET INTO THE
5 OTHER ITEMS.

6 DR. CHIU: MELISSA, MAY I HAVE THE NEXT SLIDE,
7 PLEASE. I JUST BRING TO YOUR ATTENTION TWO ITEMS TODAY,
8 PERSONNEL CHANGES IN THE SCIENCE OFFICE FOLLOWED BY AN
9 UPDATE OF CURRENT AND UPCOMING SCIENTIFIC ACTIVITIES.

10 YOU'VE HEARD FROM THE ACTING PRESIDENT THAT
11 WE'RE WORKING VERY HARD TO RECRUIT. AND FIRST, I WANT TO
12 POINT OUT OUR NEW APPOINTMENTS. IT'S A GREAT PLEASURE TO
13 INTRODUCE THREE NEW APPOINTMENTS. DR. BETTINA STEFFEN
14 JUST JOINED US IN JUNE RIGHT AFTER THE MEETING AS A NEW
15 SCIENTIFIC OFFICER. SHE GRADUATED FROM DARTMOUTH, THEN
16 FROM STANFORD MEDICAL SCHOOL WHERE SHE TRAINED IN
17 SURGERY. IN THE PAST FEW YEARS, SHE HAS BEEN WORKING ON
18 RETROSPECTIVE ANALYSES OF CLINICAL TRIALS. AND CLEARLY,
19 SHE BRINGS A LOT OF CRITICAL EXPERTISE TO OUR SMALL TEAM
20 OF SCIENTIFIC OFFICERS.

21 MR. MARIO GARCIA IS A NEW GRANTS MANAGEMENT
22 SPECIALIST WHO COMES TO US FROM THE RESEARCH MANAGEMENT
23 GROUP AT THE STANFORD MEDICAL SCHOOL WHERE HE WORKED AS A
24 FINANCIAL MANAGEMENT ANALYST. HE GRADUATED IN '05 FROM
25 THE UNIVERSITY OF MINNESOTA WITH A MAJOR IN ECONOMICS AND

BARRISTERS' REPORTING SERVICE

1 FINANCE. IN '06, WHILE HE WAS AT STANFORD, HE TOOK A UC
2 SANTA CRUZ EXTENSION CLASS IN STEM CELL BIOLOGY AND THEN
3 PLAYED A LEAD ROLE IN DEVELOPING A DATABASE AT STANFORD
4 ON EMBRYONIC STEM CELLS DURING HIS TIME THERE, AND WE'RE
5 DELIGHTED THAT HE'S JOINED US.

6 AND MS. SUE MARTON IS A NEW GRANTS TECHNICAL
7 ASSISTANT WHO ALSO COMES TO US FROM STANFORD. BOTH MARIO
8 AND SUSAN NOW ASSIST AMY LEWIS --

9 DR. PIZZO: WE NOW HAVE NEW EMPLOYEES.

10 DR. CHIU: -- ON A HUGE WORKLOAD IN GRANTS
11 MANAGEMENT. AND NEEDLESS TO SAY, DEAN PIZZO, WE'RE VERY
12 GRATEFUL TO STANFORD FOR BEING SUCH A GENEROUS SOURCE OF
13 GREAT PEOPLE.

14 CHAIRMAN KLEIN: COULD WE GIVE ALL THREE OF
15 THEM A WELCOME HAND OF APPLAUSE.

16 (APPLAUSE.)

17 DR. CHIU: NOW FOR THE NOT SO HAPPY NEWS. THE
18 SCIENCE OFFICE SADLY SAYS GOODBYE TO DR. RUTH GLOBUS, WHO
19 IS RETURNING TO HER LAB AT NASA. SHE JOINED US IN
20 JANUARY AS A SCIENTIFIC OFFICER AND HAS MADE NUMEROUS
21 CONTRIBUTIONS TO THE WORK THAT WE DO, SOME OF WHICH WILL
22 BE APPEARING IN A LATER SLIDE, AND SOME OF WHICH YOU WILL
23 BE SEEING. SHE'S ORGANIZED AND ALMOST COMPLETED A
24 COMPENDIUM OF GRANT APPLICATIONS THAT HAVE BEEN APPROVED
25 BY THE BOARD SO THAT PEOPLE, YOU AND THE PUBLIC, CAN SEE

BARRISTERS' REPORTING SERVICE

1 ONE DOCUMENT OF ALL THE GRANTS TO DATE THAT WE INTEND TO
2 FUND. SO THAT'S A VERY USEFUL AND ORGANIZED INTO
3 DISEASES AND BASIC RESEARCH. YOU WILL BE LOOKING FOR
4 THAT SOON WHEN IT'S COMPLETED.

5 WE THANK HER VERY MUCH FOR HER ALL TOO BRIEF
6 SERVICE AT CIRM, AND WE WILL ALL MISS HER. THANK YOU.

7 (APPLAUSE.)

8 DR. CHIU: WE CONTINUE TO RECRUIT STAFF, IN
9 PARTICULAR SCIENTIFIC OFFICERS AND GRANTS MANAGEMENT
10 SPECIALISTS, TO DEAL WITH THE MANY ACTIVITIES AND
11 INITIATIVES THAT I'M GOING TO DETAIL NOW IN THE NEXT FEW
12 SLIDES.

13 FIRST, I'D LIKE TO PROVIDE A QUICK UPDATE ON
14 THE CIRM NEW FACULTY AWARD PROGRAM. AND I'M SORRY YOU
15 CAN'T SEE THE DETAILS, BUT I'LL GO THROUGH THEM. THIS
16 WAS PRESENTED TO YOU LAST JUNE, AT THE LAST MEETING, FOR
17 YOUR CONCEPT APPROVAL. AND SINCE GETTING YOUR APPROVAL,
18 WE'VE MOVED QUICKLY WITH THIS INITIATIVE LED BY DR. KUMAR
19 HARI. AS YOU CAN SEE, APPROVAL WAS OBTAINED JUNE 4TH,
20 5TH. THE RFA WAS PROMPTLY POSTED JUNE 28TH AND WAS
21 RECENTLY UPDATED JULY 26TH. LETTERS OF INTENT AND
22 NOMINATION FORMS ARE DUE TOMORROW, SO WE ARE ANXIOUSLY
23 WAITING TO SEE HOW MANY PEOPLE ARE COMING IN. WE'VE
24 HEARD ANECDOTALLY THAT BECAUSE WE ASKED EACH INSTITUTION
25 TO NOMINATE THEIR BEST CANDIDATES, THAT THERE'S BEEN A

BARRISTERS' REPORTING SERVICE

1 FEVERISH RUSH, AND WE'RE GETTING THE CREAM OF THE CROP.
2 I LOOK FORWARD TO SEEING THEM.

3 APPLICATIONS ARE DUE AUGUST 30TH, REVIEW BY THE
4 GRANTS WORKING GROUP WILL TAKE PLACE OCTOBER 23D AND
5 24TH, LED BY GIL SAMBRANO, OUR SENIOR OFFICER FOR THE
6 GRANTS REVIEW GROUP. AND WE EXPECT TO BRING FOR YOUR
7 REVIEW AND APPROVAL THE RESULTS AND RECOMMENDATIONS OF
8 THE GROUP IN DECEMBER OF THIS YEAR.

9 ANOTHER INITIATIVE THAT WAS PRESENTED TO YOU IN
10 JUNE WAS THE CIRM DISEASE TEAM INITIATIVE. YOU MAY
11 RECOGNIZE AT LEAST THE OUTLINES OF THIS SLIDE BECAUSE YOU
12 SAW IT LAST TIME. THE DISEASE TEAM CONCEPT IS ONE OF THE
13 SPECIAL PROGRAMS TO JUMP-START TRANSLATIONAL RESEARCH.
14 AND YOU'VE HEARD A LITTLE BIT FROM DR. ROWITCH HOW
15 GREATLY ANTICIPATED THIS KIND OF APPROACH IS BY THE
16 COMMUNITY.

17 THE RATIONALE FOR A TEAM APPROACH IS THE IDEA
18 THAT TREATMENT DEVELOPMENT WILL PROCEED MORE RAPIDLY AND
19 EFFICIENTLY WHEN THERE IS A WELL-DEFINED, INTEGRATED, AND
20 MANAGED PROJECT PLAN TO BRING THE RESEARCH ALONG STAGE BY
21 STAGE FROM LAB TO CLINIC. SO YOU MAY RECALL THAT THERE
22 ARE THREE COMPONENTS: A WORKSHOP AND TWO RFA'S. AND
23 WHEN WE COME TO THE RFA'S, WE WILL BE BRINGING EACH OF
24 THEM SEPARATELY FOR YOUR CONCEPT APPROVAL.

25 THE FIRST RFA, WE HOPE, WILL BE TO SUPPORT

BARRISTERS' REPORTING SERVICE

1 PLANNING GRANTS FOR DISEASE TEAMS, SHORT-TERM GRANTS, SO
2 THAT GROUPS CAN GATHER AND WRITE A GOOD PROPOSAL AND
3 BRING COLLABORATORS TOGETHER FOR DISCUSSIONS. AND THE
4 SECOND IS THE LARGE MULTIYEAR GRANTS THAT TARGET SPECIFIC
5 DISEASES AND USHER TREATMENTS TO CLINICAL TRIALS.

6 SO WE'VE EMBARKED ON THIS FIRST STEP, AND I
7 APOLOGIZE IF YOU CAN'T SEE EVERYTHING THERE, BY HOLDING A
8 MEETING TO GATHER INFORMATION ABOUT DISEASE TEAMS AND
9 WHAT ARE BEST PRACTICES. THIS TOOK PLACE JULY, I
10 BELIEVE, 23D -- 25TH AND 26TH AND WAS ORGANIZED BY DR.
11 RUTH GLOBUS AND DR. BETTINA STEFFEN.

12 WE HAD THE BENEFIT OF THOUGHTS AND DISCUSSIONS
13 FROM ICOC MEMBERS, PATIENT ADVOCATES, BASIC AND CLINICAL
14 RESEARCHERS, REPRESENTATIVES FROM INDUSTRY, FROM THE FDA,
15 AND FROM OTHER FUNDING AGENCIES TO SEE WHAT THEY HAVE
16 LEARNED AND THEIR THOUGHTS ABOUT FUNDING PARTS OF DISEASE
17 TEAMS, WHAT ARE GOOD PRACTICES, AND WHAT THINGS FAILED.
18 SO THESE DISCUSSIONS RAN THE GAMUT FROM WHAT KINDS OF
19 ORGANIZATIONS, SCOPE OF WORK, OPERATION, MANAGEMENT,
20 OVERSIGHT, REGULATORY CONSIDERATIONS. AND WE'RE
21 PREPARING A PRELIMINARY DRAFT OF A REPORT DETAILING THE
22 CONCLUSIONS FROM THIS MEETING AS WELL AS COMMENTS THAT
23 CAME UP AT THE MEETING. WE WILL POST THE PRELIMINARY
24 DRAFT, PRESENT IT TO YOU AND PRESENT IT TO THE GRANTS
25 WORKING GROUP AND INTERESTED PARTIES SOMETIME, WE HOPE,

BARRISTERS' REPORTING SERVICE

1 IN SEPTEMBER SO THAT WE CAN GET MORE INFORMATION FROM THE
2 PUBLIC ABOUT THIS CONCEPT. IT'S SUCH AN INTERESTING
3 CONCEPT, THAT WE WANTED TO GET AS MUCH RESPONSE AND
4 INTEREST AS POSSIBLE.

5 THE LAST INITIATIVE I WANT TO BRING TO YOUR
6 ATTENTION, AND YOU'VE SEEN THIS BEFORE AS WELL, IS TO
7 CHECK OUT HOW THE SCHOLARS -- REMEMBER OUR TRAINING
8 PROGRAM -- THE SCHOLARS, HOW ARE THEY DOING, AND THIS IS
9 LED BY DR. GIL SAMBRANO, OUR TRAINING OFFICER. SO FOR
10 STUDENTS AND FELLOWS SUPPORTED BY OUR TRAINING PROGRAM,
11 WE ARE GOING TO BE HOLDING THE ANNUAL CIRM SCHOLARS
12 MEETING IN SEPTEMBER AT TWO LOCATIONS SO THAT NO ONE HAS
13 TO TRAVEL TOO FAR AND TO REDUCE COST. ONE WILL BE IN
14 NORTHERN CALIFORNIA ON THE 11TH HERE AT MISSION BAY, AND
15 ONE WILL BE IN SOUTHERN CALIFORNIA ON SEPTEMBER 28TH AT
16 UC IRVINE.

17 AS I MENTIONED, GIL SAMBRANO, OUR TRAINING
18 OFFICER, IS IN CHARGE OF ORGANIZING THE MEETINGS. AT
19 THIS POINT I'M INFORMED THAT THERE ARE 203 REGISTRANTS,
20 132 CIRM SCHOLARS WILL BE ATTENDING, PLUS 59 MENTORS, AND
21 115 ABSTRACTS HAVE ALREADY BEEN SUBMITTED. DR. SAMBRANO
22 WILL BE REPORTING ON THIS MEETING AT THE NEXT ICOC
23 MEETING.

24 SO THESE ARE ONE-DAY MEETINGS DESIGNED JUST FOR
25 THE STUDENTS. THEY CAN PRESENT NEW DATA, DISCUSS THEIR

BARRISTERS' REPORTING SERVICE

1 WORK IN PROGRESS, AND PLAN COLLABORATIONS WITH OTHERS IN
2 THE STATE. BECAUSE WE WANT THEM TO TALK FREELY ABOUT
3 UNPUBLISHED RESULTS, ATTENDANCE WILL BE LIMITED JUST TO
4 THE TRAINEES AND THE MENTORS, BUT THEIR ABSTRACTS THAT
5 THEY PROVIDE WILL BE MADE PUBLIC AS WELL AS DR.
6 SAMBRANO'S REPORT.

7 AND ONE LAST THING THAT I DON'T HAVE A SLIDE
8 FOR, THE CHAIRMAN MENTIONED THE RSCF ANNUAL MEETING WHICH
9 WILL BE HELD IN SAN FRANCISCO. I WANT TO POINT OUT THAT
10 THIS WILL BE THEM ORGANIZED NOW AND WILL BE LED BY DR.
11 PAT OLSON, WHO IS OUR INTERIM DIRECTOR OF SCIENTIFIC
12 ACTIVITIES. THANK YOU.

13 (APPLAUSE.)

14 CHAIRMAN KLEIN: THANK YOU, DR. CHIU, FOR YOUR
15 VISION, LEADERSHIP, AND DEDICATION.

16 WE WILL GO FORWARD AT THIS POINT TO THE MAIN
17 AGENDA, BUT WE HAVE AN ADDITIONAL ITEM FOR CONSIDERATION
18 OF ADDING TO THE AGENDA. AS A TECHNICAL MATTER, SINCE
19 THIS ITEM CAME UP LATER, IT TAKES A TWO-THIRDS VOTE TO
20 ADD IT TO THE AGENDA. THIS ITEM WAS POSTED, AND IT IS AN
21 ADDITIONAL AGENDA ITEM UNDER GOVERNMENT CODE SECTION
22 11125.3(A)(2), CONSIDERATION OF AUTHORIZATION FOR
23 NEGOTIATION AND EXECUTION OF PERSONAL SERVICES CONTRACT.
24 THIS IS A POTENTIAL ITEM TO DISCUSS AS PART OF THE
25 PRESIDENTIAL SEARCH ITEMS.

BARRISTERS' REPORTING SERVICE

1 AND SO THIS IS A QUESTION OF WHETHER WE HAVE A
2 MOTION AND A VOTE TO ADD THIS TO THE AGENDA FOR LATER
3 CONSIDERATION.

4 MR. SERRANO-SEWELL: SO MOVED.

5 DR. WRIGHT: SECOND.

6 CHAIRMAN KLEIN: MOVED BY DAVID SERRANO-SEWELL,
7 SECONDED BY DR. WRIGHT. IS THERE ANY DISCUSSION ON
8 ADDING THIS TO THE AGENDA? SEEING NO DISCUSSION, IS
9 THERE ANY PUBLIC DISCUSSION? SEEING NONE, ALL IN FAVOR.
10 ACTUALLY DO WE NEED -- IT'S UNANIMOUS. WE DON'T NEED TO
11 TAKE ROLL CALL BECAUSE IT IS UNANIMOUS. THERE ARE NO
12 ABSTENTIONS AND NO NAY VOTES; IS THAT CORRECT?

13 MR. SHEEHY: THERE IS ONE NO VOTE.

14 CHAIRMAN KLEIN: ONE NO VOTE.

15 (SHERRY LANSING ARRIVES.)

16 CHAIRMAN KLEIN: SHERRY LANSING, GOOD TO SEE
17 YOU, AND WE KNOW THAT YOU NEGOTIATED A LOT OF TRAFFIC.

18 MS. LANSING: IT'S UNBELIEVABLE. THERE'S
19 ACTUALLY A BIG ACCIDENT, AND THEN YOU CAN'T LAND IN SAN
20 FRANCISCO BECAUSE OF THE FOG, SO THEY LANDED US IN
21 OAKLAND.

22 CHAIRMAN KLEIN: WE ADMIRE YOUR DEDICATION.

23 MS. LANSING: I APOLOGIZE TO EVERYBODY FOR
24 BEING LATE.

25 CHAIRMAN KLEIN: THE NEXT ITEM WE WILL GO

BARRISTERS' REPORTING SERVICE

1 FORWARD TO BE CHAIRED BY DR. PENHOET IS ITEM NO. 9. IT
2 DEALS WITH THE INTELLECTUAL PROPERTY TASK FORCE AND THE
3 PROPOSAL TO MODIFY THE PAYBACK REQUIREMENTS FOR PRODUCTS
4 LICENSED BY A FOR-PROFIT ENTITY.

5 DR. PENHOET: THANK YOU. I'M SEEKING YOUR
6 APPROVAL OF CHANGING THE PAYBACK PROVISION FOR FOR-PROFIT
7 ENTITIES IF THEY LICENSE TECHNOLOGY TO THIRD PARTIES.
8 THE CURRENT VERSION OF THE IP POLICY SAYS THAT IN THE
9 CIRCUMSTANCE WHEN A FOR-PROFIT ENTITY USES CIRM FUNDS TO
10 CREATE INTELLECTUAL PROPERTY AND LICENSED THAT PROPERTY
11 TO A THIRD PARTY, THAT THE SHARING OF THE ROYALTIES OR
12 ANY OTHER PAYMENTS THAT ENSUE AS A RESULT OF THAT
13 LICENSE, 17 PERCENT OF THOSE PAYMENTS WOULD BE RETURNED
14 TO THE STATE, AND THE COMPANY WOULD KEEP 83 PERCENT OF
15 THE PAYMENTS.

16 I THINK, AS YOU RECALL, THE CORRESPONDING
17 FEATURE IN THE NOT-FOR-PROFIT PROPOSAL IS THAT 25 PERCENT
18 OF THE REMUNERATION TO THE NOT-FOR-PROFIT ENTITY AS A
19 RESULT OF LICENSING WOULD BE RETURNED TO THE STATE. THE
20 DIFFERENCE, 25 VERSUS 17, AROSE FROM THE FACT THAT THE 25
21 PERCENT IS OF THE NET PROCEEDS TO THE NOT-FOR-PROFIT
22 AGENCY AFTER THAT NOT-FOR-PROFIT AGENCY HAS PAID ITS
23 INVENTOR'S SHARE TO THE INVENTORS. AND TYPICALLY THAT'S
24 ABOUT A THIRD OF THE TOTAL REMUNERATION.

25 SO WHEN WE FIRST DEVELOPED THIS, THE SENSE OF

BARRISTERS' REPORTING SERVICE

1 PARITY WAS THAT IN THE CASE OF THE FOR-PROFIT ENTITIES,
2 THAT THE FOR-PROFIT ENTITIES PAID THEIR EMPLOYEES AND THE
3 EMPLOYEES DID NOT GET ANY SHARE OF THE ROYALTIES; AND,
4 THEREFORE, THE EMPLOYER SHOULD BE REWARDED FOR THE
5 INVENTOR'S SHARE. HOWEVER, THE DIFFERENCE IN THE OPTIC.
6 SO THAT'S ALL LOGICAL; HOWEVER, HOW IT LOOKS IS THAT THE
7 FOR-PROFITS SEEM TO BE GETTING A BETTER DEAL THAN THE
8 NOT-FOR-PROFITS IN THE SENSE THAT THEY ONLY HAVE TO SEND
9 17 PERCENT TO THE STATE, BUT IT'S OF THE GROSS REVENUES
10 RATHER THAN NET AFTER INVENTOR'S SHARE.

11 WE HAVE HAD NUMEROUS DISCUSSIONS IN SACRAMENTO
12 AND TRIED TO EXPLAIN THIS THE BEST WE COULD WITH,
13 FRANKLY, LIMITED SUCCESS. DUANE ROTH DID AN INFORMAL
14 POLL AS DID SOME OTHERS ON OUR GROUP OF THE INDUSTRY TO
15 ESSENTIALLY RAISE THIS ISSUE WITH THEM. AND I THINK THE
16 GENERAL CONSENSUS IS THAT THE INDUSTRY WOULD BE WILLING
17 TO ACCEPT RETAINING 75 PERCENT OF THE LICENSING REVENUE
18 RATHER THAN 83 PERCENT OF THE LICENSING, WHICH IS THE
19 DIFFERENCE BETWEEN 25 AND 17, THE RECIPROCAL, IF YOU
20 WILL, A HUNDRED MINUS THOSE FACTORS.

21 SO WHAT I'M PROPOSING TO YOU TODAY IS THAT WE
22 CHANGE THE FOR-PROFIT POLICY TO REFLECT THAT THE 25
23 PERCENT WOULD BE THE SAME FOR FOR-PROFIT AND
24 NOT-FOR-PROFIT. IT DOES NOT REFLECT THE INVENTOR'S
25 CONTRIBUTION ON THE FOR-PROFIT SIDE, BUT THE INDUSTRY HAS

BARRISTERS' REPORTING SERVICE

1 INDICATED A WILLINGNESS TO GO ALONG WITH THIS, AND I
2 THINK IT CERTAINLY HELPS OUR OPTICS SUBSTANTIALLY WITH
3 OUR CONSTITUENTS IN THE STATE LEGISLATURE. SO I SEEK
4 YOUR APPROVAL FOR MODIFICATION OF THE FOR-PROFIT POLICY
5 TO CHANGE THE SHARE WHICH IS RETURNED TO THE STATE OF
6 LICENSING REVENUES FROM 17 TO 25 PERCENT.

7 MR. ROTH: SO MOVED. I'LL MAKE THE MOTION.

8 CHAIRMAN KLEIN: DUANE ROTH HAS MADE A MOTION.
9 IS THERE A SECOND?

10 DR. WRIGHT: SECOND.

11 CHAIRMAN KLEIN: SECOND BY DR. WRIGHT. ANY
12 ADDITIONAL DISCUSSION ON THIS ITEM?

13 DR. KESSLER: AFTER TAXES DOES IT WORK OUT
14 EQUALLY? FOR-PROFITS PAY TAXES, AND HAS THAT BEEN
15 CALCULATED AS PART OF THIS?

16 DR. PENHOET: THE TAXES HAVE NOT BEEN
17 CALCULATED AS PART OF THIS. THE TAXATION IS HARD TO KNOW
18 FOR A FOR-PROFIT ENTITY BECAUSE IT DEPENDS ON THEIR MIX
19 OF THEIR BUSINESS, ETC. SO NO CONSIDERATION HAS BEEN
20 GIVEN TO THE TAXES ASSOCIATED.

21 CHAIRMAN KLEIN: ADDITIONAL QUESTIONS?
22 ADDITIONAL QUESTIONS FROM THE AUDIENCE?

23 DR. SIMPSON: JOHN SIMPSON FROM FOUNDATION FOR
24 TAXPAYER AND CONSUMER RIGHTS. IT SEEMS TO ME, AS I
25 RECALL FROM THE MEETING WHERE THIS WAS DISCUSSED, THAT

BARRISTERS' REPORTING SERVICE

1 THIS IS AN ATTEMPT DEFINITELY TO REACH OUT TO THE
2 LEGISLATURE AND TRY TO FORGE NECESSARY SUPPORT THERE.
3 AND I THINK YOU NEED TO DO MORE OF THAT, SO I'M IN FAVOR
4 OF THIS PARTICULAR MOTION.

5 BUT ALSO WANTED TO TAKE THE OPPORTUNITY TO SAY
6 THAT THE IP POLICY STILL FALLS SHORT IN THE AREA OF
7 ASSURING AFFORDABLE ACCESS AT APPROPRIATE PRICES WHEN WE
8 DO EVENTUALLY HAVE SOME SORT OF TREATMENTS AND CURES, AND
9 THAT THE IP POLICY DOES NEED TO ADDRESS THAT. AND THAT
10 THE WAY TO DO THAT IS THAT IF THERE ARE EXORBITANT,
11 OUTRAGEOUS PRICES CHARGED, THE ATTORNEY GENERAL SHOULD
12 HAVE THE OPPORTUNITY TO MARCH IN AND DO SOMETHING ABOUT
13 IT.

14 SO I WOULD CONTINUE TO URGE YOU TO CONTINUE TO
15 CONTEMPLATE THAT ASPECT OF THINGS, AND ALSO TO CONTINUE
16 TO REACH OUT TO THE LEGISLATURE FOR NECESSARY SUPPORT.
17 THANK YOU.

18 CHAIRMAN KLEIN: THANK YOU, JOHN. IP IS ONE OF
19 THOSE AREAS WHERE WE HAVE UNLIMITED OPPORTUNITIES FOR
20 IMPROVEMENTS, BUT CERTAINLY WE HAVE MADE SOME TREMENDOUS
21 STRIDES. AND WE OWE GREAT GRATITUDE TO DR. PENHOET FOR
22 HIS LEADERSHIP AND MEMBERS OF THAT COMMITTEE FOR THEIR
23 DEDICATION.

24 SO WE HAVE AN ITEM BEFORE US FOR A VOTE.
25 WITHOUT ADDITIONAL DELAY, I'D ASK FOR A VOICE VOTE. ALL

BARRISTERS' REPORTING SERVICE

1 IN FAVOR? OPPOSED? ITEM PASSES. THANK YOU, DR.
2 PENHOET.

3 DR. PENHOET: IF I MAY, I WOULD LIKE TO ADD MY
4 PERSONAL THANKS TO SCOTT TOCHER FOR ALL OF HIS EFFORTS ON
5 BEHALF OF THE INTELLECTUAL PROPERTY POLICIES. SCOTT HAS
6 NOW SUCCESSFULLY ENTERED ALMOST ALL OF THESE INTO THE
7 OFFICE OF ADMINISTRATIVE LAW, AND THAT PROCESS IS GOING
8 VERY WELL. SCOTT, THANK YOU VERY MUCH.

9 (APPLAUSE.)

10 CHAIRMAN KLEIN: YOU MAY NOT BE SAFE FROM US,
11 SCOTT. WE MAY RECRUIT YOU BACK.

12 OKAY. IN TERMS OF THE AGENDA, WE HAVE THE
13 OPPORTUNITY AT THIS POINT FOR A VERY THOUGHTFUL REPORT
14 AND PROPOSAL PUT FORTH BY THE CALIFORNIA STATE UNIVERSITY
15 SYSTEM IN CONJUNCTION WITH THE CALIFORNIA COMMUNITY
16 COLLEGE SYSTEM. THIS IS THE LARGEST HIGHER EDUCATIONAL
17 SYSTEM IN THE WORLD, ONE OF TREMENDOUS REPUTATION, ONE
18 THAT HAS OVER 400,000 STUDENTS IN THE STATE UNIVERSITY
19 SYSTEM, PLUS THOSE STUDENTS IN THE COMMUNITY COLLEGE
20 SYSTEM.

21 SINCE WE HAVE CHANCELLOR CHARLES REED HERE,
22 CHANCELLOR, I WILL ASK YOU TO INTRODUCE YOUR WHOLE TEAM,
23 THE LEADERSHIP BOTH OF THE CALIFORNIA STATE UNIVERSITY
24 SYSTEM THAT IS HERE AND THE LEADERSHIP OF THE COMMUNITY
25 COLLEGE SYSTEM THAT IS HERE. AND I'D LIKE TO SAY IT'S

BARRISTERS' REPORTING SERVICE

1 OUR GREAT PRIVILEGE TO RESPOND TO YOUR LETTER OF REQUEST
2 TO MAKE THIS PRESENTATION. AND I APPRECIATE DEEPLY YOUR
3 PATIENCE SINCE YOUR TEAM MADE A PRESENTATION A YEAR AGO
4 TO THE CIRM STAFF. THANK YOU.

5 LET US SEE HERE FOR A MOMENT. DR. PENHOET
6 PROPERLY STATES. CAN WE ASK HOW LONG WOULD IT TAKE TO
7 MOVE THE SCREEN?

8 CHANCELLOR REED: WE WILL BE PATIENT AND GO
9 AHEAD AND MAKE OUR PRESENTATION AS YOU PUT TOGETHER YOUR
10 PLAN TO MOVE THE SCREEN. I DON'T WANT TO TAKE ANY MORE
11 OF YOUR TIME.

12 DR. PENHOET: SHOW IT ON THE WALL. IT WILL BE
13 FINE.

14 CHAIRMAN KLEIN: LET IT BE KNOWN WE ARE A
15 HIGHLY ADAPTIVE GROUP.

16 CHANCELLOR REED: AND TECHNOLOGY LITERATE.

17 CHAIRMAN KLEIN: CHANCELLOR --

18 CHANCELLOR REED: THANK YOU.

19 CHAIRMAN KLEIN: -- WITHOUT GREATER DELAY,
20 AGAIN, IT'S OUR PRIVILEGE TO HAVE YOU HERE, AND IF YOU
21 WILL INTRODUCE YOUR TEAM.

22 CHANCELLOR REED: THANK YOU, CHAIR KLEIN. THE
23 CALIFORNIA STATE UNIVERSITY AND THE STATE COMMUNITY
24 COLLEGE SYSTEM HAVE BEEN WORKING TOGETHER IN A
25 COLLABORATION FOR MORE THAN A YEAR AND A HALF NOW. AND

BARRISTERS' REPORTING SERVICE

1 AS CHAIR KLEIN INDICATED, ABOUT ONE YEAR AGO WE CAME
2 TOGETHER AND MADE A PRESENTATION TO THE CIRM STAFF. AS
3 YOU'VE TALKED ABOUT FACILITIES TODAY, I ALSO BELIEVE THAT
4 WE NEED TO MAKE AN INVESTMENT INTO THE WORKFORCE THAT'S
5 GOING TO BE A PART OF THIS EFFORT. AND MAKING THAT
6 INVESTMENT IN THE WORKFORCE TO SUPPORT THE RESEARCH
7 THAT'S GOING TO GO ON, I THINK, IS KEY TO THE FUTURE.

8 I'VE ASKED SOME OF MY COLLEAGUES TO COME WITH
9 ME TODAY, AND I'D LIKE TO INTRODUCE THEM. DR. ROLLIN
10 RICHMOND, WHO IS THE PRESIDENT OF HUMBOLDT STATE, A
11 SCIENTIST WHO WORKED IN FLORIDA AND NEW YORK AND IOWA
12 BEFORE WE COULD ATTRACT HIM TO COME TO CALIFORNIA.
13 DR. SUSAN BAXTER. DR. BAXTER HAS BOTH EXPERIENCE IN
14 INDUSTRY AND UNIVERSITIES, UNIVERSITIES ON THE EAST COAST
15 AND INDUSTRIES IN THE SOUTHWEST AND CALIFORNIA. DR. MARY
16 PAT HUXLEY IS HERE AS THE STATEWIDE DIRECTOR FROM THE
17 BIOTECHNOLOGIES INITIATIVES IN THE COMMUNITY COLLEGES.
18 DR. ELIZABETH AMBOSE IS THE ASSISTANT VICE CHANCELLOR FOR
19 RESEARCH INITIATIVES IN MY OFFICE IN LONG BEACH. AND
20 DR. JEFF THOMPSON IS HERE, AND HE IS THE ASSOCIATE
21 PROVOST FOR RESEARCH AT CALIFORNIA STATE UNIVERSITY SAN
22 BERNARDINO AND HAS HELPED US LEAD THIS EFFORT.

23 AS I SAID, FOR MORE THAN A YEAR AND A HALF NOW
24 WE HAVE PUT TOGETHER A COLLABORATION BETWEEN OUR 23
25 UNIVERSITIES AND THE 114 COMMUNITY COLLEGES THROUGHOUT

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA.

2 WHY WOULD WE DO THAT? I'M GOING TO SAY THAT I
3 BELIEVE THAT PUTTING INVESTMENTS IN TWO AREAS, AND I'M
4 ONLY GOING TO TALK ABOUT ONE, ABOUT THE FUTURE OF THE
5 ECONOMY OF CALIFORNIA AND THIS NATION. AND I THINK OVER
6 THE NEXT 20 TO 50 YEARS THAT THE WHOLE LIFE SCIENCES AREA
7 IS GOING TO DRIVE THE ECONOMY IN CALIFORNIA, FOR SURE,
8 AND IN AMERICA. AND THE REASON THAT I SAY THAT IS
9 BECAUSE I THINK WE'RE GOING TO HAVE A CHANCE TO SEE KIND
10 OF CALIFORNIA REINVENT ITSELF. AS YOU KNOW, WE'VE SEEN
11 US MOVE FROM THE DEFENSE INDUSTRIES TO AEROSPACE TO THE
12 INFORMATION TECHNOLOGY INDUSTRIES, BUT NOW I THINK WE'RE
13 GOING TO BE MOVING INTO THE LIFE SCIENCES. AND THE
14 REASON FOR THAT IS OVER THE NEXT 20 OR 30 PLUS YEARS, I
15 THINK THAT MOST OF THE DISEASES THAT WE KNOW ABOUT CAN BE
16 SOLVED THROUGH THIS KIND OF RESEARCH AND TECHNOLOGY.

17 AND IF WE'RE GOING TO BE A LEADER, I THINK WE
18 HAVE TO INVEST IN OUR FACILITIES, IN OUR RESEARCH, IN OUR
19 SCIENTISTS, AND INTO OUR INFRASTRUCTURE TO SUPPORT THOSE
20 LABORATORIES AND THOSE SCIENTISTS.

21 THE CALIFORNIA STATE UNIVERSITY MADE A
22 PRESENTATION TO CIRM A YEAR AGO. THAT WAS A VERY GOOD
23 EXPERIENCE FOR US. WE LEARNED A LOT AND WE CHANGED OUR
24 PLAN. WE CHANGED OUR PLAN BASED ON THE SCIENTIFIC
25 STRATEGIC PLAN THAT CIRM HAS DEVELOPED.

BARRISTERS' REPORTING SERVICE

1 NOW, AS I SAID, THESE ARE THE TWO LARGEST
2 UNIVERSITY SYSTEMS IN THE WORLD. CALIFORNIA STATE
3 UNIVERSITY THIS YEAR WILL HAVE 450,000 STUDENTS, THE
4 COMMUNITY COLLEGES WILL HAVE 2.5 MILLION STUDENTS. WE
5 GRADUATED 96,000 STUDENTS THIS PAST MAY AND JUNE IN THE
6 CALIFORNIA STATE UNIVERSITY. BUT THAT 96,000 INCLUDED 55
7 PERCENT OF THOSE STUDENTS WERE STUDENTS OF COLOR.

8 OUR PROPOSAL THAT WE WOULD PUT BEFORE YOU AND
9 THE CIRM STAFF IS THAT WE, OVER THE NEXT FIVE YEARS, ARE
10 COMMITTED TO PRODUCE MORE THAN 4,000 SCIENTIFIC AND
11 TECHNICAL STAFF MEMBERS WITH BACHELOR'S AND MASTER'S
12 DEGREES AND THAT WE WILL EXPOSE MORE THAN 500,000 OF OUR
13 STUDENTS TO THE LIFE SCIENCES. I DON'T THINK YOU WILL
14 FIND ANOTHER UNIVERSITY SYSTEM IN THIS COUNTRY THAT WILL
15 BE ABLE TO DO THAT.

16 WE HAVE A COMPREHENSIVE PROPOSAL THAT WE WOULD
17 LIKE TO SHARE WITH YOU TODAY. AND I WOULD LIKE TO ASK
18 SUSAN BAXTER TO COME AND SHARE PART OF THAT, BUT THANK
19 YOU FOR THIS OPPORTUNITY.

20 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

21 DR. BAXTER: THANK YOU FOR HAVING US TODAY
22 ALSO. THE CIRM SCIENTIFIC STRATEGIC PLAN CONTAINS A
23 FIVE-YEAR GOAL AIMED AT WORKFORCE DEVELOPMENT. AND SO
24 WE'RE HERE TODAY PROPOSING ACTIVITIES THAT AIM TO HELP
25 CIRM MEET THAT GOAL. AS CHANCELLOR REED NOTED, THE

BARRISTERS' REPORTING SERVICE

1 CSU/CCC JOINT PROPOSAL DIRECTLY ALIGNS WITH THE STRATEGIC
2 PLAN IN ORDER TO DEVELOP A DIVERSE WORKFORCE. THIS IS A
3 WORKFORCE THAT THE CALIFORNIA STATE UNIVERSITIES AND
4 CCC'S TOGETHER CAN PROVIDE.

5 TOGETHER WE TRAIN SIGNIFICANT NUMBERS OF LIFE
6 SCIENCES GRADUATES, MANY OF WHOM WILL GO ON TO CAREERS IN
7 DISCOVERY RESEARCH, BUT ALSO INTO DOCTORAL STUDIES.
8 HOWEVER, TO TRANSLATE THE DISCOVERIES INTO PATIENT CARE,
9 SCIENTISTS, TECHNOLOGISTS, MANAGERS, AND TECHNICIANS
10 TRAINED IN LIFE SCIENCE PRODUCT DEVELOPMENT ARE NEEDED
11 ALSO. FOR COMPARISON, THE U.S. DEPARTMENT OF LABOR
12 PREDICTS THAT BY 2012 MORE THAN 80 PERCENT OF THE BIOTECH
13 WORKERS WILL HAVE DEGREES AT OR BELOW THE MASTER'S DEGREE
14 LEVEL. THAT'S A REFLECTION OR A COROLLARY WITH THE
15 INCREASED COMMERCIALIZATION OF BIOTECH PRODUCTS PREDICTED
16 BY THE DEPARTMENT OF LABOR.

17 SIMILARLY, THE EVOLVING STEM CELL INDUSTRY WILL
18 HAVE SIMILAR NEEDS AS CURES AND THERAPIES AND DEVICES AND
19 TECHNOLOGIES ARE DEVELOPED AND THEN EVENTUALLY MADE
20 COMMERCIAL. THEREFORE, OUR GRADUATES NEED SKILLS AND
21 UNDERSTANDING OF THINGS LIKE GOOD MANUFACTURING PRACTICE.
22 GLP IS ALSO IMPORTANT, I THINK, IN PRODUCT DEVELOPMENT
23 HERE. THEY NEED TO UNDERSTAND WHAT IT MEANS TO WORK IN A
24 REGULATED ENVIRONMENT. WE NEED MANAGERS FOR PRECLINICAL
25 AND CLINICAL MANAGEMENT OF TRIALS ONGOING. AND WE NEED

BARRISTERS' REPORTING SERVICE

1 TO UNDERSTAND MISSION-DRIVEN DEVELOPMENT AS IT DRIVES
2 TOWARDS CURES AND PRODUCTS.

3 I'M GOING TO TURN IT OVER TO MARY PAT HUXLEY.

4 DR. HUXLEY: GOOD MORNING. TOGETHER THE TWO
5 SYSTEMS CREATED OUR PROPOSAL IN LIGHT OF THE CIRM
6 STRATEGIC PLAN AND OUR COLLECTIVE CAPACITY FOR PROGRAM
7 DEVELOPMENT AND SUPPORT. WE SUGGEST THREE MAIN OUTCOMES
8 TO BE GENERATED BY OUR WORKFORCE INITIATIVE. FIRST, AS
9 CHANCELLOR REED ALREADY MENTIONED, WE CONSERVATIVELY
10 ESTIMATE THAT DURING THE FIVE YEARS OF FUNDING, A TOTAL
11 OF 4,000 STUDENTS IN THE CSU AND CCC SYSTEM WOULD GAIN
12 SPECIFIC STEM CELL-RELATED EDUCATION AND TRAINING TO MOVE
13 INTO CALIFORNIA'S STEM CELL WORKFORCE.

14 SECOND, THESE WORKERS REFLECT CALIFORNIA'S
15 ETHNIC DIVERSITY. THEY WILL BE EMPLOYED IN THE RESEARCH
16 INSTITUTIONS AND IN COMPANIES THAT TAKE PRODUCTS THAT
17 WILL DELIVER THE CURES, THERAPIES, DIAGNOSTICS, AND
18 TECHNOLOGIES BASED ON REGENERATIVE MEDICINE, AS DR.
19 BAXTER SAID.

20 THIRD, WE PLAN TO INCORPORATE STEM CELL
21 INSTRUCTION IN THE CSU AND CCC GENERAL EDUCATION COURSES.
22 BY DOING SO, MORE THAN HALF MILLION CALIFORNIA CITIZENS
23 WOULD LEARN ABOUT STEM CELL RESEARCH AND APPLICATIONS
24 OVER THE FIVE-YEAR PERIOD OF THIS PROGRAM. I WILL LEAVE
25 IT TO YOUR IMAGINATIONS TO DO THE MULTIPLICATION FACTOR

BARRISTERS' REPORTING SERVICE

1 OF 500 CALIFORNIA CITIZENS KNOWING ABOUT STEM CELLS.

2 DR. BAXTER: SO SPECIFICALLY, AFTER THE CIRM
3 SCIENTIFIC PLAN WAS RELEASED IN DECEMBER, WE WENT BACK
4 AND REEXAMINED THE WHITE PAPER THAT WE ISSUED LAST SUMMER
5 AND WANTED TO MAKE SURE THEY WOULD BE IN LINE WITH CIRM
6 GOALS AND INITIATIVES AND ACTIVITY. THIS SLIDE IS AN
7 ATTEMPT TO CATEGORIZE SOME OF THE SPECIFIC ACTIVITIES TO
8 BE PROPOSED WITHIN THE CIRM INITIATIVES OUTLINED IN THAT
9 STRATEGIC PLAN.

10 SO OBVIOUSLY THERE WOULD BE SCIENTIFIC AND
11 TRAINING DEVELOPMENT GAINS HERE. THERE WOULD BE STEM
12 CELL FOCUSED COURSES AND DEGREE PROGRAM DEVELOPMENT AND
13 IMPLEMENTATION ACROSS THE TWO SYSTEMS. WE ESTIMATE THAT
14 MORE THAN 250 UNDERGRADUATES AND GRADUATE STUDENTS WOULD
15 HAVE ACCESS TO RESEARCH INTERNSHIPS, POSITIONING THE
16 STUDENTS BOTH FOR CAREERS IN INDUSTRY OR IN DISCOVERY
17 RESEARCH SETTINGS.

18 WE CAN ALSO EXPAND THE EDUCATIONAL
19 OPPORTUNITIES FOR EMPLOYED BIOTECH WORKERS BY OFFERING
20 THEM ACCESS AND RETRAINING OPPORTUNITIES AT THE CSU AND
21 THE CCC WITHIN EXISTING DEGREE AND CERTIFICATE PROGRAMS.
22 AND THEN IMPORTANTLY WE'D ALSO HAVE FUNDS TO ALLOW
23 EXPANSION OF THE BRIDGES PROGRAMS THAT NURTURE AND
24 DEVELOP TALENTED SCIENCE, TECHNOLOGY, ENGINEERING, AND
25 MATH STUDENTS FROM DISADVANTAGED NEIGHBORHOODS ACROSS THE

BARRISTERS' REPORTING SERVICE

1 STATE.

2 SO SECONDARILY, THE CSU AND THE CCC WOULD ALSO
3 PLAY A ROLE IN THE MISSION-DIRECTED GOALS OF THE CIRM,
4 THAT IS, THE PRODUCT DEVELOPMENT SPHERE, BY PROVIDING
5 TARGETED INDUSTRY RESPONSIVE WORKSHOPS AND SHORT COURSES.
6 IN ADDITION, THE PROPOSAL WILL FUND NECESSARY
7 INFRASTRUCTURE BOTH AT THE CSU AND THE CCC, INCLUDING
8 ACCESS TO SHARED CELL BANKS FOR CURRICULUM AND LABORATORY
9 COURSES AS WELL AS CONSUMABLES AND LAB SUPPLIES AND
10 EQUIPMENT. THESE SUPPLIES ARE OVER AND ABOVE WHAT WE CAN
11 FUND WITH EXISTING INSTITUTIONAL SUPPORT, BUT ARE VITAL
12 SO THAT WE CAN GIVE THE STUDENTS ACCESS TO THE SAME
13 SCIENCE AND TECHNOLOGY THAT WOULD BE EXPECTED IN THE
14 INDUSTRIAL WORKPLACE.

15 AS WE'VE ALREADY SAID, THE CSU/CCC COALITION
16 HAS A VERY STRONG ROLE TO PLAY IN BUILDING AWARENESS ON
17 THE PART OF CALIFORNIA CITIZENRY ABOUT STEM CELL
18 TECHNOLOGIES AND ADVANCES. THE CSU AND CCC TEACH THE
19 BULK OF OUR NONSCIENCE STUDENTS THROUGH GENERAL EDUCATION
20 COURSES, AND THIS PROPOSAL WOULD ALLOW US TO CREATE
21 COURSE MODULES AND LESSON MATERIALS THAT COULD BE
22 DISSEMINATED ACROSS BOTH SYSTEMS TO REACH THAT NUMBER OF
23 STUDENTS.

24 SO WE TRIED TO OUTLINE THE STRATEGIC PLAN IN
25 THIS BUDGET ESTIMATE. THIS IS A VERY ROUGH COST

BARRISTERS' REPORTING SERVICE

1 ESTIMATE, AND IT'S ALSO INCLUDED IN TABLE 2 IN YOUR
2 PACKAGES.

3 SO THE TRAINING PROPOSAL CRAFTED HERE WOULD
4 COST CIRM LESS THAN \$31 MILLION OVER FIVE YEARS. THE
5 COST AND REACH ANALYSIS, AS YOU'VE ALREADY HEARD, WOULD
6 REACH MORE THAN 4,000 STUDENTS AND FACULTY RECEIVING
7 HANDS-ON STEM CELL LABORATORY TRAINING AT A COST OF
8 ROUGHLY \$7500 A PER STUDENT. THE SAME STUDENTS COULD
9 THEN GO ON TO RESEARCH R&D CAREERS IN THE STATE OF
10 CALIFORNIA.

11 IN ADDITION, OVER 500,000 GENERAL EDUCATION
12 STUDENTS ACROSS THE CSU AND THE CCC WOULD BE REACHED WITH
13 ACCURATE AND TIMELY INFORMATION ABOUT TECHNOLOGIES,
14 APPLICATIONS, AND ADVANCES IN REGENERATIVE MEDICINE,
15 EFFECTIVELY HIGHLIGHTING THE PROMISES, THE CHALLENGES,
16 AND OPPORTUNITIES IN THE REGENERATIVE MEDICINE FIELD.

17 I'M GOING TO TURN IT OVER TO BETH AMBOSE.

18 DR. AMBOSE: THANK YOU VERY MUCH. THE
19 ABILITIES OF OUR PARTNERSHIP TO ACHIEVE SIGNIFICANT
20 OUTCOMES IN STEM CELL EDUCATION AND TRAINING ARE
21 ILLUSTRATED PERHAPS MOST PERSUASIVELY IN THESE
22 SIDE-BY-SIDE MAPS OF OUR CAMPUS LOCATIONS. WE HAVE
23 CAMPUSES THROUGHOUT THE STATE OF CALIFORNIA WITH DENSE
24 CLUSTERING, AS YOU WILL NOTE, IN THE THREE MAJOR AREAS OF
25 THE STATE THAT CURRENTLY HOUSE MOST OF THE EXISTING

BARRISTERS' REPORTING SERVICE

1 BIOTECHNOLOGY COMPANIES: THE SAN FRANCISCO BAY AREA,
2 WHERE WE ARE RIGHT NOW, GREATER LOS ANGELES, AND SAN
3 DIEGO. WHAT THIS MEANS IS THAT THERE WILL BE A CSU OR
4 CCC CAMPUS WITHIN EASY REACH OF MOST STEM CELL INDUSTRY
5 PARTNERS AND EMPLOYERS DOING BUSINESS IN THE STATE.

6 WE WANT TO LEAVE YOU WITH A VERY CLEAR
7 TAKE-HOME MESSAGE. WE HAVE MAJOR STRENGTHS IN EDUCATING
8 TECHNICIANS, SCIENTISTS, AND MANAGERS FOR BIOTECHNOLOGY
9 AND STEM CELL PRODUCT DEVELOPMENT. WE ARE ALSO
10 RECOGNIZED BY THE NATIONAL SCIENCE FOUNDATION AND
11 NATIONAL INSTITUTES OF HEALTH AS ONE OF THE MAJOR SOURCES
12 OF STUDENTS WHO DO GO ON TO GET DOCTORATES AT PRESTIGIOUS
13 RESEARCH UNIVERSITIES, SUCH AS UNIVERSITY OF CALIFORNIA,
14 STANFORD, AND UNIVERSITY OF SOUTHERN CALIFORNIA, TO NAME
15 JUST A FEW.

16 SO IN OTHER WORDS, WE'RE A MAJOR SOURCE OF
17 EMPLOYEES FOR BOTH THE PRODUCTION, DEVELOPMENT, AND
18 ULTIMATELY FOR THE STEM CELL RESEARCHER GROUP, THE
19 RESEARCHERS OF TOMORROW. SO I WILL CLOSE WITH REMARKS BY
20 PRESIDENT ROLLIN RICHMOND OF HUMBOLDT STATE.

21 DR. RICHMOND: AGAIN, THANK YOU VERY MUCH FOR
22 THE OPPORTUNITY TO BE HERE TODAY AND TALK WITH YOU. IF
23 THE COMMUNITY COLLEGE SYSTEM AND THE CALIFORNIA STATE
24 SYSTEM SAYS WE CAN DO IT, WE WILL DO IT. HOW DO YOU KNOW
25 THAT THAT'S TRUE? LET ME GIVE YOU AN EXAMPLE FROM

BARRISTERS' REPORTING SERVICE

1 HUMBOLDT STATE UNIVERSITY IN TRUE NORTHERN CALIFORNIA.

2 AT HUMBOLDT STATE, HOWARD HUGHES MEDICAL
3 INSTITUTE HAS FUNDED US FOR A NUMBER OF YEARS FOR
4 UNDERGRADUATE RESEARCH. MORE THAN 70 PERCENT OF THE
5 STUDENTS WHO HAVE PARTICIPATED IN THOSE HOWARD HUGHES
6 PROGRAMS HAVE GONE ON TO HAVE CAREERS AS PHYSICIANS, AS
7 WORKING RESEARCHERS AND TEACHERS IN UNIVERSITIES AROUND
8 THE COUNTRY. WE HAVE THE CAPABILITY TO DO THAT. AS
9 YOU'VE HEARD, WE HAVE A DIVERSE STUDENT POPULATION TO
10 COUNT ON. FURTHERMORE, WE HAVE A VERY COST-EFFECTIVE
11 MECHANISM TO DO THIS. WE ANTICIPATE THAT IT WILL COST
12 LESS THAN \$7,500 PER STUDENT TO EDUCATE THESE STUDENTS IN
13 THE STEM CELL BACKGROUND THAT THEY WILL NEED.

14 LET ME REMIND YOU THAT MORE THAN 80 PERCENT OF
15 THE WORKFORCE IN THE STEM CELL INDUSTRY AND BIOTECHNOLOGY
16 IN GENERAL IS OCCUPIED BY PEOPLE WHO HAVE MASTER'S
17 DEGREES OR BELOW. THOSE ARE THE KINDS OF PEOPLE THE
18 COMMUNITY COLLEGE SYSTEM AND THE CALIFORNIA STATE
19 UNIVERSITY SYSTEM CAN EDUCATE.

20 SO WE'VE GOT A GOOD PARTNERSHIP HERE WITH TWO,
21 AS THE CHANCELLOR SAID, TWO OF THE LARGEST HIGHER
22 EDUCATION SYSTEMS IN THE COUNTRY, AND WE LOOK FORWARD
23 VERY MUCH TO WORKING WITH YOU TO DESIGN A SYSTEM THAT
24 WILL ALLOW US TO PREPARE THE STATE OF CALIFORNIA FOR THE
25 WORKFORCE IT WILL NEED TO CONTINUE TO BE A LEADER IN THIS

BARRISTERS' REPORTING SERVICE

1 AREA THAT WILL SERVE THE MEDICAL NEEDS OF OUR POPULATION
2 IN THIS STATE, BUT FAR BEYOND FOR THE FORESEEABLE FUTURE.
3 SO THANK YOU VERY MUCH. IF YOU HAVE QUESTIONS OR
4 SUGGESTIONS FOR US, WE'D BE HAPPY TO HEAR THEM.

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND I'D
6 LIKE TO COMMEND, CHANCELLOR REED, YOUR ENTIRE TEAM FOR
7 THE TREMENDOUS AND HIGHLY ORGANIZED PROPOSAL THAT WAS
8 PRESENTED. GARY RICHERT, I BELIEVE, PARTICIPATED IN
9 ASSEMBLING THE PRESENTATION WE HAVE BEFORE US IN ADDITION
10 TO THE TREMENDOUS PRESENTATIONS BY ALL MEMBERS OF YOUR
11 TEAM. CERTAINLY HUMBOLDT STATE HAS BEEN OUT IN FRONT IN
12 ADVOCACY, AND WE CERTAINLY APPRECIATE GREAT ADVOCACY.

13 IN TERMS OF THE BOARD, BEFORE BOARD COMMENTS,
14 DR. CHIU, COULD YOU POINT OUT THE LOCATION WITHIN OUR
15 EXISTING SCIENTIFIC PLAN, WITHOUT PREJUDICE TO ANY FUTURE
16 PROGRAMS, OF WHERE WE HAVE PLACEHOLDERS FOR PROGRAMS THAT
17 MIGHT INTERFACE WITH WHAT HAS BEEN PROPOSED?

18 DR. CHIU: ALTHOUGH THE DETAILS ARE SKETCHY,
19 BUT I BELIEVE THE SPEAKERS JUST PRIOR HAVE DRAWN MUCH OF
20 THEIR MATERIAL DIRECTLY FROM PAGES 59 AND 60, INCLUDING
21 INITIATIVES AS WELL AS CONCLUSIONS FROM OUR STRATEGIC
22 PLAN. AND I COMMEND THEM FOR THAT. IT FITS QUITE NICELY
23 WITH OUR STRATEGIC PLAN.

24 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU VERY
25 MUCH. BOARD COMMENTS ON THIS? DR. WRIGHT.

BARRISTERS' REPORTING SERVICE

1 DR. WRIGHT: I AM ALMOST SPEECHLESS WITH THIS
2 PRESENTATION. UNFORTUNATELY, FOR MY FELLOW BOARD
3 MEMBERS, I'M NOT QUITE SPEECHLESS. IT WAS A BEAUTIFUL
4 AND COLLABORATIVE PRESENTATION AND A VISIONARY PROPOSAL.

5 I'M JUST THINKING, AS I LISTEN TO EACH OF YOU,
6 OF ALL THE RAMIFICATIONS OF THIS, AND IT'S JUST
7 BREATHTAKING. ONE OF THE THINGS THAT I DON'T THINK YOU
8 MENTIONED IS BECAUSE OF YOUR DEEP OUTREACH INTO
9 COMMUNITIES, THIS PROPOSAL HAS AN OPPORTUNITY TO HELP
10 EDUCATE THE PUBLIC, THE ADULT PUBLIC, WHO ACCESSES
11 COMMUNITY COLLEGE COURSES ON A ROUTINE BASIS. AND YOUR
12 CONCEPT OF INCORPORATING STEM CELL RESEARCH AND PRODUCT
13 DEVELOPMENT INTO THE GENERAL EDUCATION JUST HAS A
14 STAGGERING POTENTIAL TO HELP BRING THE LEVEL OF SCIENCE
15 AND THE PASSION FOR SCIENCE OUT INTO AREAS WHERE IT'S
16 SORELY LACKING AT THIS POINT. SO I CONGRATULATE YOU AND
17 LOOK FORWARD TO WORKING WITH YOU.

18 CHAIRMAN KLEIN: ADDITIONAL COMMENTS? DR.
19 PIZZO.

20 DR. PIZZO: I CERTAINLY WANT TO ECHO DR.
21 WRIGHT'S COMMENTS. I THINK THIS WAS A WONDERFUL
22 PRESENTATION, AND WE THANK YOU FOR IT.

23 I WONDER TOO WHETHER WE CAN EVEN THINK ABOUT
24 FURTHER EXTENSIONS, AND I HAVE A COUPLE OF SUGGESTIONS.
25 ONE OF THEM IS THAT YOU HAVE, I THINK, WELL ARTICULATED

BARRISTERS' REPORTING SERVICE

1 THE GOAL OF TRAINING INDIVIDUALS WHO WILL HELP TO SUPPLY
2 RESOURCES, SAY, WITHIN RESEARCH LABORATORIES. THAT'S ONE
3 PORTION OF THE ACTIVITY THAT WE WILL NEED.

4 THE SECOND PART OF IT, WHICH I THINK WAS ALSO
5 ADDRESSED, IS THE TRANSLATION OF THAT KNOWLEDGE FROM THE
6 LABORATORY TO BEDSIDE, AND THAT'S GOING TO TAKE AN
7 ADDITIONAL WORKFORCE AS WELL. AND I THINK THAT THERE'S
8 AN OPPORTUNITY FOR OTHER KINDS OF PARTNERSHIPS TO BE
9 CONSTRUCTED THAT WOULD ALLOW THAT TO TAKE PLACE. AND
10 HERE I'M TALKING ABOUT THE WHOLE ARRAY OF HEALTH
11 PROFESSIONALS WHO ARE GOING TO BE CRITICAL TO THIS EFFORT
12 GOING FORWARD. SO THAT'S ONE ASPECT.

13 THE SECOND IS THAT I THINK FOLLOWING DR.
14 WRIGHT'S COMMENTS, I THINK THERE'S ANOTHER OPPORTUNITY.
15 YOU COMMENTED ON YOUR RELATIONSHIP WITH HOWARD HUGHES,
16 WHICH I THINK IS A SPECIAL ONE, AND AN IMPORTANT ONE, AND
17 THEY ARE, AS YOU KNOW, ALSO VERY INTERESTED IN EXPANDING
18 SCIENCE LITERACY, NOT ONLY AT THE COLLEGE LEVEL, BUT DOWN
19 TO THE HIGH SCHOOL LEVEL. AND IT SEEMS TO ME THAT THIS
20 WOULD AGAIN AFFORD ANOTHER VENUE FOR FACILITATING SCIENCE
21 LITERACY, NOT ONLY AT THE UNDERGRADUATE AND GRADUATE
22 LEVELS, BUT ALSO MOVING INTO THE HIGH SCHOOL LEVEL AS
23 WELL.

24 AND I WOULD HOPE THAT YOU WOULD, IN ADDITION TO
25 THE CREATIVE PROCESSES ALREADY IN PLAY, THINK ABOUT THESE

BARRISTERS' REPORTING SERVICE

1 VENUES AS WELL.

2 CHAIRMAN KLEIN: DR. REED AND THEN WE HAVE
3 DUANE ROTH, AND WE'LL COME BACK TO DR. CUNNINGHAM.

4 DR. REED: I HAD A NUMBER OF QUESTIONS FOR
5 WHICH I WAS HOPING THAT THE TEAM COULD PROVIDE SOME
6 CLARIFICATION. AND BEFORE I MAKE MY COMMENTS, I WANT TO
7 GO ON RECORD AS SAYING I'M A STRONG ADVOCATE FOR PUBLIC
8 SUPPORT OF THE CALIFORNIA COMMUNITY COLLEGES AND
9 CALIFORNIA STATE UNIVERSITY, OF COURSE, AND THEIR MANY
10 GREAT PROGRAMS THERE THAT ARE HELPING TO MAKE CALIFORNIA
11 MORE COMPETITIVE FOR BIOTECHNOLOGY IN THE CENTURY AHEAD.

12 I THINK THE FIRST QUESTION I HAVE IS REALLY A
13 PHILOSOPHICAL ONE PERHAPS IN WHETHER CIRM FUNDING IN THIS
14 PARTICULAR INITIATIVE IS THE BEST PLACE FROM WHICH TO
15 DRAW RESOURCES TO MEET CALIFORNIA'S OBJECTIVES IN
16 GENERATING A COMPETITIVE WORKFORCE FOR BIOTECHNOLOGY.

17 ONE OF THE QUESTIONS I HAD WAS THE STATISTICS
18 CITED FOR THE NEED FOR WORKERS IN THE ASSOCIATE,
19 BACHELOR'S, AND EVEN MASTER'S DEGREE SCIENTIFIC DEGREES
20 AT THOSE LEVELS IS BASED ON U.S. STATISTICS. I WONDERED
21 WHAT THE STATISTICS ARE FOR CALIFORNIA. I KNOW THAT WE
22 ARE FAR AHEAD OF MOST STATES IN TERMS OF BEING ABLE TO
23 GENERATE THAT WORKFORCE. MOST OF OUR UNIVERSITIES IN THE
24 UNIVERSITY OF CALIFORNIA SYSTEM HAVE AMONG THE NATION'S
25 LARGEST BIOLOGY PROGRAMS GENERATING THE MOST STUDENTS

BARRISTERS' REPORTING SERVICE

1 WITH B.A.'S AND B.S.'S IN BIOLOGY IN THE NATION.

2 AND SO A QUESTION FOR ME WAS TO WHAT EXTENT IS
3 THE LACK OF PERSONS EDUCATED IN THE RELEVANT AREAS A
4 BOTTLENECK NOW AND OBSTACLE TO OUR PROGRESS WITH RESPECT
5 TO STEM CELL GOALS?

6 I THINK A SECOND THING WAS REALLY HAVING A
7 BETTER CLARITY AROUND THE SPECIFIC AREAS WHERE THIS WOULD
8 BE APPLIED. IN THE U.S. BUREAU OF STATISTICS THERE ARE
9 CITED CHEMISTS, ENGINEERS, COMPUTER SCIENTISTS, PEOPLE
10 WORKING IN ENVIRONMENTAL AG AND FOOD INDUSTRIES. I THINK
11 WE CAN ARGUE THAT NONE OF THOSE REQUIRE SPECIAL PROGRAMS
12 IN STEM CELL PROGRAMS, ONLY BIOLOGY REQUIRES A SPECIAL
13 PROGRAM. SO, AGAIN, IT'S A POINT OF WHAT IS THE DEFICIT
14 IN TERMS OF BIOLOGISTS TRAINED AT THOSE LEVELS THAT WE
15 REALLY NEED TO HELP MOVE THESE THINGS FORWARD?

16 ANOTHER ISSUE RELATED TO THAT IS WHAT TRAINING
17 DO THEY NEED? AND AT THIS POINT STEM CELL RESEARCH IS
18 SOMETHING THAT MOSTLY REQUIRES A GENERAL, WELL-GROUNDED,
19 BASIC EDUCATION IN BIOLOGY. THE SPECIALIZED ASPECTS OF
20 THIS WORK ESSENTIALLY REVOLVE AROUND THE ABILITY TO
21 CULTURE HUMAN EMBRYONIC STEM CELLS, BUT ALL OTHER ASPECTS
22 AT THIS POINT ARE FAIRLY GENERIC. AND SO AT THIS POINT
23 IT'S NOT CLEAR TO ME EXACTLY WHAT TYPE OF TRAINING IS
24 NEEDED AT THIS LEVEL GIVEN THAT ONE CAN LEARN HOW TO
25 CULTURE AND MANIPULATE HUMAN EMBRYONIC STEM CELLS

BARRISTERS' REPORTING SERVICE

1 ESSENTIALLY WITH TWO TO FOUR WEEKS OF ON-THE-JOB
2 TRAINING.

3 I THINK ANOTHER POINT FOR WHICH I WANTED
4 CLARIFICATION WAS TO HAVE A BETTER UNDERSTANDING OF
5 REALLY WHAT PERCENT INCREASE IN THE WORKFORCE WOULD THIS
6 REPRESENT INCREMENTALLY ABOVE WHAT WE ALREADY DO IN TERMS
7 OF GENERATING WELL-TRAINED BIOLOGISTS WHO WOULD BE
8 PREPARED TO GO INTO LABORATORIES AND TO TAKE ON THE TASK
9 OF STEM CELL RESEARCH.

10 AND I THINK THE LAST POINT FOR WHICH I WANTED
11 CLARIFICATION AND SOMETHING FOR THE BOARD TO THINK ABOUT
12 IS THE ONE OF GETTING AT THE REASON WHY PROPOSITION 71
13 WAS INITIATED IN THE FIRST PLACE. AND IT WAS REALLY A
14 REACTION TO RESTORING FUNDING THAT HAD BEEN WITHDRAWN BY
15 THE FEDERAL GOVERNMENT FOR ORIGINAL RESEARCH ON HUMAN
16 EMBRYONIC STEM CELLS. THERE IS NO FEDERAL PROHIBITION
17 AGAINST TRAINING EITHER OF A DIDACTIC NATURE OR OF A
18 PRACTICAL NATURE IN TERMS OF WORKING IN LABORATORIES
19 BECAUSE THE TRAINING CAN BE DONE EVEN WITH APPROVED HUMAN
20 EMBRYONIC STEM CELL LINES AND CAN ALSO BE DONE WITH MOUSE
21 CELLS, SUCH AS MOUSE BLASTOCYSTS, FOR PURPOSES OF
22 TRAINING.

23 SO FOR ALL THESE REASONS, I HAD A LOT OF
24 RESERVATIONS ABOUT THE PROPOSAL, AND WAS HOPEFUL THAT
25 SOME OF THOSE THINGS COULD BE CLARIFIED IN THE COURSE OF

BARRISTERS' REPORTING SERVICE

1 OUR DISCUSSION.

2 CHAIRMAN KLEIN: IF WE COULD GO TO DUANE ROTH,
3 AND THEN WE'RE GOING TO GO TO DR. CUNNINGHAM.

4 CHANCELLOR REED: FIRST OF ALL, DR. REED AND I
5 ARE NOT RELATED. I WANT EVERYBODY TO KNOW THAT.

6 WE WILL IN WRITING RESPOND TO ALL OF THE
7 QUESTIONS THAT YOU HAVE RAISED. AND THEY'RE VERY GOOD
8 AND LEGITIMATE QUESTIONS.

9 ONE, I THINK THIS ORGANIZATION AND THE
10 LEADERSHIP OF THIS ORGANIZATION REALLY NEEDS TO INVEST IN
11 THE INFRASTRUCTURE, IN THE SCIENCE INFRASTRUCTURE, OF
12 THIS STATE AND WHAT YOU ARE TRYING TO DO ABOUT PROVIDING
13 THAT LEADERSHIP, JUST AS WELL AS FOR FACILITIES. AND I
14 INDICATED THAT.

15 NO. 2, IN MY CONVERSATIONS WITH SOME OF THE
16 PEOPLE IN THE INDUSTRY THAT YOU'RE ABOUT HAVE SAID TO ME
17 THAT WE'RE GOING TO LOCATE HERE IN CALIFORNIA OR WE'RE
18 GOING TO GROW OUR BUSINESS. AND I SAY, "WHERE ARE YOU
19 GOING TO GET THE SUPPORT STAFF FOR THOSE LABS?" THEY
20 SAID, "WELL, WE'LL JUST STEAL THEM FROM SOME OTHER
21 LABORATORY." THAT'S A ZERO-SUM GAME. SO WHAT WE NEED TO
22 DO IS TO FIGURE OUT HOW TO ADD, IF THIS IS GOING TO
23 BECOME A GROWTH INDUSTRY, WHICH I SURE HOPE IT WILL BE,
24 BUT WE'LL TRY TO RESPOND TO ALL THE QUESTIONS THAT YOU'VE
25 HAD. SO THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH. WE'RE
2 GOING TO GO TO DUANE ROTH, DR. CUNNINGHAM, AND THEN DR.
3 PENHOET.

4 MR. ROTH: I THINK THE COMMENTS I WOULD LIKE TO
5 MAKE, FIRST, I'M VERY SUPPORTIVE OF THE WORKFORCE
6 DEVELOPMENT IN CALIFORNIA AND ECHO WHAT MANY PEOPLE HAVE
7 SAID, BUT I'M GOING TO TRY TO GET TO THE CRUX OF THE
8 PROBLEM FOR CALIFORNIA FROM WHERE I SIT. I HELP START
9 NEW BUSINESSES AT CONNECT IN SAN DIEGO. I SPEND AN
10 INCREDIBLE AMOUNT OF TIME WITH VERY BRIGHT, YOUNG
11 GRADUATES, SCIENTISTS, WHO ARE HIGHLY MOTIVATED TO GET
12 INTO THIS INDUSTRY, BUT THEY COMPLETELY LACK THE
13 VOCABULARY NECESSARY TO GET THROUGH THE INTERVIEW
14 PROCESS.

15 SO WITH CALIFORNIA STARTING SMALL COMPANIES,
16 10, 15 EMPLOYEES, AS A ROUTINE NOW, BREAKING INTO THAT
17 ENVIRONMENT IS NEARLY IMPOSSIBLE, AND THEY QUICKLY BECOME
18 DISCOURAGED BECAUSE THEY DO NOT GET BEYOND THAT FIRST
19 INTERVIEW WHEN SOMEBODY SAYS, "DO YOU HAVE ANY
20 FAMILIARITY WITH GMP?" AND THEY SAY, "WHAT'S GMP? WHAT
21 DOES THAT MEAN?" AND IT'S OVER. THE PEOPLE DOING THE
22 HIRING JUST CAN'T TAKE THE TIME TO TRAIN THEM. THAT'S
23 DIFFERENT THAN THE EAST COAST WHERE MANY OF MY CATEGORY
24 TRAIN. JOHNSON & JOHNSON, THEY PUT ME THROUGH ALL THE
25 DRILLS, ENTRY LEVEL, MOVED YOU ALONG, HELPED YOU LEARN

BARRISTERS' REPORTING SERVICE

1 ALL THAT. COMPANIES THAT ARE ONE DEEP, AS WE ARE IN
2 CALIFORNIA, CAN'T DO THAT.

3 SO I THINK THEY NEED EXPOSURE TO THE -- AND
4 THIS IS THE MOST REGULATED INDUSTRY POTENTIALLY IN THE
5 WORLD. AND TO NOT HAVE JUST A BASIC UNDERSTANDING OF
6 WHAT THOSE RULES AND REGULATIONS ARE ALL ABOUT REALLY
7 PREVENTS THEM FROM BREAKING IN. SO I STRONGLY ENCOURAGE
8 THAT THIS PARTICULAR AREA BE ADDRESSED SOMEHOW. AND I
9 THINK WE CAN -- JOHN, I THINK WE CAN BE PART OF THE
10 SOLUTION, BUT IT'S EVEN BROADER THAN STEM CELLS. IT'S
11 ABOUT HAVING WORKERS, WORKFORCE THAT CAN ACTUALLY COME IN
12 AND FILL THESE ROLES.

13 DR. CUNNINGHAM: I AGREE THIS IS A VERY
14 INTERESTING PROPOSAL. I JUST HAVE A QUESTION ABOUT THE
15 PROGRAM FOR STUDENTS WHO WILL BE IN THE STEM CELL -- IN
16 THESE TRAINING PROGRAMS. WILL THEY HAVE THE SAME
17 FUNDAMENTAL TRAINING IN BIOLOGY, FOR EXAMPLE, IN CELL
18 BIOLOGY AND BIOCHEMISTRY, THAT OTHER STUDENTS IN BIOLOGY
19 HAVE SO THAT THIS IS SOMETHING THAT'S ADDED ONTO THE TOP?

20 DR. BAXTER: HAPPY TO QUICKLY ANSWER THAT ONE.
21 YES, THIS IS GOING TO LAYER IN NEW TECHNOLOGIES AND
22 TECHNIQUES THAT WE CURRENTLY DON'T HAVE OR CAN'T OFFER
23 WIDELY ACROSS THE SYSTEMS.

24 GOING BACK TO A PREVIOUS QUESTION ALSO IS THAT
25 IDEA OF PRODUCT DEVELOPMENT IS NOT ONLY LIFE SCIENCES.

BARRISTERS' REPORTING SERVICE

1 HAVING BUSINESS GRADUATES THAT UNDERSTAND THE PROBLEMS
2 AND CHALLENGES AROUND DEVELOPING STEM CELL-BASED
3 THERAPIES AND PRODUCTS IS SOMETHING THAT WOULD BE GREAT
4 TO RAISE THE AWARENESS OF. THERE'S ALSO ENGINEERING AND
5 BIOPROCESSING NEEDS THAT ARE UNIQUE TO STEM CELLS THAT
6 WOULD VERY MUCH HELP EMERGING COMPANIES. SMALL COMPANIES
7 HIRE PEOPLE WITH JUST A LITTLE BIT OF THAT SAVVY LAYERED
8 ONTO THEIR FUNDAMENTAL EDUCATION.

9 DR. AMBOSE: WE BROUGHT THIS PROPOSAL BECAUSE
10 OF BIOTECHNOLOGY BEING BOTH OUR STRENGTHS HERE. IN
11 CALIFORNIA COMMUNITY COLLEGES, WE ALREADY HAVE TWO STEM
12 CELL TRAINING PROGRAMS GOING ON, CITY COLLEGE OF SAN
13 FRANCISCO AND PASADENA CITY COLLEGE. THEY OBTAIN MOUSE
14 ADULT STEM CELLS RESPECTIVELY FROM UC SAN FRANCISCO AND I
15 BELIEVE IT'S CALTECH.

16 YOUR QUESTION ABOUT THE TRAINING IS A VERY,
17 VERY IMPORTANT ONE AND GETS TO BASICALLY THE SCIENTIFIC
18 TRAINING AND MATH TRAINING LACK IN A LOT OF PEOPLE. WE
19 PROPOSE ALSO A BRIDGE PROGRAM FOR THOSE PEOPLE WHO COULD
20 NOT NECESSARILY GO INTO A BIOTECH PROGRAM, FOR INSTANCE,
21 AND THEY NEED UPSCALING IN THEIR MATH AND SCIENCE AND
22 ENGLISH SKILLS. THOSE PROGRAMS ARE ALREADY IN PLACE AS
23 WELL, BUT THEY GENERALLY REACH INTO THE ADULT POPULATION
24 FOR FAMILIES THAT WANT TO BRING THEIR STANDARD OF LIVING
25 HIGHER. ONCE THESE ADULTS GET JOBS AND THEY CAN DO THAT

BARRISTERS' REPORTING SERVICE

1 IN A FAIRLY SHORT-TERM TRAINING, THEY GET THE BRIDGE
2 PROGRAM AND THEY GO INTO BIOTECH WITH A STEM CELL
3 CERTIFICATE, THEY OBTAIN A JOB, AND IT BRINGS -- ALSO
4 ADDRESSING ANOTHER ISSUE OF CALIFORNIA'S WORKFORCE --
5 THEY BRING THAT HOME TO THEIR COMMUNITIES AND TO THEIR
6 CHILDREN TO SHOW THEM WHAT THESE ADULTS HAVE DONE FOR
7 THEIR FAMILIES, AND IT MAKES A HUGE IMPACT IN THE LOCAL
8 ECONOMY.

9 CHAIRMAN KLEIN: AND DR. PIZZO, DR. PENHOET, I
10 THINK, HAD A COMMENT.

11 DR. PENHOET: TWO QUICK COMMENTS. I KNOW YOU
12 HAVE A TRACK RECORD ALREADY IN TRAINING PEOPLE IN
13 BIOTECHNOLOGY, NOT AS COMPREHENSIVE AS WHAT YOU PROPOSE
14 HERE. SO IF THIS MATURES, IT WOULD BE NICE TO GET SOME
15 INDICATION OF AN ASSESSMENT OF HOW SUCCESSFUL YOUR
16 EXISTING PROGRAMS ARE AS A WAY OF EVALUATING, SO TO
17 SPEAK, HOW LIKELY YOU ARE TO BE SUCCESSFUL WITH A BROADER
18 BASE PROGRAM. SO THAT WOULD BE VERY HELPFUL FOR US TO
19 SEE.

20 SECOND OF ALL, I JUST WANT TO REMIND MY
21 COLLEGES THAT PROP 71 HAD TWO EXPLICIT GOALS. ONE IS TO
22 ENHANCE THE FIELD OF STEM CELL RESEARCH AND DEVELOP
23 CURES, BUT THE OTHER WAS TO SUBSTANTIALLY INCREASE
24 CALIFORNIA'S LEADERSHIP POSITION IN THE BIOTECHNOLOGY
25 INDUSTRY AS A RESULT. SO THIS WAS NOT AN AFTERTHOUGHT.

BARRISTERS' REPORTING SERVICE

1 IT'S ACTUALLY AN EXPLICIT GOAL IN PROP 71, AND INDUSTRY
2 HAS, AS DUANE MENTIONED, I THINK, HAD A CONSISTENT
3 PROBLEM WITH A WORKFORCE OF WELL-TRAINED PEOPLE IN THE
4 FIELD TO SOME DEGREE ALREADY BEING ADDRESSED BY THE
5 INSTITUTIONS REPRESENTED HERE TODAY.

6 CHAIRMAN KLEIN: I'D ALSO SAY THERE'S ANOTHER
7 LEAD-TIME ISSUE HERE THAT IS FUNDAMENTAL TO OUR MISSION,
8 WHICH IS ACCEPTANCE BY OUR PATIENTS. AND AMONG THE
9 MINORITY COMMUNITIES IN CALIFORNIA, AS DR. BURT LUBIN,
10 FOR EXAMPLE, HAS TOLD US, THERE'S A GREAT DEAL OF
11 SUSPICION AND UNCERTAINTY AND DIFFICULTY GAINING
12 ACCEPTANCE FOR CLINICAL TRIALS OR ACCEPTANCE OF NEW
13 THERAPIES BECAUSE, PARTICULARLY WITH ORGAN TRANSPLANTS,
14 FOR EXAMPLE, YOU SEE RESISTANCE BY THOSE COMMUNITIES TO
15 SOMETHING THAT THEY DON'T THOROUGHLY UNDERSTAND AND
16 EMBRACE. AND WHETHER THIS IS THE RIGHT METHOD TO
17 PENETRATE WITH QUALITY INFORMATION THAT CAN HELP GAIN
18 ACCEPTANCE OF THESE NEW THERAPIES, IT IS A LEAD-TIME
19 PROBLEM THAT NEEDS TO BE ADDRESSED SOMEWHERE.

20 BUT WE HAVE DR. PIZZO, THEN DR. KESSLER, AND
21 SHERRY LANSING.

22 DR. PIZZO: SO JUST I WANT TO FOLLOW UP A BIT
23 ON DR. REED'S COMMENTS BECAUSE I THINK THEY WERE VERY
24 HELPFUL AND IMPORTANT TO HEAR YOUR PERSPECTIVE. AND I
25 GUESS, LOOKING AT THE DATA, AS SOMETIMES HAPPENS, WE'RE

BARRISTERS' REPORTING SERVICE

1 LOOKING AT A SET OF OBJECTIVES THROUGH SLIGHTLY DIFFERENT
2 LENSES. AND I THINK THAT WERE THIS PROGRAM ONLY GOING TO
3 VERY SPECIFICALLY TRAIN INDIVIDUALS, QUOTE, IN STEM CELL
4 BIOLOGY, I THINK THAT WOULD BE A SOMEWHAT NARROW
5 PERSPECTIVE. WHAT I WAS READING INTO THIS WAS MORE THE
6 OPPORTUNITY TO EXPAND THE WHOLE WORKFORCE IN SORT OF
7 BIOTECHNOLOGY AND BIOMEDICAL RESEARCH.

8 AND I DON'T THINK ANY OF US, AND I'M SURE YOU
9 WOULD AGREE WITH THIS, CAN PREDICT EXACTLY WHERE STEM
10 CELL RESEARCH IS GOING TO GO OVER THE COURSE OF THE NEXT
11 DECADES AND BEYOND. I THINK THAT INDIVIDUALS WHO ARE
12 TRAINED IN LIFE SCIENCES ARE IMPORTANT, BUT SO TOO ARE
13 THEY IN THE PHYSICAL AND COMPUTATIONAL AND ENGINEERING
14 SCIENCES BECAUSE THESE WILL ALL BECOME CRITICALLY
15 IMPORTANT AS NEW BIOLOGY CONTINUES TO EMERGE AND EVOLVE.

16 SO MY READ OF THIS WAS NOT A STEM CELL SPECIFIC
17 GOAL. I THINK THAT'S A RATIONALE AND MAY BE AN ARGUMENT
18 FOR WHY YOU'RE HERE TODAY, BUT I THINK IT IS MUCH MORE,
19 FROM MY POINT OF VIEW, IMPORTANT TO LOOK AT THIS AS A
20 BROADER EXPANSION, PARTICULARLY ACROSS THE POPULATION
21 BASE WITH DIVERSITY AND EXCELLENCE, TO REALLY EXPAND THAT
22 WORKFORCE BECAUSE I WANT TO SPEAK TO THIS CHALLENGE.

23 I THINK WE DO COMPETE ALREADY WITH EACH OTHER
24 FOR REALLY SKILLED TECHNICAL AND OTHER SUPPORT PEOPLE,
25 AND WE COMPETE WITH INDUSTRY, OF COURSE, IN THE ACADEMIA

BARRISTERS' REPORTING SERVICE

1 AND WE COMPETE WITH EACH OTHER. I THINK EXPANDING THAT
2 WORKFORCE BROADLY, BECAUSE THIS WILL NOT JUST BE STEM
3 CELL SPECIFIC, WILL HELP THIS WHOLE STATE. AND IF PROP
4 71 DID THAT, WE MIGHT LOOK AT IT JUST AS ANOTHER
5 DOWNSTREAM EFFECT OF EMBRYONIC DEVELOPMENT IN A POSITIVE
6 WAY.

7 CHAIRMAN KLEIN: DR. KESSLER.

8 DR. KESSLER: I ECHO --

9 CHAIRMAN KLEIN: LET ME SAY THAT GIVEN THE
10 ROBUST DISCUSSION HERE, AFTER THESE SPEAKERS, IN ORDER TO
11 MOVE THIS FORWARD, IT'S MY INTENT TO DESIGNATE A
12 TWO-MEMBER BOARD TEAM THAT CAN WORK WITH THE SYSTEM AND
13 THE STAFF TO ANSWER THESE QUESTIONS AND COME BACK TO A
14 FUTURE MEETING WITH SOME ANSWERS AND SUGGESTIONS OF HOW
15 THIS CAN BE MEANINGFULLY ADDRESSED. SO WE WILL SEE THIS
16 AGAIN.

17 DR. KESSLER: MR. CHAIRMAN, YOU JUST
18 ANTICIPATED WHERE I WAS HEADING ON THIS. I'M VERY
19 INTRIGUED. I SHARE ALL THE SENTIMENTS OF MY COLLEAGUES.
20 THIS IS OBVIOUSLY SOMETHING THAT IS CRITICALLY IMPORTANT
21 AND A LOT OF GOOD CAN COME OUT OF IT.

22 I WAS WONDERING, AND I DON'T KNOW WHETHER WE
23 HAVE THE AUTHORITY, BUT WHETHER WE HAVE THE AUTHORITY TO
24 ASK SOME EXPERTS NATIONALLY WHO REALLY UNDERSTAND SOME OF
25 THE WORKFORCE ISSUES AND TRAINING IN AREAS LIKE THIS TO

BARRISTERS' REPORTING SERVICE

1 SPEND A LITTLE TIME WITH OUR COLLEAGUES TO UNDERSTAND THE
2 SUCCESSES, THE CHALLENGES, FOR EXAMPLE, AS YOU MENTIONED,
3 IN THE BIOTECHNOLOGY PROGRAM AND MAYBE HOW TO TWEAK THIS,
4 SOME RECOMMENDATIONS TO REALLY MAKE THIS INTO SOMETHING
5 THAT WE WOULD BE VERY PROUD TO BE PART OF.

6 AND I DON'T THINK THE WORKING GROUP, THE
7 SCIENTIFIC GRANTS WORKING GROUP, IS REALLY THE RIGHT
8 GROUP. THEY DON'T QUITE HAVE THE EXPERTISE TO DO THIS.
9 THERE MAY BE SOME PEOPLE ON THERE, BUT THE QUESTION IS DO
10 WE HAVE THE AUTHORITY TO ASK ALMOST A STUDY GROUP TO
11 SPEND A FEW DAYS? THERE ARE PEOPLE LIKE BRUCE ALBERTS
12 AND OTHERS, THE FORMER PRESIDENT OF NATIONAL ACADEMY OF
13 SCIENCES, WHO REALLY UNDERSTANDS EDUCATIONAL DEVELOPMENT
14 AND UNDERSTANDS STEM CELLS IN THE CONTEXT OF BROADER
15 SCIENCE. AND I THINK IF WE CAN HAVE THAT REPORT, AND I
16 DON'T KNOW WHETHER WE CAN DO IT BEYOND, MR. CHAIRMAN,
17 JUST BOARD MEMBERS. THERE MAY BE EXPERTS OUT THERE WHO
18 REALLY CARE ABOUT THESE ISSUES THAT WE CAN BENEFIT FROM
19 THEIR CONSULTATION.

20 CHAIRMAN KLEIN: SHERRY LANSING.

21 MS. LANSING: I JUST WANT TO ECHO THAT I
22 THOUGHT IT WAS AN EXTRAORDINARY PRESENTATION, AND I'M
23 VERY, VERY MUCH IN FAVOR OF THIS. I THINK WHAT IS REALLY
24 IMPORTANT TO ME IS THAT WE ARE INCREASING THE POOL OF THE
25 WORKFORCE. IN MANY WAYS WE'RE ADDING TO THE DIVERSITY OF

BARRISTERS' REPORTING SERVICE

1 THE WORKFORCE, AND IT'S AN OUTREACH PROGRAM, WHICH I
2 THINK IS REALLY, REALLY INTERESTING TO ME. AND IT ALSO
3 BRINGS TOGETHER ALL THE UNIVERSITIES BECAUSE SO MANY OF
4 OUR GRANTS HAVE GONE TO UCS, AND I LOVE THE FACT THAT
5 WE'RE INCLUDING THE COMMUNITY COLLEGES AS WELL AS THE CAL
6 STATE SYSTEM, WHICH ARE SOME OF OUR FINEST SCHOOLS.

7 I THINK THAT WHAT YOU'RE HEARING FROM ALL OF US
8 IS ENTHUSIASM WITH A LOT OF QUESTIONS, AND SO I THINK
9 IT'S REALLY IMPORTANT THAT WE DO THIS RIGHT. AND SO I
10 THINK THE STEPS THAT WE'RE ALL TALKING ABOUT ARE VERY,
11 VERY GOOD. BUT, AGAIN, THANK YOU. I THINK IT WAS A
12 GREAT PRESENTATION.

13 CHAIRMAN KLEIN: AS YOU CAN SEE, YOUR EXCELLENT
14 PRESENTATION HAS REALLY GRABBED THE IMAGINATION OF THE
15 BOARD TO MOVE THIS FORWARD IN A QUALITY WAY. IT'S MY
16 SUGGESTION TO THE BOARD THAT WE DESIGNATE A TWO-MEMBER
17 BOARD TEAM, AS YOU KNOW, THAT'S OUR LIMITATION, FOR THE
18 PRELIMINARY ANALYSIS OF THIS IN WORKING WITH THE CSU
19 SYSTEM AND THE COMMUNITY COLLEGE SYSTEM AND WORKING WITH
20 OUR SCIENTIFIC STAFF TO COME BACK POTENTIALLY AT THE
21 OCTOBER BOARD MEETING WITH PRELIMINARY SCOPING AND
22 POTENTIAL PATHS TO TELL US HOW WE CAN THOUGHTFULLY GO
23 DOWN A PATH THAT WOULD GET US TO THE KIND OF QUALITATIVE
24 OUTCOME THAT SHERRY LANSING HAS JUST REFERENCED AND THE
25 REST OF THE SPEAKERS HAVE REFERENCED.

BARRISTERS' REPORTING SERVICE

1 IT IS CERTAINLY, TO DO IT RIGHT, SOMETHING, WE
2 NEED TO, AS HAS BEEN SUGGESTED BY DR. KESSLER, DRAW ON
3 SOME NATIONAL RESOURCES, WHICH I THINK WOULD BE
4 AVAILABLE, AS WELL AS SOME STATEWIDE RESOURCES, BUT I'D
5 LOOK FOR A REPORT BACK TO GIVE US THAT PATH. IT MAY WELL
6 BE THAT WE COULD CREATE A PROCESS WHERE WE HAVE SOME
7 PUBLIC HEARINGS. THAT I'M NOT GOING TO PREJUDGE. I'M
8 GOING TO LOOK TO THIS COMMITTEE. AND DAVID
9 SERRANO-SEWELL, WHO YOU'D LIKE TO KNOW IS A CSU GRADUATE
10 FROM SAN FRANCISCO STATE UNIVERSITY, AND MARCY FEIT, WHO
11 IS THE CHIEF EXECUTIVE OFFICER OF A MAJOR REGIONAL
12 HOSPITAL AND BOARD MEMBER, HAVE BOTH AGREED TO BE THE
13 BOARD MEMBERS TO LEAD THAT EFFORT.

14 SO IS THERE A BOARD MEMBER THAT WOULD LIKE TO
15 MAKE A MOTION THAT WE ADOPT THAT SEQUENCE?

16 DR. PRIETO: SO MOVED.

17 DR. WRIGHT: SECOND.

18 CHAIRMAN KLEIN: SO MOVED BY DR. PRIETO.
19 SECONDED BY DR. WRIGHT. ANY ADDITIONAL DISCUSSION? ANY
20 COMMENTS FROM THE PUBLIC?

21 MR. SIMPSON: JOHN SIMPSON FROM THE FOUNDATION
22 FOR TAXPAYER AND CONSUMER RIGHTS. LET ME FIRST, AS SOME
23 OF THE MEMBERS OF THE BOARD HAVE DONE, EXPRESS MY DEEP
24 SENSE OF GRATITUDE AND FAITH IN THE SYSTEM, UNIVERSITY
25 SYSTEM. LET ME ALSO RAISE A QUESTION, THOUGH, OF

BARRISTERS' REPORTING SERVICE

1 SKEPTICISM, WHICH IS SIMPLY THIS, THAT ALL TOO OFTEN, IT
2 SEEMS TO ME, THESE DAYS SOMEONE SAYS BUT THIS IS ALL
3 ABOUT STEM CELLS, AND THEN COMES UP WITH A REASON TO GO
4 AFTER A LOT OF OTHER MONEY. AND I'M JUST NOT QUITE SURE
5 WHETHER THIS FITS IN THE OVERALL PLAN THE WAY IT SHOULD.

6 SO I THINK IT'S GOOD THAT YOU STUDY IT, AND IT
7 SEEMS TO ME TO BE KEY THAT YOU WILL PLAY A VERY IMPORTANT
8 ROLE IN WHATEVER HAPPENS. BUT I'M NOT SURE THAT THAT
9 ROLE IS TO WALK IN AND SAY GIVE US \$30.8 MILLION AND GO
10 FORTH.

11 I COULD COME OUT AND SAY NO ONE THAT I KNOW
12 THESE DAYS WRITES DECENT ENGLISH. AND IN ORDER TO WRITE
13 DECENT ENGLISH, YOU NEED THAT TO ACCOMPLISH STEM CELL
14 RESEARCH AND MAKE A GRANT. THEREFORE, I WANT A MILLION
15 BUCKS, BECAUSE I'M PRETTY GOOD AT TEACHING PEOPLE HOW TO
16 WRITE ENGLISH, TO GO OUT AND TEACH PEOPLE HOW TO WRITE
17 STEM CELL GRANTS. I DON'T THINK YOU'D GIVE ME THE
18 MILLION BUCKS.

19 DR. PIZZO: NOT SO SURE.

20 MR. SIMPSON: MAYBE I'LL ASK, BUT I'M JUST
21 TRYING TO PUT THAT INTO CONTEXT. AND ALSO THE NOTION
22 THAT I THINK THE WAY THIS USUALLY WORKS IS THAT AN RFP IS
23 DEVELOPED, AND OTHER PEOPLE GET A SHOT AT IT. SO WHILE
24 YOUR INSTITUTION SHOULD PLAY A KEY ROLE, THERE MAY BE A
25 COUPLE OF OTHERS THAT ALSO OUGHT TO HAVE A SHOT WHEN IT'S

BARRISTERS' REPORTING SERVICE

1 MADE COMPLETELY PUBLIC, WHICH THIS REALLY WASN'T EXACTLY.
2 I MEAN THE FIRST TIME I SAW YOUR WONDERFUL PROPOSAL WAS
3 TODAY, AND I GUESS IT'S BEEN BOUNCING AROUND FOR A YEAR
4 OR SO. THAT'S NOT THE WAY THAT YOU BUILD PUBLIC SUPPORT.

5 SO I WOULD ENCOURAGE YOU TO BUILD PUBLIC
6 SUPPORT FOR WHAT MIGHT ULTIMATELY BE A GOOD IDEA AND THAT
7 THE GROUP STUDY IT, AND THAT WE MEET ALL OF THESE THINGS,
8 AND IT'S IMPORTANT THAT IT'S IN THE STRATEGIC PLAN, BUT
9 LET'S NOT SAY, WELL, IT'S GOT STEM CELLS ATTACHED TO IT;
10 THEREFORE, IT'S THE NEXT THING CLOSEST TO GOD,
11 MOTHERHOOD, AND EVERYTHING ELSE. THAT'S MY ONLY CONCERN.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH. LET'S
13 ALL TRY AND STAY TO THREE MINUTES OR LESS.

14 MR. TAYAG: MY NAME IS JOE TAYAG. I'M HERE
15 WITH THE GREENLINING INSTITUTE. WE'RE A MULTIETHNIC
16 PUBLIC POLICY AND ADVOCACY ORGANIZATION REPRESENTING
17 ABOUT 43, I BELIEVE NOW IS THE NUMBER, HEALTH,
18 FAITH-BASED, CIVIL RIGHTS, AND ECONOMIC GROUPS SERVING
19 MINORITY POPULATIONS HERE IN CALIFORNIA, INCLUDING THE
20 MINORITY CHAMBERS OF COMMERCE.

21 WE CAME HERE THIS MORNING TO URGE THE ICOC TO
22 RECONSIDER STRATEGIES FOR INCORPORATING DIVERSITY IN THE
23 CIRM'S GRANT-MAKING POLICY SETTING. WE BELIEVE THAT
24 DIVERSITY SHOULD BE PROMOTED FROM THE BENCH TO THE
25 BEDSIDE, TO THE PEOPLE CLEANING THE BENCHES AND CLEANING

BARRISTERS' REPORTING SERVICE

1 THE BEDSIDES IN THE FORM OF CONTRACTS AND NEW EMPLOYMENT
2 OPPORTUNITIES WITH THE GROWTH OF THE BIOTECH INDUSTRY.
3 IT'S WHY THIS PROPOSAL SOUNDS EXTREMELY EXCITING TO US.
4 THE OPPORTUNITY TO TAP INTO THE INSTITUTIONS THAT ARE SO
5 NETWORKED WITH THE CALIFORNIA'S MOST DIVERSE AND
6 VULNERABLE POPULATIONS IS AN INCREDIBLY EXCITING
7 OPPORTUNITY.

8 AND IF THE QUESTION ARISES OF WHETHER OR NOT
9 THE CIRM IS THE APPROPRIATE INSTITUTION TO GO ABOUT
10 UNDERTAKING THIS OUTREACH AND EDUCATIONAL EFFORT IN
11 WORKFORCE DEVELOPMENT EFFORTS, ON BEHALF OF OUR
12 COALITION, WE WOULD LIKE TO SAY YES, YES, WE BELIEVE THAT
13 THAT IS THE PLACE FOR THIS IN TERMS OF HOW STEM CELL
14 RESEARCH CAN GROW AND INCORPORATE AS MANY PEOPLE AS
15 POSSIBLE WITH THE GROWTH OF THAT.

16 GREENLINING JUST RECENTLY FINISHED THE
17 PRODUCTION OF A VIDEO FOR PUBLIC OUTREACH AND EDUCATION
18 WITH COLLABORATION FROM SOME STAFF MEMBERS FROM THE CIRM,
19 AS WELL AS EXPERTS AND LEADERS FROM PUBLIC HEALTH AND
20 MEDICINE AND COMMUNITY ORGANIZING. AND WE DO BELIEVE
21 THAT WE WOULD LIKE TO PUSH THE CIRM TO REALLY TAKE ON THE
22 VALUE OF DIVERSITY, WHICH IS ONE OF ITS GUIDING
23 PRINCIPLES. AND GREENLINING WOULD LIKE TO OFFER ANY AND
24 ALL SUPPORT THAT WE CAN FOR MAKING SURE THAT THIS
25 PROPOSAL WITH SOME HEALTHY SKEPTICISM DOES GET

BARRISTERS' REPORTING SERVICE

1 IMPLEMENTED IN A WAY THAT BRINGS CALIFORNIA'S MOST
2 DIVERSE AND VULNERABLE UP TO THE PLATE OF STEM CELL
3 RESEARCH.

4 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

5 MR. REED: DON REED, MEMBER OF THE PUBLIC. I
6 WOULD JUST LIKE TO SUGGEST THAT MARCY FEIT AND DAVID
7 SERRANO-SEWELL CONSIDER SPEAKING WITH A COLLEGE COUNSELOR
8 AS THEY DO THIS OUTREACH STUDY BECAUSE THESE ARE THE
9 PEOPLE WHO WILL BE THE NEXUS BETWEEN THE STUDENTS AND
10 INDUSTRY. AS SOMEBODY WHO'S BEEN WORKING IN THE
11 EDUCATION FIELD FOR 17 YEARS, THE COUNSELOR IS OFTEN THE
12 MOST IMPORTANT PERSON TO INFLUENCE THE STUDENT AS TO
13 WHERE THEY GO WITH THEIR LIFE. I THINK THIS MIGHT BE
14 IMPORTANT. THANK YOU.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH. HAVING
16 TAKEN PUBLIC COMMENT, CALL FOR THE VOTE. ALL IN FAVOR?
17 OPPOSED? UNANIMOUS VOTE. THANK YOU VERY MUCH.

18 I'D LIKE TO GO ON TO THE NEXT ITEM. I THINK
19 THE NEXT TWO ITEMS HOPEFULLY ARE NOT CONTROVERSIAL. WE
20 CAN MOVE QUICKLY. ITEM 11, AND I BELIEVE THAT DR. BERNIE
21 LO IS HERE TO PRESENT THIS ITEM WITH GEOFF LOMAX.

22 DR. LO: GOOD MORNING. THANKS VERY MUCH. IT'S
23 A PLEASURE TO BE HERE. AND I WANT TO ACTUALLY ADD BOTH
24 MY PERSONAL THANKS AND THE THANKS OF THE STANDARDS
25 WORKING GROUP TO BOTH SCOTT TOCHER AND KIRK KLEINSCHMIDT

BARRISTERS' REPORTING SERVICE

1 FOR THE WONDERFUL THINGS THEY'VE DONE TO HELP US ALONG.
2 PARTICULARLY, AS THE ICOC KNOWS, GETTING THE REGULATIONS
3 THROUGH THE OFFICE OF ADMINISTRATIVE LAW WAS QUITE A
4 WONDERFUL FEAT. AND WE THANK SCOTT AND KIRK FOR THEIR
5 HELP GETTING US THROUGH THAT. I DON'T KNOW HOW WE'D DO
6 IT WITHOUT YOU FOLKS, BUT WE WILL CONTINUE.

7 I WOULD LIKE TODAY TO BRING TO THE ICOC THREE
8 ITEMS WHICH WE REQUEST YOUR APPROVAL ON. I'LL TRY AND,
9 FIRST, PUT EACH ITEM IN CONTEXT, AND THEN TRY AND WALK
10 YOU THROUGH WHAT WE'RE ASKING YOU.

11 THE THREE ITEMS HAVE TO DO WITH DEEMING LINES
12 DERIVED IN JAPAN UNDER THE JAPANESE GUIDELINES FOR
13 DERIVATION AND UTILIZATION OF HUMAN EMBRYONIC STEM CELLS
14 TO BE ACCEPTABLE FOR CIRM RESEARCHERS TO USE.

15 THE SECOND IS CLARIFYING LANGUAGE ON
16 LIMITATIONS OF PAYMENTS FOR STEM CELLS. THESE ARE
17 PAYMENTS NOT TO THE PEOPLE WHO DONATE THE CELLS OR
18 MATERIALS, BUT TO THIRD PARTIES WHO PROCESS THE CELLS AND
19 MAKE THEM AVAILABLE.

20 AND THE THIRD IS TO MODIFY THE REQUIREMENTS FOR
21 THE USE OF SOMATIC CELLS AND HUMAN TISSUE FOR DERIVATION
22 OF NEW STEM CELL LINES. AND THE THIRD ITEM COMES IN THE
23 WAKE OF THE EXCITING POSSIBILITY THAT SOMATIC CELLS,
24 SKINS CELLS, OR CELLS TAKEN FROM A CHEEK SWAB COULD BE
25 REPROGRAMMED IN LABORATORY THROUGH THE ADDITION OF

BARRISTERS' REPORTING SERVICE

1 PERHAPS FOUR GENES TO BE PLURIPOTENT, AND THEREBY DERIVE
2 NEW STEM CELL LINES WITHOUT GOING THROUGH AN EMBRYO
3 PROCESS WHICH, OF COURSE, HAS SPARKED A LOT OF
4 CONTROVERSY THROUGHOUT THE COUNTRY.

5 LET ME FIRST TURN TO THE FIRST ITEM, WHICH IS
6 DEEMING LINES DERIVED UNDER JAPANESE GUIDELINES
7 ACCEPTABLE FOR CIRM RESEARCHERS. IN OUR GUIDELINES, IF A
8 RESEARCHER FUNDED BY CIRM WANTS TO WORKS WITH EXISTING
9 STEM CELL LINES, WE HAVE SINGLED OUT LINES FROM THE UK
10 AND CANADA AS MEETING THE STANDARDS THAT CIRM HAS SET FOR
11 ITSELF BECAUSE THEY HAVE BOTH NATIONAL GUIDELINES AND A
12 REVIEW PROCESS IN THEIR OWN COUNTRY WHICH WE THINK IS
13 RIGOROUS, COMPARABLE TO WHAT WOULD HAPPEN IN THIS
14 COUNTRY, THAT WE THINK IT WOULD BE BURDENSOME FOR
15 RESEARCHERS TO HAVE TO REDO THAT SORT OF APPROVAL EACH
16 TIME THEY WANT TO IMPORT A LINE FROM THOSE COUNTRIES.

17 WE DID THIS OUT OF A COMMITMENT TO
18 INTERNATIONAL COLLABORATION, TRYING TO ALLOW CIRM-FUNDED
19 RESEARCHERS TO BUILD ON THE RESEARCH THAT SCIENTISTS HAVE
20 DONE ELSEWHERE.

21 IT CAME TO OUR ATTENTION THAT JAPAN HAS BOTH
22 NATIONAL GUIDELINES AND A NATIONAL REVIEW PROCESS. AND
23 WHEN WE ASKED STAFF, GEOFF LOMAX, TO REVIEW THIS FOR THE
24 STANDARDS WORKING GROUP, HE PROVIDED EVIDENCE WHICH THE
25 SWG CONSIDERED AT ITS LAST MEETING, THAT, IN FACT, THE

BARRISTERS' REPORTING SERVICE

1 JAPANESE GUIDELINES WERE COMPARABLE TO WHAT WAS IN PLACE
2 IN CANADA AND THE UK AND WHAT WE HAD DEEMED AS ACCEPTABLE
3 FOR CIRM RESEARCHERS TO USE.

4 SO WHAT WE'RE ASKING THE ICOC TODAY IS TO TASK
5 THE STAFF TO DEVELOP REGULATORY LANGUAGE TO SUBMIT TO THE
6 OFFICE OF ADMINISTRATIVE LAW THAT WOULD ALLOW STEM CELL
7 LINES DERIVED UNDER JAPANESE GUIDELINES FOR DERIVATION
8 AND UTILIZATION OF HUMAN EMBRYONIC STEM CELLS TO BE
9 DEEMED ACCEPTABLE FOR USE BY CIRM RESEARCHERS UNDER
10 100080.

11 I WANT TO BREAK IT UP INTO THREE AND INVITE
12 QUESTIONS, COMMENTS ABOUT THIS FIRST PARTICULAR ITEM.

13 CHAIRMAN KLEIN: SO DR. LO HAS INTRODUCED THE
14 FIRST ITEM. ARE THERE QUESTIONS FROM THE BOARD ON THE
15 FIRST ITEM? ARE THERE QUESTIONS FROM THE AUDIENCE ON THE
16 FIRST ITEM?

17 DR. MEYER: JUST A QUICK QUESTION, NOT BEING
18 FAMILIAR WITH THE JAPANESE GUIDELINES. THE CELLS WERE
19 DERIVED UNDER THEM; BUT IF WE ACCEPT THE GUIDELINES, ARE
20 THERE ASPECTS OF THE GUIDELINES THAT WE MAY FIND
21 UNACCEPTABLE?

22 DR. LO: RIGHT. WE'RE ACCEPTING STEM CELL
23 LINES DERIVED UNDER THE GUIDELINES, AND THOSE GUIDELINES
24 MEET OUR STANDARDS FOR INFORMED CONSENT ABSENCE OF
25 PAYMENTS. THERE IS ONE ISSUE THAT WOULD APPLY, NOT JUST

BARRISTERS' REPORTING SERVICE

1 TO LINES DERIVED UNDER JAPANESE GUIDELINES, BUT ALSO
2 LINES DERIVED UNDER THE UK OR CANADIAN GUIDELINES. AND
3 THAT'S THE 12-DAY LIMIT, WHICH WAS IN PROP 71, THAT CIRM
4 RESEARCHERS MAY ONLY WORK WITH CELLS THAT ARE DEVELOPED
5 IN THE LABORATORY FOR 12 DAYS.

6 OTHER COUNTRIES AND OTHER INTERNATIONAL
7 GUIDELINES ALLOW UP TO 14 DAYS OR THE DEVELOPMENT OF THE
8 PRIMITIVE STREAK. PROP 71 WAS MORE RESTRICTIVE, MORE
9 CAREFUL IN SOME SENSE TO SORT OF AVOID ANY CONTROVERSY
10 OVER SCIENTISTS WORKING WITH CELLS THAT SOME PEOPLE MIGHT
11 FEEL WERE BEGINNING TO HAVE THE POTENTIAL TO DEVELOP
12 HUMAN CHARACTERISTICS.

13 SO I THINK THAT QUALIFICATION WOULD NEED TO
14 APPLY ACTUALLY TO ALL LINES WHETHER THEY'RE DERIVED FROM
15 JAPAN, UK, OR ACTUALLY EVEN OTHER RESEARCHERS HERE IN THE
16 U.S.

17 CHAIRMAN KLEIN: BUT MY UNDERSTANDING IS THE
18 ONLY THING WE HAVE NOTICED AND BEFORE US TODAY IS
19 APPLYING IT TO THIS, TO THE JAPANESE LINES?

20 DR. LO: RIGHT.

21 CHAIRMAN KLEIN: QUESTIONS OR POINTS FROM THE
22 AUDIENCE?

23 MR. SHEEHY: I JUST WANT TO MAKE THE POINT THAT
24 CAME OUT IN THE STANDARDS WORKING GROUP IS THAT THIS 12-
25 TO 14-DAY LIMIT IS ALL PROSPECTIVE. AT THIS TIME,

BARRISTERS' REPORTING SERVICE

1 ACCORDING TO DR. EGGAN AT HARVARD, NO STEM CELL LINES
2 HAVE BEEN DERIVED BEYOND 12 DAYS, AND IT'S NOT
3 TECHNICALLY POSSIBLE. SO THIS IS AN ISSUE WE MAY HAVE TO
4 REVISIT BECAUSE IT'S STATUTORY, IT'S IN PROP 71. AND
5 DIFFERENT ENTITIES HAVE A 14-DAY LIMIT, BUT RIGHT NOW
6 IT'S NOT POSSIBLE TO DERIVE LINES BEYOND THE 12 DAYS. SO
7 I WANTED TO MAKE THAT CLEAR, THAT WE WEREN'T MOVING --
8 THE GOALPOSTS AREN'T BEING MOVED YET.

9 DR. LO: THANK YOU, JEFF, FOR REMINDING ME OF
10 THAT. IF IN THE FUTURE THE SCIENCE DEVELOPS TO THE POINT
11 WHERE SCIENTISTS THOUGHT THERE WAS EXTREMELY VALUABLE
12 SCIENTIFIC INSIGHT AND KNOWLEDGE SEEKING FROM GOING
13 BEYOND 12 TO 14 DAYS, I THINK THAT'S SOMETHING WE WOULD
14 NEED TO RECONSIDER AT THAT TIME. I THINK TO DEAL WITH IT
15 IN THE ABSTRACT PROBABLY IS NOT GOING TO BE OUR BEST
16 COURSE. I THINK, AS WE HAVE ALWAYS TRIED TO DO, WE'VE
17 SAID THAT THE GUIDELINES ARE NOT WRITTEN IN STONE.
18 THEY'RE MEANT TO SORT OF KEEP UP WITH THE CHANGING
19 SCIENCE. THIS IS AN EXAMPLE OF THAT, THE THIRD ITEM FOR
20 THE DAY, AND THAT WE HAVE AN OPEN MIND AND READY TO
21 RECONSIDER AS THE SCIENCE CHANGES WHETHER THE GUIDELINES
22 NEED TO BE MODIFIED OR NOT.

23 CHAIRMAN KLEIN: I THINK THAT EFFICIENTLY WE
24 COULD JUST TAKE -- SINCE WE HAVE HAD PUBLIC COMMENT ON
25 THIS ITEM, WE CAN GET IT OFF THE TABLE IF THERE'S A

BARRISTERS' REPORTING SERVICE

1 MOTION VERY QUICKLY. IS THERE A MOTION?

2 DR. REED: SO MOVED.

3 CHAIRMAN KLEIN: DR. REED. SECOND?

4 MR. ROTH: SECOND.

5 CHAIRMAN KLEIN: DUANE ROTH. WE'VE HAD PUBLIC
6 DISCUSSION AND BOARD DISCUSSION. CALL THE QUESTION. ALL
7 IN FAVOR? OPPOSED? UNANIMOUS.

8 DR. LO, IF YOU COULD CONTINUE.

9 DR. LO: SO THE NEXT ITEM HAS TO DO WITH
10 PAYMENTS TO THIRD PARTIES FOR COMMERCIALLY AVAILABLE
11 CELLS, MATERIALS, AND STEM CELL LINES THAT CIRM-FUNDED
12 RESEARCHERS MIGHT USE.

13 AS YOU KNOW, PROP 71 AND CIRM AND THE ICOC HAVE
14 BEEN EXTREMELY CAREFUL TO AVOID UNWARRANTED
15 COMMERCIALIZATION, THE VERY SENSITIVE ISSUE OF PAYMENTS.
16 THESE ARE PAYMENTS, NOT TO THE DONORS OF BIOLOGICAL
17 MATERIALS, BUT TO THIRD PARTIES WHO MAKE THEM AVAILABLE.
18 SOMETIMES THESE ARE COMMERCIAL ENTITIES, SOMETIMES THEY
19 MAY BE OTHER UNIVERSITIES, OTHER RESEARCH LABS, AND THEY
20 CHARGE THE COST OF PROVIDING AND SHIPPING CELLS.

21 IT TURNED OUT THAT PROP 71 ACTUALLY HAD VERY
22 CLEAR LANGUAGE REGARDING THAT; HOWEVER, WHEN THE MES
23 REGULATIONS WERE DRAFTED AND APPROVED, WE PUT IN LANGUAGE
24 THAT WASN'T QUITE CONSISTENT WITH THE LANGUAGE OF PROP
25 71. AND A NUMBER OF INSTITUTIONS, NOW THAT THEY ARE

BARRISTERS' REPORTING SERVICE

1 ACTUALLY RECEIVING GRANTS AND HAVING TO REALLY BE CAREFUL
2 THAT THEY'RE MEETING EVERY SINGLE REGULATION THAT CIRM
3 HAS PUT FORTH FOR THEM, HAS NOTICED THESE INCONSISTENCIES
4 AND RAISED QUESTIONS.

5 WHAT WE WOULD LIKE TO DO IS ACTUALLY RETURN TO
6 THE LANGUAGE OF PROP 71, WHICH WAS PASSED BY THE VOTERS
7 OF CALIFORNIA, AND TO HAVE THAT BE THE GOVERNING LANGUAGE
8 AND TO REMOVE THE LANGUAGE THAT WAS PUT IN REGULATIONS
9 AND APPROVED BY THE AOL, MAKE THAT CONSISTENT WITH PROP
10 71. AGAIN, WE'RE REQUESTING THAT THE ICOC AUTHORIZE
11 LEGAL STAFF TO DRAFT LANGUAGE TO SUBMIT IT TO OFFICE OF
12 ADMINISTRATIVE LAW AND BEGIN THE PROCESS WHICH WOULD, OF
13 COURSE, INCLUDE PUBLIC COMMENT THAT WE WOULD NEED TO TAKE
14 INTO ACCOUNT AS WE MODIFY AND BRING BACK TO BOTH THE SWG
15 AND ICOC AND GO THROUGH THE ADMINISTRATIVE LAW PROCESS.
16 SCOTT'S NODDING HIS HEAD. SCOTT, WITHOUT YOU THERE, IT'S
17 GOING TO BE A LITTLE MORE DIFFICULT.

18 CHAIRMAN KLEIN: OKAY. SO VERY BASICALLY, THE
19 NEW LANGUAGE THAT WAS CREATED HAS BEEN THOUGHT BY SOME
20 ATTORNEYS TO BE TOO NARROW IN RECOGNIZING LEGITIMATE
21 PAYMENTS TO THIRD PARTIES THAT ARE NECESSARY, SO WE'D BE
22 RETURNING TO THE PROP 71 LANGUAGE, SOMETHING THAT I
23 CERTAINLY WOULDN'T OPPOSE. BUT IT'S NICE TO SEE THAT YOU
24 THOUGHT AND THE CONSENSUS IS THAT THAT LANGUAGE HAD GREAT
25 CLARITY.

BARRISTERS' REPORTING SERVICE

1 DISCUSSION FROM THE BOARD? DISCUSSION FROM THE
2 AUDIENCE? IS THERE A MOTION?

3 DR. PRIETO: SO MOVED.

4 DR. FRIEDMAN: SECOND.

5 CHAIRMAN KLEIN: ALL IN FAVOR? OPPOSED?

6 DR. LO.

7 DR. LO: THE THIRD ISSUE THAT WE BRING BEFORE
8 YOU I THINK IS A VERY NICE EXAMPLE OF HOW WE IN
9 CALIFORNIA NEED TO RESPOND TO NEW AND EXCITING SCIENTIFIC
10 DEVELOPMENTS. AS I SAY, THIS WAS TRIGGERED BY THE
11 CONFIRMATION IN JUNE 2007 BY RUDY JAENISCH'S LAB AND
12 OTHERS AT THE WHITEHEAD IN BOSTON, AS WELL AS
13 CONFIRMATION FROM DR. YAMAHARA IN JAPAN THAT THE
14 TECHNIQUE OF GENE INSERTION TO PREPROGRAM SOMATIC CELLS
15 TO PLURIPOTENT STEM CELLS IS QUITE FEASIBLE, AND SET OFF
16 A FLURRY OF INTEREST AMONG MANY SCIENTISTS, INCLUDING
17 SCIENTISTS IN CALIFORNIA, TO TRY AND SEE IF THIS WORK
18 COULD BE CARRIED OUT IN HUMAN BEINGS. AND THE GOAL, OF
19 COURSE, WOULD BE TO DERIVE NEW STEM CELL LINES WITHOUT
20 GOING THROUGH THE EMBRYO STAGE OF DESTRUCTION OF THE
21 EMBRYO AND AVOIDING MUCH OF THE CONTROVERSY THAT WE HAVE
22 SEEN AROUND THE EMBRYONIC STEM CELL.

23 WHAT THIS WOULD ALSO OFFER, I'D LIKE TO
24 UNDERLINE, IS THE PROSPECT OF DERIVING A PLURIPOTENT STEM
25 CELL LINE WHOSE DNA IS IDENTICAL TO THAT OF THE SOMATIC

BARRISTERS' REPORTING SERVICE

1 CELL DONOR. SO THAT IT ALSO ACCOMPLISHES WHAT
2 SCNT-DERIVED STEM CELL LINES OFFER THE PROMISE OF, ON THE
3 ONE HAND, THE POSSIBILITY OF PERHAPS WAY DOWN THE ROAD OF
4 INDIVIDUALIZED STEM CELL TRANSPLANTATION, BUT CERTAINLY
5 IN THE SHORT TERM THE PROSPECT OF DERIVING A PLURIPOTENT
6 STEM CELL LINE WHOSE GENOME CARRIES THE GENOME OF A
7 PATIENT WITH A DISEASE OF INTEREST SO THAT LABORATORY
8 MODELS COULD BE ESTABLISHED TO UNDERSTAND THE
9 PATHOPHYSIOLOGY, IDENTIFYING THE TARGETS OF DISEASE,
10 PERHAPS TEST CANDIDATE NEW DRUGS, ALL THE EXCITING KIND
11 OF SCIENTIFIC AGENDA THAT THE SCIENCE WORKING GROUP, I
12 THINK, HAS LAID OUT BEFORE YOU.

13 FOR THAT WORK TO PROCEED, WHAT RESEARCHERS
14 WOULD LIKE TO DO IS TO TAKE SOMATIC CELLS, AND MANY
15 RESEARCHERS THAT WE'VE TALKED TO AND, AGAIN, I THINK
16 ARLENE CHIU AND GIL SAMBRANO HAVE BEEN VERY HELPFUL IN
17 HELPING THE STANDARDS WORKING GROUP UNDERSTAND SOME OF
18 THE SCIENCE, MANY SCIENTISTS SAY THAT THEY WANT TO WORK
19 WITH EXISTING STEM CELLS -- EXISTING SOMATIC CELLS THAT
20 THEY HAVE IN THEIR LABORATORIES. PERHAPS THEY WERE
21 PURCHASED FROM A COMMERCIAL SUPPLIER OF CELLS. BECAUSE
22 THESE CELLS ARE WELL CHARACTERIZED, IT'S KNOWN WHAT
23 CONDITIONS THEY NEED TO BE CULTURED AND GROWN IN THE
24 LABORATORY, THEY'RE USED TO MANIPULATING THEM IN THE LAB,
25 AND, THEREFORE, IT WOULD SORT OF HELP TO SORT OF DO THE

BARRISTERS' REPORTING SERVICE

1 BASIC RESEARCH TO DETERMINE WHETHER OR NOT THESE
2 TECHNIQUES MIGHT ACTUALLY WORK IN HUMAN CELLS.

3 NOW, IT TURNS OUT WHEN WE DRAFTED AND YOU
4 APPROVED AND THE AOL APPROVED OUR SECTION ON ACCEPTABLY
5 DERIVED STEM CELL LINES, WE DID ANTICIPATE THAT THIS
6 WOULD BE A TECHNIQUE THAT COULD DERIVE STEM CELL LINES.
7 AND SO THE LANGUAGE THAT IS NOW IN THE REGULATIONS REALLY
8 DOESN'T FULLY ADDRESS SOME OF THE CONCERNS HERE.

9 SO ON THIS SLIDE THE CURRENT LANGUAGE REQUIRES
10 THE CIRM-MANDATED CONSENT FOR THE USE OF SOMATIC CELLS TO
11 DERIVE A COVERED PLURIPOTENT STEM CELL LINE. AND BECAUSE
12 WE'VE BEEN THINKING IN TERMS OF DERIVING THESE STEM CELL
13 LINES USING OOCYTES OR EMBRYOS, REPRODUCTIVE MATERIALS
14 WITH SPECIAL SENSITIVITY, THERE WERE EXTREMELY CAREFUL
15 AND DETAILED PROVISIONS FOR CONSENT FOR DONATION OF THOSE
16 MATERIALS. HOWEVER, WE HAVE A PROBLEM BECAUSE MANY OF
17 THE EXISTING STEM CELL LINES THAT ARE EITHER IN PEOPLE'S
18 LABORATORIES OR CAN BE PURCHASED FROM COMMERCIAL
19 SUPPLIERS -- CURRENTLY AVAILABLE SOMATIC CELLS ARE EITHER
20 IN RESEARCHERS' LABORATORIES OR COMMERCIALY AVAILABLE
21 WERE COLLECTED LONG BEFORE THE EFFECTIVE DATE OF OUR
22 REGULATION AND REALLY DO NOT MEET THOSE STANDARDS FOR
23 DERIVATION.

24 IN FACT, CURRENT FEDERAL POLICY ON THE USE OF
25 EXISTING TISSUES ALLOWS EXISTING CELLS AND TISSUES TO BE

BARRISTERS' REPORTING SERVICE

1 USED, PROVIDED THAT THEY ARE ANONYMIZED, THERE'S NO
2 CONNECTION BETWEEN THE CELLS THEMSELVES AND THE IDENTITY
3 OF THE PEOPLE FROM WHOM THEY ORIGINALLY CAME, THAT
4 SPECIFIC CONSENT OR CONSENT IS REALLY NOT NEEDED.

5 SO WE HAVE SCIENTISTS WORKING IN THE LAB WITH
6 THESE CELLS WITH THE FEDERAL GUIDELINES WHICH HAVE VERY
7 BROAD PERMISSION PROVIDED THERE'S ANONYMIZATION; BUT THEN
8 IF WE WANTED TO USE THEM FOR CIRM RESEARCH IN THE
9 LABORATORY TO TRY AND INSERT THESE GENES AND DEMONSTRATE
10 PLURIPOTENTIALITY, THE CURRENT CIRM REGULATIONS WOULD BE
11 ACTIVATED WITH QUITE DIFFERENT AND MUCH MORE EXACTING
12 CONSENT REQUIREMENTS.

13 SO, AS I SAID, GIVEN THE EXTREME, THE HIGH
14 SCIENTIFIC PROMISE OF THIS TECHNIQUE, WE THINK THAT CIRM
15 SHOULD REALLY NOT PUT UNINTENTIONAL BARRIERS IN THE FACE
16 OF SCIENTISTS WHO WANT TO TRY AND DEVELOP THIS TECHNIQUE.
17 AND, AGAIN, THE INITIAL WORK WOULD BE LABORATORY WORK
18 WITH SOME ANIMAL WORK TO SEE WHETHER, IN FACT, THESE ARE
19 PLURIPOTENTIAL CELLS.

20 SO WHAT WE RECOMMEND, WHAT WE, THE SWG, IS
21 RECOMMENDING IS THAT CIRM ADOPT A MORE FLEXIBLE POLICY
22 FOR THE USE OF EXISTING SOMATIC CELLS AND TISSUES TO BE
23 USED IN CIRM-FUNDED RESEARCH AND WE GO BACK TO THE
24 FEDERAL GUIDELINES THAT THE OFFICE OF HUMAN RESEARCH
25 PROTECTIONS, OHRP, HAS DRAWN UP. THESE ARE GUIDANCE, NOT

BARRISTERS' REPORTING SERVICE

1 REGULATION. THE FEDERAL GOVERNMENT, UNLIKE CALIFORNIA,
2 IS ALLOWED TO ISSUE GUIDANCE THAT ACTUALLY HAS THE DE
3 FACTO FORCE OF LAW WITHOUT GOING THROUGH THE FULL
4 REGULATORY PROCESS. BUT THESE ARE GUIDELINES THAT IRB'S,
5 SCRO'S, AND INSTITUTIONS WORK UNDER AND ARE COMFORTABLE
6 WITH. WE WANT TO MAKE THAT THE STANDARD FOR THE CLASS OF
7 RESEARCH THAT CIRM MIGHT FUND THAT USES EXISTING SOMATIC
8 CELLS. THIS WOULD NOT INCLUDE EMBRYOS, WOULD NOT INCLUDE
9 OOCYTES TO ENSURE THAT THE IDENTITY OF CELLS CANNOT BE
10 READILY ASCERTAINED BY THE INVESTIGATORS.

11 THIS GETS A LITTLE TECHNICAL, BUT WE WANTED TO
12 ACTUALLY PROVIDE YOU -- IT'S ON PAGE NO. 3 OF YOUR
13 HANDOUT AND ACTUALLY HAS SOME LANGUAGE THAT WAS REALLY
14 TAKEN FROM THE OHRP REGULATIONS. AGAIN, WE DON'T WANT TO
15 ASK YOU TO APPROVE THE ACTUAL LANGUAGE AS MUCH AS TO WE
16 REALLY WANT TO YOU APPROVE TO AUTHORIZE THE CIRM STAFF TO
17 DRAW UP LANGUAGE SIMILAR TO THIS AND WITH A VIEW TOWARD
18 SUBMITTING IT TO THE OAL TO BEGIN THE PUBLIC
19 NOTIFICATION, REVIEW, COMMENT, REVISION PROCESS. OF
20 COURSE, WE WOULD COME BACK WITH THOSE PUBLIC COMMENTS TO
21 SWG AND EVENTUALLY TO THE ICOC.

22 WHAT WE'RE DOING, IN ESSENCE, IS APPLYING THE
23 CURRENT RULES THAT THE FEDERAL GOVERNMENT HAS SET FORTH
24 AND THAT THE RESEARCHERS AND RESEARCH INSTITUTIONS ARE
25 VERY USED TO DEALING WITH FOR THESE KIND OF IN-VITRO

BARRISTERS' REPORTING SERVICE

1 ANIMAL EXPERIMENTS TO SAY LET'S APPLY THEM TO A
2 RESEARCHER TRYING TO USE SOMATIC CELLS TO DERIVE A
3 PLURIPOTENT STEM CELL LINE WITHOUT USING REPRODUCTIVE
4 TISSUES.

5 CHAIRMAN KLEIN: DR. LO, IT'S AN EXCELLENT
6 PRESENTATION. I'D LIKE TO QUICKLY SEE IF WE HAVE ANY
7 COMMENTS FROM THE BOARD. I THINK YOU'VE THOROUGHLY
8 RESEARCHED THIS WITH STAFF. IS THERE ANY COMMENTS FROM
9 THE AUDIENCE? IS THERE A MOTION?

10 DR. REED: SO MOVED.

11 CHAIRMAN KLEIN: FROM DR. REED. IS THERE A
12 SECOND?

13 MS. LANSING: SECOND.

14 CHAIRMAN KLEIN: SECOND SHERRY LANSING. ALL IN
15 FAVOR? OPPOSED? THANK YOU, DR. LO.

16 MS. LANSING: I JUST WANT TO SAY, AS CO-CHAIR
17 OF THE COMMITTEE, THAT TO ME, BERNIE, AND I WANT TO
18 EXTEND A SPECIAL THANK YOU ON BEHALF ALL OF US TO BERNIE
19 FOR THE EXTRAORDINARY WORK THAT HE'S DOING, TO GEOFF
20 LOMAX, AND ALL THE STAFF, AND TO THE ENTIRE COMMITTEE
21 BECAUSE WHEN WE STARTED THIS, WE SAID THAT IT WAS GOING
22 TO BE AN ONGOING PROCESS, THAT WE WERE GOING TO KEEP
23 WATCHING THE SCIENCE, WE WERE GOING TO KEEP ADJUSTING.
24 AND PEOPLE WHO ARE NOT ON OUR BOARD, WHO MOST OF YOU KNOW
25 OR KNOW OF THEIR REPUTATIONS, AS WELL AS BERNIE AND THE

BARRISTERS' REPORTING SERVICE

1 STAFF, IN PARTICULAR GEOFF, HAVE JUST WORKED TIRELESSLY.
2 AND THEY MEET EVERY FOUR MONTHS, I WOULD SAY, ON AVERAGE
3 AND KEEP GOING AND TALKING. AND SO IT'S REALLY AN
4 EXCEPTIONAL STRENGTH OF DEDICATION, AND I THANK YOU,
5 BERNIE.

6 (APPLAUSE.)

7 CHAIRMAN KLEIN: THANK YOU, SHERRY, FOR YOUR
8 IMPORTANT LEADERSHIP ON THAT COMMITTEE.

9 THE NEXT ITEM IS ITEM 12, CONSIDERATION OF
10 APPOINTMENT OF NEW SCIENTIFIC MEMBERS OF THE GRANT REVIEW
11 WORKING GROUP. THIS IS A CONSTANT PROCESS. DR. CHIU, IF
12 YOU COULD INTRODUCE THIS ITEM, AND I DON'T THINK IT IS
13 CONTROVERSIAL, SO IF WE COULD DO IT IN SUMMARY FORMAT.

14 DR. CHIU: THANK YOU, MR. CHAIRMAN. THIS IS
15 REFERRING TO AGENDA ITEM NO. 12 IN YOUR BINDERS INVOLVING
16 THE SCIENTIFIC MEMBERSHIP OF THE GRANTS REVIEW WORKING
17 GROUP. WHILE THE SLIDES COME UP, IT JUST DUPLICATES WHAT
18 YOU HAVE.

19 THE FIRST ITEM HAS TO DO WITH APPOINTMENT OF A
20 NEW SITTING MEMBER TO FILL THE VACANCY DUE TO THE
21 RESIGNATION OF DR. ANDREW FEINBERG FROM THAT GROUP. DR.
22 FEINBERG IS FROM JOHNS HOPKINS UNIVERSITY. TO FILL THIS
23 VACANCY, WE, THE STAFF, WOULD LIKE TO SUGGEST TWO
24 POTENTIAL ALTERNATE MEMBERS FOR YOUR CONSIDERATION. ONE
25 IS DR. IAN DUNCAN AND THE OTHER IS DR. MARIE CSETE.

BARRISTERS' REPORTING SERVICE

1 NOW, BOTH THEIR BIOSKETCHES HAVE BEEN PROVIDED
2 TO YOU IN YOUR BINDERS UNDER TAB 12. YOU MIGHT HAVE TO
3 FLIP THROUGH AT THE BOTTOM OF TAB 12. BOTH MEMBERS HAVE
4 SERVED AT SEVERAL OF OUR REVIEW COMMITTEE MEETINGS AND
5 HAVE CONTRIBUTED GREATLY TO THESE MEETINGS. BOTH ARE
6 SCHEDULED TO PARTICIPATE IN THE UPCOMING REVIEWS OF THE
7 NEW FACULTY GRANT APPLICATIONS.

8 MR. CHAIRMAN, WHAT WE'D LIKE TO ASK THE BOARD
9 TO DO IS IDENTIFY ONE OF THESE ALTERNATE MEMBERS TO BE
10 THE NEW SITTING MEMBER OF THE GRANTS WORKING GROUP AND
11 FOR THE OTHER TO SERVE AS, IF YOU LIKE, FIRST ALTERNATE,
12 DESIGNATED TO FILL THAT POSITION WHEN ANOTHER VACANCY
13 OCCURS. THAT WOULD JUST MAKE THE PROCESS MUCH SPEEDIER.
14 SO I WILL NOT BELABOR THE POINT. THE BIOSKETCHES ARE IN
15 YOUR BINDERS, AND I ASK --

16 CHAIRMAN KLEIN: DR. CHIU, ON A PRACTICAL
17 MATTER, IT'S MY UNDERSTANDING THAT IF SOMEONE IS THE
18 FIRST ALTERNATE, AS IS ALMOST ALWAYS THE CASE, THERE'S
19 SOME OTHER MEMBER OF THE 15 WHO CANNOT ATTEND, SO THIS
20 PERSON WOULD THEN BE QUALIFIED TO ATTEND AS A SUBSTITUTE.

21 DR. CHIU: ALWAYS. CORRECT. IN ADDITION TO
22 THAT, WHEN WE HAVE ANOTHER VACANCY, I WILL NOT HAVE TO
23 BRING THAT FIRST ALTERNATE UP BEFORE YOU FOR A VOTE
24 AGAIN.

25 CHAIRMAN KLEIN: OKAY. IS THERE A MOTION TO

BARRISTERS' REPORTING SERVICE

1 SUPPORT THIS?

2 DR. PRIETO: SO MOVED.

3 CHAIRMAN KLEIN: WE SHOULD IN THE MOTION
4 IDENTIFY ONE AS THE MEMBER AND ONE AS THE FIRST
5 ALTERNATE. AS A PRACTICAL RESULT, THEY WILL ALMOST
6 ALWAYS BOTH SERVE IF THEY'RE AVAILABLE. DR. CHIU, DO YOU
7 HAVE A RECOMMENDATION?

8 DR. CHIU: BOTH ARE EXCELLENT. I DEFER TO THE
9 BOARD FOR ANY SUGGESTIONS.

10 DR. PRIETO: I'LL MOVE DR. CSETE AS THE MEMBER
11 AND DR. DUNCAN AS THE ALTERNATE.

12 MS. LANSING: WHY?

13 DR. PRIETO: JUST THE ORDER THEY ARE IN OUR
14 BINDER.

15 CHAIRMAN KLEIN: THEY'RE BOTH GREAT PEOPLE.
16 DOES ANYONE HAVE A DIFFERENT ORDER THEY WOULD LIKE TO
17 SUGGEST?

18 MS. LANSING: LET'S JUST SAY WE DID IT
19 ALPHABETICALLY BECAUSE IT DOESN'T REFER TO ANY CHOICE.
20 WE JUST DID IT ALPHABETICALLY AND THAT WAS THE REASON.

21 CHAIRMAN KLEIN: IN PRACTICAL EFFECT, THEY'RE
22 BOTH GOING TO SERVE.

23 MS. LANSING: I KNOW. FOR THE RECORD, LET THE
24 RECORD SHOW THAT WE THINK THEY'RE BOTH EQUALLY EXCELLENT.

25 MR. SERRANO-SEWELL: SECOND THAT MOTION.

BARRISTERS' REPORTING SERVICE

1 DR. WRIGHT: I WOULD SAY THAT, OUT OF RESPECT
2 FOR DR. DUNCAN'S ATTEMPT TO CONTINUE HIS TRIATHLON
3 TRAINING, WE SHOULD KEEP HIM AS THE ALTERNATE.

4 CHAIRMAN KLEIN: HE HAS BEEN TREMENDOUS IN
5 ATTENDING, AND BOTH OF THEM HAVE MADE GREAT CONTRIBUTIONS
6 TO THIS GROUP. ANY OTHER BOARD COMMENT? THERE IS A
7 SECOND.

8 DR. WRIGHT: SECOND.

9 CHAIRMAN KLEIN: SECOND BY DAVID SERRANO-SEWELL
10 AND A SECOND OFFERED BY DR. WRIGHT, SO WE HAVE TWO
11 SECONDS.

12 SO WITHOUT FURTHER QUESTION, IS THERE A MEMBER
13 OF THE AUDIENCE THAT HAS ANY COMMENTS? SEEING NONE, CALL
14 THE QUESTION. ALL IN FAVOR? OPPOSED? THANK YOU, DR.
15 CHIU. IT WAS BEAUTIFULLY EFFICIENT.

16 DR. CHIU: FOR THE SECOND HALF OF AGENDA ITEM
17 12, I REFER YOU AGAIN TO YOUR BINDERS. AS YOU ALL KNOW,
18 SCIENTIFIC MEMBERS AND THE ALTERNATES ON THE WORKING
19 GROUP ARE VERY TALENTED, BUT ALSO VERY BUSY PEOPLE. AS
20 YOU SAW, MANY HAVE RESIGNED FOR LACK OF TIME TO SERVE.
21 AT THE SAME TIME WE HAVE A VERY AMBITIOUS PROGRAM THAT'S
22 OUTLINED IN THE STRATEGIC PLAN THAT CALLS FOR MANY RFA'S
23 AND MANY APPLICATIONS TO BE REVIEWED.

24 SO IN ANTICIPATION OF THE WORK AHEAD, IN
25 PARTICULAR IN ANTICIPATION OF LARGE FACILITIES

BARRISTERS' REPORTING SERVICE

1 APPLICATIONS, WE PRESENT FIVE NEW SCIENTISTS AND
2 CLINICIANS FOR YOUR CONSIDERATION TO SERVE AS NEW
3 ALTERNATE SCIENTIFIC MEMBERS OF THE WORKING GROUP.
4 AGAIN, THEIR NAMES AND BIOSKETCHES CAN BE FOUND IN TAB
5 12. THEY ARE DR. RICHARD GOODMAN, DR. SHELLY HEIMFELD,
6 DR. MICHAEL SCHNEIDER, DR. JOHN SLADEK, AND DR. THOMAS
7 ZWAKA. SOME OF THESE ARE EXCELLENT STEM CELL SCIENTISTS,
8 OTHERS LEAD BIG INSTITUTIONS LIKE THE VOLLUM INSTITUTE,
9 OTHER MAJOR EFFORTS, SOME HAVE GREAT EXPERIENCE WITH
10 GMP'S, AND WE ANTICIPATE THEIR HELP IN FUTURE INITIATIVES
11 THAT ARE COMING UP. SO THEY'RE VERY IMPRESSIVE AND
12 THEY'VE MADE IMPORTANT CONTRIBUTIONS TO BIOMEDICAL
13 SCIENCE AND TO STEM CELL RESEARCH.

14 AGAIN, I WILL NOT BELABOR EACH ONE UNLESS THERE
15 ARE ANY QUESTIONS. AND I ASK, MR. CHAIRMAN, FOR THE
16 BOARD'S CONSIDERATION OF THESE NOMINEES TO SERVE AS
17 ALTERNATE MEMBERS OF THE GRANTS WORKING GROUP.

18 CHAIRMAN KLEIN: IS IT MY UNDERSTANDING THAT IF
19 THE ALTERNATE -- IF THE PERMANENT ALTERNATE WE JUST
20 APPROVED WAS NOT AVAILABLE, THEN THESE ALTERNATES WOULD
21 BE AVAILABLE?

22 DR. CHIU: THAT IS CORRECT.

23 CHAIRMAN KLEIN: WITH THAT UNDERSTANDING, IS
24 THERE A MOTION?

25 DR. PENHOET: SO MOVED.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: MOVED BY DR. PENHOET. SECOND?

2 DR. POMEROY: SECOND.

3 CHAIRMAN KLEIN: SECOND BY DR. POMEROY. IS

4 THERE DISCUSSION? IS THERE DISCUSSION FROM THE PUBLIC?

5 SEEING NONE, CALL THE QUESTION. ALL IN FAVOR? OPPOSED?

6 THANK YOU, DR. CHIU. THESE ARE PHENOMENAL

7 MEMBERS. WE HAVE EXTRAORDINARY MEMBERSHIP OF GREAT

8 DEDICATION ON THE SCIENTIFIC PEER REVIEW COMMITTEE. I'M

9 SURE OUR VICE CHAIR HERE, JEFF SHEEHY, WOULD AGREE THAT

10 PERHAPS AT SOME POINT HERE WE SHOULD DO A LETTER FROM THE

11 WHOLE BOARD THANKING THEM INDIVIDUALLY FOR THEIR GREAT

12 DEDICATION.

13 MR. SHEEHY: ABSOLUTELY.

14 DR. POMEROY: WHY DON'T WE JUST DO IT?

15 CHAIRMAN KLEIN: OKAY, DR. POMEROY. WE WILL

16 CIRCULATE A LETTER WE CAN ALL SIGN AND SEND TO THEM, AND

17 I THINK IT WILL BE MEANINGFUL TO THEM. THEY'VE PUT IN A

18 TREMENDOUS AMOUNT OF EFFORT TO ADVANCE MEDICAL RESEARCH.

19 SO GOING FORWARD HERE, WE NOW COME TO THE

20 CONSIDERATION OF CONCEPT PLAN RFA 07-03. THAT IS NOT A

21 MISSILE PROGRAM. THAT IS THE MAJOR FACILITIES PROGRAM.

22 AND IF WE COULD PLEASE HAVE OUR ACTING PRESIDENT

23 INTRODUCE IT AFTER DAVID SERRANO-SEWELL, WHO IS THE VICE

24 CHAIR OF THE FACILITIES COMMITTEE, GIVES US A DESCRIPTION

25 OF THE SCOPE AND THE PROCESS THAT WE ARE GOING TO WALK

BARRISTERS' REPORTING SERVICE

1 THROUGH.

2 MR. SERRANO-SEWELL: THANK YOU, BOB. BEFORE WE
3 HAVE THIS CONVERSATION, I WANT TO JUST GIVE IT SOME
4 CONTEXT. YOU RECALL THAT IN OUR APRIL ICOC MEETING IN
5 SACRAMENTO, DR. HALL PROVIDED US A PRELIMINARY PLAN OF
6 HIS INTENTION TO PROCEED WITH THE FACILITIES GRANTS
7 PROGRAM. AT THAT TIME THE ICOC PROVIDED SOME INITIAL
8 COMMENTS. THERE WERE NO ACTION ITEMS TAKEN, BUT THERE
9 WERE A FEW CONSENSUS ITEMS. I THINK ONE OF THE MAJOR
10 ONES WAS THE ICOC'S BELIEF THAT THEY WANTED TO PROCEED
11 WITH ONE RFA, ONE LARGE RFA. DR. HALL HAD ORIGINALLY
12 WANTED TO BREAK IT UP INTO TWO OR THREE SEPARATE RFA'S.

13 SO WITH THAT DIRECTION, DR. HALL THEN WENT TO
14 THE FACILITIES WORKING GROUP. WE MET A COUPLE OF DAYS
15 AFTER THE SACRAMENTO MEETING. WE HAD A -- THE FACILITIES
16 WORKING GROUP HAD A LONG AND HEALTHY DISCUSSION. AND IT
17 WAS THE FACILITIES WORKING GROUP WANTED SOME TIME TO GIVE
18 SOME THOUGHT AND SOME CONSIDERATION ON HOW BEST TO
19 APPROACH ONE LARGE FACILITIES RFA.

20 THE FACILITIES WORKING GROUP THEN WENT TO THE
21 ICOC. WE HAD A TELECONFERENCE MEETING, I THINK. AND YOU
22 GAVE US YOUR BLESSING TO PROCEED WITH SOME PUBLIC
23 HEARINGS, AND THAT'S WHAT WE DID. THE FACILITIES WORKING
24 GROUP HAD, I BELIEVE, FOUR PUBLIC HEARINGS: SAN
25 FRANCISCO, SACRAMENTO, LOS ANGELES, AND SAN DIEGO. IT

BARRISTERS' REPORTING SERVICE

1 WAS OUR INTENT TO SOLICIT OPINIONS FROM SCIENTISTS, FROM
2 FACILITIES EXPERTS, FROM THE POTENTIAL POOL OF
3 APPLICANTS, IF YOU WILL. WE WANTED TO BRING SOME CLARITY
4 AROUND THE CRITERIA, THE PROCESS, AND JUST GET SOME IDEAS
5 AND HAVE A HEALTHY DISCUSSION IN PUBLIC.

6 SO THAT'S WHAT WE DID. WE HAD A VERY TIGHT
7 TIMEFRAME. WE HAD THESE HEARINGS IN THE COURSE OF FIVE
8 OR SO WEEKS. WE WERE VERY MINDFUL OF THE PRESSURE THAT
9 WE'RE ALL UNDER TO GET THIS -- START AWARDING THE RFA'S
10 BECAUSE THERE'S A COUPLE THINGS THAT WERE VERY EVIDENT
11 FROM THE MEETING, THINGS THAT WE ALREADY KNOW. AND THAT
12 IS, ONE, THERE'S A DIRE NEED FOR SPACE. OKAY.

13 AND THE SECOND THING IS, AND THIS, I THINK,
14 CAME AS MORE OF AN OUTGROWTH FROM THE ICOC MEETING IN LOS
15 ANGELES WHEN WE AWARDED OUR FIRST SET OF FACILITIES
16 GRANTS; AND THAT IS, WE OUGHT TO LEAD WITH THE SCIENCE.
17 SO I THINK YOU WILL SEE IN THE PROPOSAL FROM STAFF THOSE
18 VALUES EMBODIED IN THE RECOMMENDATION AND THE PROCESS
19 THAT WE WANT TO TAKE, THE TWO-STEP PROCESS, THE CRITERIA
20 IN THAT PROCESS FOR PART 1 AND PART 2, WHICH STAFF WILL
21 GET INTO, AND THE FUNDING ALLOCATIONS.

22 THIS IS OUR WORK PRODUCT. IT'S GOING TO BE
23 TWEAKED, I'M SURE, BUT I THINK YOU WILL SEE THAT WE PUT A
24 LOT OF THOUGHT, MOVED IN A REAL DELIBERATIVE MANNER. I
25 WANT TO THANK EVERYBODY ON THE FACILITIES WORKING GROUP

BARRISTERS' REPORTING SERVICE

1 THAT PARTICIPATED IN THIS, JANET, BOB, JEFF, JOAN,
2 SHERRY, MARCY, OUR REAL ESTATE EXPERTS, ED KASHIAN,
3 STUART LAFF, DAVID LICHTENGER, THE CHAIR OF THE
4 FACILITIES WORKING GROUP, AND DEBORAH HYSEN. THEY ALL
5 DID A FANTASTIC JOB. ALL OF THE HEARINGS WERE REALLY
6 WELL ATTENDED.

7 AND THEN LASTLY, AFTER WE HAD OUR HEARINGS,
8 STAFF CONDUCTED AN INTERESTED PARTIES SESSION IN WHICH
9 THE INTERESTED PARTIES CAN COME AND COMMENT ON OUR
10 INITIAL SET OF RECOMMENDATIONS AND THEY DID. WE MET
11 AGAIN AND THEN INCORPORATED SOME OF THOSE COMMENTS INTO
12 THE WORK PRODUCT YOU SEE BEFORE YOU. THANK YOU.

13 CHAIRMAN KLEIN: IN THIS PRESENTATION, DAVID,
14 MAYBE YOU COULD HELP US AND LORI HOFFMAN COULD HELP US
15 BECAUSE THERE ARE COMPONENTS THAT, IN FACT, DID NOT GO
16 THROUGH THE FACILITIES GROUP LIKE THE SIZING OR THE RANGE
17 OF POTENTIAL FUND ALLOCATIONS FOR EACH TIER OF
18 COMPETITION.

19 IN ADDITION, I WOULD SUGGEST TO YOU THAT THE
20 FINAL PART OF THIS PROCESS, WHICH IS THIS ISSUE OF
21 FACILITIES INDIRECTS, WILL NOT BE CONSIDERED TODAY FOR
22 ACTION UNLESS THE BOARD SO DESIRES BECAUSE IT'S
23 COMPLICATED. IT DID NOT GO BEFORE THE FACILITIES
24 COMMITTEE, AND IT HAS SOME SIGNIFICANT ISSUES AS TO
25 WHETHER IT REALLY GOES IN AN ADVERSE DIRECTION TO OUR

BARRISTERS' REPORTING SERVICE

1 DESIRE TO INCENTIVIZE PARTNERSHIPS AND COLLABORATION.
2 SO THAT ITEM WILL BE DISCUSSED FOR
3 PRESENTATION, BUT IS NOT INTENDED TO BE VOTED ON. WITH
4 THAT CONTEXT, LORI HOFFMAN.

5 MS. HOFFMAN: THANK YOU, CHAIRMAN KLEIN. AND
6 THANK YOU, VICE CHAIR SERRANO-SEWELL, FOR THAT EXCELLENT
7 PRESENTATION AND OVERVIEW. REALLY DOES PROVIDE A GOOD
8 CONTEXT FOR US MOVING FORWARD.

9 TODAY, AND I WILL DRAW YOUR ATTENTION TO THE
10 SLIDES, WE WILL BE REQUESTING YOUR APPROVAL ON FOUR
11 DIFFERENT PARTS OF THE CONCEPT PLAN FOR RFA 07-03, THE
12 MAJOR FACILITIES GRANTS. THE FIRST IS THE APPROVAL FOR
13 THE PROCESS FOR THE REVIEW. THE SECOND IS THE APPROVAL
14 FOR THE EVALUATION CRITERIA FOR PART 1, OR THE SCIENTIFIC
15 REVIEW. THE THIRD IS THE APPROVAL OF THE DEFINITIONS,
16 CRITERIA, EVALUATION STANDARDS, AND SCORING FOR PART 2,
17 OR THE TECHNICAL REVIEW BY THE FACILITIES WORKING GROUP,
18 AND THEN LAST WOULD BE THE APPROVAL OF THE FUNDING PLAN
19 FOR THIS RFA.

20 SO FIRST, ON THE APPROVAL FOR THE PROCESS OF
21 REVIEW, IS A SLIDE THAT IDENTIFIES SEVERAL OPTIONS THAT
22 WERE PRESENTED TO THE FACILITIES WORKING GROUP. STAFF
23 HAD MADE THE RECOMMENDATION TO THE FACILITIES WORKING
24 GROUP ON THE SEQUENTIAL OR WHAT WE'RE GOING TO CALL THE
25 TWO-STEP PROCESS FOR REVIEW. THAT WAS, INDEED, ALSO

BARRISTERS' REPORTING SERVICE

1 APPROVED AND RECOMMENDED TO THE ICOC BY THE FACILITIES
2 WORKING GROUP.

3 STEP-TWO REVIEW AS THE FIRST STEP WOULD BE IF
4 SCIENCE DOES LEAD, THEN, OF COURSE, THE GRANTS WORKING
5 GROUP SHOULD REVIEW THE APPLICATION AND BASE THE APPROVAL
6 AND RECOMMENDATION TO THE ICOC ON THE SCIENTIFIC MERIT OF
7 THE REVIEW.

8 THE NEXT STEP AFTER THE ICOC APPROVAL WOULD BE
9 TO THEN INVITE THOSE APPLICANTS WHO HAD GONE THROUGH THE
10 PROCESS TO PROVIDE THE APPLICATION FOR PART 2, OR THE
11 TECHNICAL REVIEW, TO THE FACILITIES WORKING GROUP, AND
12 THEN WE WOULD COME BACK TO THE ICOC FOR YOUR REVIEW AND
13 THEN APPROVAL.

14 WHAT WE'VE DONE HERE IS OUTLINED THE TIMING OF
15 THE TWO-STEP PROCESS. IT DOES, INDEED, REQUIRE
16 ADDITIONAL AMOUNTS OF TIME. WE ARE CURRENTLY PROPOSING
17 THAT THE RFA BE RELEASED WITHIN THE NEXT WEEK OR TWO.
18 THERE WOULD BE AN EIGHT-WEEK PROCESS FOR THE APPLICANTS
19 TO SUBMIT THEIR PART 1 SUBMISSION. THAT WOULD THEN BE
20 RECEIVED BY CIRM STAFF, GO THROUGH THE GRANTS WORKING
21 GROUP PROCESS, AND COME BACK TO THE BOARD FOR YOUR REVIEW
22 AND APPROVAL AT YOUR JANUARY MEETING. AT THAT POINT WE
23 WOULD RELEASE -- EXCUSE ME. LET ME GO BACK. YOU WOULD
24 REVIEW THE RECOMMENDATION BY THE GRANTS WORKING GROUP AND
25 THEN ALSO MAKE RECOMMENDATION FOR FUNDS PER CATEGORY.

BARRISTERS' REPORTING SERVICE

1 LATER IN THE PRESENTATION WE'LL BEGIN TO TALK ABOUT THE
2 CATEGORIES.

3 THEN THE PART 2 RFA WOULD BE ISSUED. THERE
4 WOULD BE A SIX-WEEK PROCESS FOR THE APPLICANTS TO SUBMIT
5 THEIR PART 2 SUBMITTAL, AND THE FACILITIES WORKING GROUP
6 WOULD HAVE AN ADDITIONAL SIX WEEKS TO GO THROUGH THEIR
7 REVIEW AND PRESENT BACK TO THE BOARD FOR YOUR
8 CONSIDERATION THEIR RECOMMENDATIONS AT YOUR APRIL ICOC
9 MEETING.

10 I'LL NOW ASK ARLENE CHIU TO OUTLINE THE
11 EVALUATION CRITERIA FOR PART 1 REVIEW.

12 DR. CHIU: PART 1 OF THE APPLICATION WILL DEAL
13 WITH THE OVERALL STEM CELL RESEARCH PROGRAM AT THE
14 APPLICANT ORGANIZATION AND IDENTIFIES THE PARTS OF THE
15 PROGRAM THAT WILL BE HOUSED IN THE PROPOSED FACILITY.
16 THERE WILL BE NO BUDGET, BUT IT WILL DWELL ON THE
17 SCIENCE.

18 SO I PRESENT FOR YOUR CONSIDERATION EVALUATION
19 CRITERIA AND THE PROCESS THAT THE GRANTS WORKING GROUP
20 WILL USE TO EVALUATE THE SCIENTIFIC MERIT OF THE
21 PROPOSAL.

22 EACH PROPOSAL WILL BE JUDGED IN TWO DIMENSIONS,
23 IF YOU WILL, ON THE BREADTH AND THE DEPTH OF THE PROGRAM
24 THAT THE APPLICANT PROPOSES. THE BREADTH WILL RUN FROM
25 BASIC PRECLINICAL TO CLINICAL RESEARCH; WHEREAS, THE

BARRISTERS' REPORTING SERVICE

1 DEPTH OF EACH OF THESE ELEMENTS WILL BE INDEPENDENTLY
2 ASSESSED IN FOUR AREAS, AND I'LL COME TO THAT IN A
3 SUBSEQUENT SLIDE.

4 SO LET'S LOOK ABOUT BREADTH. WHAT DO WE MEAN
5 BY BREADTH? WE HAVE DEFINED BREADTH INTO THREE DISTINCT
6 ELEMENTS. ELEMENT X COVERS BASIC AND DISCOVERY RESEARCH.
7 ELEMENT Y COVERS PRECLINICAL RESEARCH SUCH AS IN-VITRO
8 ASSAYS, IN-VIVO MODELS, DRUG DISCOVERY; WHEREAS, ELEMENT
9 Z WOULD BE THE MOST MATURE FOR THE CLINIC AND COVERS
10 PRECLINICAL DEVELOPMENT AS WELL AS CLINICAL RESEARCH,
11 INCLUDING PROGRAMS TO TEST OUTCOMES OF THE USE OF
12 THERAPEUTICS AND PROCEDURES.

13 SO WHAT WE ASK OF THE APPLICANT IS TO CHOOSE TO
14 COMPETE IN ANY ONE, TWO, OR ALL THREE OF THESE SCIENTIFIC
15 ELEMENTS. IN THE EXAMPLES SHOWN HERE, FOR EXAMPLE,
16 APPLICANT A CHOSE TO SUBMIT AN APPLICATION WITH ALL THREE
17 ELEMENTS. APPLICANT B CHOSE TO ONLY COMPETE IN ELEMENTS
18 X AND Y, PRESUMABLY BECAUSE THAT'S WHERE THEIR STRENGTH
19 LIES; WHEREAS, APPLICANT C CHOOSES ONLY TO COMPETE IN
20 ELEMENT X.

21 NOW, IN EVALUATING THE DEPTH OF A PARTICULAR
22 SCIENTIFIC PROGRAM, THE GRANTS WORKING GROUP WILL ASSESS
23 THE QUALITY AND STRENGTH OF EACH ELEMENT SEPARATELY
24 WITHIN AN APPLICATION. AND THE STRENGTHS AND WEAKNESSES
25 WILL BE DISCUSSED IN EACH OF FOUR AREAS MENTIONED HERE:

BARRISTERS' REPORTING SERVICE

1 THE STEM CELL RESEARCH PROGRAM, THAT IS, THE SCIENTIFIC
2 PROGRAM; THE FORMAL PARTNERSHIPS AND CONSORTIAL
3 RELATIONSHIPS THAT THE ORGANIZATION HAS ESTABLISHED; CORE
4 SERVICES ALREADY EXISTING OR PLANNED THAT ARE GERMANE TO
5 STEM CELL RESEARCH; AND CAPACITY FOR GROWTH.

6 SO I JUST PUT A LITTLE BIT MORE DETAIL AS TO
7 WHAT IS MEANT BY SCIENTIFIC EXCELLENCE. SCIENTIFIC
8 EXCELLENCE REFERS TO TRACK RECORD OF THE APPLICANT
9 ORGANIZATION, OF THE PI'S THAT THEY PLAN TO HOUSE IN THE
10 FACILITIES, AS WELL AS PI'S THAT ARE CONTRIBUTING TO THE
11 RICHNESS OF THEIR PROGRAM, THE INTERDISCIPLINARY SYNERGY
12 OF THEIR RELEVANT PROGRAMS, FORMAL PARTNERSHIPS, AND
13 CONSORTIAL RELATIONSHIPS. WE SEEK EVIDENCE OF
14 ESTABLISHED PARTNERSHIPS AND CONSORTIA, DEMONSTRATION OF
15 PRODUCTIVITY, ABILITY TO HANDLE INTELLECTUAL PROPERTY,
16 PATENTS, ETC.

17 WE ALSO ASK TO EVALUATE THEIR CORE SERVICES.
18 THAT IS, PRESENCE OR PLANS FOR CRITICAL CORE SERVICES AND
19 EVIDENCE OF ABILITY TO MANAGE, MAINTAIN, AND SHARE USE OF
20 THESE FACILITIES. AND LAST, BUT NOT LEAST, CAPACITY FOR
21 GROWTH. WE REALIZE THIS IS A GROWING ENTERPRISE, AND WE
22 WANT TO SEE THEIR PLANS, SOMETIMES QUITE CONFIDENTIAL
23 PLANS, FOR GROWTH, FOR RECRUITMENT, FOR EXPANSION OF STEM
24 CELL-RELATED PROGRAMS.

25 SO WHAT HAPPENS IN SCIENTIFIC REVIEW? IN

BARRISTERS' REPORTING SERVICE

1 SCIENTIFIC REVIEW EACH ELEMENT WILL BE ASSESSED AND GIVEN
2 A SCORE LIKE ANY GRANT. SO IF AN APPLICATION COMES IN
3 WITH AN X, Y, Z, THEY WILL RECEIVE THREE SCORES. THERE
4 WILL BE THREE INDEPENDENT REVIEWS, ONE FOR EACH ELEMENT.
5 THEN IN PROGRAMMATIC REVIEW, THE X'S WILL BE COMPARED
6 AGAINST OTHER X'S, THE Y'S WILL BE COMPETING AGAINST
7 OTHER Y'S, Z'S AGAINST OTHER Z'S; IN OTHER WORDS, APPLES
8 WILL BE COMPARED WITH APPLES AND ORANGES WITH ORANGES.
9 AND THE WORKING GROUP WILL THEN MAKE RECOMMENDATIONS; FOR
10 EXAMPLE, SUCH AS THAT SHOWN HERE.

11 IN APPLICANT A, FOR EXAMPLE, THEY APPLIED FOR
12 ALL THREE ELEMENTS, AND THE RECOMMENDATIONS WERE VERY
13 FAVORABLE IN ALL THREE. IN B THEY APPLIED FOR ALL THREE,
14 AND ONLY TWO WERE FAVORABLE. IN APPLICANT C, ONLY ONE.
15 APPLICANT D APPLIED FOR ONLY ELEMENT X, DID NOT APPLY FOR
16 Y OR Z, AND IN THIS EXAMPLE THEY DID VERY WELL. WHEREAS,
17 APPLICANT E APPLIED FOR SEVERAL, FOR TWO, AND WAS NOT
18 COMPETING FAVORABLY IN EITHER ONE OF THE TWO ELEMENTS.

19 SO TO SUMMARIZE, THESE RECOMMENDATIONS WILL BE
20 BROUGHT TO THE ICOC IN JANUARY WITH THE WRITTEN CRITIQUES
21 OF THE SUMMARIES JUSTIFYING WHY THE RECOMMENDATIONS WENT
22 THE WAY THEY DID FOR EACH ELEMENT OF EACH APPLICATION.
23 THESE RECOMMENDATIONS WILL BE PRESENTED FOR YOUR
24 CONSIDERATION, AND THE NUMBERS OF STRONG ELEMENTS THAT
25 THEN DEMONSTRATES THE BREADTH OF A PROGRAM AND TRANSLATES

BARRISTERS' REPORTING SERVICE

1 INTO AN OPPORTUNITY TO APPLY FOR A PARTICULAR TYPE OF
2 FACILITIES AWARD. AND LET ME EXPLAIN.

3 IF THE ICOC APPROVES ALL THREE ELEMENTS, THE
4 APPLICANT WILL THEN BE INVITED TO SUBMIT PART 2 FOR A
5 CIRM INSTITUTE GRANT. IF TWO ELEMENTS ARE APPROVED, THE
6 APPLICANT WILL BE ABLE TO SUBMIT FOR A CIRM CENTER OF
7 EXCELLENCE. AND IF ONE ELEMENT IS APPROVED FOR A CIRM
8 SPECIAL PROGRAM. IF NONE OF THE ELEMENTS ARE DEEMED
9 COMPETITIVE, THE APPLICANT IS NOT INVITED TO CONTINUE IN
10 THE PROCESS. THANK YOU.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH, DR. CHIU.
12 DR. PENHOET HAS SUGGESTED THAT WE MIGHT WANT TO SEE IF WE
13 CAN TAKE SOME ACTION INCREMENTALLY ON THESE. AND TO THE
14 EXTENT THAT THERE ARE SOME ELEMENTS OF THIS THAT ARE
15 FAIRLY HIGH CONSENSUS ORIGINALLY, MAYBE WE COULD WORK OUR
16 WAY THROUGH IT.

17 WITH THE PRESENTATION OF THE PART 1 SCIENTIFIC
18 REVIEW, I THINK IT IS UNDERSTOOD THAT THE PURPOSE THERE
19 IS THAT ONCE THE SCIENTIFIC ACTION HAS BEEN REVIEWED BY
20 THE ICOC, THE APPLICANT THEN UNDERSTANDS WHETHER THEY'RE
21 GOING TO BE COMPETITIVE IN THE CATEGORIES THAT THEY
22 REQUESTED. IF THEY BY THEIR SCORES UNDERSTAND THEY'RE
23 NOT, THERE'S GOING TO BE A TIME PERIOD THAT WILL FOLLOW
24 THAT THEY CAN RESTRUCTURE THEIR APPLICATION.

25 BEFORE WE GO INTO THE FACILITIES PART OF THE

BARRISTERS' REPORTING SERVICE

1 REVIEW, THE BASIC QUESTION THAT WAS RAISED BY THE
2 TWO-STEP PROCESS, DO WE WANT TO PROVIDE THIS OPPORTUNITY
3 SO THAT INSTITUTIONS DON'T BET EVERYTHING UP FRONT IN A
4 ONE-STEP PROCESS, BUT HAVE THE OPPORTUNITY OF HAVING ICOC
5 SCIENTIFIC FEEDBACK SO THEY CAN READJUST THEIR
6 APPLICATION TO WHERE THEY'RE GETTING QUALITY SCIENTIFIC
7 SCORES AND HAVE AN OPPORTUNITY TO COMPETE IN THE AREAS
8 THAT THEY SCORED WELL IN. SO UNDER THE ONE-STEP PROCESS
9 EVERYTHING IS AT RISK, YOU GO IN NOT KNOWING YOUR
10 SCIENTIFIC SCORE. IF YOU ARE WRONG ON WHAT YOU COMPETED
11 FOR, YOU'RE OUT OF THE PROCESS. UNDER THE TWO-STEP
12 PROCESS, YOU HAVE THE ABILITY TO GET THE SCIENTIFIC
13 FEEDBACK AND THE ABILITY TO ADJUST.

14 SO QUESTION IS VERY SIMPLY PUT ARE WE PREPARED
15 AT THIS POINT TO ADDRESS A VOTE ON THE TWO-STEP PROCESS
16 BEFORE WE GO ANY FURTHER?

17 DR. PIZZO: THANK YOU FOR THE PRESENTATION. I
18 WONDER IF I COULD ASK SORT OF AN ANTECEDENT TWO-PART
19 QUESTION. THE FIRST IS WHEN WE'RE LOOKING AT IT IN DEPTH
20 AND BREADTH, ARE YOU CONSIDERING THE ENTIRETY OF THE
21 INSTITUTION, OR THE DEPTH AND BREADTH THAT WOULD BE
22 WITHIN WHATEVER FACILITY MIGHT BE ULTIMATELY HOUSING?
23 BECAUSE I THINK THAT WILL BE IMPORTANT IN TERMS OF HOW
24 ONE THINKS ABOUT IT. I HOPE IT'S THE FORMER. BUT I'LL
25 BE INTERESTED IN YOUR COMMENTS ON THAT.

BARRISTERS' REPORTING SERVICE

1 THE SECOND IS THAT IT WOULD BE IMPORTANT TO
2 KNOW WHETHER THE COMMITTEE CONSIDERED ANY WEIGHTING OF,
3 IF YOU WILL, THE XYZ BECAUSE SOME OF THESE ARE MORE
4 MATURE THAN OTHERS. FOR EXAMPLE, THE PRECLINICAL AND
5 CLINICAL EFFORTS IS WHERE WE'RE ALL HEADING, BUT WE'RE
6 NOT QUITE THERE YET EXCEPT IN CERTAIN SECTORS. SO THE
7 QUESTION IS IF YOU WEIGHTED THEM EQUALLY, I WONDER
8 WHETHER THAT'S REALLY REPRESENTING OUR CURRENT STATE OF
9 KNOWLEDGE AND ABILITY.

10 CHAIRMAN KLEIN: DR. PIZZO, THESE ARE CRITICAL
11 QUESTIONS ON THE SCIENTIFIC PORTION. ARE YOU PREPARED TO
12 ADDRESS WHETHER WE HAVE A MOTION ON WHETHER WE HAVE A
13 TWO-STEP PROCESS OR ONE-STEP PROCESS AS A THRESHOLD ITEM?

14 DR. PIZZO: YES, I AM. I'M SORRY. I GOT
15 AHEAD. I WAS SO ENTHUSIASTIC.

16 CHAIRMAN KLEIN: WOULD YOU LIKE TO MAKE A
17 MOTION?

18 DR. PIZZO: YES. I'D LIKE TO MAKE A MOTION IN
19 FAVOR OF A TWO-STEP PROCESS.

20 CHAIRMAN KLEIN: IS THERE A SECOND?

21 DR. WRIGHT: SECOND.

22 CHAIRMAN KLEIN: DR. WRIGHT IS THE SECOND. IS
23 THERE DISCUSSION ABOUT THE TWO-STEP PROCESS?

24 DR. REED: I GUESS I'M JUST LOOKING FOR MORE
25 CLARITY ON THE PURPOSE OF IT, AND WHETHER AN ALTERNATIVE

BARRISTERS' REPORTING SERVICE

1 MODEL WOULD BE TO HAVE A FIRST SERIES OF GRANTS, THOSE
2 THAT ARE DESERVING OF FUNDING BE FUNDED, AND THEN HAVE
3 THOSE THAT WERE DEEMED TO BE SUBSATISFACTORY TO BE ABLE
4 TO HAVE A CHANCE TO REVISE AND THEN BE RECONSIDERED AT A
5 LATER DATE. WHY DO WE HAVE TO GET EVERYTHING IN PARALLEL
6 LOCKSTEP?

7 IT SOUNDS LIKE THAT WE'LL ALMOST PRECLUDE THE
8 POSSIBILITY THAT ANY GRANTS ARE REJECTED. IS IT
9 UNDERSTOOD THAT ALL GRANTS WILL BE ACCEPTED, BUT THEY'LL
10 EVENTUALLY BE TWEAKED UNTIL THEY'RE DEEMED ACCEPTABLE?

11 CHAIRMAN KLEIN: NO. AS PROPOSED, WE HAVE, AS
12 HAS BEEN SHOWN ON THE CHARTS, SOMEONE MIGHT APPLY FOR X,
13 Y, AND Z. THEY COME BACK AND FIND OUT THEY ONLY ARE
14 REALLY COMPETITIVE SCIENTIFICALLY IN AN X AND A Y. AT
15 THAT POINT THEY CAN REVISE THEIR PROPOSAL. IT DOESN'T
16 MEAN THEY'LL GET X AND Y FUNDS BECAUSE THEY'LL COMPETE
17 WITH OTHER PEOPLE IN THE X AND Y CATEGORY FOR THOSE
18 FACILITIES APPROPRIATIONS. THE FUNDAMENTAL OPPORTUNITY
19 HERE IS TO HAVE A REVIEW THAT ALLOWS PEOPLE TO ADJUST,
20 BUT IT WILL STILL BE COMPETITIVE IN EVERY CATEGORY.

21 I THINK THEY PUT IT UP ON THE SCREEN. DR.
22 CHIU, JUST TO REFRESH EVERYONE, YOU HAVE THREE LEVELS.
23 YOU WANT TO ADDRESS THOSE THREE LEVELS?

24 DR. REED: I DIDN'T UNDERSTAND THAT. IT WAS I
25 DIDN'T SEE WHY ONE COULDN'T DO A SEQUENTIAL RATHER THAN A

BARRISTERS' REPORTING SERVICE

1 PARALLEL PROCESS IN TERMS OF AWARDING GRANTS, WHICH IS
2 MORE THE TRADITIONAL WAY THAT THINGS ARE DONE WITH GRANTS
3 AT NIH AND THAT SORT OF THING IS THAT SOME OF THEM GET
4 FUNDED THE FIRST TIME, SOME NOT THE SECOND, SOME THE
5 THIRD, YOU HAVE CHANCES TO REVISE AND YOU DO STEPWISE
6 FUNDING.

7 CHAIRMAN KLEIN: ONE OF THE DISCUSSION POINTS
8 WAS THE INITIATIVE SPECIFICALLY CREATES A PRIORITY AND
9 REQUIRES THAT YOU BUILD AS MANY OF THE FACILITIES AS
10 POSSIBLE, FIRST OF ALL, WITHIN TWO YEARS OF THE GRANT,
11 BUT WITHIN THE FIRST FOUR TO FIVE YEARS OF THE PROGRAM.

12 SECONDLY, WHAT DR. CHIU AND DR. HOFFMAN COULD
13 COMMENT, THERE'S A GREAT DEAL OF STRESS ON THE SCIENTIFIC
14 REVIEW PROCESS AND THE PERSONNEL IN TERMS OF THE SIZE OF
15 THE PERSONNEL AS WELL AS HAVING ENOUGH SCIENTIFIC REVIEWS
16 FOR THE OTHER RESEARCH GRANTS WE'RE TRYING TO GET OUT TO
17 HAVE MULTIPLE STAGES IN THIS PROCESS. COULD WE HAVE THE
18 STAFF COMMENT?

19 MS. HOFFMAN: CERTAINLY. DR. REED, I WOULD
20 LIKE TO HARKEN BACK TO DAVID SERRANO-SEWELL'S COMMENT
21 EARLIER. WHEN DR. HALL PRESENTED AT THAT TIME THE LARGE
22 FACILITY GRANTS AND POSSIBLY THEN A SECOND ROUND OF RFA'S
23 FOR SMALL FACILITY GRANTS, THE BOARD AT THAT TIME CHOSE
24 NOT TO PROCEED WITH THAT PARTICULAR PROPOSAL. AND SO, IN
25 FACT, WE'VE BEEN WORKING ON THE ASSUMPTION FROM THAT

BARRISTERS' REPORTING SERVICE

1 APRIL MEETING THAT, INDEED, THE BOARD WANTED TO GO
2 FORWARD WITH ONE MAJOR FACILITY GRANT. AND SO IN AN
3 EFFORT TO DO SO, WHAT WE'VE TRIED TO DO THROUGH THESE
4 INSTITUTES, THE CENTER OF EXCELLENCE, AND THEN THESE
5 SPECIAL PROGRAMS IS MAKE SURE THAT WE ARE, INDEED, ON A
6 SCIENTIFIC BASIS MEASURING OR EVALUATING ON AN
7 APPLES-TO-APPLES BASIS.

8 BUT, IN FACT, THERE IS IN THIS, AS THIS SLIDE
9 IDENTIFIES, THERE IS A MECHANISM THAT THERE MIGHT BE
10 APPLICANTS THAT DO NOT RECEIVE FUNDING AND ARE NOT
11 INVITED BACK TO A PART 2. AND THERE WOULD THEN NOT BE
12 ANOTHER AVENUE FOR THEM TO RECEIVE ANY FUNDING FOR A
13 FACILITIES AWARD WITH THE EXCEPTION OF A SET ASIDE FOR A
14 STEM CELL BANK, CORE FACILITIES, AND POSSIBLY GMP.

15 CHAIRMAN KLEIN: DR. PIZZO, IF WE CAN GET SOME
16 ADDITIONAL SPEAKERS, AND THEN RETURN TO YOUR POINT.

17 DR. PIZZO: I JUST WAS SIMPLY GOING TO SAY THAT
18 I WAS HAPPY TO INTRODUCE THE PROPOSAL, BUT I STILL HAVE
19 MY TWO QUESTIONS, AND THEY HAVEN'T BEEN ANSWERED EITHER.
20 BEFORE WE WENT TOO FAR, I WAS HOPING WE MIGHT HEAR
21 ANSWERS.

22 CHAIRMAN KLEIN: WHAT WE'RE HOPING TO DO IS
23 WE'RE GOING TO TRY AND FOCUS, AS DR. PENHOET HAS SAID, ON
24 THE FIRST STEP OF WHETHER WE'RE GOING TO HAVE A ONE- OR
25 TWO-STEP PROCESS, AND THEN GO INTO THE DISCUSSION ON THE

BARRISTERS' REPORTING SERVICE

1 SECOND STEP.

2 DR. PIZZO: SORRY. SLOW TO BE EDUCATED.

3 MR. ROTH: I AM SUPPORTIVE OF THE TWO-STEP
4 PROCESS, BUT I THINK JOHN REED INTRODUCED AN INTERESTING
5 COMPROMISE. AND WHAT I WORRY ABOUT WITH THIS TWO-STEP
6 PROCESS, IF I WERE SUBMITTING, I'D SUBMIT FOR THE
7 HIGHEST, SO YOU COULD TELL ME WHERE I REALLY QUALIFY AND
8 THEN I'LL COME BACK AND SUBMIT THERE. THE SELF-SELECTION
9 WOULD HAVE A LOT MORE DISCIPLINE IF THERE WERE AN
10 ADVANTAGE TO SEE THOSE MOVE A LITTLE BIT FASTER BECAUSE
11 THEY SELF-SELECTED CORRECTLY AND, THEREFORE, DIDN'T TIE
12 UP THE STAFF TIME REVIEWING A PROPOSAL THAT CLEARLY
13 SHOULD HAVE BEEN OF THE STEP 1 OR STEP 2.

14 SO I THINK THAT'S AN INTERESTING PROPOSAL IF IT
15 CAN BE WORKED OUT. THOSE THAT QUALIFY FOR WHERE THEY ASK
16 COULD BE ON A FASTER TRACK FOR FUNDING THAN THOSE THAT
17 HAVE TO REDO AND RESUBMIT.

18 MR. SERRANO-SEWELL: THERE'S A MATTER OF
19 SCHEDULING, DUANE, BECAUSE THIS ALL HAS TO GO TO THE
20 SCIENTIFIC WORKING GROUP AND THEN THE GRANTS, THE
21 FACILITIES WORKING GROUP. AND I THINK PART OF THE
22 INTENTION WITH THIS RECOMMENDATION IS, YOU KNOW, THE
23 SCIENTIFIC WORKING GROUP CAN MEET ONCE AND RESOLVE THE
24 ISSUE AND MAKE RECOMMENDATIONS TO THE ICOC, THEN THE
25 FACILITIES WORKING GROUP CAN MEET ONCE AND THEN MAKE ITS

BARRISTERS' REPORTING SERVICE

1 RECOMMENDATIONS TO THE ICOC. AND IF WE DO ANOTHER TRACK,
2 WE MIGHT END UP WITH HAVING LOTS OF SERIAL MEETINGS THAT
3 CAN BE COUNTERPRODUCTIVE AND PROLONG THE TIMELINE.

4 CHAIRMAN KLEIN: DR. CHIU AND THEN DR. STEWARD.

5 DR. CHIU: COULD I JUST CLARIFY. PERHAPS IT'S
6 THE WAY I SAID IT THAT CAUSED SOME CONFUSION, AND WE
7 HAVEN'T HAD TIME TO LISTEN TO THE PART 2. WHEN WE TALK
8 ABOUT REVISION AND ELEMENTS XYZ, THIS IS FOR SCIENTIFIC
9 REVIEW. IF YOU HAPPEN TO GET APPROVED FOR X AND Y, BUT
10 NOT Z, THE PART 2 PART IS THE ACTUAL PLAN FOR THE
11 FACILITY. IT'S NOT A REVISION. WHAT IT ALLOWS YOU TO DO
12 IS NOW THAT YOU KNOW WHERE YOU ARE APPROVED BY THE BOARD
13 TO REQUEST FOR A CENTER OF EXCELLENCE, THAT YOU PROVIDE
14 PLANS SUITABLE FOR THAT FOR WHICH YOU ARE APPROVED. IT
15 IS NOT A REWRITING OF THE SCIENTIFIC PART. I'M SORRY IT
16 WASN'T CLEAR.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

18 DR. STEWARD: LET ME JUST SAY I LIKE THE
19 CONCEPT OF THE TWO-PHASE REVIEW, BUT THE THING THAT
20 CONCERNS ME IS ACTUALLY DR. REED'S POINT, THAT I CAN'T
21 TELL YOU HOW MANY TIMES I'VE SAT IN ON SCIENTIFIC REVIEWS
22 WHERE THE COMMENT IS MADE IT ISN'T CLEAR WHETHER THE
23 APPLICANTS HAVE SUCH-AND-SUCH. THE APPLICATION DOESN'T
24 MAKE THIS OR THAT CLEAR. AND THAT WAS ALSO THE CASE WHEN
25 I SAT IN ON OUR SCIENTIFIC WORKING GROUP MEETING.

BARRISTERS' REPORTING SERVICE

1 IT CONCERNS ME GREATLY THAT HAVING A SINGLE
2 MEETING OF THE SCIENTIFIC WORKING GROUP WILL BE AN
3 ALL-OR-NONE EVENT, AND AN APPLICATION THAT MISSES THE
4 BOAT ON SOME REALLY KEY ELEMENT WILL NEVER BE CONSIDERED
5 AGAIN IN THAT CATEGORY. I GUESS I WOULD PREFER ACTUALLY
6 TWO ROUNDS OF REVIEW BY THE SCIENTIFIC WORKING GROUP TO
7 GIVE THE APPLICANTS AN OPPORTUNITY TO COME BACK AND
8 ADDRESS ANY INFORMATION THAT WAS CONSIDERED TO BE
9 INCOMPLETE.

10 WE'RE TALKING ABOUT, REMEMBER, A TIMELINE OF
11 EIGHT WEEKS FROM THE TIME THIS RFA COMES OUT TO ACTUALLY
12 SEEING IT. AND THESE ARE GOING TO BE VERY COMPLICATED
13 APPLICATIONS INVOLVING A LOT OF WORK, A LOT OF TIME, AND
14 IN THIS CASE WE REALLY NEED TO DO THIS RIGHT.

15 CHAIRMAN KLEIN: FIRST OF ALL, I THINK DR.
16 MEYER MAY HAVE HAD A COMMENT.

17 DR. MEYER: IT'S BEEN CLARIFIED IN THE
18 MEANTIME, BUT I AGREE WITH OZ. AND MAYBE ONE SHOULD
19 THINK -- I KNOW THAT YOU JUST INDICATED THAT WE HAVE TO
20 GIVE OUT THIS MONEY IN A CERTAIN PERIOD OF TIME, AND I'M
21 JUST WONDERING WHETHER ONE ROUND, THAT'S IT, FOREVER IS
22 REALLY THE BEST WAY TO GO, PARTICULARLY IF, AS IT'S BEEN
23 POINTED OUT, IT'S ONE ROUND, ONE REVIEW, AND FOREVER.

24 CHAIRMAN KLEIN: LET ME DO THIS. LET ME ASK
25 THIS QUESTION TO STAFF. IF THERE IS A SPECIFIC

BARRISTERS' REPORTING SERVICE

1 DEFICIENCY BECAUSE SOMETHING HAS BEEN MISSED, WHICH IS
2 WHAT DR. STEWARD IS REFERENCING, IS THERE AN OPPORTUNITY
3 IN THIS ROUND FOR INDIVIDUALS TO RESPOND TO A STAFF
4 REQUEST ON THE SCIENTIFIC LEVEL IS WHAT WE'RE TALKING
5 ABOUT HERE, SCIENTIFIC LEVEL, TO RESPOND TO A STAFF
6 REQUEST FOR INFORMATION? OR LET ME STATE THIS IN STEPS.

7 IF IT'S UNCLEAR, CAN THE SCIENTIFIC STAFF WITH
8 AN UNCLEAR ITEM ASK THE INSTITUTION FOR SUPPLEMENTAL
9 INFORMATION?

10 DR. CHIU: LET ME SAY THAT IF THE WORKING GROUP
11 FINDS SOMETHING UNCLEAR, THERE WILL BE NO TIME TO GET
12 CLARIFICATION. WE'RE ALL TALKING ABOUT REVISE AND
13 RESUBMIT, WHICH IS THE NIH MODEL. THAT WILL EXTEND THIS
14 PERIOD OF THE FIRST PROCESS QUITE EXTENSIVELY IF THAT IS
15 THE INTENT. IF STAFF READS THE APPLICATIONS, IT WILL NOT
16 BE ALWAYS CLEAR TO US WHAT THE WORKING GROUP FINDS
17 UNCLEAR. AND SO IF THE INTENTION OF THE BOARD IS TO
18 PROVIDE THAT OPPORTUNITY, THEN THERE WILL HAVE TO BE TWO
19 REVIEWS, PROBABLY NOT SIMPLE, WITH THE SAME GROUP OF 15
20 SCIENTISTS, TO GO BACK TO THE APPLICANT AND ASK FOR
21 CLARIFICATION AND THEN COME BACK FOR PROGRAMMATIC REVIEW.
22 BUT WE CAN GO BACK TO THE DRAWING BOARD AND PLAN TO SEE
23 HOW THAT WOULD TAKE PLACE, BUT CERTAINLY NOT WITHIN THE
24 TIME SCALE THAT WAS SHOWN.

25 CHAIRMAN KLEIN: AND AT THE ICOC, OF COURSE, IF

BARRISTERS' REPORTING SERVICE

1 IT'S CLEAR THAT THERE IS AN ISSUE ON AN APPLICATION
2 WITHIN OUR OWN PROCESS, WE COULD ACCEPT INFORMATION THAT
3 WE LOOK AT AS SUPPLEMENTAL. IT'S UP TO YOU AS TO WHAT
4 THE PROCESS IS, BUT I THINK DR. CHIU HAS INDICATED THE
5 ISSUE HERE. AND THERE WAS QUITE A BIT OF CONCERN, DAVID,
6 I THINK, ABOUT STRESSING OUT THE GRANT REVIEW COMMITTEE
7 WHEN WE'RE TRYING TO MOVE OTHER RESEARCH GRANTS THROUGH
8 THE SYSTEM AND GET THOSE FUNDS OUT TO SCIENTISTS.

9 DR. STEWARD: COULD I JUST MAKE ONE BRIEF
10 ADDITION? WE'RE GOING TO BE LOOKING AT A SCORE FROM THE
11 SCIENTIFIC WORKING GROUP. THAT SCORE WILL BE BASED ON
12 THE INFORMATION THAT THEY HAVE AT HAND. IF THERE IS A
13 CRITICAL PIECE OF INFORMATION MISSING, THAT SCORE MAY
14 WELL CHANGE DRAMATICALLY. AND IT'S GOING TO BE DIFFICULT
15 FOR US AS A GROUP TO TRY TO JUDGE WHATEVER SUPPLEMENTAL
16 INFORMATION MIGHT BE PROVIDED IN THE SAME CONTEXT THE
17 SCIENTIFIC WORKING GROUP DOES.

18 I JUST SAY THAT I THINK THERE'S SOME REAL RISK
19 THERE, THAT THINGS WILL GET MISSED THAT THE SCIENTIFIC
20 WORKING GROUP WOULD IDENTIFY AS CRITICALLY IMPORTANT IN
21 RANKING AND SCORING THE APPLICATIONS.

22 DR. PENHOET: I JUST WANTED TO MAKE A POINT
23 ABOUT AN UNDERLYING ASSUMPTION. I BELIEVE THE UNDERLYING
24 ASSUMPTION TO THIS IS THAT THE DEMAND FOR DOLLARS IN THIS
25 CATEGORY FAR EXCEEDS THE SUPPLY. SO THAT WE DON'T HAVE

BARRISTERS' REPORTING SERVICE

1 THE ABILITY TO FEED MORE MONEY INTO THIS THAN \$227
2 MILLION. THAT'S A FINITE AMOUNT OF MONEY. IT'S ALL THE
3 MONEY THERE IS IN PROP 71, SO THERE WILL BE WINNERS AND
4 LOSERS IN THIS PROGRAM. WHENEVER IT ENDS, THERE'S STILL
5 GOING TO BE SOMEONE WITHOUT A CHAIR. SO I THINK THAT
6 UNDERLYING ASSUMPTION DRIVES A LOT OF THE DISCUSSION
7 WE'RE HAVING HERE TODAY.

8 YOU KNOW, I APPRECIATE YOUR POINT ABOUT
9 INFORMATION, BUT IT SEEMS TO ME IT'S THE RESPONSIBILITY
10 OF THE APPLICANT TO WRITE AN APPLICATION WHICH IS CRYSTAL
11 CLEAR AND ABSOLUTELY FORTHCOMING WITH RESPECT TO WHAT
12 THEY PUT. IT'S THEIR JOB TO DO THAT. WE'VE ALL REVIEWED
13 APPLICATIONS, AND I DON'T HAVE ANY BIAS ONE WAY OR THE
14 OTHER, BUT A SEQUENTIAL PROCESS WILL NO DOUBT, THE WORRY
15 ON ARLENE'S FACE AND THE ISSUE WE'VE HAD INTERNALLY IS
16 HOW MUCH WORK WE CAN GET OUT OF OUR GRANTS WORKING GROUP
17 BECAUSE WE HAVE OTHER GRANTS, WE HAVE RESEARCH GRANTS,
18 WHICH ARE ABSOLUTELY CRITICAL, THAT MUST BE REVIEWED.
19 AND WE CAN'T ABUSE ANY FURTHER THAN WE HAVE ALREADY THE
20 GOODWILL OF OUR UNPAID VOLUNTEER GRANTS REVIEWERS.

21 AND SO THAT'S A TENSION WE HAVE TO WEIGH HERE.
22 IT'S POSSIBLE THAT THERE WOULD BE SOME UNFAIRNESS IN A
23 FACILITATED REVIEW OR AN EXPEDITIOUS REVIEW, BUT I THINK
24 THAT SIMPLY PUTS MORE PRESSURE, BUT I THINK REALITY IS
25 WE'D HAVE TO PUT OFF SOME OTHER RESEARCH RFA IF WE WANT

BARRISTERS' REPORTING SERVICE

1 THE GRANTS REVIEW GROUP TO COME BACK AND REVIEW THESE
2 AGAIN; IS THAT CORRECT, ARLENE? YES.

3 CHAIRMAN KLEIN: AND I'LL GO TO THE RIGHT AND
4 THEN TO THE LEFT. DR. POMEROY, AND I'M GOING TO GO TO
5 JEFF SHEEHY AND DR. FRIEDMAN.

6 DR. POMEROY: I WOULD LIKE TO SPEAK IN SUPPORT
7 OF THE TWO-STEP PROCESS BECAUSE I THINK THERE WAS A LOT
8 OF THOUGHT THAT WENT INTO THIS AND A LOT OF RECOGNITION
9 OF FEASIBILITY IN TERMS OF THE REVIEW PROCESS, BUT I DO
10 HAVE ONE QUESTION FOR CLARIFICATION.

11 WE'RE TRYING TO ENCOURAGE COLLABORATION AND
12 CONSORTIUM. SO IF A CONSORTIUM PUTS IN AN APPLICATION,
13 CAN THE INDIVIDUAL COMPONENTS OF THAT CONSORTIUM PUT IN
14 ADDITIONAL APPLICATIONS? I'M NOT CLEAR ON WHAT THE
15 PROPOSAL IS FOR THOSE CIRCUMSTANCES.

16 CHAIRMAN KLEIN: THAT IS A SEPARATE ITEM FROM
17 ONE- OR TWO-STEP, BUT LET'S ANSWER IT BECAUSE IT'S AN
18 IMPORTANT QUESTION.

19 MS. HOFFMAN: YES. DR. POMEROY, THE ANSWER TO
20 THAT QUESTION IS A CONSORTIUM WOULD BE CONSIDERED ONE
21 APPLICANT, AND SO WE'RE PROPOSING A ONE APPLICATION, ONE
22 PROJECT, ONE SITE. SO, IN FACT, IF YOU'RE A MEMBER OF A
23 CONSORTIUM, YOU COULD NOT APPLY FOR AN ADDITIONAL --

24 DR. POMEROY: AN INDEPENDENT PERSON.

25 MS. HOFFMAN: THAT'S CORRECT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: JEFF SHEEHY.

2 MR. SHEEHY: I JUST WANT TO ECHO DR. PENHOET'S
3 COMMENTS. TO DO ANOTHER RE-REVIEW WOULD DRAMATICALLY --
4 IT WOULD BRING OUR SCIENTIFIC PROGRAM TO A SCREECHING
5 HALT. I KNOW FROM A PATIENT POINT OF VIEW, THE DISEASE
6 TEAMS CONCEPT IS EXTREMELY EXCITING. WE NEED TO GET THE
7 PLANNING GRANTS OUT, AND THEN WE NEED TO MOVE FORWARD
8 WITH THAT, AND THAT WILL MAKE MORE MEASURABLE IMPACT ON
9 PATIENTS' LIVES THAN THESE FACILITIES, TO BE HONEST, IF
10 WE CAN MOVE FORWARD WITH THAT INITIATIVE. THIS
11 INITIATIVE WOULD BE DELAYED.

12 I THINK IF PEOPLE REALLY WANT TO GET A SECOND
13 BITE AT THE APPLE, THEY SHOULD LOOK AT THE \$227 MILLION,
14 CUT OUT PART OF IT, AND ALLOW PEOPLE TO COME BACK AND
15 RECOMPETE FOR THAT PART OF IT, WHICH WOULD BE THE
16 APPROPRIATE WAY TO DO IT, AND HAVE A SECOND ROUND. BUT
17 IF YOU'RE GOING TO TRY TO CONTINUE TO LET PEOPLE TRY TO
18 SPREAD -- HOW WOULD YOU FEEL IF YOU PUT IN A PERFECT
19 APPLICATION AND THEN THE AMOUNT OF FUNDING YOU RECEIVE
20 WAS CUT BECAUSE SOMEONE WHO PUT IN A FLAWED APPLICATION
21 WAS ABLE TO RESUBMIT AND GET A PIECE OF WHAT YOU WOULD
22 HAVE GOTTEN?

23 SO YOU HAVE TO THINK ABOUT THIS, BECAUSE WE ARE
24 TALKING ABOUT A FINITE AMOUNT OF MONEY, THAT WE MAY NOT
25 ACTUALLY BE FUNDING THE VERY BEST SCIENCE IF WE PUT IN

BARRISTERS' REPORTING SERVICE

1 THE SECOND ROUND.

2 YOU KNOW, ONE OF THE THINGS THAT HAS BEEN VERY
3 DIFFICULT FOR US ON THE WORKING GROUP IS THAT WE HAVE
4 HEARD NOTHING BUT HASTE, HASTE, HASTE, AND WE NEED TO GET
5 THIS DONE, AND WE NEED TO GET THIS DONE. AND SO WE HAVE
6 TRIED TO CREATE A PROCESS. THIS TWO-STEP PROCESS GIVES
7 INFORMATION TO THE GRANTEES AT THE EARLIEST POSSIBLE DATE
8 ABOUT THE MOST CRITICAL ELEMENT OF THEIR APPLICATION,
9 WHICH IS SCIENTIFIC MERIT. SO PEOPLE CAN MOVE INTO A
10 MORE FOCUSED PLANNING STAGE AT THAT POINT WITH THE
11 ASSUMPTION THAT IF YOU HAVE A VERY GOOD SCORE ON THE
12 SCIENCE SIDE, BARRING SOME MAJOR MIS-CUES, AND SOME OF
13 THESE ARE FIXABLE. LIKE IF YOU HAD PROBLEMS IN LEVERAGE,
14 YOU CAN ADDRESS THAT LEVERAGE POINT IN THAT INTERIM TO
15 PART 2.

16 BUT WHAT THIS DOES DO IS SET A VERY CLEAR BAR
17 THAT I THINK IS GOING TO BE VERY CLEAR TO THE PUBLIC AND
18 TO THE LEGISLATURE, THAT THE FACILITIES THAT WE FUND ARE
19 GOING TO HAVE TO MEET THE HIGHEST STANDARD OF SCIENTIFIC
20 EXCELLENCE. SO I URGE US TO DO THE TWO-STEP PROCESS.

21 CHAIRMAN KLEIN: DR. KESSLER, DID YOU HAVE A
22 POINT?

23 DR. KESSLER: I'M JUST CURIOUS ABOUT HOW SMART
24 WE ARE AT THESE STAGES TO DO THIS IN ONE STEP. IT GOES
25 BACK TO A COMMENT DR. PIZZO ASKED A LITTLE EARLIER. WHAT

BARRISTERS' REPORTING SERVICE

1 PERCENTAGE OF OUR GRANTS TO DATE HAVE BEEN, QUOTE,
2 CLINICAL RESEARCH? AND WHAT KIND OF EXPERTISE DO YOU
3 THINK WE HAVE ON OUR REVIEW COMMITTEES TO ACTUALLY
4 EVALUATE CLINICAL RESEARCH WITH REGARD TO FACILITIES?

5 DR. CHIU: I'LL GIVE A QUICK ANSWER TO THAT.
6 THAT'S ACTUALLY IN THE LITTLE CHART THAT YOU SEE BEHIND
7 THE BINDER. WHAT WE'RE GOING TO ASK FOR IS FOR THE PI'S
8 WHO ARE GOING TO BE HOUSED IN THE ACTUAL PROPOSED
9 FACILITY OR THOSE THAT ARE AUXILIARY, AND THAT PARTLY
10 ADDRESSES DR. PIZZO'S POINT. THE MOST HEAVILY WEIGHTED
11 AMOUNTS OF ATTENTION WILL BE PAID TO PI'S WHO ARE
12 ACTUALLY GOING TO BE HOUSED IN THE FACILITY, AND THEN
13 NEXT WEIGHTED WILL BE THOSE IN THE ORGANIZATION THAT ARE
14 AUXILIARY, THAT WILL USE SERVICES, COLLABORATE, BUT ARE
15 NOT GOING TO BE SITTING AND WORKING IN THE FACILITY, AND
16 THEN THE PI'S, EACH PI, WE ANTICIPATE, WILL BE ASKED TO
17 LIST ALL THEIR MOST RELEVANT STEM CELL PUBLICATIONS OF
18 THE LAST FIVE OR SEVEN YEARS, IT'S STILL BEING WORKED
19 OUT, PATENTS, GRANTS RECEIVED FROM CIRM, GRANTS RECEIVED
20 FROM THE NIH THAT ARE EITHER ELEMENTS X, Y, OR Z. THEY
21 NEED TO IDENTIFY IT SO THAT THE REVIEWERS WILL BE ABLE TO
22 SEE THIS DEPTH ISSUE THAT WE'RE TALKING ABOUT.

23 AND IN THEIR BIOSKETCHES WE WILL ASK THEM TO
24 ACTUALLY LIST THEIR GRANTS, THE TITLE OF THEIR GRANTS OF
25 WHICH THEY ARE PI'S, AND WHAT KIND OF RESEARCH IS

BARRISTERS' REPORTING SERVICE

1 PROPOSED IN THE GRANTS.

2 DR. KESSLER: HOW MUCH EXPERTISE DO WE HAVE ON
3 THE CLINICAL SIDE TODAY?

4 DR. CHIU: JUST A ROUGH GUESS, I THINK THERE IS
5 FAIR EXPERTISE IN, LET'S SAY, HEMATOPOETIC STEM CELL
6 TRANSPLANTATION IN THE STATE, PERHAPS SOME WITH CADAVERIC
7 ISLET CELL TRANSPLANTATION. SO THERE IS EXPERTISE.
8 THERE'S ALSO EXPERTISE IN INSTITUTIONS THAT HAVE CLINICAL
9 TRIALS EXPERTISE. WE TAKE THAT INTO CONSIDERATION SO
10 THAT THEY'RE READY TO GO WITH REGULATORY EXPERTISE. ALL
11 THOSE ARE DETAILS IN THE CRITERIA.

12 DR. KESSLER: SO MY ONLY POINT, DR. CHIU, I
13 AGREE THERE'S HEMATOPOETIC STEM CELL EXPERTISE, THERE'S
14 ISLET CELL TRANSPLANTATION EXPERTISE, THERE'S GENERAL
15 CLINICAL TRIALS EXPERTISE, BUT I DON'T WANT US TO THINK
16 THAT WE ARE VERY SMART YET ON THE REAL CLINICAL TRIALS
17 SIDE OF THIS. AND SAYING THAT WE'RE GOING TO COMPETE ON
18 THE BASIS OF CLINICAL TRIALS WHEN WE REALLY HAVE NOT
19 MOVED THE FIELD AS FAR AS WE CAN SCIENTIFICALLY, TO YOUR
20 POINT, WHAT'S THE BEST SCIENCE, I'M NOT SURE I KNOW THE
21 BEST SCIENCE CLINICALLY. SO I'M STILL A LITTLE TROUBLED
22 WITH Z AS PART OF THIS.

23 THE QUESTION IS, AGAIN, I DON'T WANT TO GET TO
24 X, Y, AND Z, BUT ARE WE REALLY SMART ENOUGH TO DO THIS IN
25 ONE ROUND? THAT'S MY QUESTION.

BARRISTERS' REPORTING SERVICE

1 DR. CHIU: THE SHORT ANSWER IS WE CAN'T PROJECT
2 WHAT WILL BE THE NEXT BREAKTHROUGH. WE CAN ONLY LOOK AT
3 TRACK RECORD RIGHT NOW IN LOOKING AT WHO HAS THE BEST
4 TRACK RECORD OR ESTABLISHED PROCEDURES.

5 THE OTHER THING THAT, DON'T FORGET, FOR EACH
6 ELEMENT, THERE ARE FOUR CRITERIA, AND ONE OF THEM IS
7 EXPANDING CAPACITY. THERE WE WILL BE ABLE TO SEE WHETHER
8 PEOPLE ARE THINKING ABOUT EXPERTISE IN HANDLING GLP, GMP,
9 GTP, ETC., AND THAT GIVES AN IDEA OF THE LEVEL OF
10 SOPHISTICATION. THOSE ARE THE ONLY THINGS AT PRESENT WE
11 THINK WE CAN MEASURE TO ANTICIPATE SOPHISTICATION AND
12 BREADTH.

13 CHAIRMAN KLEIN: I THINK DR. FRIEDMAN HAD A
14 POINT, AND THEN I'LL GO TO DR. PIZZO.

15 DR. FRIEDMAN: THANK YOU. I TOO WOULD LIKE TO
16 SPEAK TO A TWO-STEP PROCESS. I WOULD, THOUGH, LIKE TO
17 MAKE A DISTINCTION BETWEEN THE DISCUSSION THAT'S GOING ON
18 HERE HAVING TO DO WITH THE BEST POSSIBLE REVIEW, NOT IN
19 ORDER FOR EACH OF OUR INSTITUTIONS TO GET THE MAXIMUM
20 OPPORTUNITY, ALTHOUGH THAT'S CERTAINLY A CONSIDERATION TO
21 FOSTER THE SCIENCE, BUT BECAUSE THESE GRANTS ARE REALLY
22 DIFFERENT THAN ANY OF THE OTHER GRANTS THAT WE'RE LOOKING
23 AT. THESE ARE STRUCTURES THAT ARE GOING TO EXIST LONG
24 AFTER THE RESEARCH HAS PAST. THESE ARE THE MOST
25 POLITICALLY CHARGED OF ANY OF THE RESEARCH ACTIVITIES

BARRISTERS' REPORTING SERVICE

1 THAT WE'RE TAKING.

2 THE GOAL HERE IS NOT TO HAVE A TWO-STEP PROCESS
3 TO MAKE IT CONVENIENT OR EASY. THE GOAL IS TO MAKE THIS
4 THE MOST STRINGENT AND MOST PUBLICLY CLEAR OF OUR FUNDING
5 ACTIVITIES BECAUSE THESE HAVE LONG-TERM BENEFITS FOR STEM
6 CELL RESEARCH AND FOR THE PATIENTS AND FOR THE SCIENCE.
7 THESE ARE THE PHYSICAL EMBODIMENT OF THE BUILDING OF THE
8 INFRASTRUCTURE FOR THE FUTURE.

9 I KNOW WE'RE ALL THINKING THAT. I JUST WANTED
10 IT TO BE ON THE RECORD AS WHY WE'RE TRYING TO MAKE THIS
11 PROCESS. IF WE DECIDE ON A THREE-STAGE PROCESS, TWO
12 INITIAL STEPS AND THEN THE THIRD STEP, I CAN LIVE WITH
13 THAT. I DON'T THINK IT'S ESSENTIAL, BUT I CAN CERTAINLY
14 UNDERSTAND THAT. I DO TAKE JEFF AND OTHER PEOPLE'S
15 COMMENT, AND IT'S NOT HASTE THAT WE WANT, IT'S SPEED, AND
16 SPEED IS IMPORTANT AND EFFICIENCY IS IMPORTANT, AND ED'S
17 POINT ABOUT THE STAFF BEING OVERWORKED IS GOING TO BE
18 EVEN MORE CRITICAL NEXT YEAR THAN THIS YEAR. SO I FULLY
19 SUPPORT THAT, BUT I WANT A PROCESS THAT'S TRANSPARENT AND
20 IS REALLY RIGOROUS AND ASKING THE VERY MOST.

21 THAT'S THE SUPPORT OF THIS. AND THEN THE
22 QUESTION I'D TO LIKE TO ASK, EITHER IT BE ANSWERED NOW OR
23 AT SOME FUTURE POINT, IS I UNDERSTAND THAT CLEARLY
24 INFRASTRUCTURE KINDS OF PROPOSALS ARE NOT ENVISIONED FOR
25 THIS ACTIVITY. THIS IS REALLY BASED ON SCIENCE AND

BARRISTERS' REPORTING SERVICE

1 THAT'S THE DISCUSSION HERE. THINGS LIKE STEM CELL BANKS
2 OR GMP FACILITIES ARE NOT TO BE CONSIDERED AS PART OF
3 THIS, BUT WILL COME AT A FUTURE TIME. I JUST WANT TO ASK
4 THE QUESTION, AND IS MONEY SET ASIDE FOR THAT?

5 CHAIRMAN KLEIN: LET ME MAKE TWO DIFFERENT
6 POINTS. ONE IS IF SOMEONE HAS VIVARIUM CAPACITY OR A
7 CORE OR A GMP CAPACITY, THAT CAN BE CONSIDERED IN THEIR
8 SCIENTIFIC MERIT AND ABILITY TO PERFORM. BUT TO THE
9 EXTENT THAT WE'RE TRYING TO EXPAND CAPACITY FOR GMP OR
10 EXPAND CAPACITY FOR CORES, THERE'S \$35 MILLION SET ASIDE
11 FOR A SEPARATE COMPETITION.

12 DR. FRIEDMAN: AND THAT WILL BE SOME FUTURE
13 TIME.

14 CHAIRMAN KLEIN: THAT'S A FUTURE ROUND AT A
15 FUTURE DATE.

16 MS. HOFFMAN: CHAIRMAN KLEIN, WE HAD ORIGINALLY
17 ENVISIONED THAT WE WOULD GO THROUGH THE WHOLE
18 PRESENTATION. AND WHAT I'M HEARING, AND I UNDERSTAND
19 THAT YOU WANTED TO TAKE THIS ONE APPROVAL AT A TIME, BUT
20 PERHAPS IT MIGHT BE IN OUR BEST INTEREST TO CONTINUE
21 THROUGH THE REST OF THE PRESENTATION BECAUSE SOME OF
22 THESE QUESTIONS CAN BE ANSWERED.

23 CHAIRMAN KLEIN: LET ME ASK THE BOARD FOR THEIR
24 PLEASURE AFTER I GET DR. PIZZO'S COMMENT. I WAS HOPEFUL
25 THAT WE COULD DEAL WITH THE ONE- OR TWO-STEP PROCESS

BARRISTERS' REPORTING SERVICE

1 BECAUSE THAT'S PRETTY FUNDAMENTAL FOR WHAT YOU ARE
2 DISCUSSING HERE.

3 DR. PIZZO: HAVING PUT FORWARD THE MOTION IN
4 FAVOR OF THE TWO-STEP PROCESS, I SUSTAIN THAT BELIEF. I
5 THINK THIS IS A VERY GOOD PROCESS. I DO AGREE THAT, AS
6 I'VE ALWAYS FELT, THAT THE SCIENCE SHOULD BE THE DRIVER
7 OF WHAT WE DO, ALTHOUGH WE ALL RECOGNIZE THAT WE'RE NOT
8 GOING TO BE ABLE TO COMPLETE OUR SCIENTIFIC PROMISE IF WE
9 DON'T HAVE FACILITIES AS WELL, SO THESE ARE INTERMINGLED
10 HOWEVER WE ADOPT THEM.

11 I DO WANT TO COME BACK TO THE QUERY THAT I
12 RAISED, WHICH IS PARTICULARLY ABOUT PART Z. AND I THINK
13 SPECIFICALLY, ARLENE, WHEN YOU SPEAK ABOUT HEMATOPOETIC
14 STEM CELL TRANSPLANTATION, THIS IS AN AREA THAT I'VE
15 CERTAINLY BEEN PART OF FOR A LONG TIME THAT WELL
16 ANTEDATES A LOT OF OUR CONSIDERATIONS ABOUT, QUOTE,
17 EMBRYONIC STEM CELL RESEARCH OR THE USE OF STEM CELLS IN
18 A SORT OF NEW VENUE.

19 AND SO WHILE IT MAY BE THE EMBODIMENT RIGHT NOW
20 OF A CLINICAL APPLICATION, MUCH MORE SO THAN ISLET CELL
21 TRANSPLANTATION, WHICH HAS SOME CONTROVERSY ASSOCIATED
22 WITH IT, I DO THINK THAT IT IS AT THIS POINT WHEN WE
23 THINK ABOUT CLINICAL APPLICATIONS STILL LESS MATURE. WE
24 ALL WANT IT TO BE MORE MATURE, BUT I WOULD HOPE AS WE GO
25 THROUGH THIS THAT WE WILL, AND I THINK YOU DID SAY THIS,

BARRISTERS' REPORTING SERVICE

1 AND I JUST WANT TO MAKE SURE I'M HEARING IT CORRECTLY,
2 THAT THERE WILL BE SOME WEIGHTING OF THAT BECAUSE THE
3 FACILITIES, TO CARRY OUT STEM CELL CLINICAL TRIALS, ARE
4 DIFFERENT FROM THOSE THAT WILL BE GOING INTO A RESEARCH
5 FACILITY.

6 WE'LL NEED THE INFRASTRUCTURE TO SUPPORT THEM,
7 BUT THEY'RE VERY DIFFERENT IN TERMS OF THEIR
8 CONFIGURATION, AND MOST OF US ARE NOT THINKING ABOUT
9 THOSE FACILITIES JUST AT THIS JUNCTURE, AND I TAKE IT
10 YOU'RE THINKING ABOUT THOSE FACILITIES WHEN YOU TALK
11 ABOUT THE CLINICAL PART Z COMPONENT.

12 DR. CHIU: THANK YOU, DR. PIZZO, BECAUSE YOU
13 BRING UP A VERY IMPORTANT POINT. AND WE ARE STILL VERY
14 NAIVE IN LOOKING AT THE THREE ELEMENTS. WE'RE STRUGGLING
15 TO FIND A WAY TO EVALUATE EACH APPLICATION FAIRLY. AND I
16 HAVE NOT THOUGHT ABOUT WEIGHTING X, Y, OR Z, AND I ASK
17 THE BOARD FOR THEIR DECISION BECAUSE THIS IS A VERY
18 IMPORTANT CONSIDERATION. WE JUST DON'T QUITE KNOW HOW TO
19 APPROACH IT.

20 CHAIRMAN KLEIN: AND THE QUESTION IS WHEN
21 YOU'RE RATING IT, YOU'RE RATING X, Y, AND Z AT THE SITE
22 AS VERSUS NOT NECESSARILY IN THE BUILDING; IS THAT
23 CORRECT?

24 DR. CHIU: THERE ARE TWO LEVELS OF IT. WE
25 DON'T THINK THERE'S GOING TO BE HOSPITAL BEDS AT THE

BARRISTERS' REPORTING SERVICE

1 SITE, BUT IT'S THE LEVEL OF EXPERTISE AND HOW MUCH.

2 DR. PIZZO: I THINK IT'S REALLY THE STATE OF
3 THE SCIENCE. THE REALITY IS RIGHT NOW TODAY, EVEN THOUGH
4 WE'D ALL LOVE TO BE DOING LOTS OF CLINICAL TRIALS WITH
5 STEM CELLS, WE'RE NOT AT THAT JUNCTURE. AND SO I THINK
6 WE NEED TO BE THOUGHTFUL ABOUT WHETHER THAT'S WHAT WE'RE
7 TRYING TO ACHIEVE AND WHETHER IT HAS AN EQUAL. WHAT WE
8 REALLY WANT TO DO IS TO BE SURE THAT OUR DISCOVERY AND
9 PRECLINICAL WORK MOVES RAPIDLY SO THAT WE CAN HAVE THE
10 CLINICAL TRIAL CAPABILITY IN THE FUTURE. I JUST DON'T
11 THINK WE'RE AT THAT STATE OF KNOWLEDGE RIGHT NOW.

12 DR. CHIU: SO LET ME SAY THAT WHAT WE ARE DOING
13 IS ACTUALLY EQUAL WEIGHTING IN THE SENSE THAT EACH
14 ELEMENT WILL GET ITS OWN SEPARATE SCORE, AND THEY'LL JUST
15 BE COMPARED WITH OTHER APPLICATIONS OF THE SAME ELEMENT.

16 DR. PIZZO: SO TO THAT REGARD, LET'S TAKE THAT
17 AS AN EXAMPLE BECAUSE I HEARD YOU SAY THAT, AND I WAS
18 PLEASED TO HEAR THAT, BUT DESCRIBE FOR ME -- SUPPOSE ONE
19 HAS AN OUTSTANDING SCORE IN PART Z.

20 MR. SERRANO-SEWELL: POINT OF ORDER, PHIL, JUST
21 REAL QUICK. BACK TO THE FUNDAMENTAL -- I'M SORRY TO
22 INTERRUPT, PHIL, BUT BACK TO THE FUNDAMENTAL QUESTION.
23 TWO-STEP PROCESS, YES OR NO?

24 DR. PIZZO: YES.

25 MR. SERRANO-SEWELL: CAN WE VOTE ON THAT? DO

BARRISTERS' REPORTING SERVICE

1 YOU OBJECT TO VOTING ON THAT, ON THAT DISCRETE ISSUE? I
2 WANT TO GET TO WHAT YOU ARE SAYING, IF WE CAN JUST MOVE
3 THE BALL ONE --

4 DR. PIZZO: I'M WILLING TO --

5 CHAIRMAN KLEIN: WE WILL RETURN TO YOUR
6 QUESTION.

7 DR. STEWARD: I'M SORRY. CAN I JUST MAKE ONE
8 MORE COMMENT?

9 CHAIRMAN KLEIN: ON POINT. DR. STEWARD HAS A
10 COMMENT ON POINT.

11 DR. STEWARD: SO I HAVE LISTENED TO EVERYTHING,
12 AND I REMAIN VERY CONCERNED. AND PART OF MY CONCERN
13 COMES FROM HAVING ATTENDED THE SCIENTIFIC WORKING GROUP
14 MEETING WHERE EMPHATICALLY THE MEMBERS OF THAT GROUP SAID
15 WE NEED TO GIVE THESE PEOPLE A SECOND ROUND. WE DON'T
16 HAVE ENOUGH INFORMATION HERE. WE'RE JUDGING THE GRANT
17 UNFAVORABLY, BUT THEY MIGHT COME BACK AND MAKE IT HIGHLY
18 FAVORABLE. AND SEVERAL MEMBERS OF THAT COMMITTEE, I
19 FELT, WERE FRUSTRATED WITH THAT.

20 LET ME JUST PROPOSE THIS BECAUSE I'M GOING TO
21 VOTE NO OTHERWISE, AND I DON'T WANT TO VOTE NO.

22 CHAIRMAN KLEIN: AND YOU REALIZE WHETHER WE
23 HAVE A SECOND ROUND IS A DIFFERENT QUESTION OF WHETHER WE
24 HAVE A TWO-STEP PROCESS?

25 DR. STEWARD: NO, IT'S NOT BECAUSE REALLY YOU

BARRISTERS' REPORTING SERVICE

1 CAN'T -- THE WAY IT'S PROPOSED RIGHT NOW WITH THE
2 TIMELINE, WE'RE VOTING ON THE TIMELINE AS WELL.

3 CHAIRMAN KLEIN: WE'RE NOT. WE'RE JUST VOTING
4 ON ONE STEP VERSUS TWO. WE'RE NOT VOTING ON WHETHER
5 WE'RE ALLOCATING ALL THE MONEY TO THIS ROUND OR NOT.

6 DR. STEWARD: COULD THEN SOMEONE CLARIFY THE
7 MOTION?

8 CHAIRMAN KLEIN: THE MOTION IS WHETHER THIS
9 ROUND IS A ONE-STEP OR A TWO-STEP PROCESS.

10 DR. STEWARD: THE TIMING OF THOSE PROCESSES TO
11 BE DETERMINED?

12 CHAIRMAN KLEIN: NO. WELL, THE TIMING IS --
13 THERE'S A PROPOSED TIMELINE. WHAT IS NOT AT ISSUE IS DO
14 WE DO A SEPARATE ROUND. WHAT IS NOT AT ISSUE IS DO WE
15 ALLOCATE ALL THE MONEY TO THIS ROUND. THOSE ARE NOT UP
16 IN THIS MOTION.

17 MR. SERRANO-SEWELL: TO OZ' QUESTION, IF I
18 UNDERSTAND YOUR QUESTION, OZ, AND THAT IS, AND I THOUGHT
19 IT WAS ADDRESSED BY ARLENE CHIU, AND MAYBE WE'RE GOING
20 OVER IT AGAIN; AND THAT IS, WILL WE ALLOW THE APPLICANTS
21 TO REVISE THEIR APPLICATION? IS THAT WHAT YOU'RE ASKING
22 ESSENTIALLY?

23 DR. STEWARD: POTENTIALLY, YES. SO LET ME MAKE
24 A PROPOSITION HERE. THIS IS A FRIENDLY AMENDMENT. AND
25 DEPENDING ON HOW THIS COMES OUT, I MIGHT FEEL A WHOLE LOT

BARRISTERS' REPORTING SERVICE

1 MORE COMFORTABLE. IF IN THE JUDGMENT OF THE WORKING
2 GROUP THEY FELT THERE WAS A NEED FOR ADDITIONAL
3 INFORMATION BEFORE MAKING A VOTE TO RANK A PROPOSAL, IS
4 THERE AN OPPORTUNITY FOR THEM, AT THEIR DISCRETION, TO
5 ARRANGE TO GET THAT INFORMATION AND REVOTE? IF WE CAN DO
6 THAT, I'LL BE A LOT MORE COMFORTABLE.

7 CHAIRMAN KLEIN: ARLENE, I THINK THE QUESTION
8 IS DIRECTED TO YOU.

9 MR. SHEEHY: COULD I RESPOND TO THAT? I THINK,
10 FIRST OF ALL, THERE'S SOME CONFUSION. THE PROCESS YOU
11 WERE TALKING ABOUT AT THE LAST WORKING GROUP WAS NOT ONE
12 WHICH YOU'RE DESCRIBING WHICH PENALIZES EXCELLENCE. WHAT
13 THEY WANTED WAS A SECOND ROUND, BUT THEY WERE VERY HAPPY
14 TO FUND THE TOP TIER AND WOULD NOT HAVE APPROVED A
15 PROCESS TO LET SOMEONE WHO DID NOT DO AS WELL IN THAT TOP
16 TIER GET BACK INTO THAT POOL. THEY WERE ADAMANT THAT
17 THEY THOUGHT THAT WE WOULD HAVE A BETTER PROCESS AND GET
18 MORE VALUE IF WE DID MULTIPLE ROUNDS, BUT THERE WAS
19 ABSOLUTELY NO SUGGESTION THAT SOMEONE WHO SCORED VERY
20 WELL, BUT SUBMITTED A PRISTINE APPLICATION SHOULD HAVE
21 THEIR FUNDS CUT TO FUND SOMEONE COMING BACK IN THROUGH A
22 BACK DOOR.

23 AND THERE WAS NOT A DESIRE EITHER, THAT I CAN
24 SEE, TO HAVE THE WORKING GROUP GO OUT AND SOLICIT
25 INFORMATION SEPARATELY. THE PEER REVIEW PROCESS, AS I

BARRISTERS' REPORTING SERVICE

1 UNDERSTAND IT, IS A CLOSED THING WHERE YOU GO THROUGH;
2 AND THEN IF YOU WANT TO DO ANOTHER ROUND, YOU CAN DO
3 ANOTHER ROUND. THAT'S OKAY.

4 DR. STEWARD: JEFF, LET ME JUST SAY THE BEST
5 APPLICATION IS NOT NECESSARILY THE BEST SCIENCE. WE WHO
6 HAVE BEEN ON PEER REVIEW COMMITTEES RECOGNIZE THAT.
7 OKAY?

8 CHAIRMAN KLEIN: LET'S UNDERSTAND THAT --

9 MR. SHEEHY: THAT'S WHY YOU DO MULTIPLE ROUNDS,
10 AND THIS IS THE PROCESS WE HAVE.

11 CHAIRMAN KLEIN: WITH GREAT RESPECT FOR MY
12 COLLEAGUES, WITH GREAT RESPECT FOR MY COLLEAGUES, DO WE
13 HAVE ANY ADDITIONAL COMMENTS ON THE ONE-STEP VERSUS
14 TWO-STEP PROCESS?

15 MS. LANSING: I JUST WANT TO SAY I ACTUALLY
16 THINK THE WORK THAT THE COMMITTEE DID IS TERRIFIC. AND I
17 ACTUALLY THINK THE PUBLIC HEARINGS, CLAIRE AND I, DR.
18 POMEROY AND I WERE TALKING ABOUT THIS, REALLY PROVIDED
19 TERRIFIC INPUT. AND I THINK THAT DAVID AND THE COMMITTEE
20 DID A TERRIFIC JOB, AND I SUPPORT THEIR RECOMMENDATIONS.

21 CHAIRMAN KLEIN: SO THE RECOMMENDATION WAS FOR
22 A TWO-STEP PROCESS. SO WITH THAT, ARE THERE MEMBERS OF
23 THE PUBLIC WHO WOULD LIKE TO COMMENT ON ONE-STEP VERSUS
24 THE TWO-STEP? THE MOTION THAT IS BEFORE US IS A TWO-STEP
25 PROCESS.

BARRISTERS' REPORTING SERVICE

1 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
2 TAXPAYER AND CONSUMER RIGHTS. I WAS QUOTED AT THE
3 BEGINNING OF THE MEETING AS COMMENDING THE PROCESS THAT
4 BROUGHT FORWARD THE TWO-STEP PROCESS. I WOULD COMMEND TO
5 YOUR ATTENTION, THOSE OF YOU WHO WERE NOT AT ALL FIVE
6 HEARINGS AND ALSO THE INTERESTED PARTIES MEETING, WHERE
7 ALL OF THE PEOPLE WHO ARE GOING TO BE DOING, I THINK, THE
8 ACTUAL APPLICATIONS WERE THERE TO TALK ABOUT THEIR
9 CONCERNS. IF YOU READ WHAT THEY SAID, THIS WOULD GO A
10 LOT QUICKER.

11 IT WAS A VERY GOOD PROCESS. I'M VERY MUCH IN
12 FAVOR OF THE TWO-STEP PROCESS AND A LITTLE BIT FRUSTRATED
13 THAT ALL OF THIS WONDERFUL INPUT DOESN'T SEEM TO HAVE
14 PERKED UP QUITE ALL THE WAY TO ALL OF THE MEMBERS OF THE
15 BOARD. SO IN A SENSE FRUSTRATION THAT I SEE IN A FEW
16 OTHER FACES IN THE ROOM, PERHAPS STAFF, WHO ARE TOO
17 POLITE TO SAY THAT, PLEASE READ YOUR TRANSCRIPTS. THANK
18 YOU.

19 CHAIRMAN KLEIN: I THINK, JOHN, WITH DUE
20 RESPECT, THE VIBRANT DISCUSSIONS WE HAVE IN THIS BOARD,
21 EVERY MEMBER IS COMMITTED TO BRINGING THE BEST POINTS
22 THEY CAN TO THE BOARD. THEY MAY DISAGREE WITH THE
23 TRANSCRIPT. SO IT'S A VERY GOOD, ROBUST DISCUSSION.

24 ANY ADDITIONAL COMMENTS FROM THE AUDIENCE?
25 SEEING NONE, WE HAVE A MOTION AND WE HAVE A SECOND; IS

BARRISTERS' REPORTING SERVICE

1 THAT CORRECT? YES, WE DO. I WOULD LIKE TO TRY A VOICE
2 VOTE. IF WE NEED TO, WE'LL GO TO A ROLL CALL VOTE. ALL
3 IN FAVOR? OPPOSED? IT APPEARS THAT THE AYES HAVE IT.
4 AND I CONGRATULATE US. WE'VE GONE THROUGH THE FIRST
5 ELEMENT.

6 WITH THAT, NOW WE'RE GOING TO TAKE A BREAK. I
7 THINK, IF I CAN HAVE ADVICE FROM STAFF AND COUNSEL, WE
8 CAN TRY AND BE EFFICIENT ABOUT THIS. IT WOULD BE
9 APPROPRIATE TO ADJOURN TO LUNCH AND DURING THAT GO INTO
10 CLOSED SESSION UNDER GOVERNMENT CODE SECTION 11126(A) AND
11 HEALTH AND SAFETY CODE SECTION 125290.30(D)(3)(D) FOR
12 DISCUSSION OF PERSONNEL ITEMS.

13 SO WITH THAT, WE THANK YOU VERY MUCH. WE'RE
14 GOING TO TAKE TIME FOR A BREAK AND TIME FOR LUNCH, AND I
15 THINK WE'D EXPECT TO BE BACK IN ABOUT AN HOUR. WHERE IS
16 THE BREAKOUT ROOM? DOWNSTAIRS. FOLLOW THE STAFF. THANK
17 YOU.

18 (A RECESS WAS TAKEN.)

19 CHAIRMAN KLEIN: ALL RIGHT. IF WE COULD
20 RECONVENE. IF WE COULD RECONVENE. WE'LL DO THE ROLL
21 CALL, IF WE COULD, PLEASE.

22 MS. KING: DAVID MEYER.

23 DR. MEYER: HERE.

24 MS. KING: ROBERT PRICE.

25 DR. PRICE: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: DENNIS CUNNINGHAM.
2 DR. CUNNINGHAM: HERE.
3 MS. KING: MARCY FEIT.
4 MS. FEIT: HERE.
5 MS. KING: MICHAEL FRIEDMAN. MICHAEL GOLDBERG.
6 MR. GOLDBERG: HERE.
7 MS. KING: FRANK MARKLAND.
8 DR. MARKLAND: HERE.
9 MS. KING: BOB KLEIN.
10 CHAIRMAN KLEIN: HERE.
11 MS. KING: SHERRY LANSING.
12 MS. LANSING: HERE.
13 MS. KING: MICHAEL LEVY. TINA NOVA.
14 DR. NOVA: HERE.
15 MS. KING: ED PENHOET.
16 DR. PENHOET: HERE.
17 MS. KING: PHIL PIZZO.
18 DR. PIZZO: NOT HERE.
19 MS. KING: CLAIRE POMEROY.
20 DR. POMEROY: HERE.
21 MS. KING: FRANCISCO PRIETO.
22 DR. PRIETO: HERE.
23 MS. KING: JOHN REED.
24 DR. REED: HERE.
25 MS. KING: DUANE ROTH.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: HERE.

2 MS. KING: DAVID SERRANO-SEWELL.

3 MR. SERRANO-SEWELL: HERE.

4 MS. KING: JEFF SHEEHY.

5 MR. SHEEHY: HERE.

6 MS. KING: OSWALD STEWARD.

7 DR. STEWARD: HERE.

8 MS. KING: JANET WRIGHT.

9 CHAIRMAN KLEIN: AND WE HAVE A QUORUM. COMING
10 OUT OF THE EXECUTIVE SESSION -- COMING OUT OF EXECUTIVE
11 SESSION, WE CAN TELL YOU THAT THE PRESIDENTIAL SEARCH HAS
12 BEEN AIDED BY THE FACT WE DO HAVE A COURT DECISION, SO WE
13 HAVE MORE CANDIDATES THAN WE ORIGINALLY HAD.

14 ORIGINALLY ONE OF THE CHALLENGES WAS THAT WE
15 DIDN'T HAVE THE ABILITY TO PROVE TO SOMEONE THEY HAD A
16 LONG-TERM JOB AS VERSUS A JOB THAT COULD HAVE BEEN TWO OR
17 THREE MONTHS IF THE SUPREME COURT WENT IN THE OTHER
18 DIRECTION.

19 BUT WE HAVE A SEARCH WHERE WE ARE FOLLOWING A
20 PROCESS THAT REQUIRES SUBSTANTIAL DUE DILIGENCE, NOT JUST
21 IN UNDERSTANDING THE CANDIDATES, BUT MAKING SURE THAT
22 THEY CAN TRANSITION OUT OF THEIR LABS, THEY CAN FIND
23 MENTORS FOR THEIR POST DOCS AND GRADUATE STUDENTS, THAT
24 THEY CAN DEAL WITH RELOCATION. SO THERE'S A NUMBER OF
25 ISSUES TO GET A WORLD-CLASS LEADER. THIS IS WHY IT TAKES

BARRISTERS' REPORTING SERVICE

1 A YEAR OR YEAR AND A HALF IN ACADEMIA. WE'RE MOVING ON A
2 MUCH MORE EXPEDITED SCHEDULE.

3 BUT IN PURSUING THAT SCHEDULE, IT IS FELT THAT
4 WE WANTED TO TAKE A VOTE HERE TODAY ON HAVING AN INTERIM
5 PRESIDENT. SO WE WILL ENTERTAIN A MOTION AT THIS POINT
6 FOR AN INTERIM PRESIDENT THAT CAN PROVIDE SCIENTIFIC
7 LEADERSHIP AND HELP BUILD THE FOUNDATION FOR THE NEW
8 PRESIDENT, FURTHER BUILD OUR RESEARCH GRANT-MAKING
9 ENTERPRISE WHILE WE ARE PROCEEDING TO TAKE THE PROPER
10 TIME FOR THE SEARCH TO BE COMPLETED AND TRANSITION OF THE
11 FINAL SEARCH CANDIDATES.

12 SO COMING OUT OF THIS SESSION, WE DECIDED THAT
13 THAT VOTE SHOULD BE, OF COURSE, A PUBLIC VOTE, AS IS
14 REQUIRED. AND WOULD SOMEONE LIKE TO MAKE A MOTION AS TO
15 HIRING AN INTERIM PRESIDENT?

16 DR. PIZZO: YES. I WOULD LIKE TO MOVE IN THAT
17 DIRECTION. THIS IS A STANDARD PRACTICE IN OTHER
18 ORGANIZATIONS DURING PERIODS OF UNEXPECTED TRANSITION.
19 AND I THINK THIS WOULD BE A GOOD THING FOR US TO DO AT
20 THIS POINT, SO I MOVE THAT WE HAVE AN INTERIM PRESIDENT.

21 MR. GOLDBERG: SECOND.

22 CHAIRMAN KLEIN: AND THERE IS A SECOND ON THAT
23 VOTE. I WILL POINT OUT THAT THERE WILL BE A SECOND ITEM.
24 WE WILL DISCUSS A PARTICULAR CANDIDATE AND ALL THE TERMS.
25 THIS IS JUST THE QUESTION OF SHOULD WE HAVE AN INTERIM

BARRISTERS' REPORTING SERVICE

1 PRESIDENT.

2 DISCUSSION BY THE BOARD? DISCUSSION BY THE
3 PUBLIC? I CALL THE QUESTION. ALL IN FAVOR?

4 SO THE NEXT ITEM ON OUR AGENDA --

5 MR. SHEEHY: NO.

6 CHAIRMAN KLEIN: ONE NO, YES. THANK YOU VERY
7 MUCH.

8 THE NEXT ITEM IS TO MOVE TO THE SPECIAL ITEM ON
9 OUR AGENDA, WHICH I WOULD ASK JAMES HARRISON TO READ.

10 MR. HARRISON: THIS IS AN ITEM TO CONSIDER THE
11 AUTHORIZATION TO NEGOTIATE AND EXECUTE A PERSONAL
12 SERVICES CONTRACT FOR AN INDIVIDUAL TO SERVE AS INTERIM
13 PRESIDENT OF THE CIRM.

14 CHAIRMAN KLEIN: THE CANDIDATE FOR THIS
15 POSITION IS DR. RICHARD MURPHY, WHO IS AN EMINENT MEMBER
16 OF THIS BOARD, SERVED ON MANY OF THE BOARD'S COMMITTEES;
17 THEREFORE, HAS THE KNOWLEDGE TO BE IMMEDIATELY EFFECTIVE
18 IN THIS ORGANIZATION. HE LED THE PRESTIGIOUS SALK
19 ORGANIZATION IN SAN DIEGO AND PREVIOUSLY LED THE BUILDING
20 OF THE SCIENTIFIC ORGANIZATION IN ALBERTA, CANADA, AMONG
21 HIS MANY ACHIEVEMENTS AFTER LEAVING HARVARD.

22 WHAT WE NEED TO HAVE HERE IS COMPLETE
23 TRANSPARENCY WITH THE PUBLIC IN THESE TERMS THAT WOULD BE
24 UNDER DISCUSSION. WOULD SOMEONE LIKE TO PLACE HIS NAME
25 FORMALLY IN -- HIS CANDIDACY FORMALLY INTO THE PROCESS

BARRISTERS' REPORTING SERVICE

1 THROUGH A MOTION AND A SECOND?

2 DR. PIZZO: I'D LIKE TO NOMINATE DR. MURPHY.

3 MS. LANSING: SECOND.

4 CHAIRMAN KLEIN: SHERRY LANSING IS THE SECOND.

5 DR. PIZZO IS MAKING THE MOTION.

6 AND CAN WE SEE THE TERMS UNDER WHICH DR. MURPHY
7 WOULD BE ABLE TO SERVE?

8 NOW, THE TERMS, TO READ THEM TO YOU, IS
9 \$300,000 PAYABLE ON SUBMISSION OF INVOICES IN SIX-MONTH
10 INSTALLMENTS. NOTICE THAT ITEM 3 IS THAT THE PERIOD IS A
11 LITTLE BIT MORE THAN SIX MONTHS. IT'S ABOUT SIX MONTHS
12 AND THREE WEEKS. IT IS IMPORTANT TO NOTE THAT THERE'S NO
13 INSURANCE BENEFITS OR BENEFITS OF ANY KIND. NO
14 RETIREMENT BENEFITS, NO HEALTHCARE BENEFITS THAT HE WOULD
15 GET. SO THIS IS HIS ENTIRE COMPENSATION UNDER THIS
16 CONTRACT. HE DOES NOT GET HIS CONTRACT COMPENSATION PLUS
17 LIFE INSURANCE, HEALTH INSURANCE, RETIREMENT BENEFITS.
18 THIS IS ALL INCLUSIVE. SO YOU WOULD NEED, ON A
19 COMPARABLE BASIS, TO BACK ALL OF THOSE OUT FOR THIS SIX
20 MONTHS, THREE-WEEK TIME PERIOD.

21 DR. MURPHY IS NOT A CANDIDATE FOR PERMANENT
22 PRESIDENT. DR. MURPHY, IN ORDER TO PROVIDE A VERY HIGH
23 STANDARD ON CONFLICTS, AND GIVEN THAT HE PREVIOUSLY WAS
24 FROM SALK, HAS SUGGESTED, AND WE WILL CONSIDER IT AS A
25 PART OF HIS CONTRACT, THAT HE WILL RECUSE HIMSELF FROM

BARRISTERS' REPORTING SERVICE

1 PARTICIPATING IN ANY DECISION INVOLVING ANY OF THE SAN
2 DIEGO INSTITUTIONS.

3 HE WOULD RELOCATE TO SAN FRANCISCO. WHILE HE
4 WOULD DO SOME WORK BETWEEN NOW AND THE RELOCATION, HIS
5 ACTUAL RELOCATION PHYSICALLY WOULD BE COMPLETE, IF THE
6 BOARD WERE TO APPROVE THIS, IMMEDIATELY AFTER LABOR DAY.

7 DISCUSSION BY THE BOARD OF THE OBJECTIVES IN
8 THIS CONTRACT AND CANDIDACY IS IN ORDER.

9 DR. PIZZO: I THINK SEVERAL THINGS. FIRST OF
10 ALL, I THINK, AS YOU'VE ALREADY STATED, DR. MURPHY HAS
11 BEEN AN EXCEPTIONAL MEMBER OF THE ICOC, UNDERSTANDS THE
12 ORGANIZATION EXTREMELY WELL, HAS BEEN A VERY THOUGHTFUL
13 LEADER BOTH IN RELATIONSHIP TO OUR ACTIVITIES AS WELL AS
14 TO VARIOUS RELATED ACTIVITIES TO THE CIRM. I THINK HIS
15 CANDIDACY COMES AT A TIME WHEN HE IS PERSONALLY
16 TRANSITIONING FROM HIS LEADERSHIP AT SALK TO A NEW ROLE,
17 WHICH WILL BE, IN FACT, OUT-OF-STATE, AND THAT HE HAS
18 GIVEN EVIDENCE OF BOTH HIS DEDICATION AND COMMITMENT TO
19 WANTING TO WORK ON OUR BEHALF BY RELINQUISHING CONFLICTS
20 OF INTERESTS THAT MIGHT HAVE BORNE NEGATIVELY UPON A
21 CANDIDATE.

22 AND I THINK FOR THOSE REASONS, HIS EXPERIENCE,
23 HIS COMMITMENT, HIS FOCUS, KNOWLEDGE OF THE FIELD, AND
24 THE INTERIM NATURE OF HIS ROLE WHILE WE COMPLETE THE
25 PROCESS OF SEARCHING FOR PRESIDENT MAKE ME VERY

BARRISTERS' REPORTING SERVICE

1 SUPPORTIVE TO THIS POSITION.

2 CHAIRMAN KLEIN: AND IN TERMS OF DR. PIZZO'S
3 STATEMENT, TO DR. MURPHY'S GREAT CREDIT, OFTEN WHEN YOU
4 LEAVE A LEADERSHIP POSITION AT AN EMINENT INSTITUTION
5 LIKE THE SALK, YOU HAVE TRAILING HEALTH BENEFITS, LIKE
6 INSURANCE BENEFITS AND OTHERS. HE'S GIVING ALL OF THOSE
7 UP TO AVOID ANY CONFLICTS.

8 IN ADDITION, HE IS RECUSING HIMSELF FROM
9 PARTICIPATING IN THOSE DECISIONS INVOLVING ANY OF THE SAN
10 DIEGO INSTITUTIONS.

11 MR. ROTH: I'D JUST LIKE TO SPEAK IN FAVOR OF
12 DR. MURPHY AND COMMENT ON HOW WELL THE SALK HAS DONE OVER
13 THE PAST YEARS UNDER HIS LEADERSHIP. IT'S CONTINUED TO
14 GROW. HE'S BUILT A TERRIFIC BOARD. THE PHILANTHROPY HAS
15 GONE UP. I THINK HE'S WELL-SUITED FOR IT.

16 ONE THING I DID WANT TO JUST CLARIFY, THESE ARE
17 THE MAJOR TERMS OF THE AGREEMENT. I ASSUME THERE'S THE
18 USUAL EXPENSE REIMBURSEMENTS AND OTHER THINGS THAT WILL
19 BE PART OF HIS AGREEMENT THAT'S NOT INCLUDED HERE?

20 CHAIRMAN KLEIN: THAT'S RIGHT. NORMAL EXPENSE
21 REIMBURSEMENTS ANYONE HOLDING THE PRESIDENT'S OFFICE
22 WOULD BE ENTITLED TO UNDER OUR EXISTING RULES AND
23 REGULATIONS.

24 ANY ADDITIONAL COMMENTS FROM THE BOARD?

25 DR. REED: JUST A CLARIFICATION. I UNDERSTAND

BARRISTERS' REPORTING SERVICE

1 DR. MURPHY WILL NOT BE A CANDIDATE FOR THE PERMANENT
2 PRESIDENT'S POSITION.

3 CHAIRMAN KLEIN: THAT'S RIGHT. IT IS THE TERM
4 OF THE CONTRACT THAT HE IS NOT A CANDIDATE FOR THE
5 PERMANENT PRESIDENT. HIS INTENT IS TO, IN FACT, WORK
6 WITH US ON THE CANDIDATES THAT WE HAVE IN HELPING BUILD
7 AN ORGANIZATION FOR THEM AND PROVIDING THAT CANDIDATE
8 WITH THE BEST POSSIBLE SCIENTIFIC AND ADMINISTRATIVE
9 STAFF PLATFORM TO ASSUME THOSE RESPONSIBILITIES AT FULL
10 SPEED AND MAINTAIN OUR MOMENTUM.

11 ANY ADDITIONAL COMMENTS? NO ADDITIONAL
12 COMMENTS FROM THE BOARD, COMMENTS FROM THE PUBLIC?

13 MR. REED: I WOULD JUST LIKE TO SAY IT'S ALWAYS
14 A PLEASURE WHEN SOMEONE WHO IS SCIENTIFICALLY DEEP CAN
15 ALSO TALK PEOPLE TALK. DR. MURPHY IS EXCELLENT AT
16 COMMUNICATING INTENSE SCIENCE IN UNDERSTANDABLE LANGUAGE.
17 HE'S ALSO A VERY PERSONABLE PERSON, WARM AND FRIENDLY,
18 AND WILL BE A GOOD FACE FOR US. THANK YOU.

19 MR. SIMPSON: JOHN SIMPSON FROM THE FOUNDATION
20 FOR TAXPAYER AND CONSUMER RIGHTS. DR. MURPHY IS A
21 WONDERFUL LEADER. HE ALSO, I BELIEVE, WAS A MEMBER OF
22 THE BOARD OF DIRECTORS OF THE CALIFORNIA HEALTHCARE
23 INSTITUTE. I'M NOT SURE WHETHER HE HAS, IN FACT,
24 RESIGNED FROM THAT WITH HIS RETIREMENT. IF HE HAS, THIS
25 IS NOT AN ISSUE.

BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: I'M ALSO A MEMBER OF THAT, AND HE
2 HAS.

3 MR. SIMPSON: THAT WAS MY QUESTION. IT WOULD
4 BE INAPPROPRIATE FOR HIM TO BE A MEMBER OF THAT AND THE
5 PRESIDENT, I THINK. I HAVE QUESTIONS ABOUT BOARD MEMBERS
6 WHO ARE MEMBERS OF THAT AS WELL, BUT THAT'S A SEPARATE
7 ISSUE. THANK YOU.

8 CHAIRMAN KLEIN: THANK YOU. ANY ADDITIONAL
9 COMMENTS?

10 DR. PIZZO: I RECEIVE NO COMPENSATION FOR THAT.

11 MS. FOGEL: I'M SUSAN FOGEL FROM THE PRO-CHOICE
12 ALLIANCE FOR RESPONSIBLE RESEARCH. FIRST OF ALL, IN
13 RESPONSE TO THAT COMMENT, SOME OF US THINK CONFLICTS OF
14 INTEREST SHOULD BE DEFINED A LOT BROADER THAN FINANCIAL.
15 BUT I WANTED TO ASK FOLLOW-UP QUESTIONS ABOUT THE LAST
16 ELEMENT.

17 THAT'S NOT VERY WELL DEFINED, AND I WANTED TO
18 KNOW WHAT IS THE PROCESS FOR, IN MUCH GREATER DETAIL,
19 LAYING OUT WHAT IS THE DECISION? WHAT KIND OF FIREWALLS
20 WILL THERE BE TO MAKE SURE THAT THERE IS COMPLETE, NOT
21 ONLY TRANSPARENCY, BUT THAT THERE ARE NO CONFLICTS AT ANY
22 LEVEL UNDER DR. MURPHY'S LEADERSHIP?

23 CHAIRMAN KLEIN: SO IT'S VERY IMPORTANT, AND WE
24 APPRECIATE ACTUALLY YOU PUTTING ATTENTION ON THAT BECAUSE
25 HE'LL BE SUBJECT TO ALL OF THE CONFLICT STANDARDS THAT A

BARRISTERS' REPORTING SERVICE

1 PRESIDENT WOULD HAVE TO ADHERE TO IN ADDITION TO THIS
2 PROVISION. SO THIS IS ON TOP OF EVERYTHING ELSE THAT HE
3 WOULD OTHERWISE HAVE TO DO; IS THAT CORRECT, JAMES
4 HARRISON?

5 MR. HARRISON: THAT IS CORRECT. I JUST WANT TO
6 MAKE CLEAR FOR THE PUBLIC'S UNDERSTANDING THAT DR. MURPHY
7 DOES NOT HAVE ANY LEGAL CONFLICT THAT WOULD REQUIRE HIM
8 TO RECUSE HIMSELF FROM PARTICIPATING IN THESE DECISIONS
9 BECAUSE HE DOESN'T HAVE ANY FINANCIAL TIES TO THE SALK
10 INSTITUTE. HE HAS MADE THIS DECISION TO AVOID EVEN ANY
11 QUESTION OR APPEARANCE OF IMPROPRIETY, SO HE'S GOING
12 ABOVE AND BEYOND WHAT THE LAW REQUIRES FOR HIM TO RECUSE
13 HIMSELF FROM PARTICIPATING IN ANY DECISIONS, NOT ONLY
14 WITH THE SALK INSTITUTE, BUT WITH RESPECT TO OTHER
15 DECISIONS AFFECTING APPLICANTS FROM SAN DIEGO.

16 CHAIRMAN KLEIN: THANK YOU.

17 MS. FOGEL: THANK YOU. I JUST THINK THAT'S
18 REALLY IMPORTANT, THAT THERE ALSO BE NO PERCEPTION, NOT
19 ONLY WHETHER OR NOT THERE'S A TECHNICAL LEGAL CONFLICT,
20 BUT BECAUSE IT COMES FROM AN INSTITUTION THAT HAS BEEN
21 FUNDED, THAT THE PUBLIC WANTS TO HAVE THAT CONFIDENCE AND
22 THINK THAT'S REALLY IMPORTANT THAT THERE BE SOME PUBLIC
23 STATEMENTS THAT MAKE THAT VERY CLEAR.

24 CHAIRMAN KLEIN: AND I THINK THAT IS AN
25 EXCELLENT POINT. I THANK YOU FOR EMPHASIZING IT, AND

BARRISTERS' REPORTING SERVICE

1 THAT IS OUR ABSOLUTE INTENT. AND THAT IS DR. MURPHY'S
2 INTENT IF THE BOARD WERE TO APPROVE IT.

3 SEEING NO OTHER POINTS FROM THE PUBLIC, I'D
4 LIKE TO CALL THE QUESTION, UNDERSTANDING THAT THE TERMS
5 OF THIS AGREEMENT WILL BE PUT INTO A CONTRACT BY COUNSEL,
6 JAMES HARRISON, TAMAR PACTHER, WORKING TOGETHER. WE HAVE
7 A SPECIFIC WRITTEN COMMUNICATION, IT IS MY UNDERSTANDING,
8 FROM DR. MURPHY THAT IF THESE TERMS WERE APPROVED AS
9 COUNSEL HAS NEGOTIATED THEM, THAT, IN FACT, THAT WOULD BE
10 A CONTRACT THAT HE IS PREPARED TO SIGN; IS THAT CORRECT?

11 MR. HARRISON: THAT'S CORRECT. JUST TO BE
12 CLEAR, THAT THE MOTION, THEN, IS TO APPOINT DR. MURPHY AS
13 INTERIM PRESIDENT PURSUANT TO THESE TERMS AND TO
14 AUTHORIZE THE NEGOTIATION AND EXECUTION OF A PERSONAL
15 SERVICES CONTRACT TO EFFECTUATE THAT.

16 CHAIRMAN KLEIN: THAT IS RIGHT. THAT'S YOUR
17 UNDERSTANDING OF THE MOTION, DR. PIZZO?

18 DR. PIZZO: YES, IT IS.

19 CHAIRMAN KLEIN: AND THE SECOND?

20 MS. LANSING: YES, IT WAS. ENTHUSIASTIC
21 SECOND.

22 CHAIRMAN KLEIN: ENTHUSIASTICALLY. WITH THAT,
23 I WOULD LIKE TO CALL FOR A VOICE VOTE, BUT I'M GOING TO
24 CALL FOR AYES, ABSTENTIONS, AND NAYS. ALL IN FAVOR? ANY
25 ABSTENTIONS? ANY NAYS?

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: NO.

2 CHAIRMAN KLEIN: OKAY. SO I THANK YOU FOR YOUR
3 PATIENCE. IT IS IMPORTANT THAT, AS ONE OF THE SPEAKERS
4 SUGGESTED, THAT WE LOOK AT ALL CONFLICTS ISSUES, THAT WE
5 ARE VERY THOROUGH IN OUR DISCUSSIONS. AND WE WERE VERY
6 THOROUGH AS WELL IN MOVING FORWARD WITH THE PRESIDENTIAL
7 SEARCH WITH GREATER DEFINITION, WITH A GREATER ARRAY OF
8 CANDIDATES, AND WITH EXCELLENT PEOPLE THAT WERE AVAILABLE
9 BEFORE, AND NOW ADDITIVE CANDIDATES THAT WILL HOPEFULLY
10 GIVE US A VERY DIFFICULT CHOICE.

11 DR. POMEROY: ON BEHALF OF THE BOARD, I WOULD
12 JUST LIKE TO OFFER THAT I THINK WE DISCUSSED HOW EXCITED
13 WE ARE ABOUT HAVING DR. MURPHY BE THE LEADER OF THIS
14 ORGANIZATION, AND I WOULD LIKE TO PERSONALLY JUST EXTEND
15 MY CONGRATULATIONS TO HIM AND TO US FOR GETTING SUCH A
16 GREAT LEADER.

17 (APPLAUSE.)

18 CHAIRMAN KLEIN: TO MOVE FORWARD ON
19 IMPLEMENTATION, DR. ARLENE CHIU HAS AGREED TO SERVE WITH
20 DR. MURPHY ON THE SCIENTIFIC TRANSITION, AND I BELIEVE,
21 JEFF SHEEHY, YOU WERE WILLING TO SERVE ON THAT TRANSITION
22 AS WELL, AND WE THANK YOU FOR THAT. AND THAT DR. PENHOET
23 HAS AGREED TO HEAD UP THE TRANSITION BRIEFINGS ON IP, AND
24 DUANE ROTH, I THINK, IS GOING TO HELP YOU WITH THAT WITH
25 APPROPRIATE STAFF. ON MEDICAL AND ETHICAL STANDARDS,

BARRISTERS' REPORTING SERVICE

1 DR. BERNIE LO WITH GEOFF LOMAX IS GOING TO DO THE
2 TRANSITION BRIEFINGS IN THAT AREA. IN FACILITIES WE
3 HAVE, OF COURSE, HOPEFULLY A VERY LARGE PROJECT HERE, AND
4 I WOULD LIKE TO ASK LORI HOFFMAN AND RICK KELLER ALONG
5 WITH DAVID SERRANO-SEWELL, WHO IS THE VICE CHAIR OF THAT
6 COMMITTEE, AND I WOULD JOIN THEM ON THAT IN THAT
7 BRIEFING. AND ON FINANCE, AS TO THE BONDS THEMSELVES
8 THAT NEED TO BE ISSUED IN THE NEAR FUTURE, I WILL BE
9 WORKING ON THE BRIEFING WITH JAMES HARRISON AND LORI
10 HOFFMAN.

11 OKAY. SO I THANK YOU. WE WILL GO BACK TO THE
12 AGENDA ON MAJOR FACILITIES. AND GIVEN THAT WE HAVE SET
13 THE BASICS OF THE TWO-STEP PROCESS, AT THIS POINT, BASED
14 ON THE MUTUAL ADVICE OF DR. ARLENE CHIU AND LORI HOFFMAN,
15 WE WILL NOW GO THROUGH THE FACILITIES PART OF THE
16 PROGRAM, THAT IS, PART 2, SO THE BOARD CAN SEE HOW THE
17 SCIENTIFIC AND FACILITIES REVIEWS FIT TOGETHER. AND THEN
18 WE WILL GO THROUGH THE FINAL SECTION AND GO BACK AND VOTE
19 ON THE PROGRAM AS PRESENTED.

20 MS. HOFFMAN: I'M GOING TO ASK RICK KELLER TO
21 MAKE THIS PRESENTATION.

22 MR. KELLER: THANK YOU. THE PART 2 ASPECT OF
23 THE RFA IS THAT FACILITIES ARE A TECHNICAL EVALUATION
24 WHICH PROPOSITION 71 SPECIFIES THE CRITERIA AND STANDARDS
25 WOULD BE ADOPTED BY THE ICOC. THE NEXT SLIDE, PLEASE.

BARRISTERS' REPORTING SERVICE

1 THESE ARE THE FIVE CATEGORIES THAT WERE WORKED
2 ON. IT SEEMS NOT QUITE JUSTICE TO HAVE FIVE LINES AFTER
3 THE FACILITIES WORKING GROUP HELD TEN HOURS OF MEETINGS
4 TO DETERMINE BOTH THE MAKEUP OF THIS CRITERIA AND THE
5 POINT ASSIGNMENT.

6 LET ME JUST BRIEFLY IN YOUR PACKETS, ATTACHMENT
7 2 IS THE DETAILED CRITERIA, DEFINITIONS, AND EVALUATION
8 OF STANDARDS. BUT JUST LET ME BRIEFLY INDICATE THAT
9 THESE COME AND ARE ROOTED IN THE VALUES EXPRESSED IN
10 CIRM'S MISSION, AND THAT THEY ALSO REFLECT ALL OF THE
11 DISCUSSION RELATIVE TO THE FOUR PUBLIC HEARINGS THAT WERE
12 MENTIONED EARLIER IN THE FACILITIES WORKING GROUP
13 FORMULATING DEFINITIONS AND HONING THE STANDARDS TO VERY
14 SPECIFIC WORDING WHICH WOULD GIVE CLARITY TO THIS
15 PROCESS.

16 SO WITH RESPECT TO VALUE, IT'S VERY CLEAR THAT
17 THIS IS AIMED AT ASSURING THAT THE INVESTMENT OF CIRM
18 FUNDING IS A GOOD VALUE AND A GOOD RETURN TO THE
19 TAXPAYER, AND THAT THE COMMITTEE ALSO FELT THAT IT SHOULD
20 REFLECT AN INNOVATIVE -- FACILITIES SHOULD REPRESENT
21 INNOVATIVE ELEMENTS AND RENEWED RESOURCES.

22 LEVERAGE IS DEFINED AS BASICALLY THE COMPONENT
23 WHERE CIRM IS PROMPTING ADDITIONAL INVESTMENT BEYOND THE
24 FUNDS THAT CIRM IS INVESTING IN THE PROJECT AND,
25 THEREFORE, WE HAVE INCLUDED THAT AS ONE OF THE CRITERIA

BARRISTERS' REPORTING SERVICE

1 WITH 25 POINTS ASSIGNED.

2 URGENCY ADDRESSES THE STATEMENT IN THE
3 PROPOSITION THAT A HIGH PRIORITY BE PLACED ON PROJECTS
4 WITH COMPLETION WITHIN TWO YEARS, AND 20 POINTS ARE
5 ASSIGNED FOR THAT VALUE.

6 SHARED RESOURCES REPRESENTS AN EMPHASIS ON
7 COLLABORATION, AND THAT THE APPLICANTS WILL BE ABLE TO
8 SHOW HOW THE PROJECT BENEFITS FROM FACILITIES, EQUIPMENT,
9 OR CORE LABORATORIES AT THE APPLICANT'S SITE OR
10 COLLABORATING INSTITUTIONS THAT REDUCE THE COST TO CIRM
11 AND INCREASE THE VALUE FOR THE MISSION.

12 AND, FINALLY, FUNCTIONALITY REFERS TO THE FACT
13 THAT THE PLANNED SPACE DESIGN OF THE ACTUAL PROJECT IS
14 CONSISTENT WITH CIRM OBJECTIVES AND MEETING PROGRAMMATIC
15 NEEDS AND EXPANDING REGENERATIVE MEDICINE RESEARCH
16 CAPACITY AND CAPABILITIES.

17 SO THESE CATEGORIES WILL BE INCLUDED IN THE
18 RFA. AND WHAT WE WILL BE DOING, OUR NEXT TASK IS TO
19 BASICALLY INCORPORATE THE APPROVED STANDARDS IN THE RFA
20 AND TO PROVIDE THE CLARIFYING TECHNICAL ISSUES THAT CAME
21 UP DURING THE INTERESTED PERSONS REVIEW OF THESE. AND,
22 FINALLY, WE WILL BE RETURNING TO YOU IN OCTOBER AT SUCH
23 TIME AS THE DETAILS THAT NEED TO BE INCORPORATED INTO THE
24 FACILITIES GRANT ADMINISTRATION POLICIES WILL BE
25 PROVIDED.

BARRISTERS' REPORTING SERVICE

1 WITH THAT, WE CAN PROCEED INTO THE FUNDING
2 APPROVAL DISCUSSION.

3 MS. HOFFMAN: I APOLOGIZE FOR THE TECHNICAL
4 DIFFICULTIES. I'M GOING TO HAVE TO GO THROUGH THIS
5 WITHOUT THE SLIDES, WHICH WILL BE BACK UP SOON, SO I'LL
6 START. SO TODAY YOU WILL BE CONSIDERING THE FULL
7 ALLOCATION FOR THE MAJOR FACILITIES GRANT. THIS GAP HAS
8 CURRENTLY PROPOSED \$227 MILLION. AT YOUR DECEMBER '06
9 MEETING, I WENT THROUGH AN EXPLANATION STARTING WITH THE
10 \$3 BILLION, SUBTRACTING OUT A SERIES OF OFF-THE-TOP
11 EXPENSES THAT HAD BEEN INCLUDED IN PROP 71 TO GET TO THE
12 AMOUNT AVAILABLE FOR GRANTS. AND THEN FROM THAT, UP TO
13 10 PERCENT OF THOSE FUNDS WOULD BE AVAILABLE FOR
14 FACILITIES GRANTS. AT THAT POINT IN TIME, IT WAS \$274.4
15 MILLION.

16 WHEN WE SUBTRACT OUT THE \$14.95 MILLION THAT
17 HAS BEEN APPROVED FOR THE SHARED FACILITIES LAB AS WELL
18 AS THE \$35 MILLION SET ASIDE FOR THE STEM CELL BANK AND
19 CORES, WE ENDED UP WITH \$224.45 MILLION.

20 THE CHAIRMAN OF THE BOARD HAD ASKED ME TO
21 REVISIT THE AMOUNT OF MONEY THAT WE HAD ALLOCATED FOR
22 OFF-THE-TOP EXPENSES FOR COST ISSUANCE AND CAPITALIZED
23 INTEREST FOR THE BOND SALES. AT YOUR DECEMBER '06
24 MEETING, WE HAD PROJECTED \$76 MILLION, AND TODAY WE ARE
25 PROJECTING \$50.5 MILLION. WITH THAT PARTICULAR SAVINGS,

BARRISTERS' REPORTING SERVICE

1 OUR NUMBER NOW FOR FACILITIES IS 276.95 MILLION.
2 ASSUMING THE 14.95, AGAIN, ALLOCATED FOR THE SHARED
3 LABORATORIES, AND THE \$35 MILLION SET ASIDE FOR THE STEM
4 CELL BANK AND CORES, THERE IS A BOTTOM LINE OF \$227
5 MILLION.

6 AT YOUR JANUARY ICOC MEETING, WE WILL BE ASKING
7 YOU TO CONSIDER THE GRANTS WORKING GROUP RECOMMENDATIONS
8 ON THE PART 1, AND WE WILL ALSO BE ASKING YOU TO APPROVE
9 A DOLLAR AMOUNT WITHIN THE FUNDING CATEGORIES. WE ARE
10 NOT DOING THAT AT THIS TIME BECAUSE WE ARE NOT SURE, IN
11 FACT, WHO WILL BE APPLYING AND THE NEED WITHIN THOSE
12 CATEGORIES. BUT AT THE END OF THE DAY, WHEN YOU'VE
13 ALLOCATED A SET ASIDE FOR THE INSTITUTES, THE CENTER OF
14 EXCELLENCE, AND THE SPECIAL PROGRAMS, WE WILL ASSUME THAT
15 WILL ADD UP TO \$227 MILLION.

16 IF YOU COULD GO BACK TO SLIDE 28 -- I'M
17 SORRY -- SLIDE 19. THANK YOU. SO, AGAIN, JUST TO RECAP
18 ALL THOSE NUMBERS I JUST THREW OUT, AT THE TOP YOU WILL
19 NOTICE ON THE FAR LEFT-HAND SIDE WAS THE ORIGINAL
20 PROPOSAL AT THE DECEMBER MEETING OF \$274.4 MILLION AND AT
21 THE RIGHT-HAND COLUMN, WE'RE NOW AT 276.95. AGAIN,
22 SUBTRACTING OUT THE 14.95 ALLOCATED FOR SHARED LABS, AS
23 WELL AS \$35 MILLION SET ASIDE, WE'RE AT 227.

24 AND, AGAIN, AT YOUR JANUARY MEETING WE WILL BE
25 ASKING YOU TO ALLOCATE WITHIN THE FUNDING CATEGORIES A

BARRISTERS' REPORTING SERVICE

1 TOTAL AMOUNT OF 227 MILLION.

2 AT THE APRIL MEETING YOU WILL BE CONSIDERING
3 THE FACILITIES WORKING GROUP RECOMMENDATION AND THEN
4 MAKING THE DECISIONS FOR FUNDING PER APPLICATION.

5 SO WHAT WE'RE PROPOSING TODAY IS NOT TO
6 ALLOCATE WITHIN THE FUNDING CATEGORIES, BUT AT LEAST
7 PROVIDE, AS REQUESTED BY MANY OF THE APPLICANTS AT THE
8 FOUR PUBLIC MEETINGS, AS WELL AS AT THE JULY 27TH MEETING
9 OF THE FACILITIES WORKING GROUP, THAT THERE BE RANGES
10 APPLICABLE SO THAT EACH INSTITUTION THAT WOULD OPINE
11 ESSENTIALLY WOULD KNOW WHAT THE DOLLAR AMOUNT THEY MAY
12 EXPECT ON A LOW AND HIGH END.

13 SO STAFF RECOMMENDATIONS FOR THE CIRM
14 INSTITUTES AT THE LOW END OF THE RANGE WOULD BE \$25
15 MILLION AND THAT THE HIGH END OF THE RANGE WOULD BE 40.
16 FOR THE CIRM CENTER OF EXCELLENCE, THE LOW END WOULD BE
17 10 MILLION AND THE HIGH WOULD BE 20. AND THEN FOR THE
18 SPECIAL PROGRAMS, THE LOW END WOULD BE FIVE AND THE HIGH
19 END WOULD BE TEN.

20 SO WITH THAT, I WILL ASK TAMAR PACHTER TO GO
21 OVER A FEW SLIDES REGARDING YOUR VOTING PROCEDURES.

22 CHAIRMAN KLEIN: BEFORE WE GO TO THAT ITEM,
23 JUST TO REEMPHASIZE THAT LORI HAS INDICATED THAT WE'RE
24 NOT ALLOCATING THE FUNDS TODAY BETWEEN CATEGORIES. AND
25 THAT IF, WHEN WE SEE THE NATURE OF THE DEMAND IN THESE

BARRISTERS' REPORTING SERVICE

1 CATEGORIES, WE NEED TO REALIZE THAT THESE FUNDS ARE FOR
2 BUILDINGS AND FIXTURES. SO THEY ARE NOT FOR MOVABLE
3 EQUIPMENT.

4 WHAT'S IMPORTANT FOR US TO UNDERSTAND IS WHEN
5 WE HAVE THE OPPORTUNITY TO EVALUATE THE TOTAL DEMAND FOR
6 FUNDS, IT IS VERY CLEAR THAT A SIGNIFICANT PART OF ANY
7 BUDGET YOU SEE TO MAKE THIS SPACE OPERATIONAL IS PROBABLY
8 GOING TO INCLUDE MOVABLE EQUIPMENT. WE HAVE THE ABILITY,
9 IF WE WERE TO DECIDE TO DO SO, TO SAY THAT WE COULD TAKE
10 10 TO 15 PERCENT OF THE \$225 MILLION APPROXIMATELY OR
11 ABOUT 25 TO \$35 MILLION OF EQUIPMENT AND PUT THAT INTO
12 THE POOL AS WELL, WHICH WOULD RAISE THE TOTAL FUNDS WE
13 HAD AVAILABLE TO ALLOCATE WITHOUT CREATING A SEPARATE
14 REVIEW SYSTEM, BASED ON THE REVIEW SYSTEM AS DESIGNED,
15 BUT IT WOULD PROVIDE ANOTHER SOURCE THAT WOULD ALLOW US
16 POTENTIALLY, IF IT WAS THE BOARD'S DISCRETION, TO EXCEED
17 THESE CAPS WHERE APPROPRIATE. BECAUSE WHEN WE HAVE MAJOR
18 NEW FACILITIES BEING BUILT, ONE OF THE THINGS THAT'S
19 IMPORTANT, OF COURSE, IS NOT TO HAVE A CANNIBALIZATION OF
20 THE EQUIPMENT IN EXISTING SPACE TO THE EXTENT IT BECOMES
21 DYSFUNCTIONAL TO MAKE THE NEW SPACE FUNCTIONAL.

22 SO IT IS APPROPRIATE TO POTENTIALLY ADD SOME
23 MOVABLE EQUIPMENT FUNDING, WHICH FURTHER INCREASES THE
24 TOTAL FUNDS, BUT SHOULD HELP ALL THE CANDIDATES IN
25 MEETING THEIR TOTAL BUDGET REQUIREMENTS IF WE WERE TO

BARRISTERS' REPORTING SERVICE

1 DECIDE THAT THAT WAS NECESSARY. SO THAT'S AN OPTION
2 WHICH WE CAN CONSIDER AT THAT TIME. MR. HARRISON, IS
3 THAT CORRECT? THAT IS CORRECT. SO WE WANT EVERYONE TO
4 REMEMBER THAT THAT WILL BE PART OF THAT FUTURE DISCUSSION
5 AS AN OPTION. SO WE HAVE --

6 DR. KESSLER: CAN I ASK QUESTIONS? THE
7 DEFINITION OF VALUE, THAT VALUE IS A COST OR IS IT?

8 MS. HOFFMAN: YES.

9 DR. KESSLER: BECAUSE YOU COULD BUILD THINGS
10 THAT LAST TWO YEARS, AND THE COST IS LOW, OR YOU CAN
11 BUILD THINGS THAT LAST 20 YEARS, AND THE COST MAY BE A
12 LITTLE HIGHER, AND WHICH HAS THE GREATER VALUE?

13 MS. HOFFMAN: I'M SORRY. COULD YOU REPEAT THAT
14 QUESTION?

15 DR. KESSLER: MY QUESTION HAD TO DO WITH THE
16 DEFINITION OF VALUE AND WHETHER VALUE WAS SYNONYMOUS WITH
17 COST? FOR EXAMPLE, I COULD BUILD SOMETHING THAT LASTS
18 FOR TWO YEARS AND IT WILL COST ME \$5, AND I COULD BUILD
19 SOMETHING THAT LASTS FOR 30 YEARS AND COST ME \$10, AND
20 WHICH HAS THE GREATER VALUE?

21 MS. HOFFMAN: THANK YOU FOR THAT CLARIFICATION.
22 WELL, IN FACT, OF COURSE, THE LATTER WOULD HAVE THE
23 GREATER VALUE. SO THE INVESTMENT REPRESENTS A GOOD
24 RETURN TO THE TAXPAYERS IS ESSENTIALLY THE BEGINNING OF
25 THAT DEFINITION, AND I BELIEVE THAT WE WOULD INCLUDE,

BARRISTERS' REPORTING SERVICE

1 THEN, THE LIFE OF THAT INVESTMENT, THE LIFE OF THAT
2 FACILITY. DOES THAT ANSWER YOUR QUESTION?

3 DR. KESSLER: YES.

4 MR. ROTH: IF WE'RE OPEN FOR QUESTIONS, IS THAT
5 HOW YOU WANT TO PROCEED?

6 CHAIRMAN KLEIN: I THINK AT THIS INCREMENT, IF
7 THERE ARE QUESTIONS THAT ADDRESS THIS INCREMENT, WE COULD
8 CLARIFY THIS INCREMENT BEFORE GOING ON TO THE NEXT
9 INCREMENT.

10 MR. ROTH: I WANT TO FOLLOW UP ON WHAT DR.
11 KESSLER JUST SAID. SOME OF THE CRITERIA, THESE FIVE
12 CRITERIA, ARE FAIRLY EASY TO UNDERSTAND WHAT A PERFECT
13 SCORE IS, LIKE, FOR EXAMPLE, URGENCY. YOU GET TEN POINTS
14 FOR A TWO-YEAR COMPLETION. YOU GET TEN POINTS FOR A
15 PROVEN TRACK RECORD. SO THAT'S EASILY SCORED.

16 WHEN IT COMES TO VALUE, LEVERAGE, AND SOME OF
17 THESE OTHERS, I DON'T KNOW HOW THEY'RE GOING TO BE
18 SCORED. IT LOOKS TO ME AS IF YOU CAN'T REALLY KNOW IF
19 YOU HAD A PERFECT SCORE OR HOW TO GET A PERFECT SCORE
20 BECAUSE IT WILL DEPEND ON WHAT SOMEBODY ELSE DOES. FOR
21 EXAMPLE, LEVERAGE, IS A PERFECT SCORE 3 TO 1, 5 TO 1, 10
22 TO 1? OR WE WAIT AND SEE WHAT COMES IN AND SAY THAT'S A
23 PERFECT SCORE, AND THEN EVERYBODY GETS SCORED DOWN FROM
24 THERE.

25 SO I WOULD LIKE AT LEAST THE TRANSPARENCY.

BARRISTERS' REPORTING SERVICE

1 AND, AGAIN, I GO BACK TO THE DISCUSSION WE HAD AROUND THE
2 HEADQUARTERS WHERE IT WAS VERY DIFFICULT TO KNOW WHAT A
3 PERFECT SCORE WOULD BE UNTIL THEY'RE ALL SUBMITTED. I
4 THINK IT WOULD BE MUCH BETTER IF THE CRITERIA WERE
5 PERFECTLY CLEAR WHAT YOU HAD TO DO TO GET A PERFECT
6 SCORE. LIKE IN URGENCY, THERE IT'S VERY CLEAR WHAT YOU
7 HAVE TO DO TO GET THE PERFECT SCORE, BUT I DON'T SEE THAT
8 IN THREE OF THE CATEGORIES AT LEAST, AND I THINK IT WOULD
9 BE HELPFUL TO GET OTHER'S THOUGHTS ON THAT.

10 CHAIRMAN KLEIN: SO WOULD MEMBERS OF THE
11 COMMITTEE LIKE TO COMMENT ON THAT, JEFF SHEEHY OR DAVID
12 SERRANO-SEWELL OR JANET? JANET IS OUT FOR THE MOMENT.

13 MR. SERRANO-SEWELL: WELL, SURE, AS A BLANKET
14 RESPONSE, I MEAN THERE'S GOING TO BE SOME -- OUR FIRST
15 TASK ON THE FACILITIES WORKING GROUP WAS TO MAKE THIS AS
16 OBJECTIVE AS POSSIBLE, DUANE. I AGREE WITH YOU. I WANT
17 TO GIVE AS MUCH AS INFORMATION TO THE APPLICANT SO THEY
18 KNOW, WHILE THEY'RE DRAFTING THEIR APPLICATIONS, WHAT IT
19 IS THE FACILITIES WORKING GROUP AND THE ICOC IS LOOKING
20 FOR.

21 SO, NOW, WE CAN TAKE -- WE CAN TAKE IT CONCERN
22 BY CONCERN THAT YOU HAVE. YOU'VE IDENTIFIED THREE
23 CRITERIA IN WHICH YOU THINK THERE'S SOME AMBIGUITY OR
24 THERE MIGHT BE TOO MUCH SUBJECTIVITY. LET'S JUST TAKE
25 IT, IF THAT'S OKAY WITH YOU, BOB, JUST TAKE IT SORT OF

BARRISTERS' REPORTING SERVICE

1 POINT BY POINT AND SEE IF WE CAN'T DISCUSS IT AND RESOLVE
2 IT. I DON'T WANT TO WORDSMITH THIS BECAUSE THAT WAS THE
3 GOAL OF THE FACILITIES WORKING GROUP AS WELL, TO GET THIS
4 AS OBJECTIVE AS POSSIBLE. BUT IF THERE'S AREAS IN WHICH
5 WE CAN IMPROVE UPON IT, LET'S TRY TO DO THAT NOW, IF YOU
6 THINK THAT'S THE WISE COURSE, BOB.

7 CHAIRMAN KLEIN: WHY DON'T WE TRY AND FOCUS ON
8 THE AREAS WHERE THERE ARE SPECIFIC QUESTIONS, BUT IF
9 NECESSARY, WE CAN GO THROUGH THEM ALL. ONE THING THAT'S
10 IMPORTANT AS A RESOURCE IS THAT WE'VE GOT THE TRANSCRIPTS
11 FROM ALL THESE MEETINGS. AND, FOR EXAMPLE, ON LEVERAGE,
12 DUANE, IT WAS DISCUSSED THAT IF SOMEONE IS GOING TO COME
13 IN WITH A VERY COSTLY FACILITY, THEY WOULD BE EXPECTED,
14 IF IT'S A VERY HIGH COST PER SQUARE FOOT, TO COME IN WITH
15 MORE LEVERAGE TO GET A GOOD OVERALL SCORE THAT WAS
16 COMPETITIVE THAN SOMEONE WHO HAD A VERY EFFECTIVE COST OF
17 DELIVERY PER SQUARE FOOT AND MIGHT HAVE LOWER LEVERAGE.

18 THIS IS ALL IN THE TRANSCRIPTS THAT IT WOULD BE
19 GOOD FOR THE APPLICANTS TO READ TO GET SOME DIRECTION ON
20 THIS, BUT THIS IS, AS DISCUSSED AT LEAST IN THE
21 COMMITTEE, A COMPETITIVE ISSUE SO THAT IF SOMEONE COMES
22 IN WITH 200 PERCENT LEVERAGE AND SOMEONE HAS 70 PERCENT
23 LEVERAGE, THERE IS A RELATIVE WEIGHTING ON THAT.

24 DR. KESSLER: SO ON THIS QUESTION ON LEVERAGE,
25 THIS MORNING WE HAD SOME USEFUL DISCUSSION ON THE

BARRISTERS' REPORTING SERVICE

1 CLINICAL RESEARCH PIECE, VERY IMPORTANT PART Z, BUT NOT
2 NECESSARILY HAVING TO BE IN THE FACILITY. FOR EXAMPLE,
3 WE SAID WE'RE NOT GOING TO BUILD HOSPITAL BEDS IN THE
4 FACILITY. BUT THE QUESTION IS LEVERAGE IS DEFINED AS
5 DOLLARS FOR THE FACILITY, OR DOLLARS THAT ARE BEING PUT
6 INTO THE CLINICAL RESEARCH PIECE TOO?

7 MR. KELLER: THE LEVERAGE FUNDS ARE LIMITED TO
8 THE CAPITAL INVESTMENTS RATHER THAN THE ASSETS THAT
9 EXIST.

10 DR. KESSLER: I UNDERSTAND. BUT IF THERE ARE
11 CAPITAL INVESTMENTS THAT ARE BEING PUT INTO CLINICAL
12 FACILITIES THAT WOULD HOUSE STEM CELL OUTSIDE THE
13 FACILITY THAT THE CIRM IS BEING ASKED TO DO, IS THAT PART
14 OF LEVERAGE OR NOT?

15 MR. KELLER: I WOULD SAY IT'S NOT BECAUSE IT
16 NEEDS TO BE PART OF THIS PROJECT.

17 DR. KESSLER: RESEARCH IS A PART AS DEFINED IN
18 Z.

19 MS. HOFFMAN: THE FACILITIES WORKING GROUP
20 ADDRESSED THIS ISSUE AS DEFINED BY PROJECT LEVERAGE AND
21 PROGRAM LEVERAGE. AND THE WORKING GROUP DETERMINED THAT
22 THEY WOULD COUNT PROJECT LEVERAGE, SO THAT TOTAL PROJECT
23 COST, PROJECT LEVERAGE, NOT PROGRAM LEVERAGE. SO IF, IN
24 FACT, YOU'RE UTILIZING A VIVARIUM IN ANOTHER SPACE, THAT
25 WOULD COUNT IN TERMS OF SHARED RESOURCES, BUT IT WOULD

BARRISTERS' REPORTING SERVICE

1 NOT GIVE YOU ADDITIONAL POINTS IN LEVERAGE.

2 SO A CLINICAL COMPONENT THAT ALREADY EXISTS ON
3 A CAMPUS WOULD COUNT UNDER SHARED RESOURCES, BUT, AGAIN,
4 NOT AS A PART OF THE PROJECT LEVERAGE.

5 CHAIRMAN KLEIN: LET'S GO A LITTLE FURTHER WITH
6 THAT. MY UNDERSTANDING, DR. CHIU, IS THAT UNDER CAPACITY
7 IN THE SCIENTIFIC REVIEW, IF AN INSTITUTION COMMITS TO
8 HIRING NEW FACULTY, FOR EXAMPLE, THAT THAT IS CONSIDERED
9 IN YOUR SCIENTIFIC EVALUATION; IS THAT CORRECT?

10 DR. CHIU: YES. AND THERE WILL BE DIFFERENT
11 WEIGHT GIVEN TO HIRING NEW FACULTY THAT WOULD BE HOUSED
12 IN THE FACILITY VERSUS HIRING NEW FACULTY IN PROGRAMS
13 THAT COULD BUILD THE OVERALL PROGRAM, BUT ARE NOT AN
14 INTEGRAL PART OR HOUSED IN THE FACILITY THAT GET
15 DIFFERENT WEIGHTS.

16 CHAIRMAN KLEIN: NOW, IN ADDITION, SHARED
17 RESOURCES WAS BROUGHT UP, AND MAKE SURE THAT IT IS
18 UNDERSTOOD AND TO VERIFY, IN FACT, MY UNDERSTANDING, IT
19 IS IMPORTANT TO REALIZE THAT IF, FOR EXAMPLE, THERE IS
20 ANOTHER INSTITUTION OR OUTSIDE OF THE BUILDING THAT IS
21 BEING BUILT THERE'S A VIVARIUM, AND YOU HAVE A
22 CONTRACTUAL ABILITY TO USE THAT VIVARIUM, YOU GET A
23 BENEFIT, POINTS FOR SHARED RESOURCES BECAUSE WE DIDN'T
24 HAVE TO PAY FOR IT. SO IT EFFECTIVELY PROVIDES
25 PROGRAMMATIC LEVERAGE HERE FOR OUR BUILDING PROGRAM.

BARRISTERS' REPORTING SERVICE

1 AND IF YOU HAVE A COLLABORATION WITH ANOTHER
2 INSTITUTION THAT'S PROVIDING THE VIVARIUM, THAT WE DIDN'T
3 HAVE TO PAY FOR IT, SO YOU'RE GETTING SHARED RESOURCES AS
4 LONG AS IT'S SCIENTIFICALLY EVALUATED AS BEING
5 MERITORIOUS AND SUBSTANTIVE AND IT'S IN A DOCUMENTED
6 FORM. SO IT IS A REAL COLLABORATIVE EFFORT WHERE WE HAVE
7 AVOIDED A COST THAT OTHERWISE WOULD BE POTENTIALLY
8 FINANCED IN THIS STRUCTURE.

9 DR. KESSLER: AND THE CLINICAL FACILITIES THAT
10 YOU ATTACH TO THE STEM CELL EFFORT IS JUST TREATED LIKE
11 THE VIVARIUM TOO?

12 CHAIRMAN KLEIN: COULD --

13 DR. CHIU: COULD YOU SAY THAT AGAIN, DR.
14 KESSLER?

15 DR. KESSLER: BOB USED THE EXAMPLE OF ANIMAL
16 HOUSING FACILITIES YOU WOULD NOT BUILD, BUT YOU WOULD GET
17 CREDIT FOR IT BECAUSE A PORTION OF THAT CIRM WOULD NOT
18 HAVE TO PAY. THEN THE ISSUE OF CLINICAL FACILITIES THAT
19 CIRM WOULD NOT HAVE TO PAY IS ALSO PART OF PROGRAM
20 LEVERAGE.

21 MR. SERRANO-SEWELL: I THINK THAT'S ANALOGOUS.

22 DR. KESSLER: ANALOGOUS.

23 DR. PIZZO: CAN I FOLLOW THAT BECAUSE UNTIL
24 THIS MORNING I WAS REALLY NEVER THINKING ABOUT FACILITIES
25 THAT WE WERE DISCUSSING AS CLINICAL FACILITIES. SO IT'S

BARRISTERS' REPORTING SERVICE

1 A NEW CONCEPT TO ME TO HEAR THAT WE MIGHT BE THINKING
2 ABOUT THAT. I WAS THINKING OF IT AS RESEARCH FACILITIES.
3 THERE MAY BE THINGS THAT GO ON, FOR EXAMPLE, IN A PROJECT
4 THAT RELATES TO, SAY, HEMATOPOETIC STEM CELL. MAYBE YOU
5 WOULD BE DOING SOME OF THAT WORK PREPARING THE STEM CELLS
6 FOR INFUSION IN THAT FACILITY, BUT I WAS NOT THINKING
7 ABOUT CLINICAL MEANING WHERE PATIENTS ARE BEING CARED FOR
8 DIRECTLY AT FACILITIES. AM I CORRECT IN THAT?

9 MR. SERRANO-SEWELL: IS THIS IN THE CONTEXT OF
10 LEVERAGE?

11 DR. PIZZO: YES, IT IS BECAUSE OF THE QUESTION
12 THAT DAVID KESSLER JUST RAISED WHEN HE WAS --

13 MR. SERRANO-SEWELL: UNDER SHARED RESOURCES.

14 CHAIRMAN KLEIN: THAT'S SHARED RESOURCES, NOT
15 LEVERAGE. LET'S CLARIFY THIS. DR. CHIU, PLEASE INSTRUCT
16 US. AND VERY SPECIFICALLY, WHAT I HEARD WAS IT HAS TO
17 ACTUALLY BE CLINICAL RESOURCES THAT WILL ACTUALLY BE
18 UTILIZED IN THIS PROGRAM IN TERMS OF DOCUMENTED RESOURCES
19 THAT HAVE A REAL RELATIONSHIP TO THE SUBSTANTIVE PROGRAM
20 SCIENTIFICALLY BEING DESCRIBED. IS THAT A CORRECT
21 STATEMENT?

22 DR. CHIU: I THINK THERE'S SOME CONFUSION
23 BETWEEN THE SCIENTIFIC REVIEW AND THE FACILITIES AND
24 TECHNICAL REVIEW BECAUSE, ALTHOUGH THE CRITERIA MAY HAVE
25 SIMILAR SOUNDING WORDS, WE MEAN SOMEWHAT DIFFERENT

BARRISTERS' REPORTING SERVICE

1 THINGS. SO FOR THE SCIENTIFIC REVIEW, UNDER CORES, IF
2 THESE ARE CORES THAT ARE USED IN THE STEM CELL PROGRAMS
3 IN ONE WAY OR ANOTHER, THEN THERE IS VALUE AND DEPTH IN
4 THE PROGRAM IF YOU HAVE CORES THAT ARE PLANNED FOR WITHIN
5 THE FACILITIES, AND YOU ALSO HAVE SOME VALUE IN CORES
6 THAT ARE OUTSIDE OF THE FACILITY THAT STEM CELL
7 RESEARCHERS WOULD DEFINITELY USE. SO WE THINK OF CORES
8 THAT WAY.

9 IN FACILITIES TECHNICAL REVIEW, I WILL ASK LORI
10 TO RESPOND TO HOW THAT WOULD BE LOOKED AT.

11 MS. HOFFMAN: SO IF IN PART 1 THE CORES OUTSIDE
12 THE PROJECT ARE BEING UTILIZED UNDER AN XYZ OR AN XY
13 ELEMENT, THEN, OF COURSE, THEY WOULD COUNT IN SHARED
14 RESOURCES FOR PART 2.

15 MR. SERRANO-SEWELL: AND IT WILL BE UP TO --
16 AND THIS IS HOW I ENVISION IT, BUT IT WOULD BE UP TO EACH
17 APPLICANT -- I THINK THE ANSWER IS CLEAR -- BUT THE
18 APPLICANTS ARE GOING TO HAVE TO MAKE THE ARGUMENT THAT
19 THERE'S A STRONG CONNECTION ON THE FACILITIES, OBVIOUSLY
20 THE SHARED RESOURCES FACILITIES ASPECT OF IT. IF YOU CAN
21 MAKE THAT ARGUMENT THAT IT'S GENUINELY SHARED, AND, AS
22 BOB SAYS, THERE'S SOME MOU OR CONTRACTUAL RELATIONSHIP,
23 WE'LL DO THE DUE DILIGENCE WITH STAFF, BUT YOU CAN MAKE
24 YOUR ARGUMENT, THEN IT WILL COUNT. YOU WILL GET POINTS
25 FOR THAT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IT'S GOT TO BE REAL,
2 SUBSTANTIVE, AND DOCUMENTED AND NOT AT SOME DISTANT
3 POINT, BUT SUBSTANTIVELY RELATED TO THE PROGRAM BEING
4 DESCRIBED.

5 DR. REED: MR. CHAIRMAN, WOULD THIS BE THE
6 APPROPRIATE TIME TO TALK ABOUT THE RELATIVE WEIGHTINGS OF
7 THE DIFFERENT CATEGORIES? THERE WAS A 25/25, 20/15/15.
8 CAN WE DO THAT NOW, OR DO YOU WANT TO TRY TO HANDLE OTHER
9 THINGS AT THIS POINT?

10 MR. SERRANO-SEWELL: IF IT'S OKAY WITH YOU AND
11 IF IT'S OKAY WITH THE TWO OF YOU, CAN WE STILL GET THE
12 CLARITY ON THE DEFINITIONS? I DON'T WANT TO JUMP TO
13 ASSIGNING OF THE WEIGHTING UNTIL -- IF THERE'S MORE
14 QUESTIONS FROM DUANE OR OTHER QUESTIONS.

15 DR. REED: I HAVE ONE THAT I THINK IT'S BEEN
16 RAISED, BUT I DON'T HAVE THE KIND CLARITY I'D LIKE TO.
17 THAT IS, THE EXTENT TO WHICH PROGRAMS THAT OCCUR IN THE
18 BUILDING AND SHARED RESOURCES THAT OCCUR IN THE BUILDING
19 WILL BE WEIGHTED RELATIVE TO PROGRAMS AND SHARED
20 RESOURCES THAT THE STEM CELL RESEARCHERS WITHIN THAT
21 BUILDING CAN USE, BUT MAY NOT BE PHYSICALLY LOCATED IN
22 THE FACILITY FOR WHICH WE'RE ASKING FOR FUNDS. I'M
23 TRYING TO GET SOME CLARITY ABOUT THOSE RELATIVE TYPES OF
24 PROGRAMS OR RESOURCES, SOME IN THE BUILDING, SOME OUTSIDE
25 THE BUILDING. WHAT KIND OF WEIGHT WILL BE GIVEN TO

BARRISTERS' REPORTING SERVICE

1 THINGS THAT GO ON OUTSIDE THE BUILDING THAT YOU MIGHT BE
2 ASKING FOR CONSTRUCTION FUNDS?

3 MR. ROTH: IF I, BOB, COULD JUST FOLLOW UP ON
4 THAT. THAT IS ONE WHERE I, AGAIN, BASED ON WHAT YOU JUST
5 SAID A FEW MINUTES AGO, IF YOU LOOK AT THE CRITERIA,
6 EVALUATION STANDARDS UNDER SHARED RESOURCES. IT TALKS
7 ABOUT SHARED RESOURCES BEING WITHIN THE FACILITY THAT CAN
8 BE AVAILABLE TO OTHERS OUTSIDE. IT DOESN'T TALK ABOUT
9 GETTING CREDIT FOR NOT BUILDING THINGS THAT ALREADY EXIST
10 IN THE INSTITUTION OR IN ANOTHER INSTITUTION. SO TO ME,
11 IF WHAT YOU JUST SAID IS CORRECT, IT'S NOT REFLECTED BY
12 THE EVALUATION STANDARD THAT WE HAVE.

13 MR. SERRANO-SEWELL: THEN IT OUGHT TO BE.

14 MS. HOFFMAN: I'M SORRY. COULD I CLARIFY THAT?
15 SO THE EVALUATION STANDARDS SAY APPLICANTS WILL DOCUMENT,
16 ONE, HOW EXISTING OR PROPOSED NEW RESOURCES WILL BE
17 SHARED. SO IF THERE'S AN EXISTING RESOURCE ON THE CAMPUS
18 OR AT THE INSTITUTION THAT IS BEING SHARED OR UTILIZED,
19 IT WOULD COUNT UNDER SHARED RESOURCES. IN TERMS OF
20 POINTS, I'D ASK MELISSA TO GO BACK TO SLIDE 15. SO
21 SHARED RESOURCE HAS A SCORING OF 15 POINTS. AND I THINK
22 THE QUESTION WAS, AS OPPOSED TO LEVERAGE, WHICH HAS A
23 SCORING OF 25 POINTS. AND THAT WAS ACTUALLY A PROPOSAL
24 MADE BY THE FACILITIES WORKING GROUP, AND I BELIEVE THAT
25 THEY TOOK THAT UNDER CLOSE ADVISEMENT. AND CERTAINLY ONE

BARRISTERS' REPORTING SERVICE

1 OF THE DRIVING FACTORS IN THAT IS THAT LEVERAGE IS A VERY
2 IMPORTANT PART OF PROP 71 WHERE SHARED RESOURCES WAS AN
3 ADDED CRITERIA.

4 CHAIRMAN KLEIN: THE BASIC ISSUE HERE IS THAT
5 IF WE DON'T GET ADEQUATE LEVERAGE, WE WILL NOT BE ABLE TO
6 REACH THE GREATER AMOUNT OF TREMENDOUS OPPORTUNITY IN THE
7 FACILITIES BEING PROPOSED. LEVERAGE IS ESSENTIAL TO US
8 TO BE ABLE TO FUND AS MANY GREAT FACILITIES AS WE CAN
9 WHERE THERE'S HARD SCIENTIFIC MERIT.

10 DR. REED: MY ONLY CONCERN IS JUST TRYING TO
11 CREATE AS LEVEL A PLAYING FIELD AS POSSIBLE IN TERMS OF
12 THE ABILITY TO COMPETE FOR THE FACILITIES GRANTS.
13 THERE'S A LOT OF ECONOMIC DISPARITY ACROSS OF STATE.
14 SOME REGIONS MAY FIND IT HARDER TO COME UP WITH THE
15 LEVERAGE IF THAT'S DEFINED AS AMOUNTS OF MATCHING DOLLARS
16 OR HOW MUCH THE LAND COST OR THINGS LIKE THAT.

17 SO I THINK IT'S JUST AN ISSUE OF WHETHER WE'RE
18 CREATING AS LEVEL A PLAYING FIELD AS WE CAN FOR EVERYBODY
19 IN THE STATE TO COMPETE.

20 CHAIRMAN KLEIN: OKAY. LET ME ASK VERY
21 SPECIFICALLY IN TERMS OF TIME SO THAT THE BOARD CAN GAUGE
22 THE TIME HERE. OUR GOAL TODAY IS TO GET THROUGH THIS AND
23 TO APPROVE THE OTHER ELEMENTS OF THIS. THE VOTING
24 PROVISIONS WE DON'T REALLY HAVE TO APPROVE. THEY'RE A
25 MATTER OF LAW. SO THAT THE KEY ELEMENTS, MY

BARRISTERS' REPORTING SERVICE

1 UNDERSTANDING, DR. CHIU AND LORI HOFFMAN, IS TO APPROVE
2 THE SCIENTIFIC ELEMENT AND THE FACILITIES ELEMENT; IS
3 THAT A CORRECT STATEMENT?

4 MS. HOFFMAN: THAT'S CORRECT AS WELL AS THE
5 FUNDING BECAUSE WE WOULD LIKE TO INCLUDE THE DOLLAR
6 AMOUNTS IN THE RFA.

7 CHAIRMAN KLEIN: THE TOTAL DOLLAR AMOUNT.

8 MS. HOFFMAN: TOTAL DOLLAR AMOUNTS AS WELL AS
9 THE RANGES WITHIN THE CATEGORIES.

10 CHAIRMAN KLEIN: OKAY.

11 DR. PENHOET: IF WE COULD RETURN TO THE SLIDE
12 WITH THE FUNDING FOR EACH OF THE THREE CATEGORIES. THANK
13 YOU. THAT WAS IT. I HAVE A CONCERN ABOUT THE
14 \$40-MILLION CAP ON THE TOP CATEGORY BECAUSE I THINK WE
15 WANT TO ENCOURAGE THE DEVELOPMENT OF COLLABORATIVES. AND
16 IF THREE OR FOUR INSTITUTIONS -- WE HEARD EARLIER THAT
17 THE INSTITUTIONS WILL HAVE TO CHOOSE. THEY'LL EITHER BE
18 PART OF A COLLABORATIVE OR THEY WON'T, BUT THEY CAN'T DO
19 BOTH.

20 MS. HOFFMAN: THAT IS CORRECT.

21 DR. PENHOET: SO I'M CONCERNED THAT 40 MILLION
22 MAY NOT BE ENOUGH MONEY FOR, FOR EXAMPLE, FOUR
23 INSTITUTIONS WHO WANT TO COLLABORATE IN A SINGLE NEW
24 FACILITY. THAT WOULD COME OUT TO \$12 AND A HALF MILLION,
25 OR IN THE CASE OF 40 COME OUT TO \$10 MILLION FOR EACH OF

BARRISTERS' REPORTING SERVICE

1 THOSE INSTITUTIONS. I THINK THAT THAT CAP MAY, IN FACT,
2 DRIVE THEM TO REQUEST SEPARATE FACILITIES RATHER THAN A
3 COLLABORATIVE ONE. SO I WOULD PROPOSE THAT WE RAISE THE
4 \$40-MILLION CAP IN THAT TOP CATEGORY TO \$50 MILLION.

5 CHAIRMAN KLEIN: IS THAT A MOTION?

6 DR. PENHOET: YES.

7 CHAIRMAN KLEIN: I WOULD SECOND THAT MOTION.

8 DR. PENHOET: IT DOESN'T SPEAK TO THE REST OF
9 THE ITEMS EITHER.

10 MS. LANSING: I'D JUST LIKE TO MAKE A FRIENDLY
11 AMENDMENT. I THINK YOU BROUGHT UP A VERY, VERY GOOD
12 POINT. SO SHOULD WE SAY 40 IF IT'S A SINGLE INSTITUTION
13 OR SOMETHING THAT GIVES THEM VALUE FOR THE COLLABORATION?

14 MR. HOFFMAN: COULD I MAKE A POINT HERE?

15 CHAIRMAN KLEIN: SO, LORI.

16 MS. HOFFMAN: BOARD MEMBER LANSING BRINGS UP AN
17 INTERESTING TOPIC OF DISCUSSION THAT WAS ADDRESSED AT THE
18 FACILITIES WORKING GROUP. AND SO AT THIS POINT, IF YOU
19 WERE GOING TO TAKE THAT UNDER ADVISEMENT, I CERTAINLY ASK
20 THAT THE MEMBERS OF THE FACILITIES WORKING GROUP MIGHT
21 WANT TO COMMENT ON THAT AND WHY WE DIDN'T MOVE THAT
22 FORWARD AS A RECOMMENDATION TO THE BOARD.

23 CHAIRMAN KLEIN: I THINK DAVID OR JEFF. JEFF,
24 WHY DON'T YOU ADDRESS IT.

25 MR. SHEEHY: I THINK, FIRST OF ALL, FUNDING

BARRISTERS' REPORTING SERVICE

1 PLAYS -- WE ONLY KNOW OF ONE TRUE CONSORTIUM, SO IT DOES
2 KIND OF SAY WE PREDETERMINED AN AMOUNT FOR A PARTICULAR
3 COLLABORATION BEFORE WE'VE EVEN. AND TO ED'S POINT,
4 WE'RE KIND OF SUGGESTING THAT -- WE WERE JUST VERY
5 CONCERNED ABOUT PREPICKING BEFORE -- WE NEED TO HAVE AN
6 OBJECTIVE PROCESS. IF PEOPLE FEEL LIKE THAT
7 COLLABORATION IS A VALUE, THEN THE WAY TO ADDRESS THAT IS
8 TO AWARD MORE POINTS IN THE SHARED RESOURCES TO ESTABLISH
9 A CONTINUUM WITHIN THAT SHARED RESOURCES THAT GIVES THE
10 HIGHEST SCORE TO A COMPLETE CONSORTIUM AS OPPOSED SAYING,
11 WELL, IF YOU HAD CONSORTIUM -- DO YOU SEE HOW THAT
12 PROCESS IS NOT AS CLEAN?

13 AND REALLY IF YOU LOOK AT WHEN WE'RE EVALUATING
14 ON THE SCIENCE, THE SCIENCE SHOULD LOOK -- YOU MAY HAVE A
15 CONSORTIUM; BUT IN TERMS OF SCIENTIFIC MERIT, IT MAY BE
16 AS STRONG AS A SINGLE INSTITUTION. IN OTHER WORDS --

17 MS. LANSING: I UNDERSTAND. I WITHDRAW. IT'S
18 A VERY VALID POINT.

19 CHAIRMAN KLEIN: POINT OF INFORMATION, JEFF, IS
20 THAT --

21 MR. SHEEHY: RAISING THE CAP IS REASONABLE.

22 MS. LANSING: I WITHDRAW.

23 MR. SHEEHY: WE WOULD RAISE THE CAP AND THEN GO
24 BACK TO PERCENTAGES AND MAYBE DO WHAT -- IF THAT'S WHAT
25 YOU WANT TO DO AND DO WHAT DUANE SUGGESTED, AND IN SOME

BARRISTERS' REPORTING SERVICE

1 OF THESE CATEGORIES LET PEOPLE KNOW WHAT CONSTITUTES A
2 PERFECT SCORE. AND IF YOU WANT TO PUT MORE WEIGHT
3 TOWARDS COLLABORATIONS, MAYBE CHANGE THAT 15 TO A HIGHER
4 RATE. THAT WOULD BE A CLEANER MECHANISM.

5 MS. LANSING: CAN I JUST RESPOND TO THAT. I
6 WITHDRAW WHAT I SUGGESTED, BUT I DO IN SOME WAY, THE
7 SCIENCE SHOULD COME FIRST; BUT SINCE WE ARE ENCOURAGING
8 COLLABORATIONS, PERHAPS, YOU KNOW, THE FINE-TUNING OF IT,
9 A WAY TO GIVE SOME VALUE FOR A COLLABORATION.

10 CHAIRMAN KLEIN: POINT OF INFORMATION IS THAT,
11 I BELIEVE, DR. PENHOET, IF YOU COULD CLARIFY, YOUR
12 PROPOSAL WAS TO RAISE THE CAP. ANYONE COULD COMPETE FOR
13 IT, BUT AT LEAST IT COULD ACCOMMODATE A COLLABORATIVE
14 EFFORT IF THE SCIENCE IS BORNE OUT AND IS JUSTIFIED.

15 DR. PENHOET: I LIKE TO HEAR MY PROPOSAL SO
16 WELL ARTICULATED.

17 CHAIRMAN KLEIN: JEFF, IS THAT RESPONSIVE TO
18 YOU?

19 MR. SHEEHY: PERFECT.

20 DR. PIZZO: I JUST WANT TO MAKE A COMMENT WITH
21 REGARD TO SHERRY'S POINT. I UNDERSTAND AND APPRECIATE
22 WHAT YOU'RE SAYING. I DON'T THINK WE SHOULD MAKE THE
23 JUDGMENT IN ADVANCE THAT A COLLABORATIVE EFFORT IS
24 NECESSARILY MORE SCIENTIFICALLY VALID OR VALUABLE THAN
25 ONE THAT DOESN'T HAVE A CONSORTIA OF MULTIPLE

BARRISTERS' REPORTING SERVICE

1 INSTITUTIONS. THERE ARE MANY WAYS OF DEMONSTRATING
2 COLLABORATION, AND IT MAY BE THAT IT WILL BE AMONG
3 DIFFERENT TYPES OF DISCIPLINES, FOR EXAMPLE, THAT COULD
4 YIELD NEW KNOWLEDGE. SO I WOULD JUST HATE FOR US TO PUT
5 A WEIGHT. I THINK WE SHOULD ENCOURAGE COLLABORATION, BUT
6 BE BROAD-MINDED IN HOW WE THINK ABOUT WHAT THAT IS.

7 DR. PRICE: I'D JUST LIKE TO RAISE A CONCERN
8 ABOUT THE ESTABLISHMENT OF RANGES, OF THESE THREE RANGES.
9 ALTHOUGH I UNDERSTAND THE VALUE FROM THE POINT OF VIEW OF
10 THE APPLICANT HAVING SOME TARGET THEY'RE SHOOTING FOR, I
11 THINK IT KIND OF PREJUDGES THE COST OF THE FACILITIES
12 THAT ARE GOING TO BE REQUIRED IN EACH OF THESE BEFORE WE
13 SEE THE SCIENCE THAT'S BEING PROPOSED AND ACTUALLY KNOW
14 WHAT THE COSTS ARE.

15 CHAIRMAN KLEIN: THAT'S A VERY VALID POINT. IT
16 MAY BE HELPFUL TO YOU TO KNOW THAT WE WILL HAVE THE
17 ABILITY TO REVISIT THESE RANGES WHEN WE SEE THE PROPOSALS
18 AND THE COSTS. THIS PROVIDES AN INITIAL BENCHMARK TO
19 GIVE THE APPLICANTS AN IDEA.

20 MS. HOFFMAN: CHAIRMAN KLEIN, I ACTUALLY DON'T
21 THINK THAT THAT WAS THE PROPOSAL; THAT, IN FACT, THESE
22 RANGES, THE INSTITUTIONS THEMSELVES, THE APPLICANTS
23 THEMSELVES, HAD ASKED FOR THESE RANGES. AND IT DOESN'T
24 PRESUPPOSE THAT A TOTAL PROJECT COST IS DIFFERENT. WHAT
25 IT SUPPOSES IS THAT UNDER THESE PARTICULAR CATEGORIES,

BARRISTERS' REPORTING SERVICE

1 THAT THAT'S WHAT CIRM WOULD BE LOOKING TO ADD TO THE
2 TOTAL PROJECT COST, AND THEN THEY WOULD COMPETE ON A
3 LEVERAGE BASIS. SO WHAT WOULD BE CHANGED AND WHAT,
4 CHAIRMAN KLEIN, AS YOU'RE ALLUDING TO IS THE DOLLAR
5 AMOUNTS PER EACH CATEGORY, BUT THE RANGE WOULD REMAIN THE
6 SAME BECAUSE, IF INDEED YOU CAME IN AS AN INSTITUTE AND
7 YOU REQUESTED \$50 MILLION, BUT THE FACILITIES WORKING
8 GROUP AND THE ICOC ONLY APPROVED 40, THAT APPLICANT, THAT
9 INSTITUTION, WOULD STILL BE REQUIRED TO MEET THE ENTIRE
10 PROJECT SCOPE BECAUSE, IN FACT, THE SCORING WAS BASED ON
11 THAT ENTIRE SPACE ALLOCATION.

12 CHAIRMAN KLEIN: I'D LIKE TO MAKE IT CLEAR. I
13 COMPLETELY AGREE WITH EVERYTHING YOU JUST SAID. THE
14 POINT I WAS TRYING TO MAKE IS LATER ON IN THIS PROCESS,
15 WHEN WE GOT THE APPLICATIONS, WE COULD GET A
16 RECOMMENDATION FROM THE FACILITIES GROUP WHICH THE BOARD
17 COULD THEN ACT ON TO ADJUST THE RANGE IF WE FOUND OUT
18 THERE WAS SOME MAJOR PROBLEM WITH THEM, BUT WE'RE TRYING
19 TO GET AS MUCH PREDICTABILITY AND STABILITY AS POSSIBLE.

20 MR. SERRANO-SEWELL: UNLESS WE WANTED TO
21 INCLUDE IN THE RFA THE RANGES, BUT WE DON'T WANT TO.
22 THERE'S NO BENEFIT IN DOING THAT. NEVER MIND.

23 CHAIRMAN KLEIN: THE KEY IS THAT, AS MY
24 UNDERSTANDING, AND I WILL ASK BOTH COUNSEL --

25 MR. SERRANO-SEWELL: BENCHMARKS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: BOTH COUNSEL, IT IS MY
2 UNDERSTANDING THAT WE ARE GOING TO IN THE RFA'S INDICATE
3 THAT THIS BOARD IS THE BOARD OF FINAL DECISION, AND THAT
4 THEY CAN MODIFY TERMS IN THE FINAL DECISION OF SERVING
5 THE MISSION. IS THAT A CORRECT STATEMENT?

6 MS. PACHTER: WE CAN INDICATE ANYTHING THE ICOC
7 WANTS US TO INDICATE IN THE RFA. GENERALLY THE RFA
8 FUNCTIONS AS A LAYER ON TOP OF THE GRANTS ADMINISTRATION
9 POLICY, AND IT'S INFORMATION THAT THE APPLICANTS CAN RELY
10 ON AS WILL BE THE RULES OF THE GAME. BUT WE CAN
11 CERTAINLY PUT A QUALIFIER IN THERE IF THAT'S WHAT THE
12 BOARD WOULD LIKE TO DO.

13 CHAIRMAN KLEIN: OKAY. SO THE QUESTION TO THE
14 BOARD IS DO YOU WANT A QUALIFIER SO THERE'S A WAY FOR
15 THIS BOARD, IF THERE IS A MAJOR PROBLEM, TO MODIFY THE
16 RANGES AT SOME FUTURE TIME?

17 DR. STEWARD: I GUESS I JUST WANT TO REINFORCE
18 DR. PRICE'S COMMENT. I'M A LITTLE NERVOUS ABOUT BOXES.
19 AND ONE CAN IMAGINE A SPECTACULAR -- WHAT'S IT CALLED? --
20 LEVEL 2 THERE THAT WOULD BE OF SUCH IMMENSE VALUE, BUT
21 WOULD COST A LITTLE BIT MORE THAN \$25 MILLION, FOR
22 EXAMPLE. I WONDER IF WE COULD INDICATE IN THE RFA THAT
23 THESE ARE THE EXPECTED RANGES, BUT NOT NECESSARILY
24 ABSOLUTE JUST SO THAT INSTITUTIONS KNEW THAT THEY COULD
25 COME IN WITH A LITTLE BIT OF FLEXIBILITY HERE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: WELL, POTENTIALLY THAT'S THE
2 QUESTION THAT I ASKED IS IF WE UNDERSTOOD, WHEN WE SAW
3 THE PROJECTS, THAT THERE WAS AN EXTRAORDINARY, COMPELLING
4 CASE, THAT WE'D HAVE THE ABILITY TO DO AN ADJUSTMENT IF
5 THE BOARD FELT THAT THAT WAS APPROPRIATE AND IF THE
6 SCIENCE MERITED IT.

7 MS. HOFFMAN: COULD I MAKE A POINT OF
8 CLARIFICATION, THAT THESE RANGES ARE NOT THE TOTAL
9 PROJECT COST. AGAIN, THIS IS THE CIRM FUNDS. SO, IN
10 FACT, ON A PROJECT IN THE CENTERS OF EXCELLENCE, WITH A
11 \$20-MILLION CIRM GRANT, THAT THERE WOULD BE MATCHING
12 FUNDS OF 20 PERCENT, SO THERE WOULD BE ANOTHER \$4 MILLION
13 THAT WOULD COME FROM THE INSTITUTION. AND, OF COURSE, IF
14 WE WERE LOOKING FOR A TWO-TIMES MATCH, WE'D BE LOOKING
15 FOR AN ADDITIONAL \$20 MILLION. SO, IN FACT, THIS TOTAL
16 PROJECT COST MIGHT LOOK LIKE \$44 MILLION. AND, IN FACT,
17 THE INSTITUTIONS COULD COME IN AT 44 OR AT 60 OR AT 30
18 AND STILL RECEIVE A \$20-MILLION GRANT.

19 SO I THINK THAT THAT'S THE CLARIFICATION POINT,
20 THAT WE'RE NOT HOLDING THEM TO THIS RANGE FOR THE TOTAL
21 PROJECT COST.

22 DR. PENHOET: YOU KNOW, I THINK THAT THE
23 FACILITIES WORKING GROUP DID A THOUGHTFUL JOB OF COMING
24 UP WITH THESE RANGES. AS YOU MAY REMEMBER, I WAS A
25 STRONG PROPONENT OF NO PRIOR QUALIFICATION WHATSOEVER.

BARRISTERS' REPORTING SERVICE

1 WE WOULD JUST OPEN THIS TO ALL APPLICATIONS AND WE'D READ
2 THEM ALL WHEN THEY CAME IN AND JUDGE THEIR VALUE. THE
3 FACILITIES WORKING GROUP DECIDED THAT WAS UNWORKABLE
4 BECAUSE THEY COULDN'T HAVE ESTABLISHED CRITERIA, AND I
5 THINK THIS IS THE ESSENCE OF THE WORK THAT THE FACILITIES
6 WORKING GROUP HAS DONE.

7 SO ALTHOUGH I WASN'T IN FAVOR OF THIS APPROACH
8 AND I WANTED SOMETHING THAT WAS QUITE OPEN-ENDED IN THIS
9 PROCESS, I WAS OUTVOTED, AND I WAS HAPPY TO BE SO; BUT I
10 DO THINK THAT IF WE NOW GO BACK TO SORT OF LEAVING THIS
11 OPEN TO TOO MUCH DISCRETION, THEN I THINK PEOPLE DON'T
12 KNOW WHAT TO APPLY FOR ANYMORE BECAUSE THEN, WELL, MAYBE
13 IT WILL GET MORE THAN 20 OR NOT MORE THAN 20, ETC.
14 THEY'LL HAVE SOME VERY SPECIFIC CRITERIA ABOUT MATCHING
15 AND LEVERAGE AND ALL THE REST OF THE STUFF. SO I DON'T
16 QUITE SEE HOW IT WORKS IF WE GO BACK TO SOME HYBRID
17 SITUATION WHICH IS PARTLY OPEN-ENDED AND PARTLY
18 STRUCTURED.

19 I DO KNOW, MARCY, YOU WERE ONE OF THE STRONG
20 PROPONENTS OF A MORE STRUCTURED APPROACH TO THIS. MAYBE
21 YOU WANT TO SAY SOMETHING. ALTHOUGH I WASN'T IN FAVOR OF
22 IT, TODAY, AFTER ALL THE WORK THEY'VE DONE, I THINK
23 THAT'S THE ESSENCE.

24 MS. FEIT: WHAT WAS REALLY HELPFUL IS THE
25 INTAKE FROM THE PUBLIC IN THE HEARINGS. WE REALLY GOT A

BARRISTERS' REPORTING SERVICE

1 LOT OF STRONG RECOMMENDATION THAT WE WERE VERY SPECIFIC
2 ABOUT WHAT THEY COULD ASK FOR. BECAUSE IF WE LEFT IT
3 WIDE OPEN, THEY FELT LIKE THEY WOULD BE MISSING THE MARK.
4 IT JUST WAS TOO GRAY FOR THEM. SO A LOT OF THIS CAME
5 BACK TO US FROM THE INSTITUTIONS WHO ARE ACTUALLY GOING
6 TO BE PUTTING IN REQUESTS.

7 SO I REALLY THINK THOSE HEARINGS WERE VERY
8 VALUABLE FOR THE FACILITIES WORKING GROUP TO GATHER UP
9 THE KNOWLEDGE OF HOW WE WOULD STRUCTURE THIS. AND I
10 THINK LORI JUST WENT THROUGH THE FORMULA, AND THAT'S
11 PROBABLY WHAT'S MISSING UP HERE ON THE OVERHEADS IS THE
12 ACTUAL CALCULATIONS OF HOW A FACILITY IS GOING TO BE
13 BUILT. THERE'S A LOT MORE MONEY THAT WOULD BE INVOLVED
14 OTHER THAN WHAT WE'RE LOOKING AT HERE.

15 GETTING BACK TO THE LEVERAGE POINT, THE
16 QUESTION WAS ASKED HOW DO YOU GET A PERFECT SCORE.
17 OBVIOUSLY THE MORE MONEY THAT AN INSTITUTION IS WILLING
18 TO COMMIT TO A PROJECT, THE MORE WE RECOGNIZE THE
19 COMMITMENT OF THE INSTITUTION TO FOLLOW THROUGH. SO
20 OBVIOUSLY THAT WOULD BE SOMETHING THAT WOULD GET THE
21 ATTENTION OF THE REVIEW. SO THAT'S VERY BASIC. THE MORE
22 MONEY AN INSTITUTION IS WILLING TO COMMIT TO THE RESEARCH
23 FACILITY OR THE FACILITY AND THE PROJECT, THE MORE WE'RE
24 GOING TO TAKE NOTICE OF THE PROGRAM.

25 CHAIRMAN KLEIN: THERE'S TWO THINGS HERE. ONE,

BARRISTERS' REPORTING SERVICE

1 LORI, MY UNDERSTANDING IS THAT -- MY RECOLLECTION IS THAT
2 THE FACILITIES WORKING GROUP DIDN'T ACTUALLY SET THESE
3 RANGES. THERE ARE REASONABLE RANGES THAT HAD A LOT OF
4 THOUGHT BY STAFF AND IN DISCUSSIONS WITH VARIOUS MEMBERS
5 OF THAT COMMITTEE. BUT DR. PENHOET'S SUGGESTION OF
6 RAISING THAT LIMIT IS IN ORDER BECAUSE IT WASN'T ANY
7 FINAL DETERMINATION AS IS ANY OTHER VARIATION. SO, FOR
8 EXAMPLE, DR. STEWARD, YOU MIGHT WANT TO SUGGEST WE GO
9 FROM 10 TO 25 MILLION ON THE MIDDLE CATEGORY, BUT THE
10 ISSUE IS TO GET AS MUCH PREDICTABILITY AS POSSIBLE SO
11 THAT EVERYONE UNDERSTANDS WHAT THE RULES ARE EXCEPT FOR
12 SOME EXCEPTIONAL CIRCUMSTANCE.

13 DR. STEWARD: COULD I JUST ASK A QUESTION OF
14 THE GROUP? HERE'S WHY I'M A LITTLE CONCERNED. SUPPOSE
15 THERE IS A SITUATION WHERE A PROPOSAL IS COMING THROUGH
16 AND BUILDINGS HAVE A CERTAIN SORT OF DEFINED SIZE, AND
17 YOU CAN'T JUST CUT THEM A THIRD. AND MAYBE IT WOULD BE,
18 FOR EXAMPLE, A SITUATION WHERE A GROUP CAME IN WITH A
19 CATEGORY THREE PROPOSAL, WAS SEEN AS BEING EXTREMELY
20 STRONG IN CATEGORY TWO, AND REALLY COULDN'T DOWNSIZE
21 THEIR PROPOSAL OR COME UP WITH THE MONEY. DOES THAT MEAN
22 THEY JUST SIMPLY CAN'T GO FORWARD ON THAT? THAT'S THE
23 OUTCOME?

24 MR. SERRANO-SEWELL: YES.

25 DR. STEWARD: I JUST WANT TO MAKE THAT CLEAR.

BARRISTERS' REPORTING SERVICE

1 SO WE MAY END UP IN THAT POSITION.

2 CHAIRMAN KLEIN: THE QUESTION YOU RAISED ABOUT
3 YOU MIGHT HAVE A CATEGORY TWO THAT COSTS SOMEWHAT MORE,
4 DID YOU WANT TO SUGGEST A MODIFICATION OF THAT RANGE?

5 DR. STEWARD: WELL, I GUESS WHAT I WOULD
6 SUGGEST IS THAT IF THERE WAS A SITUATION LIKE THAT, WE
7 HAD SOME FLEXIBILITY THAT --

8 CHAIRMAN KLEIN: I WOULD SUGGEST THAT FOR
9 PREDICTABILITY, IF YOU HAVE A SUGGESTION, THIS IS THE
10 BEST TIME UNLESS THERE'S SOME EXTRAORDINARY ISSUE TO TRY
11 AND GET THE BOARD'S INPUT ON WHAT THAT RANGE MIGHT BE.

12 DR. STEWARD: IT'S HARD TO PREDICT. YOU COULD
13 DO IT. IT COULD BE A VERY STRONG CATEGORY ONE PROPOSAL
14 THAT CAME IN AS A CATEGORY THREE THAT WOULD JUST FALL OUT
15 OF THE RANGE ENTIRELY. I DON'T HAVE A SOLUTION. I JUST
16 RAISE IT, AND I WANT US TO ALL BE SORT OF AWARE THAT THAT
17 MIGHT ACTUALLY HAPPEN, AND HOW WOULD WE HANDLE IT?

18 MR. SERRANO-SEWELL: YOU'VE HAD --

19 MR. ROTH: I WAS JUST GOING TO SAY I THINK
20 THERE'S A MOTION ON THE TABLE.

21 CHAIRMAN KLEIN: THERE IS A MOTION ON THE
22 TABLE. I THINK IT'S QUITE APPROPRIATE. ANY ADDITIONAL
23 DISCUSSION ON THE MOTION TO RAISE THE TOP CATEGORY TO 50
24 MILLION? ANY AMENDMENTS TO THAT MOTION? I WOULD
25 ACTUALLY ASK AS A FRIENDLY AMENDMENT, TRYING TO BE

BARRISTERS' REPORTING SERVICE

1 RESPONSIVE HERE, TO THE MAKER OF THE MOTION, IF WE CAN
2 MAKE THE MIDDLE RANGE TO 25 MILLION?

3 DR. PENHOET: ALL RIGHT.

4 CHAIRMAN KLEIN: MAKER OF THE MOTION AGREES.
5 THE SECOND, I AM THE SECOND. ANY ADDITIONAL DISCUSSION
6 ON THAT RANGE? ANY DISCUSSION BY THE MEMBERS OF THE
7 AUDIENCE?

8 MR. SIMPSON: JUST QUICK QUESTION. WILL YOU BE
9 TALKING AT SOME POINT ABOUT THE TWO-STEP PROCESS A LITTLE
10 BIT MORE?

11 CHAIRMAN KLEIN: WE VOTED ON THE TWO-STEP
12 PROCESS. QUESTIONS FROM THE AUDIENCE? OKAY.

13 ALL IN FAVOR? OPPOSED?

14 DR. POMEROY: NO.

15 CHAIRMAN KLEIN: DR. REED.

16 DR. REED: WOULD NOW BE A TIME WE CAN TALK
17 ABOUT THE RELATIVE WEIGHTINGS OF THE 25/25, 20/15/15, AND
18 THE FIVE CATEGORIES?

19 DR. PIZZO: AND ALSO THE THREE CATEGORIES.

20 CHAIRMAN KLEIN: I THINK THAT BOTH OF THOSE ARE
21 APPROPRIATE. HOW LONG DO WE HAVE, DR. MEYER, BEFORE YOU
22 HAVE TO --

23 DR. MEYER: ANOTHER TEN MINUTES.

24 CHAIRMAN KLEIN: IF WE'RE GOING TO VOTE TODAY
25 TO PUT THIS OUT, ADDRESS DR. REED AND THEN DR. PIZZO.

BARRISTERS' REPORTING SERVICE

1 DR. REED: I GUESS MAYBE IN THE INTEREST OF
2 MOVING ALONG QUICKLY, I MAY PROPOSE THIS AS A MOTION.
3 THE FIVE CATEGORIES THAT HAVE BEEN ARTICULATED FOR THE
4 FACILITIES GROUP, WHICH WAS THE LEVERAGE AND THE VARIOUS
5 THINGS, I THINK IT'S HIGHLY SUBJECTIVE IN TERMS OF THE
6 RELATIVE MERITS OF THOSE. ONE COULD ARGUE THAT THINGS
7 LIKE THE SHARED RESOURCES ARE GOING TO BE THE MOST
8 IMPORTANT THING BECAUSE THAT'S WHAT'S GOING TO CREATE
9 MUCH OF THE INFRASTRUCTURE THAT DRIVES THE SCIENCE,
10 PROVIDES THE TECHNOLOGY THAT ALLOWS THE SCIENCE TO BE
11 DONE.

12 SO I'M GOING TO PROPOSE THAT WE ADJUST IT AND
13 JUST HAVE IT EQUAL WEIGHTING ACROSS THE BOARD, 20 PERCENT
14 IN EACH CATEGORY, AS AN AMENDMENT TO THE CURRENT
15 PROPOSAL.

16 MR. ROTH: I WOULD SECOND THAT. AND I'D LIKE
17 JUST TO ADD THAT I THINK, WHILE THERE WAS A LOT OF GREAT
18 WORK DONE TO GET THE CATEGORIES RIGHT, THAT I COULD ARGUE
19 THE MISSION OF THIS ORGANIZATION HAS AN AWFUL LOT TO DO
20 WITH THE SHARED RESOURCES AND FUNCTIONALITY. I THINK
21 THAT'S WHAT MOVES THE SCIENCE AHEAD. AND I COULD MAKE A
22 VERY STRONG ARGUMENT THAT THOSE ARE THE THINGS THAT
23 SHOULD BE LEADING THE CHARGE HERE AS OPPOSED TO THE OTHER
24 THINGS THAT WE'RE GOING TO EVALUATE. THEY'RE HARDER TO
25 EVALUATE, BUT I THINK THEY'RE ABSOLUTELY CRITICAL.

BARRISTERS' REPORTING SERVICE

1 AND AFTER THIS MOTION, THEN I'D LIKE TO COMMENT
2 STILL WITH THE DAVID ABOUT SOME DEFINITION CHANGES HERE
3 OR IMPROVEMENTS.

4 CHAIRMAN KLEIN: OKAY. SO THERE'S A MOTION AND
5 A SECOND. DISCUSSION?

6 MR. SERRANO-SEWELL: I CAN'T PROVIDE ANY
7 FURTHER BACKGROUND. THAT WAS MY ORIGINAL PROPOSAL, JOHN,
8 BECAUSE YOU START PARCELING IT OUT TEN POINTS, FIVE
9 POINTS. LET'S JUST DIVIDE BY FIVE AND JUST BE DONE WITH
10 IT. I CAN TELL YOU THERE WAS A HEALTHY DISCUSSION ON THE
11 FACILITIES WORKING GROUP THAT THE, AS YOU SEE THE
12 ALLOCATION OF POINTS, IT DID REPRESENT SORT OF WHAT'S
13 EMBODIED IN PROP 71 IN TERMS OF LEVERAGE AND VALUE. SO
14 THERE WAS -- BUT I'LL DEFER TO THE WISDOM OF THE
15 COMMITTEE, BUT WE DID ADDRESS THE ISSUE.

16 CHAIRMAN KLEIN: AND AS A QUESTION FOR THE
17 MAKER OF THE MOTION, IF WE DON'T GET LEVERAGE, WE WON'T
18 HAVE THE MONEY TO REACH THE FACILITIES WE NEED TO FUND.
19 SO THE QUESTION IS WOULD YOU BE WILLING TO MAKE A
20 FRIENDLY AMENDMENT THAT WE EQUALLY DIVIDE THE POINTS
21 OTHER THAN LEVERAGE?

22 DR. REED: WELL, I DON'T KNOW. I STILL LIKE
23 THE IDEA OF DOING EQUAL WEIGHTING, AND I ALSO WOULD RAISE
24 THE POINT I RAISED BEFORE, WHICH IS, RECOGNIZING THAT --
25 AND I DON'T THINK IT NECESSARILY APPLIES TO WHERE I COME

BARRISTERS' REPORTING SERVICE

1 FROM, SAN DIEGO, BUT NOT ALL AREAS OF THE STATE MAY FIND
2 IT EQUALLY EASY TO PROVIDE THE LEVERAGE FACTOR. AND SO I
3 WOULD STICK WITH MY PROPOSAL AS JUST 20 PERCENT ACROSS
4 THE BOARD.

5 CHAIRMAN KLEIN: ADDITIONAL DISCUSSION?

6 DR. PRIETO: I WOULD JUST SUBMIT THAT I DON'T
7 THINK THE DIFFERENCE BETWEEN 20 AND 25 PERCENT LEVERAGE
8 IS GOING TO MAKE OR BREAK ANY INDIVIDUAL PROJECT.

9 DR. REED: WE DON'T KNOW. WE DON'T KNOW HOW
10 CLOSE IT WILL BE, AND I'D HATE TO SEE AN APPLICATION IN A
11 WAY BE PENALIZED BECAUSE THEY WEREN'T AS RICH. MAYBE
12 THEY WERE A LITTLE BETTER WITH THE SCIENCE, BUT NOT AS
13 RICH AND END UP NOT GETTING A FACILITY.

14 CHAIRMAN KLEIN: ADDITIONAL DISCUSSION?

15 DR. STEWARD: QUESTION. WILL THESE VALUES BE
16 REPORTED OUT TO US INDIVIDUALLY, OR WILL THIS BE A SUM
17 SCORE THAT WE GET AT THE END OF THE DAY? THIS CAN MAKE A
18 BIG DIFFERENCE BECAUSE IF WE HAD THE AUTHORITY TO LOOK AT
19 THOSE NUMBERS INDIVIDUALLY, WE MIGHT SAY, AS DR. REED IS
20 SAYING, THAT THERE'S AN EXCEPTIONALLY VALUABLE PROPOSAL
21 HERE THAT WE OUGHT TO SORT OF SKEW THESE VALUES A LITTLE
22 BIT IN TERMS OF THE OVERALL RANKING, AND IT WOULD HELP TO
23 KNOW HOW THEY SCORED IN THOSE.

24 CHAIRMAN KLEIN: MY UNDERSTANDING IS WE'RE
25 GOING TO GET THE SCORE ON EACH ELEMENT, AND YOU'RE GOING

BARRISTERS' REPORTING SERVICE

1 TO KNOW WHAT THAT SCORE IS.

2 DR. PRIETO: I THINK THAT, AS IS THE CASE WITH
3 THE SCIENTIFIC GRANTS, WE ALWAYS HAVE THE OPTION OF
4 MOVING A PROJECT UP OR DOWN AT THIS BOARD.

5 CHAIRMAN KLEIN: OKAY. ANY ADDITIONAL POINTS?
6 FROM THE FLOOR.

7 MR. SIMPSON: JOHN SIMPSON FROM THE FOUNDATION
8 FOR TAXPAYER AND CONSUMER RIGHTS. I AM PUZZLED HAVING
9 SAT THROUGH A NUMBER OF PUBLIC HEARINGS, LENGTHY
10 DISCUSSIONS, THOUGHTFUL DISCUSSIONS THAT WENT IN TO COME
11 UP WITH WHAT I THOUGHT WAS A VERY LOGICAL WAY OF
12 ASSESSING THE POINTS BASED ON LONG, LENGTHY, AND
13 THOUGHTFUL DISCUSSIONS. WHAT SEEMS TO BE RELEVANT HERE
14 IS AN UNDERLYING, IF YOU GO TO 20 ACROSS THE BOARD, THAT,
15 WOULD SEEM TO ME, ALL OF A SUDDEN PUTS ADDITIONAL POINTS
16 IN FAVOR IN AN UNSTATED WAY OF CONSORTIA AND SHARED
17 FACILITIES BECAUSE IT LEVELS THAT AND BRINGS THOSE POINTS
18 UP. AND I THINK THAT THAT MAY BE WHAT'S AT STAKE HERE.

19 IT DID SEEM TO ME THAT THERE WERE VERY
20 IMPORTANT PREMIUMS PUT ON VALUE TO THE TAXPAYER, WHICH
21 OUGHT TO BE HIGH, AND ON THE LEVERAGE, WHICH, AS CHAIRMAN
22 KLEIN POINTS OUT, IS ESSENTIAL IF YOU'RE GOING TO SPREAD
23 YOUR MONEY AROUND. SO RATHER THAN DO SOMETHING HASTY
24 HERE, I WOULD THINK YOU SHOULD THINK SERIOUSLY ABOUT ALL
25 OF THE DISCUSSION, PUBLIC INPUT FROM, IN FACT, THE VERY

BARRISTERS' REPORTING SERVICE

1 PEOPLE WHO ARE GOING TO BE APPLYING INTO WHY THIS CAME
2 OUT THE WAY IT WAS.

3 CHAIRMAN KLEIN: ADDITIONAL COMMENTS FROM THE
4 PUBLIC?

5 CALL THE QUESTION. ALL IN FAVOR? OPPOSED?

6 MS. LANSING: I'M SO CONFUSED. WHAT --

7 CHAIRMAN KLEIN: I'LL REPEAT THE MOTION. THE
8 MOTION IS TO HAVE EVERYTHING BE 20 POINTS, NOT CHANGING
9 THE CATEGORIES, EVERYTHING BE 20 POINTS. ALL IN FAVOR?
10 OPPOSED? ROLL CALL.

11 MS. KING: DAVID MEYER.

12 DR. MEYER: AYE.

13 MS. KING: ROBERT PRICE.

14 DR. PRICE: YES.

15 MS. KING: MARCY FEIT.

16 MS. FEIT: NO.

17 MS. KING: MICHAEL GOLDBERG.

18 MR. GOLDBERG: NO.

19 MS. KING: FRANK MARKLAND.

20 DR. MARKLAND: NO.

21 MS. KING: DAVID KESSLER.

22 DR. KESSLER: NO.

23 MS. KING: BOB KLEIN.

24 CHAIRMAN KLEIN: I'M GOING TO PASS FOR THE
25 MOMENT.

BARRISTERS' REPORTING SERVICE

1 MS. KING: SHERRY LANSING.
2 MS. LANSING: NO.
3 MS. KING: TINA NOVA. ED PENHOET.
4 DR. PENHOET: ABSTAIN.
5 MS. KING: PHIL PIZZO.
6 DR. PIZZO: NO.
7 MS. KING: CLAIRE POMEROY.
8 DR. POMEROY: NO.
9 MS. KING: FRANCISCO PRIETO.
10 DR. PRIETO: AYE.
11 MS. KING: JOHN REED.
12 DR. REED: YES.
13 MS. KING: DUANE ROTH.
14 MR. ROTH: YES.
15 MS. KING: DAVID SERRANO-SEWELL.
16 MR. SERRANO-SEWELL: NO.
17 MS. KING: JEFF SHEEHY.
18 MR. SHEEHY: COULD I PASS?
19 MS. KING: OSWALD STEWARD.
20 DR. STEWARD: NO.
21 MS. KING: JANET WRIGHT. BOB KLEIN.
22 CHAIRMAN KLEIN: NO.
23 MS. KING: JEFF SHEEHY.
24 MR. SHEEHY: YES.
25 MR. SERRANO-SEWELL: THE MOTION FAILS, I THINK;

BARRISTERS' REPORTING SERVICE

1 IS THAT RIGHT? I'D LIKE TO MAKE A MOTION THAT WE ADOPT
2 THE CRITERIA AS SO NOTED ON THE SLIDE 15, WHICH WE SEE
3 BEFORE US: VALUE 25, LEVERAGE 25, URGENCY 20, SHARED
4 RESOURCES 15, FUNCTIONALITY 15.

5 CHAIRMAN KLEIN: CAN I ASK IS THAT TO ADOPT
6 THOSE CRITERIA AND THE FACILITIES PORTION OF THE
7 PROPOSAL?

8 MR. SERRANO-SEWELL: YES.

9 CHAIRMAN KLEIN: SO IT IS THE ENTIRE FACILITIES
10 PROPOSAL.

11 DR. PIZZO: SECOND.

12 CHAIRMAN KLEIN: DISCUSSION?

13 MR. ROTH: I WANTED TO HAVE SOME DISCUSSION
14 ABOUT THOSE CRITERIA IN LIGHT OF THE PREVIOUS DISCUSSION
15 WE HAD IN ADJUSTING THE DEFINITIONS IN PARTICULAR
16 CATEGORIES.

17 CHAIRMAN KLEIN: CAN I ASK THIS QUESTION.
18 WOULD THE MAKER OF THE MOTION BE PREPARED TO ASK FOR
19 PASSAGE SUBJECT TO A DISCUSSION OF DEFINITIONS SO WE CAN
20 NARROW DOWN THE ISSUES AT STAKE?

21 MR. SERRANO-SEWELL: SURE.

22 CHAIRMAN KLEIN: IS THAT REASONABLE? THE
23 SECOND AGREES. WE HAVE A MOTION ON THE TABLE. SO THE
24 CONCEPT IS TO PASS THE MOTION AND THEN GO TO DEFINITIONS.

25 SO ANY ADDITIONAL DISCUSSION ON THE MOTION?

BARRISTERS' REPORTING SERVICE

1 ANY DISCUSSION FROM THE AUDIENCE?

2 ALL IN FAVOR? OPPOSED? PASSES.

3 MR. ROTH: OKAY. I THINK --

4 DR. PIZZO: BEFORE DUANE GOES, ARE WE GOING TO
5 LOSE OUR QUORUM MOMENTARILY?

6 CHAIRMAN KLEIN: WE'RE GOING TO LOSE OUR QUORUM
7 MOMENTARILY.

8 DR. PIZZO: CAN I THEN, DUANE, CAN I MAKE A
9 MOTION BACK TO THE OTHER CRITERIA FOR THE SCIENTIFIC
10 REVIEW JUST SO WE CAN GET THAT BEFORE WE LOSE? THE TIER,
11 AGAIN, IT'S THE X, Y, Z. AND THE MOTION I WOULD PUT
12 FORWARD IS THAT WE WEIGHT THEM SUCH THAT THE FIRST TWO, X
13 AND Y, ARE 40 PERCENT AND Z IS 20 PERCENT. AND THE
14 REASON I'M DOING THAT IS BECAUSE I DON'T THINK THAT THE Z
15 PORTION, THAT IS, THE CLINICAL RESEARCH ELEMENT, IS
16 ADVANCED ENOUGH TO HAVE THE SAME WEIGHT AS THE OTHERS.

17 HERE'S A SITUATION WHERE I THINK THE GROUP DID
18 NOT DISCUSS WEIGHTING, SO I'M INTRODUCING A VARIABLE
19 BASED UPON MY DISCUSSION THIS MORNING.

20 CHAIRMAN KLEIN: OKAY. IS THERE A SECOND?

21 DR. PENHOET: SECOND.

22 CHAIRMAN KLEIN: IS THERE DISCUSSION ON THIS
23 MOTION?

24 MS. PACTER: COULD YOU REPEAT THE MOTION,
25 PLEASE?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THE MOTION IS THAT X AND Y BE
2 40 PERCENT EACH, THAT Z BE 20 PERCENT. AND, DR. PIZZO,
3 TO CLARIFY, WITH THAT CLARIFICATION, ARE YOU PREPARED TO
4 ACCEPT THE REST OF THE SCIENTIFIC REVIEW AS PROPOSED?

5 DR. PIZZO: YES, OF COURSE.

6 CHAIRMAN KLEIN: SO THAT IS PART OF THE
7 PROPOSAL.

8 DR. CHIU: I JUST WANT TO POINT OUT THAT THE
9 GRANTS WORKING GROUP, AS I THOUGHT I SAW IT, WOULD JUST
10 ADVANCE TO YOU EACH SEPARATELY. IT'S COMPLETELY UP TO
11 THE BOARD WHEN YOU CONSIDER THE WHOLE PROPOSAL OF THE
12 WEIGHTING. THAT'S ALL.

13 CHAIRMAN KLEIN: DR. CHIU, WHAT HE IS ASKING IS
14 IN THE RFA WE INFORM --

15 DR. CHIU: WE WILL WRITE IT IN THE RFA.

16 CHAIRMAN KLEIN: -- THAT WHATEVER THE SCORES
17 ARE, THEY'LL BE WEIGHTED 40, 40, AND 20.

18 DR. CHIU: I GUESS I NEED A LITTLE
19 CLARIFICATION BECAUSE ALL WE'RE GOING TO PRESENT TO YOU
20 ARE INDIVIDUAL SCORES. AND THEN WE CAN ADD IN AN
21 ADDITIONAL WEIGHTING IF THAT'S --

22 CHAIRMAN KLEIN: I THINK WHERE THIS WOULD BE
23 IMPORTANT IS THERE WERE SEVERAL COMPETING INSTITUTIONS
24 AND THEY WOULD BE STRONGER -- ONE IS STRONGER IN X AND Y,
25 THEN THOSE WOULD BE THE DOMINANT CHARACTERS.

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: THE PURPOSE OF X, Y, AND Z WAS
2 WHETHER YOU COULD PROCEED WITH EITHER AN INSTITUTE, A
3 CENTER, SO THE WEIGHTING OF THE CATEGORIES IS MOOT.

4 DR. MEYER: AND, IN FACT, YOU MAY NOT EVEN
5 APPLY FOR X, Y, AND Z. AN INSTITUTION MAY CHOOSE ONLY TO
6 APPLY FOR Y AND Z OR Z.

7 CHAIRMAN KLEIN: I THINK THE PROPOSAL IS IF
8 YOU'RE APPLYING FOR ALL THREE. SO IT'S ONLY IF YOU'RE
9 APPLYING --

10 DR. PIZZO: MAYBE THE MOTION IS INCORRECT IN
11 LIGHT OF THE COMMENTS THAT CLAIRE MADE. LET ME CLARIFY
12 MY ISSUE, WHICH IS THAT THIS AREA, TO ME, IS SIMPLY LESS
13 ADVANCED. AND IF IT'S CONSIDERED AT THE SAME VALUE AS
14 THE OTHER TWO, I THINK IT CREATES A BIT OF CONFUSION
15 ABOUT THE SCIENTIFIC CREDULITY OF WHAT WE'RE TRYING TO
16 ACHIEVE.

17 MS. LANSING: I'M SO CONFUSED. ALL THAT IT
18 DETERMINES IS WHETHER YOU'RE IN ONE OF THE THREE
19 CATEGORIES.

20 CHAIRMAN KLEIN: NO. WHAT HE'S SAYING IS IF
21 YOU HAVE TWO INSTITUTIONS AND BETWEEN THOSE TWO
22 INSTITUTIONS THEY HAVE THE SAME SCORE IN THE Z CATEGORY,
23 BUT ESSENTIALLY ARE ALMOST THE SAME IN Z, BUT THERE ARE
24 VERY BIG DIFFERENCES IN X AND Y, BECAUSE THEY'RE WEIGHTED
25 DIFFERENTLY, THEY WOULD MAKE A SUBSTANTIAL DIFFERENCE IN

BARRISTERS' REPORTING SERVICE

1 WHICH CAME OUT ON TOP IN THE OVERALL. THAT IS THE
2 PROPOSAL.

3 MS. LANSING: AND THE CIRM CENTERS OF
4 EXCELLENCE.

5 CHAIRMAN KLEIN: WE HAVE A PROBLEM. WE'RE
6 GOING TO LOSE A QUORUM.

7 DR. STEWARD: THIS IS WAY TOO IMPORTANT TO VOTE
8 ON RIGHT NOW. WE HAVE PEOPLE WHO ARE TRYING TO GET AWAY,
9 AND THIS REQUIRES MORE DISCUSSION. THIS COULD REALLY
10 MAKE A FUNDAMENTAL DIFFERENCE IN FUNDING.

11 DR. KESSLER: I DON'T UNDERSTAND YET WHAT THE
12 OVERALL -- I SEE THE FINANCE -- THE FACILITIES PIECE. I
13 SEE THE SCIENCE PIECE. I SEE GETTING INTO THESE
14 DIFFERENT CATEGORIES PIECE. I'M NOT SURE I SEE WHAT THE
15 ELEMENTS -- WHEN IT COMES BACK, HOW IS --

16 CHAIRMAN KLEIN: LET ME --

17 DR. KESSLER: -- IT SCIENCE TIMES --

18 CHAIRMAN KLEIN: LET ME MAKE A SUGGESTION GIVEN
19 THE TIME, GIVEN WE'RE HOLDING ON HERE. AS DR. CHIU HAS
20 POINTED OUT, WE CAN PUT OUT AN RFA WITHOUT THIS WEIGHTING
21 ISSUE, AND WE CAN DECIDE THE WEIGHTING IN OCTOBER IF IT
22 IS, IN FACT, THE WEIGHTING ISSUE. BUT --

23 DR. PIZZO: I WITHDRAW THE PROPOSAL.

24 CHAIRMAN KLEIN: THANK YOU. DR. PIZZO, ARE YOU
25 MAINTAINING THE PART OF YOUR MOTION WHICH WAS TO APPROVE

BARRISTERS' REPORTING SERVICE

1 THE SCIENTIFIC EVALUATION AS PROPOSED?

2 DR. PIZZO: YES.

3 CHAIRMAN KLEIN: AND THE SECOND MAINTAINS THEIR
4 POSITION? WHO IS THE SECOND?

5 DR. PRICE: I'LL SECOND.

6 CHAIRMAN KLEIN: SECOND IS DR. PRICE. WE HAVE
7 A MOTION. ANY FURTHER DISCUSSION? THE MOTION IS THAT
8 WE'RE APPROVING THE SCIENTIFIC PROPOSAL FOR THE RFA AS
9 PUT TOGETHER BY ARLENE CHIU.

10 DR. POMEROY: WITH --

11 CHAIRMAN KLEIN: AS IS. AUDIENCE, COMMENTS?

12 MR. SIMPSON: MINDFUL OF THE QUORUM, BUT I
13 WOULD REFER YOU TO AN OP ED PIECE THAT RAN IN THE
14 *SACRAMENTO BEE* YESTERDAY. I ALSO WOULD SAY THAT WITH THE
15 EMPHASIS ON PUTTING SCIENCE FIRST, YOU'VE GOT TO OPEN UP
16 THE REVIEW PROCESS AT THAT POINT AND HAVE ALL OF THE
17 INSTITUTIONS IDENTIFIED AND HAVE THAT PEER REVIEW PROCESS
18 BEFORE THAT COMMITTEE PUBLIC.

19 CHAIRMAN KLEIN: THANK YOU. ANY ADDITIONAL
20 PUBLIC? COUNSEL.

21 MS. PACTER: I JUST WANTED TO REMIND THE CHAIR
22 THAT THIS IS ONLY THE THIRD OF THE FOUR ISSUES THAT NEED
23 TO BE DETERMINED BEFORE THE RFA CAN ISSUE. THE FOURTH IS
24 THE TOTAL FUNDING.

25 CHAIRMAN KLEIN: VERY QUICKLY. I'M GOING TO

BARRISTERS' REPORTING SERVICE

1 CALL THE QUESTION ON WHAT'S BEFORE US ON SCIENCE. ALL IN
2 FAVOR?

3 (ALL PRESENT VOTE AYE.)

4 CHAIRMAN KLEIN: WE HAVE THE DEFINITION ISSUE.
5 LET ME ASK. THE FOURTH COMPONENT ON FUNDING IS TO
6 ALLOCATE \$225 MILLION.

7 MS. HOFFMAN: 227 AS WELL AS THE DOLLAR RANGES
8 THAT NOW ARE 25 TO 50, 10 TO 20, AND 5 TO 10.

9 CHAIRMAN KLEIN: IS THERE A MOTION TO SUPPORT
10 THE \$227 MILLION AND THE DOLLAR RANGES?

11 MR. ROTH: I'LL MAKE THAT MOTION.

12 DR. REED: YES.

13 CHAIRMAN KLEIN: SO MOVED FROM DR. REED.

14 DR. MEYER: SECOND.

15 CHAIRMAN KLEIN: SECOND BY DR. MEYER.

16 MS. LANSING: CLARIFICATION. DOLLAR RANGES ARE
17 UP TO. YOU DON'T HAVE TO GIVE IT.

18 CHAIRMAN KLEIN: UP TO. AND THERE'S A SEPARATE
19 QUESTION AT A LATER MEETING WHERE WE CAN ADDRESS WHETHER
20 WE'RE GOING TO PUT ANY EQUIPMENT MONEY INTO THIS,
21 SEPARATE ISSUE.

22 ANY ADDITIONAL DISCUSSION BY THE BOARD? ANY
23 DISCUSSION BY THE AUDIENCE?

24 CALL THE QUESTION. ALL IN FAVOR? OPPOSED?
25 MOTION CARRIES.

BARRISTERS' REPORTING SERVICE

1 WE HAVE A DEFINITION ISSUE. LET ME SEE IF WE
2 CAN DO IT QUICKLY.

3 MR. ROTH: SO ON THE DEFINITION, I'M JUST GOING
4 TO REQUEST THAT STAFF GO BACK, IN LIGHT OF THE
5 DISCUSSIONS TODAY, AND TAKE ANOTHER STAB AT DEFINING
6 CLEARLY HERE, NOT TODAY, BUT IN HERE WHAT IS MEANT AND
7 HOW YOU SCORE A PERFECT SCORE.

8 CHAIRMAN KLEIN: SO IS THAT A MOTION?

9 MR. ROTH: IT DOESN'T NEED TO BE IN THE FORM OF
10 A MOTION UNLESS THIS CRITERIA NOT GOING TO BE EVER LOOKED
11 AT AGAIN.

12 CHAIRMAN KLEIN: WE PREVIOUSLY PASSED A MOTION
13 WITH THIS AS A CONDITION. SO AS A MOTION, YOU ARE
14 REMOVING YOUR CONDITION, BUT ASKING STAFF TO GIVE GREATER
15 CLARITY TO THOSE DEFINITIONS IN THE RFA.

16 MR. ROTH: IN THE RFA GREATER CLARITY IN LIGHT
17 OF DR. KESSLER'S COMMENT ABOUT VALUE, FOR EXAMPLE.

18 CHAIRMAN KLEIN: I UNDERSTAND. IS THERE A
19 SECOND TO THAT?

20 DR. PENHOET: SECOND.

21 CHAIRMAN KLEIN: DISCUSSION?

22 MR. SERRANO-SEWELL: BRIEFLY, THE RFA MAY GO
23 OUT WITH THE EXISTING LANGUAGE, DUANE, WITHOUT ANY
24 FURTHER CLARIFICATIONS OR NOT.

25 CHAIRMAN KLEIN: THE STAFF CAN CLARIFY IT AND

BARRISTERS' REPORTING SERVICE

1 IS BEING ASKED TO CLARIFY IT TO THE EXTENT THEY CAN.

2 DISCUSSION BY THE BOARD? BY THE PUBLIC? ALL
3 IN FAVOR? COUNSEL, ARE WE CLEAR?

4 MR. HARRISON: ANY OPPOSED? MOTION CARRIES.

5 CHAIRMAN KLEIN: JEFF SHEEHY.

6 MR. SHEEHY: I THINK FOR SOME OF DUANE'S
7 ISSUES, IF I'M CORRECT, WE CAN REVISIT THIS IN SOME
8 DETAIL AT THE NEXT MEETING BECAUSE THOSE WARRANT -- THOSE
9 PARTICULAR ISSUES WILL BE ADDRESSED IN PART 2 OF THE
10 APPLICATION WHICH WE WON'T GET UNTIL AFTER THE SCIENTIFIC
11 REVIEW. I UNDERSTAND THE NEED TO GET SOME MORE CLARITY
12 ON THESE. SO CAN WE MAKE SURE THAT FOR THE NEXT BOARD
13 MEETING WE CAN GO THROUGH THESE AGAIN AND GET THE CLARITY
14 BECAUSE THOSE APPLICATIONS -- THE RFA THAT WE SEND OUT,
15 THE RESPONSE TO THAT WILL NOT BE ADDRESSING THESE
16 ISSUES.

17 CHAIRMAN KLEIN: DR. CHIU, COULD YOU CLARIFY
18 THIS? JEFF SHEEHY'S QUESTION IS IF WE ARE IMMEDIATELY
19 INTENDING TO SEND OUT PART 1, ARE WE AT THE TIME WE SEND
20 OUT PART 1 GOING TO GIVE THE CANDIDATES THE INFORMATION
21 ON PART 2 SO THAT THEY CAN SEE THE OVERALL PICTURE?

22 MS. HOFFMAN: WE ARE. THAT WAS THE PLAN. WE
23 WOULD, OF COURSE, ISSUE PART 2 IN GREATER DEPTH AND
24 CLARITY IN TERMS OF THE APPLICATION. BUT WITH REGARDS TO
25 THE CRITERIA, THE DEFINITIONS, THE EVALUATION STANDARDS,

BARRISTERS' REPORTING SERVICE

1 AND THE SCORING, WE ASSUMED THAT WE WOULD WANT TO PUT IT
2 IN THIS FIRST RFA.

3 MR. SHEEHY: WOULD MORE REFINEMENT BE POSSIBLE
4 IN THE CONTEXT OF A FURTHER MEETING? AREN'T WE
5 ANTICIPATING SOME REFINEMENT IN RESPONSE TO THE ICOC
6 VOTE? IN JANUARY ON THE SCIENTIFIC RECOMMENDATIONS,
7 WE'RE EXPECTING THOSE APPLICATIONS, THOSE PART 2, TO TAKE
8 INTO ACCOUNT THE ICOC VOTE. SO WOULD NOT -- WE HAVE A
9 VERY BROAD OUTLINE. TO TIE THAT A LITTLE TIGHTER, WOULD
10 THAT CREATE --

11 MS. HOFFMAN: YOU KNOW, MEMBER SHEEHY, I DON'T
12 ACTUALLY DISAGREE, BUT I WILL SAY IN A COMPETITIVE
13 PROCESS, THERE WILL, INDEED, BE LOSERS. AND WE'RE NOT
14 ASKING FOR COMPARABLES OUTSIDE OF THE APPLICATIONS, BUT I
15 THINK THAT WE ARE LOOKING FOR THE -- I ASSUME THAT THE
16 FACILITIES WORKING GROUP WILL BE SCORING IN A RELATIVE
17 WORLD. SO IT WOULD BE DIFFICULT TO SAY WHAT WOULD BE A
18 PERFECT SCORE, BUT I THINK THAT WE COULD REFINE THE
19 EVALUATION STANDARDS, AND WE WILL ATTEMPT TO DO SO.

20 MR. SERRANO-SEWELL: MS. HOFFMAN, LET ME
21 SUGGEST, THEN, TO MY COLLEAGUES THAT WE'LL ATTEMPT, I'M
22 SURE STAFF WILL MAKE A GOOD FAITH ATTEMPT TO REVIEW, THEY
23 WILL REVIEW THE TRANSCRIPTS AND MAKE A GOOD FAITH ATTEMPT
24 TO REFINE THE DEFINITIONS. I KNOW THEY'RE GOING TO DO
25 THAT, AND THEY'RE GOING TO TRY TO DO THAT. BUT WE'VE GOT

BARRISTERS' REPORTING SERVICE

1 TO GET THIS RFA OUT, AND IT HAS TO BE KIND OF SET IN
2 STONE BECAUSE WE DON'T WANT TO COME BACK AND REVISE
3 THINGS AND CHANGE THINGS. WE WANT TO GO OUT WITH A
4 SINGLE -- I THINK INTENTION IS, AS LORI STATED, TO GO OUT
5 WITH A SINGLE RFA NOW AND NOT COME BACK AND REDRAFT IT
6 AND PROVIDE FURTHER ADDENDUMS LATER. WE HAVE THAT
7 OPTION, BUT I THINK IT GOES BACK TO ENSURING A LEVEL
8 PLAYING FIELD. I DON'T WANT TO LEAVE THAT AS AN OPTION.
9 I THINK WE'VE DONE ENOUGH BY GIVING THE DIRECTION TO
10 STAFF TO REFINE THE DEFINITIONS. THAT'S SUFFICIENT.

11 CHAIRMAN KLEIN: DR. PRIETO.

12 DR. PRIETO: I DON'T KNOW THAT THIS EVEN
13 REQUIRES A MOTION. I JUST WANT, IN INTEREST OF BEING
14 RESPONSIVE TO THESE REQUESTS WE'VE HAD FOR MORE OPENNESS
15 AND TRANSPARENCY, I THINK WE'VE SET A VERY GOOD EXAMPLE
16 ALREADY AND SURPRISED, I THINK, SOME OF OUR EARLY
17 CRITICS. WHY COULD WE NOT RELEASE THE NAMES OF THE
18 APPLYING INSTITUTIONS AND THE OUTLINES OF THE PROPOSALS
19 WITHOUT ACTUALLY OPENING UP THE ACTUAL REVIEW? I
20 UNDERSTAND THAT IN THE REVIEW OF THE RFA'S AND WITHIN THE
21 MEETINGS THAT THERE ARE COMMENTS MADE ABOUT STRENGTHS AND
22 WEAKNESSES OF INDIVIDUAL INVESTIGATORS AND TEAMS AND
23 THINGS THAT COULD AFFECT PEOPLE'S CAREERS, BUT THE
24 INSTITUTIONS AND THE OUTLINES DON'T HAVE ANY PERSONAL
25 INTEREST.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I WOULD SAY THAT GIVEN THE
2 INTEREST OF TIME AND GIVEN THAT WE HAD SEVERAL REQUESTS
3 FOR CONSIDERATION OF THIS, I'VE INDICATED WE WOULD
4 CONSIDER THIS FORMALLY IN OUR OCTOBER MEETING, WHICH IS
5 WAY BEFORE THERE'S ANY RESULTS, SO THAT WE HAVE THE TIME
6 TO ADEQUATELY AND THOUGHTFULLY THINK IT THROUGH AT THAT
7 TIME. I PERSONALLY THINK THAT WE HAVE AN OPPORTUNITY
8 HERE TO HAVE SOME MORE DISCLOSURE, THAT WHILE PROTECTING
9 CONFIDENTIAL INFORMATION, PROPRIETARY INFORMATION,
10 PERSONNEL INFORMATION OF PEOPLE THAT ARE BEING HIRED,
11 ETC., BUT WE HAVE SOME OPPORTUNITIES.

12 MR. JENSON: DAVE JENSON WITH THE *CALIFORNIA*
13 *STEM CELL REPORT*. IF YOU DO NOT SERVE NOTICE ON
14 APPLICANTS WHEN THEY SUBMIT THEIR RFA'S, IF YOU DO NOT
15 SERVE NOTICE ON THE APPLICANTS WHEN THEY SUBMIT THEIR
16 RFA'S AND THEN LATER MAKE PUBLIC INFORMATION THEY THINK
17 MAY BE PRIVATE, IT PROBABLY WOULD BE A LITTLE
18 UNFORTUNATE. PERHAPS THERE'S A WAY TO FINESSE THIS AND
19 PUT SOME LANGUAGE IN THE RFA SAYING THIS MAY BE
20 CONSIDERED AT THE OCTOBER MEETING.

21 DR. PRIETO: AT LEAST I THINK THAT IF THEY READ
22 THESE TRANSCRIPTS, THEY KNOW THAT THE ISSUE HAS BEEN PUT
23 ON THE FLOOR.

24 CHAIRMAN KLEIN: I THINK THAT THIS QUESTION HAS
25 BEEN RAISED, AND MY UNDERSTANDING IS, DR. CHIU, THAT AS

BARRISTERS' REPORTING SERVICE

1 IS THE NORMAL PROCESS, THERE WILL BE INFORMATION IN THE
2 RFA TO INDICATE POTENTIALLY WHAT IS CONFIDENTIAL
3 PROPRIETARY INFORMATION, WHAT IS PERSONNEL INFORMATION,
4 BUT MAYBE YOU COULD EDUCATE US BECAUSE MAYBE THAT'S NOT
5 CORRECT.

6 DR. CHIU: I THINK IT IS IMPORTANT TO GET THE
7 BOARD'S VIEW AND DECISION BEFORE WE PUT OUT THE RFA OF
8 WHETHER YOU INTEND TO MAKE THIS PUBLIC. MY PERSONAL
9 POINT OF VIEW IS THAT, LIKE AN APPLICATION FROM AN
10 INDIVIDUAL, INSTITUTIONS, FOR EXAMPLE, THAT GET NO PART
11 OF THEIR APPLICATION RECOMMENDED FOR FUNDING WOULD NOT
12 HAVE THEIR IDENTITY REVEALED; HOWEVER, IF WE REVEAL IT
13 BEFOREHAND AS AN APPLICANT, THEN OBVIOUSLY EVERYBODY
14 WOULD KNOW THAT THEY APPLIED AND CAN MATCH THE SCORES
15 WITH THE IDENTITY OF THE APPLICANT. THAT'S ONE.

16 CHAIRMAN KLEIN: LET ME ASK THIS QUESTION. ON
17 THOSE THAT ARE RECOMMENDED FOR FUNDING, WE WILL SHOW THE
18 SCORES; IS THAT A CORRECT STATEMENT?

19 DR. CHIU: YES.

20 CHAIRMAN KLEIN: AND FOR THOSE THAT ARE
21 RECOMMENDED FOR FUNDING IN THE FACILITIES PART OF THIS,
22 ALL OF THOSE NAMES WILL BE PUBLIC?

23 DR. CHIU: THAT IS CORRECT. ALL THOSE WHO
24 WOULD BE INVITED TO APPLY FOR PART 2 WOULD HAVE THEIR
25 IDENTITY REVEALED AND THE REVIEW WOULD TAKE PLACE IN

BARRISTERS' REPORTING SERVICE

1 PUBLIC AS THE NORMAL PRACTICE OF THE FACILITIES WORKING
2 GROUP. THAT IS CORRECT.

3 CHAIRMAN KLEIN: THAT'S RIGHT. SO WE CERTAINLY
4 KNOW THAT ANYONE COMPETING FOR PART 2 WHERE THERE'S ANY
5 MONEY THAT'S GOING TO GO OUT IS GOING TO BE PUBLIC.

6 DR. CHIU: NO MONEY WILL BE DISCUSSED IN PART
7 1. IT WILL BE PURELY ABOUT THEIR SCIENTIFIC PLANS, IN
8 FACT, THEIR WHOLE STRATEGY FOR STEM CELL PROGRAM.

9 CHAIRMAN KLEIN: AND THE SCIENTIFIC SCORE,
10 ANYONE RECOMMENDED TO GO FORWARD FOR FUNDING WILL BE MADE
11 PUBLIC.

12 DR. CHIU: THAT IS CORRECT.

13 CHAIRMAN KLEIN: BOTH THE NAMES OF THE
14 INSTITUTIONS AND THE SCIENTIFIC SCORE WOULD BE MADE
15 PUBLIC.

16 DR. CHIU: THAT IS CORRECT.

17 CHAIRMAN KLEIN: SO THAT'S, I THINK, AN
18 IMPORTANT STEP FORWARD IN TRANSPARENCY, BUT HOPEFULLY
19 THAT ADDRESSES YOUR POINT TO THE EXTENT THAT WE CAN
20 TODAY.

21 DR. PRIETO: I'M JUST TRYING TO BE RESPONSIVE.

22 CHAIRMAN KLEIN: OKAY. SO I WOULD LIKE TO AT
23 THIS POINT, UNLESS THERE'S ADDITIONAL PUBLIC COMMENT,
24 ADJOURN THE MEETING. IS THERE ADDITIONAL PUBLIC COMMENT?
25 SEEING NO ADDITIONAL PUBLIC COMMENT, COUNSEL, BOTH TAMAR

BARRISTERS' REPORTING SERVICE

1 PACHTER AND JAMES HARRISON, ANY ADDITIONAL ITEMS WE NEED
2 TO ACT ON?

3 MS. PACHTER: NO, IF YOU DON'T WANT TO EXPLAIN
4 THE VOTING PROCEDURES.

5 CHAIRMAN KLEIN: I THINK IT IS IMPORTANT, FOR
6 THOSE THAT CAN STAY FOR JUST A FEW MINUTES, IT IS VERY
7 IMPORTANT TO UNDERSTAND THE VOTING PROCEDURES BECAUSE THE
8 CONFLICTS ISSUE IS BEING ADDRESSED HERE. NOW, THIS IS
9 GOING TO BE MADE -- OUR PROCEDURES ARE GOING TO BE
10 PUBLIC, AND WE WANT TO BE VERY CAREFUL TO AVOID ANY
11 CONFLICTS, SO THIS IS AN IMPORTANT SUBSTANTIVE AREA.

12 WITH THAT, COULD WE HAVE A DISCUSSION OF THE
13 CONFLICTS PROVISIONS? THIS IS NOT SOMETHING WE VOTE ON
14 BECAUSE THIS IS ESSENTIALLY SOMETHING THAT IS ALREADY
15 DETERMINED BY OUR CONFLICTS STANDARDS AND BY STATUTE.

16 MS. PACHTER: THAT'S CORRECT. SO THIS IS THE
17 EFFECT OF OUR CONFLICT OF INTEREST LAWS AND RULES ON THE
18 WAY THAT THE BOARD WILL VOTE ON VARIOUS ASPECTS OF THE
19 MAJOR FACILITIES RFA.

20 THE BASIC RULE IS THAT ONCE WE KNOW WHO ALL THE
21 APPLICANTS ARE, THAT IS, ONCE THE LOI'S ARE IN, ALL
22 MEMBERS WITH A RELATIONSHIP TO AN INSTITUTION WITH AN
23 APPLICATION IN COMPETITION WILL BE RECUSED BOTH FROM
24 PARTICIPATING IN DECISIONS ABOUT HOW TO ALLOCATE THE
25 FUNDS, THAT IS, HOW MUCH MONEY IS GOING TO GO IN EACH

BARRISTERS' REPORTING SERVICE

1 BUCKET, CIRM INSTITUTES, CIRM CENTERS OF EXCELLENCE, AND
2 SPECIAL PROGRAMS. AND ONCE WE GET TO THE PART 2 PROCESS,
3 YOU WILL ALSO BE RECUSED FROM PARTICIPATING WITHIN EACH
4 BUCKET IF YOU HAVE A HORSE IN THAT RACE.

5 IF WE GO TO THE NEXT SLIDE, TODAY THE ICOC HAS
6 DECIDED THAT \$227 MILLION WILL BE ALLOCATED TO THE RFA,
7 AND EVERYBODY PARTICIPATED IN THAT DECISION BECAUSE THERE
8 ARE NO APPLICATIONS PENDING.

9 AT THE JANUARY MEETING, THE BOARD WILL DECIDE
10 HOW THOSE FUNDS WILL BE ALLOCATED BETWEEN CIRM
11 INSTITUTES, CIRM CENTERS OF EXCELLENCE, AND CIRM SPECIAL
12 PROGRAMS. THAT WILL BE BASED ON THE RESULTS OF THE
13 GRANTS WORKING GROUP AND THE RECOMMENDATIONS AND HOW YOU
14 DEAL WITH THOSE RECOMMENDATIONS.

15 AS FEW AS NINE AND AS MANY AS ELEVEN MEMBERS OF
16 THE ICOC ARE EXPECTED TO BE ELIGIBLE TO VOTE ON THAT. IT
17 SHOULD BE AS MANY AS ELEVEN. IT COULD BE, I THINK, AS
18 FEW AS TEN. SO THAT'S ALLOCATING FUNDS BETWEEN BUCKETS.

19 CHAIRMAN KLEIN: AND, TAMAR, COULD YOU EXPLAIN
20 THE NATURE OF THOSE TEN AND WHY THEY WOULD BE ALLOWED TO
21 VOTE?

22 MS. PACHTER: THOSE TEN WILL BE THOSE ON THE
23 BOARD WITHOUT ANY RELATIONSHIP TO THOSE WHO WOULD BE
24 APPLYING, SO THEY ARE MEMBERS WHO WORK FOR FOR-PROFITS,
25 PATIENT ADVOCATES WHO ARE UNAFFILIATED WITH INSTITUTIONS

BARRISTERS' REPORTING SERVICE

1 WHO WILL BE APPLYING FOR FUNDS. THAT'S IT.

2 CHAIRMAN KLEIN: SO IF THERE IS A PATIENT
3 ADVOCATE AFFILIATED WITH AN INSTITUTION AS AN APPLICANT,
4 THEY OBVIOUSLY CANNOT VOTE.

5 MS. PACTER: THAT IS CORRECT. SO IF WE GO TO
6 THE NEXT SLIDE, WHICH TELLS US WHAT'S GOING TO HAPPEN AT
7 THE APRIL MEETING WHEN YOU CONSIDER PART 2, YOU WILL
8 REVIEW THE RECOMMENDATIONS OF THE FACILITIES WORKING
9 GROUP WITH RESPECT TO EACH OF THE THREE CATEGORIES OF
10 FUNDING. AND AT THAT TIME MEMBERS WILL BE RECUSED FROM
11 PARTICIPATING BOTH IN ANY ALLOCATION OF FUNDS THAT THE
12 BOARD CHOOSES TO ENGAGE IN AND WITHIN EACH CATEGORY, CIRM
13 CENTERS OF EXCELLENCE, CIRM INSTITUTES, CIRM SPECIAL
14 PROGRAMS. IF YOU ARE AFFILIATED WITH AN INSTITUTION THAT
15 AS AN APPLICATION COMPETING IN THAT BUCKET, YOU WILL ALSO
16 BY RECUSED FROM THAT.

17 CHAIRMAN KLEIN: NOW, IN THE INTEREST OF HAVING
18 THE MOST PEOPLE VOTE POSSIBLE, IF, IN FACT, IN THE FINAL
19 AWARD OF FUNDS WE WERE TO START WITH THE TOP SCIENTIFIC
20 SCORES, THE TOP CATEGORY, AND THOSE VOTES WERE CAST,
21 WOULD THOSE INDIVIDUALS THEN BE ABLE TO VOTE IN THE NEXT
22 LOWER CATEGORY?

23 MS. PACTER: YES, BECAUSE THEY DON'T HAVE AN
24 APPLICATION IN COMPETITION IN THAT CATEGORY. SO IT
25 DOESN'T MATTER WHERE WE START, WHAT CATEGORY WE START

BARRISTERS' REPORTING SERVICE

1 WITH. ONCE THOSE FUNDS ARE ALLOCATED, MEMBERS WITH
2 AFFILIATIONS IN THAT BUCKET CAN MOVE ON TO THE NEXT
3 BUCKET AND VOTE ON THAT.

4 CHAIRMAN KLEIN: OKAY.

5 DR. POMEROY: BOB, CAN I JUST ASK A QUESTION?
6 THIS ALL MAKES PERFECT SENSE AND IS CONSISTENT WITH OUR
7 POLICIES. BUT I GUESS IT'S GOING TO BE A LITTLE
8 DIFFICULT, AND I WON'T PROBABLY BE VOTING ON THIS, ABOUT
9 THE ALLOCATION BETWEEN THE BUCKETS. BECAUSE WHAT IF YOU
10 GOT 20 OUTSTANDING SPECIAL PROGRAMS AND NO GREAT
11 INSTITUTES? I DON'T THINK THAT'S LIKELY. THEN YOU MIGHT
12 WANT TO MOVE YOUR BUCKETS AROUND, RIGHT? HOW DOES THAT
13 HAPPEN?

14 MS. PACHTER: THAT WILL ALSO BE AS FEW AS TEN
15 AND AS MANY AS ELEVEN MEMBERS WHO ARE ELIGIBLE TO VOTE.
16 ANY TIME THE BOARD WANTS TO MOVE MONEY BETWEEN BUCKETS,
17 WE REDUCE THE NUMBER OF MEMBERS WHO ARE ELIGIBLE TO VOTE.
18 DOES THAT MAKE SENSE, DR. POMEROY?

19 CHAIRMAN KLEIN: IN OTHER WORDS, WHEN WE --

20 DR. POMEROY: I UNDERSTAND HOW IT WORKS. IT
21 JUST SEEMS LOGISTICALLY LIKE IT'S VERY DIFFICULT BECAUSE
22 YOU DON'T KNOW HOW BIG YOU WANT EACH OF THOSE BUCKETS TO
23 BE BEFORE YOU KNOW THE QUALITY IN EACH OF THE BUCKETS.

24 MS. PACHTER: THAT'S WHY THE BOARD IS NOT GOING
25 TO DECIDE THAT UNTIL AFTER IT HAS THE RECOMMENDATIONS

BARRISTERS' REPORTING SERVICE

1 FROM THE GRANTS WORKING GROUP. SO AT THAT POINT YOU WILL
2 KNOW HOW MANY INSTITUTES, HOW MANY CENTERS OF EXCELLENCE,
3 AND HOW MANY SPECIAL PROGRAMS.

4 DR. POMEROY: BUT NOT HOW MANY GOOD ONES.

5 MS. PACHTER: YOU DON'T KNOW WHAT THEIR
6 FACILITIES APPLICATION IS GOING TO LOOK LIKE, BUT YOU DO
7 KNOW WHAT YOU THINK OF THEIR SCIENTIFIC PROGRAM.

8 THE ONE OTHER THING I WOULD ADD IS WE EXPECT TO
9 SEE IN THESE APPLICATIONS INSTITUTIONS COLLABORATING WITH
10 ONE ANOTHER WHO ARE NOT NECESSARILY LEGAL CONSORTIA. AND
11 COLLABORATORS WILL ALSO FORCE CONFLICTS. SO THAT'S
12 SOMETHING TO BE AWARE OF AND THAT WE WILL BE TRACKING AS
13 WE REVIEW THE APPLICATIONS.

14 CHAIRMAN KLEIN: LET ME CLARIFY FOR DR. POMEROY
15 THAT MAYBE PERHAPS SUPPLEMENT IS THE BETTER WORD. WHEN
16 ALL OF THE APPLICATIONS ARE IN, SO YOU KNOW THE TOTAL
17 COST AND YOU KNOW ALL THE SCORES, THE VOTE CAN ACTUALLY
18 STILL CHANGE THE ALLOCATIONS BETWEEN CATEGORIES IF WE, IN
19 FACT, COME UP WITH VERY DIFFERENT RESULTS. SO WE DO HAVE
20 A FAIL-SAFE CAPACITY THERE BASED ON ACTUAL FACTUAL
21 INFORMATION AVAILABLE.

22 DR. STEWARD: THERE IS, I GUESS, AN ISSUE OF
23 PRINCIPLE THAT I WONDER ABOUT. I UNDERSTAND ALL THE
24 REASONS FOR DOING THIS, AND IT'S AN EXCEEDINGLY IMPORTANT
25 THING TO DO. WHAT WORRIES ME IS THAT THERE ACTUALLY

BARRISTERS' REPORTING SERVICE

1 MIGHT BE IMPORTANT REASONS TO THINK IN ADVANCE BEFORE WE
2 EVEN CONSIDER WHAT WOULD BE A REASONABLE PACKAGE. HOW
3 MANY OF THE LARGE, HOW MANY OF THE MIDDLE, HOW MANY OF
4 THE SMALL BEFORE WE EVEN KNOW? A LOT OF US ARE GOING TO
5 BE LEFT OUT OF THE SORT OF DISCUSSION. IT'S NOT JUST THE
6 CASE WE CAN'T VOTE; WE ALSO CAN'T EVEN PARTICIPATE IN THE
7 DISCUSSIONS. AND I THINK THAT NARROWS THE FIELD OF
8 EXPERTISE IN A WAY THAT IS UNFORTUNATE.

9 I JUST WONDER IF THERE'S SOME WAY WE COULD HAVE
10 THAT IN-PRINCIPLE DISCUSSION BEFORE EVERYONE BECAME
11 INELIGIBLE.

12 CHAIRMAN KLEIN: I WOULD SUGGEST THAT AS AN
13 IN-PRINCIPLE DISCUSSION, IN A LATER MEETING WE HAVE THE
14 OPPORTUNITY TO DECIDE WHETHER OR NOT WE'RE GOING TO
15 AUGMENT THE FACILITIES DOLLARS FOR BUILDINGS AND FIXED
16 EQUIPMENT WITH ANY AMOUNT FOR MOVABLE EQUIPMENT.

17 MS. PACTER: AGAIN, THAT WILL BE LIMITED.
18 ONCE THE LOI'S ARE IN, YOU'RE LIMITED TO THE NUMBER OF
19 MEMBERS WHO ARE ELIGIBLE TO VOTE, SO YOU'RE BETWEEN TEN
20 AND ELEVEN.

21 CHAIRMAN KLEIN: THAT'S RIGHT. IT WOULD HAVE
22 TO BE BEFORE THE LOI'S ARE IN.

23 MS. PACTER: THAT'S CORRECT. SO NOW WOULD BE
24 THE ONLY TIME ESSENTIALLY. IF YOU WANTED TO DECIDE THAT
25 UP FRONT, THE BOARD WOULD HAVE TO DECIDE THAT TODAY WHEN

BARRISTERS' REPORTING SERVICE

1 THERE ARE NO LOI'S IN AND THERE ARE NO APPLICATIONS.

2 CHAIRMAN KLEIN: YOU'RE RIGHT. THERE WILL BE A
3 DISCUSSION, BUT THE SAME PEOPLE CAN'T PARTICIPATE.

4 MS. PACHTER: THEY CAN'T MAKE A MOTION AND THEY
5 CAN'T PARTICIPATE IN THE DISCUSSION.

6 CHAIRMAN KLEIN: DR. STEWARD, THERE CAN BE A
7 DISCUSSION OF IT. THE SAME PEOPLE CAN VOTE IN THAT
8 DISCUSSION AND PARTICIPATE IN THE DISCUSSION. SO WHILE
9 WE HAVE AN OPPORTUNITY TO DO WHAT YOU'RE SUGGESTING, YOU
10 CAN'T PARTICIPATE IN THE DISCUSSION. BUT IT IS IMPORTANT
11 TO HAVE THAT DISCUSSION TO MAKE SURE THAT WE PROPERLY
12 SIZED THE DOLLARS THAT ARE AVAILABLE, INCLUDING MOVABLE
13 EQUIPMENT, SO WE REALLY HAVE SPACE THAT'S FULLY
14 OPERATIONAL.

15 DR. KESSLER: I HAVE A QUESTION NOT
16 SPECIFICALLY ON VOTING. SO I THINK A LOT OF THOUGHT WENT
17 INTO ALL THIS. I THINK IT'S TERRIFIC. I STILL CAN'T PUT
18 TOGETHER AND I MAY BE THE ONLY ONE WHO CAN'T PUT THESE
19 MAJOR PIECES TOGETHER. SO I HEAR -- I THINK IF YOU WENT
20 BACK THROUGH THE TRANSCRIPT, YOU WILL HEAR SEVERAL TIMES
21 THAT SCIENCE IS PREEMINENT. OBVIOUSLY THERE'S OTHER
22 FACILITIES CONSIDERATIONS, AND I'M RESPECTFUL OF THAT.
23 I'M NOT SURE HOW WHEN YOU HAVE THE SCIENCE PIECE COMING
24 INTO THE CATEGORIES, INTO THE FACILITIES PIECE, COMING TO
25 THOSE NINE WHO CAN VOTE AND DISCUSS, WHAT'S COMING IN AND

BARRISTERS' REPORTING SERVICE

1 WHAT DICTATES THAT SCIENCE TRUMPS? YOU GET A FACILITIES
2 SCORE, YOU GOT A SCIENCE SCORE THAT TOLD YOU WHAT
3 CATEGORIES YOU QUALIFY FOR, BUT IN THE END WHAT'S THE
4 CALCULUS HERE?

5 MR. SERRANO-SEWELL: DAVID, AS I UNDERSTAND IT,
6 AS A WAY TO ANSWER THE QUESTION, I'M NOT DEFENDING THE
7 POLICY, IT IS WHAT IT IS; BUT IN TERMS OF THE CONFLICTS,
8 AS TAMAR HAS DESCRIBED THEM AND WHO CAN VOTE, IT'S NOT
9 THE SCIENCE. IN THAT RESPECT SCIENCE ISN'T LEADING.
10 YOU'RE RIGHT. IT'S THE CONFLICTS ISSUES THAT ARE
11 DICTATING, RIGHT.

12 CHAIRMAN KLEIN: DAVID HAS A POINT HERE. THE
13 CONFLICTS LIMIT THE PEOPLE WHO CAN PARTICIPATE.

14 DR. KESSLER: I UNDERSTAND THAT. I'M ASKING A
15 POLICY QUESTION THAT I DON'T THINK -- I THINK WE'RE ALL
16 ALLOWED TO PARTICIPATE IN THAT POLICY QUESTION.

17 CHAIRMAN KLEIN: TO RESPOND TO YOUR POINT, THE
18 PROCESS THAT'S BEEN LAID OUT IS THAT THE SCIENCE WORK
19 COMES IN FIRST. THE ICOC REVIEWS THE SCIENCE SCORE. IF
20 SOMEONE ISN'T ABOVE THE THRESHOLD AT WHICH WE WANT TO
21 FUND THE SCIENCE, THEN THEY'RE NOT ELIGIBLE TO SUBMIT AN
22 APPLICATION FOR THAT CATEGORY OF FACILITY IN THE
23 FACILITIES PORTION.

24 DR. KESSLER: I UNDERSTAND THAT. NOW YOU HAVE
25 SCORES WITHIN THE CATEGORY, AND IS SCIENCE STILL

BARRISTERS' REPORTING SERVICE

1 RELEVANT? SCIENCE IS ONLY RELEVANT TO GET YOU INTO A
2 CATEGORY, AND THEN SCIENCE, STRONGER SCIENCE DOESN'T
3 CARRY THE DAY. IT'S FACILITIES THAT CARRY THE DAY.
4 STAFF'S SHAKING THEIR HEADS ALL DIFFERENT WAYS.

5 CHAIRMAN KLEIN: WHEN IT COMES BACK FOR A FINAL
6 VOTE, YOU ARE GOING TO HAVE A FACILITIES SCORE AND YOU'RE
7 GOING TO HAVE A SCIENCE SCORE.

8 DR. KESSLER: IS THAT TRUE?

9 MS. HOFFMAN: DR. KESSLER MAKES AN EXCELLENT
10 POINT. IN FACT, CHAIRMAN KLEIN, THAT WAS NOT ORIGINALLY
11 HOW WE HAD THOUGHT WE WOULD MOVE FORWARD, ALTHOUGH I DO
12 BELIEVE YOU ARE CORRECT. IT IS A POLICY DECISION. SO
13 THE QUESTION IS ONCE THE SCIENCE SCORES ARE ISSUED, THE
14 ICOC VOTES ON THEM, THEN DO THOSE SCORES INDEED GO AWAY
15 AND, IN FACT, ALL WE'RE LOOKING AT IS EVERYBODY'S ON A
16 LEVEL PLAYING FIELD WITHIN THE CATEGORIES? AND WHAT I
17 HEAR DR. KESSLER SAY IS THAT'S NOT WHAT HE WOULD LIKE.

18 DR. KESSLER: I'M NOT SURE I'M ENTITLED TO AN
19 OPINION. I JUST RAISE IT.

20 MS. HOFFMAN: IN FACT, YOU ARE. INTERESTING
21 ENOUGH THEN, I THINK THE POLICY DECISION IS WHETHER OR
22 NOT YOU WANT THE FACILITIES WORKING GROUP, WHEN THEY MAKE
23 THE RECOMMENDATION, AND THE ICOC CONSIDERS THAT AT THEIR
24 APRIL MEETING, WOULD YOU THEN ALSO LIKE TO REEXAMINE OR
25 REVISIT THE ORIGINAL SCIENCE SCORES?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: FACTUALLY THOSE SCIENCE SCORES
2 WILL BE PUBLIC WITH THE INSTITUTIONS THAT ARE COMPETING
3 IN THE FACILITIES PORTION. AND WHEN WE COME BACK AS THE
4 ICOC, YOU CAN PREDICT THAT THE BOARD MEMBERS WILL ASK TO
5 SEE THE SCIENCE SCORES NEXT TO THE FACILITIES SCORES.

6 DR. KESSLER: THERE'S GOING TO BE SOME KIND OF
7 WEIGHING IN PEOPLE'S HEADS OF THOSE.

8 CHAIRMAN KLEIN: WE HAVE ANNOUNCED THE POLICY
9 THAT SCIENCE LEADS. AND TO FOLLOW THAT POLICY, SCIENCE
10 SHOULD BE A VERY IMPORTANT PART IN BALANCING WITH THE
11 FACILITIES.

12 DR. KESSLER: SO IF IT'S A SCIENCE SCORE OF,
13 LET'S SAY IT'S A PERFECT SCIENCE SCORE AND YOU'RE IN A
14 CATEGORY AND YOU'RE THE TOP SCIENCE SCORE, BUT YOU'RE IN
15 A CATEGORY, BUT YOU'RE THE BOTTOM FACILITY SCORE WITHIN
16 THAT CATEGORY. THIS IS A JUDGMENT CALL.

17 MR. SERRANO-SEWELL: THAT EXAMPLE WILL HAPPEN,
18 SO LET'S PLAY IT OUT.

19 CHAIRMAN KLEIN: THEORETICALLY IF YOU'RE THE
20 BOTTOM FACILITIES SCORE, THEY CAN LOOK AT IT AND SAY, YOU
21 KNOW, INSTEAD OF FUNDING THIS AT THE TOP OF THE RANGE, IF
22 WE'RE GOING TO FUND THIS, WE'RE GOING TO FUND IT AT THE
23 BOTTOM OF THE RANGE. AND IF THEIR PERFORMANCE AND
24 COMMITMENT IS SO LOW, THAT THEY'RE UNDERMINING THE
25 ABILITY TO SERVE THE MISSION THROUGHOUT THE REST OF THE

BARRISTERS' REPORTING SERVICE

1 STATE, DO WE REALLY FUND? THE REAL PRACTICAL RESULT IS
2 PROBABLY THAT THEY GET FUNDED AT THE BOTTOM OF THE RANGE
3 BECAUSE THEY HAVE NOT PROVIDED THE COMMITMENT TO THIS
4 MISSION THAT WILL ALLOW US TO FUND OTHER SCIENCE IN THE
5 STATE.

6 NOW, EVERYONE CAN REACH AN INDEPENDENT
7 BALANCING OF THOSE FACTORS. I'M ONLY ARTICULATING FOR
8 YOU ONE INDIVIDUAL'S POINT OF VIEW.

9 DR. POMEROY: WE HAD TALKED TODAY ABOUT THE
10 IMPORTANCE OF SORT OF LETTING THE APPLICANTS KNOW UP
11 FRONT WHAT OUR APPROACH IS GOING TO BE. I THINK DR.
12 KESSLER BRINGS UP A REALLY GOOD POINT IS THAT IT WOULD BE
13 MORE FAIR TO THE APPLICANTS IF SORT OF THE PROCESS, NOT
14 THE FINAL DECISION, BECAUSE THAT'S THE ICOC
15 RESPONSIBILITY, BUT SORT OF THE PROCESS OF THE WEIGHTING
16 OF THOSE TWO SCORES. FRANKLY, WE RAN INTO THIS AND
17 BUMPED HEADS IN THE SHARED RESOURCE FACILITY. AND I
18 THINK THAT CLARIFYING IT AHEAD OF TIME IS A VERY GOOD
19 REQUEST.

20 CHAIRMAN KLEIN: LET ME ASK MY COLLEAGUES HERE.
21 ONCE THE LOI'S ARE IN, THE ONLY PEOPLE THAT CAN PROVIDE A
22 FORMAL CLARIFICATION ARE THE NINE TO ELEVEN INDIVIDUALS.
23 WE COULD TODAY, UNLESS COUNSEL CORRECTS ME ON THIS, HAVE
24 JUST A SENSE OF INFORMATION TO THE STAFF THAT SINCE THE
25 SCIENCE SCORES, IF IT'S THE SENSE OF THE PEOPLE THAT ARE

BARRISTERS' REPORTING SERVICE

1 HERE, THE SCIENCE SCORES WE KNOW WILL BE PUBLIC
2 INFORMATION, SO WE COULD TELL THEM IF THE STAFF FELT AND
3 IF THESE MEMBERS FELT THAT WE EXPECT, BECAUSE WE CAN'T BE
4 DEFINITIVE, BUT WE EXPECT THE SCIENCE SCORES TO BE
5 CONSIDERED WITH THE FACILITIES SCORES IN THE FINAL
6 DECISION, BUT --

7 DR. POMEROY: BUT HOW?

8 CHAIRMAN KLEIN: NO, WE CAN'T MAKE ANY JUDGMENT
9 ON THE WEIGHTING UNTIL WE HAVE A QUORUM THAT IS
10 QUALIFIED.

11 MS. FEIT: IT'S INTERESTING BECAUSE OUR
12 CONSIDERATION ON THE FACILITIES WORKING GROUP WAS ALWAYS
13 IN THE REVERSE. OUR CONCERN WAS THAT WE WOULD LIKE A
14 FACILITY PLAN AND THE SCIENCE DEEMED WEAK. THAT WAS
15 ALWAYS -- DEEMED WEAK, AT LEAST NOT IN THE FRONT RUNNING
16 OF OTHERS THAT ARE THERE AND AVAILABLE. SO OUR CONCERN
17 WAS BUILDING A FACILITY THAT WASN'T GOING TO SUPPORT A
18 LEADING SCIENTIFIC CAUSE OR MOTION OR MOVEMENT.

19 SO THAT WAS ALWAYS THE CONCERN. IT WAS NEVER
20 IN THE REVERSE OF WHAT YOU'RE TALKING ABOUT. AND I
21 THINK, YOU KNOW, MY UNDERSTANDING IS THAT THE BOARD WOULD
22 HAVE TO WRESTLE WITH SOME OF THESE DILEMMAS. THESE ARE
23 GOING TO BE DILEMMAS, AND WE CAN'T WRITE BLACK AND WHITE
24 FOR EVERY SITUATION THAT'S GOING TO POSSIBLY PRESENT
25 ITSELF, BUT THAT'S THE VIRTUE OF THE BOARD. THE BOARD

BARRISTERS' REPORTING SERVICE

1 WILL HAVE ALL THE INFORMATION IN FRONT OF THEM BOTH FROM
2 THE SCIENTIFIC PIECE AS WELL AS THE FACILITY PIECE. AND
3 WITH THAT INFORMATION, THAT'S JUST PART OF THE
4 DELIBERATION THAT THIS BOARD WILL HAVE TO MAKE.

5 MR. SHEEHY: MAYBE IT WILL BE HELPFUL IF I CAN
6 KIND OF WALK YOU THROUGH WHAT I VISUALIZE THE PROCESS
7 BEING. WE'RE GOING TO SCORE -- BASICALLY THE GRANTS
8 WORKING GROUP IS GOING TO SCORE AND SORT THE
9 APPLICATIONS. AND THEN THE ICOC IS GOING TO IN SOME WAY
10 VALIDATE OR UNVALIDATE THAT. AND AT THAT TIME OUR VOTES
11 TO MOVE FORWARD GIVES A HEAVY PRESUMPTION OF FUNDING.

12 SO I DON'T THINK THE FACILITIES SCORE IS GOING
13 TO BE THAT DETERMINATIVE. IT'S THOSE ALLOCATION ISSUES
14 WHICH ARE GOING TO REST WITH THOSE TEN MEMBERS THAT ARE
15 GOING TO BE THE CRITICAL DECISION. BUT WHEN PEOPLE -- IF
16 WE DECIDE -- THE ICOC WILL DECIDE IN XYZ CATEGORY,
17 INSTITUTES, THAT WE WILL APPROVE A CERTAIN NUMBER OF
18 INSTITUTES, AND THEY WILL BE ELIGIBLE FOR FUNDING UP TO
19 50 MILLION.

20 MR. GOLDBERG: IS IT NOT TRUE THAT I AS A BOARD
21 MEMBER WOULD HAVE THE BENEFIT OF DR. KESSLER'S SCIENTIFIC
22 JUDGMENT IF I HAVE QUESTIONS? YOU CAN'T VOTE.

23 CHAIRMAN KLEIN: WE CAN'T PARTICIPATE.

24 (MULTIPLE MEMBERS SPEAKING AT THE SAME
25 TIME.)

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: WE HAVE A TRANSCRIPT HERE.
2 LET'S DO IT ONE AT A TIME.

3 IF WE COULD HAVE JEFF FINISH, AND THEN IF YOU
4 COULD REPEAT YOUR STATEMENT SO SHE CAN CAPTURE BOTH,
5 PLEASE.

6 MR. GOLDBERG: I'M REDACTED.

7 MR. SHEEHY: I ACTUALLY VISUALIZE THE
8 FACILITIES PROCESS NOT BEING YEA OR NAY. BUT, FOR
9 INSTANCE, ON LEVERAGE, ON SOME OF THESE POINTS, I SEE THE
10 FACILITIES PROCESS. ONCE THE SCIENTIFIC BAR HAS BEEN
11 PAST, THEN THE FACILITIES PROCESS IS GOING TO BE ARE YOU
12 GOING TO MEET THESE STANDARDS? ONCE YOU MEET THOSE
13 STANDARDS, THEN EVERYBODY IS GOING TO COME BEFORE THE
14 ICOC. THE ICOC HAS TRADITIONALLY DEFERRED TO SCIENCE.
15 WHAT WILL HAPPEN THEN IS THE ALLOCATION. HOW MUCH MONEY
16 GOES TO EACH POT, AND WHICH INSTITUTION GETS HOW MUCH
17 MONEY? THAT WILL BE DONE WITH THE KNOWLEDGE OF THE
18 SCIENTIFIC SCORES AND THE FACILITIES SCORES.

19 I DO NOT ANTICIPATE THAT THE FACILITIES WORKING
20 GROUP WOULD FAIL TO RECOMMEND FOR FUNDING ANY APPLICATION
21 THAT RECEIVED A STRONG SCIENTIFIC SCORE ALREADY VALIDATED
22 BY THE ICOC UNLESS THEY WERE SEVERELY DEFICIENT IN ONE OF
23 THOSE FIVE CATEGORIES AND THEY DIDN'T TRY TO ADDRESS IT,
24 SUGGESTED CURES. I'VE SEEN THAT WE'RE GOING TO START
25 GOING INTO THE FACILITIES WORKING GROUP WITH THE

BARRISTERS' REPORTING SERVICE

1 PRESUMPTION OF FUNDING.

2 IN ORDER TO GET -- THIS COMES BACK TO THE
3 DECISION THAT WAS MADE LAST APRIL TO DO THIS ALL IN ONE
4 BIG CLUMP. ONCE THAT DECISION MADE, WE GOT INTO THIS.

5 DR. KESSLER: JEFF, THAT'S VERY THOUGHTFUL. I
6 THINK I UNDERSTAND THAT. AND, AGAIN, MY GOAL HERE TODAY
7 IS JUST FOR CLARIFICATION ON WHAT THE POLICY IS. I
8 ACTUALLY DON'T SEE THE FACILITIES CRITERIA AS JUST
9 STANDARDS BECAUSE THERE'S A NUMBER OF POINTS. SO IT'S
10 NOT THAT YOU JUST MEET OR NOT MEET. IT'S THAT YOU ARE
11 COMPETITIVE WITHIN THERE SO YOU GET A -- IT'S NOT NOW
12 YOU'VE MET THIS, AND THEN SCIENCE HOLDS. YOU ARE GOING
13 TO HAVE DIFFERENT DEGREES OF FACILITIES SCORES. AND I'M
14 NOT SURE --

15 MR. SHEEHY: I THINK THAT THAT OUTCOME IS GOING
16 TO BE AN ALLOCATION OF FUNDING. IT'S NOT UP OR DOWN. I
17 THINK THE PRESUMPTION COMING OUT OF THE GRANTS WORKING
18 GROUP WITH THOSE RECOMMENDATIONS SEEN BY THE ICOC AND
19 VOTED FOR IS NOT THAT YOU WON'T BE FUNDED. THOSE
20 FACILITY SCORES, DEPENDING ON WHAT ACTUALLY THOSE TEN
21 MEMBERS ARE GOING TO DO IN TERMS OF ALLOCATION, THOSE
22 FACILITIES SCORES ARE GOING TO DETERMINE -- YOU KNOW, IT
23 MAY BE THAT EVERYBODY WHO -- EVERYBODY WHO GOT A
24 REASONABLE FACILITIES SCORE WITHIN EACH CATEGORY, THEY'LL
25 SPLIT THE FUNDS EQUALLY ACROSS THE BOARD. BUT THAT'S

BARRISTERS' REPORTING SERVICE

1 GOING TO BE UP TO THE TEN MEMBERS OF THE ICOC, NOT
2 NECESSARILY THE FACILITIES WORKING GROUP. IT WILL BE THE
3 TEN MEMBERS OF THE ICOC WHO ARE ELIGIBLE TO VOTE TO
4 DECIDE WITHIN EACH CATEGORY WHO GETS HOW MUCH.

5 CHAIRMAN KLEIN: WHAT'S VERY IMPORTANT TO
6 RECOGNIZE HERE IS THAT IF SOMEONE HAS A LOW FACILITY
7 SCORE, IF YOU HAVE THREE ALMOST EQUALLY RANKED SCIENTIFIC
8 SCORES AND SOMEONE HAS A LOW FACILITIES SCORE, AND SO THE
9 TWO INSTITUTIONS WITH HIGH FACILITIES SCORE WOULD
10 PREDICTABLY GET A MUCH HIGHER ALLOCATION OF FUNDING, AND
11 THE ENTITY THAT GOT THE LOW ALLOCATION OF FUNDING MAY NOT
12 BE ABLE TO BUILD THEIR BUILDING WITH THAT.

13 SO THERE'S A REAL ISSUE OF RISK HERE, THAT THEY
14 HAVE TO TRY AND PERFORM AS WELL AS POSSIBLE ON
15 FACILITIES. WHILE IT IS OUR GOAL TO BUILD ALL THE HIGH
16 SCIENTIFIC SCORES, IF THEY MEET SOME SIGNIFICANT
17 DEFICIENCIES, THEY COULD END UP AT THE LOW RANGE OF
18 FUNDING WITHIN THE CATEGORY.

19 DR. KESSLER: THAT WOULD BE TRUE IF THE
20 FACILITIES CRITERIA WERE DEFICIENCIES OR NOT. AND THE
21 OTHER THING I'M NOT SURE IS WHY IS THE FACILITIES
22 COMMITTEE, WHEN YOU'RE SAYING MAKING ALLOCATIONS OF
23 DOLLARS, IF IT'S SCIENCE TIMES FACILITIES, WHY IS THE
24 FACILITIES COMMITTEE MAKING A RECOMMENDATION ON DOLLARS?
25 DOESN'T THE ICOC --

BARRISTERS' REPORTING SERVICE

1 MS. HOFFMAN: NO. YOU ARE CORRECT. THE
2 FACILITIES WORKING GROUP WOULD NOT ONLY SCORE THE
3 APPLICATION, BUT WOULD MAKE A RECOMMENDATION ON DOLLARS
4 WITHIN THE RANGE AND THEN, OF COURSE, THE FINAL DECISION
5 IS THE ICOC.

6 DR. KESSLER: HOW CAN YOU MAKE A DECISION ON
7 DOLLARS IN A RANGE IF YOU'RE NOT TAKING INTO
8 CONSIDERATION BOTH THE FACILITIES ISSUES AND THE SCIENCE
9 ISSUES?

10 MS. HOFFMAN: YOU MAKE A VERY EXCELLENT POINT;
11 BUT, IN FACT, THE FACILITIES WORKING GROUP WILL ASSUME
12 EVERYBODY WITHIN THAT CATEGORY IS ON A LEVEL PLAYING
13 FIELD, AND IT WILL BE UP TO THE ICOC TO DETERMINE
14 SOMETHING DIFFERENT, AND THAT MAY NOT BE TRUE.

15 CHAIRMAN KLEIN: IT'S A QUESTION HERE BECAUSE
16 PREVIOUSLY WE HAVE LOOKED AT THE SCIENTIFIC SCORES IN THE
17 FACILITIES GROUP.

18 MS. HOFFMAN: THAT IS CORRECT. ONLY IN CLOSED
19 SESSION, AND, IN FACT, THE FACILITIES WORKING GROUP WAS
20 INSTRUCTED TO NOT TAKE INTO ACCOUNT THE SCIENTIFIC SCORE
21 WHEN SCORING ON TECHNICAL ASPECTS. SO, IN FACT, THE
22 FACILITIES WORKING GROUP IS ONLY SCORING ON TECHNICAL
23 ASPECTS, AND THEN ESSENTIALLY THROUGH A PROGRAMMATIC
24 REVIEW COULD --

25 CHAIRMAN KLEIN: THE REAL POINT IS AT THE ICOC

BARRISTERS' REPORTING SERVICE

1 LEVEL, WHERE BOTH THE SCIENTIFIC SCORES ARE AVAILABLE AND
2 THE FACILITIES SCORES ARE AVAILABLE, THAT'S WHERE THE
3 DECISION IS REALLY MADE ON THE ALLOCATION OF FUNDS.

4 MS. HOFFMAN: I BELIEVE THAT'S WHAT I SAID,
5 YES.

6 DR. KESSLER: WHERE IS IT WRITTEN OR DID WE
7 VOTE ON IT TODAY THAT THE FACILITIES COMMITTEE ACTUALLY
8 MAKES -- I UNDERSTAND IT'S SCORES, AND THAT'S VALID
9 WHETHER THEY'RE SCORES OR WHETHER THEY'RE CRITERIA OR
10 WHETHER THEY'RE DEFICIENCIES, THEY GIVE THE ICOC THAT
11 INFORMATION. WHERE IS IT THAT THE FACILITIES GROUP MAKES
12 THE ALLOCATION DECISION?

13 MR. SERRANO-SEWELL: WHAT OTHER GROUP IS GOING
14 TO DO IT? IF NOT THE FACILITIES WORKING GROUP, WHO WOULD
15 MAKE THE RECOMMENDATION TO THE ICOC?

16 DR. KESSLER: BUT IF THEY CAN'T TAKE INTO
17 ACCOUNT THE SCIENCE, DON'T YOU NEED A GROUP THAT DOES THE
18 SCIENCE AND THE FACILITIES?

19 CHAIRMAN KLEIN: THAT'S THE BOARD.

20 MS. HOFFMAN: AGAIN, I THINK IT'S THE ISSUE OF
21 THE LEVEL OF EXPERTISE WITHIN THE WORKING GROUP. IN
22 FACT, THE GRANTS WORKING GROUP WOULDN'T WANT TO OPINE ON
23 THE TECHNICAL SCORES OF THE FACILITIES. I THINK THAT'S
24 WHAT WE'RE TRYING TO DO IS BIFURCATE THOSE SPECIFIC
25 EXPERTISE AND THEN ALLOW THE ICOC TO BRING TOGETHER BOTH

BARRISTERS' REPORTING SERVICE

1 THE ASPECTS AND MAKE THE DECISION.

2 DR. POMEROY: I THINK I FINALLY GOT HOW IT'S
3 FUNCTIONALLY GOING TO WORK, WHICH IS THE FACILITIES
4 WORKING GROUP WOULD SAY THIS ONE IS WORTH 20 MILLION JUST
5 ON THE FACILITIES PIECE. AND THIS ONE IS WORTH 40
6 MILLION. BUT WHEN IT COMES BACK TO THE ICOC TO SEE THE
7 SCIENTIFIC SCORES, YOU MIGHT ADJUST THE 20 MILLION UP BY
8 5 MILLION, AND YOU MIGHT ADJUST THE 40 MILLION DOWN BY 10
9 MILLION. IT'S AT THE BOARD WHERE THAT --

10 CHAIRMAN KLEIN: THAT IS ACTUALLY TRUE. AND IN
11 ADDITION, OF THE SEVEN MEMBERS ON THE FACILITIES GROUP,
12 HOW MANY MEMBERS ON THE FACILITIES GROUP ARE ON THE
13 GRANTS WORKING GROUP?

14 MS. HOFFMAN: THERE ARE TEN MEMBERS OF THE
15 FACILITIES WORKING GROUP AND SIX ARE PATIENT ADVOCATES
16 WHO ARE ALSO ON THE GRANTS WORKING GROUP.

17 CHAIRMAN KLEIN: SIX. SO THERE'S SIX MEMBERS
18 WHO HAVE HEARD THE SCIENTIFIC DISCUSSION BEFORE THEY SIT
19 ON THE FACILITIES GROUP. BUT THEIR JOB AT THE FACILITIES
20 GROUP IS TO RANK IT AND ALLOCATE BASED ON FACILITIES. IT
21 IS AT THE ICOC THAT THE FINAL ALLOCATION, AS YOU POINT
22 OUT, DR. POMEROY, IS MADE.

23 MR. SHEEHY: DR. KESSLER DOES RAISE A POINT.
24 I'M NOT AWARE OF ANY DISCUSSION WHERE WE DEFINITELY
25 DECIDED THAT THE ALLOCATION OF FUNDING WOULD TAKE PLACE

BARRISTERS' REPORTING SERVICE

1 AT THE FACILITIES WORKING GROUP. I ACTUALLY BELIEVE
2 THAT -- DID WE?

3 MS. FEIT: YES, WE DID.

4 CHAIRMAN KLEIN: IT'S A RECOMMENDATION.

5 MS. FEIT: WE WOULD BE MAKING A RECOMMENDATION
6 TO THE BOARD. IT'S STILL -- AND IT WAS AGREED BY
7 EVERYBODY THAT THE BOARD HAD THE FINAL DECISION.

8 DR. POMEROY: BUT YOU WOULD BE MAKING A
9 RECOMMENDATION ON THE BASIS OF THE FACILITY.

10 MS. FEIT: THE QUALITY OF THE FACILITY PROPOSED
11 AND THE KIND OF MONEY IT SHOULD REQUIRE.

12 DR. POMEROY: AND THE BOARD WOULD MODIFY THAT
13 BASED ON THE SCIENCE.

14 DR. KESSLER: HOW CAN YOU MAKE A DECISION ON
15 VALUE AND QUALITY IF YOU DON'T KNOW SCIENCE?

16 DR. POMEROY: REAL ESTATE VALUE, REAL ESTATE
17 QUALITY.

18 MS. FEIT: THE FACILITIES WORKING GROUP IS ONLY
19 JUDGING THE FACILITY, THE QUALITY OF IT, ITS PURPOSE, ITS
20 FUNCTIONALITY, AND THE LONG-TERM ABILITY OF IT TO
21 FUNCTION IN ITS CAPACITY, THE QUALITY OF THE FACILITY.
22 WE'LL BE SCORING IT AND THEN MAKING A RECOMMENDATION
23 BASED ON THAT. IT'S THE BOARD'S CALL IF THEY DON'T WANT
24 TO BUILD THAT BUILDING.

25 DR. KESSLER: IT'S WORTH THAT AMOUNT?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IT'S IMPORTANT TO NOTE THAT
2 THE FACILITIES GROUP WILL ONLY SCORE THOSE APPLICATIONS
3 THAT THE BOARD HAD JUDGED TO HAVE SCIENTIFIC MERIT AND IS
4 APPROVED FOR FUNDING. SO YOU HAVE TO HAVE A SCIENTIFIC
5 SCORE THAT'S WITHIN THE FUNDING RANGE TO EVEN GET TO
6 FACILITIES.

7 MR. SHEEHY: WITHIN YOUR CATEGORY THAT WILL
8 HAVE BEEN ASSIGNED ALREADY BY THE ICOC.

9 CHAIRMAN KLEIN: THAT'S RIGHT.

10 DR. POMEROY: APPROVED FOR CONSIDERATION OF
11 FUNDING.

12 CHAIRMAN KLEIN: APPROVED FOR CONSIDERATION
13 WITHIN THAT CATEGORY.

14 MS. LANSING: IN THOSE THREE CATEGORIES.

15 CHAIRMAN KLEIN: OKAY. THIS IS VERY HELPFUL
16 DISCUSSION BECAUSE BRINGING THESE ISSUES OUT IN THE
17 TRANSCRIPT IS GOING TO BE HELPFUL TO APPLICANTS.

18 MS. PACTER: I WOULD JUST LIKE TO CLARIFY,
19 MR. CHAIR, FOR THE TRANSCRIPT.

20 CHAIRMAN KLEIN: TAMAR PACTER WOULD LIKE TO
21 MAKE A CLARIFICATION FOR THE TRANSCRIPT.

22 MS. PACTER: THAT WHAT WE'RE SAYING IS THE
23 APPLICATIONS APPROVED IN JANUARY BY THE -- THE
24 APPLICATIONS APPROVED IN JANUARY BY THE ICOC TO GO
25 FORWARD INTO PART 2 WILL MOST LIKELY BE FUNDED, BUT

BARRISTERS' REPORTING SERVICE

1 THERE'S NO GUARANTEE THAT IT WILL BE FUNDED.

2 CHAIRMAN KLEIN: EXACTLY.

3 MR. SERRANO-SEWELL: I DON'T KNOW IF WE
4 ANSWERED DAVID KESSLER'S QUESTION. THAT'S OKAY IF WE
5 CAN'T RIGHT NOW. I SORT OF WANTED TO. I JUST DON'T KNOW
6 IF I HAVE THE BRAIN POWER RIGHT NOW TO ANSWER IT.

7 IT WAS A DILEMMA THAT CAME UP, AS BOB SAID, IN
8 THE FACILITIES WORKING GROUP FOR THE SHARED LAB. WHILE
9 IN THE CLOSED SESSION, THE SCIENTIFIC SCORES WERE
10 DISCLOSED TO US AND WE HAD THE RANKING, AS LORI SAID, WE
11 WERE INSTRUCTED WHEN DOING THE FACILITIES SCORING TO ONLY
12 LOOK AT THE FACILITIES ASPECT OF IT ONLY. AND I THINK
13 THAT'S WHERE THERE WAS SOME DIFFERENCE BETWEEN THE
14 FACILITIES SET OF RECOMMENDATIONS AND THE SCIENTIFIC
15 GRANTS GROUP. AND I THINK ULTIMATELY THE ICOC TILTED
16 MORE TOWARDS THE SCIENTIFIC GROUP RECOMMENDATIONS.

17 CHAIRMAN KLEIN: THAT'S EXACTLY RIGHT. SO WE
18 DO HAVE THE MODEL, THAT SCIENCE IN THE SHARED LABS WAS
19 THE DOMINANT FACTOR. AND EVEN THOUGH SOME -- AS LONG AS
20 THEY WERE WITHIN A REASONABLE RANGE IN THE FACILITIES
21 SCORE, IF THEY HAD A STRONG SCIENCE SCORE, MERIT WAS
22 RECOGNIZED.

23 ALL RIGHT. APPRECIATE THE PATIENCE OF THE
24 AUDIENCE. I THINK JOHN SIMPSON HAS A POINT.

25 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR

BARRISTERS' REPORTING SERVICE

1 TAXPAYER AND CONSUMER RIGHTS. FINAL POINT ON THIS. THE
2 TWO-STEP PROCESS MAKES PERFECT SENSE, BUT THE NOTION THAT
3 SCIENCE IS DRIVING THIS, ONCE AGAIN, PUTS ALL THE
4 EMPHASIS OR A GREAT PORTION OF THE EMPHASIS ON THE
5 SCIENTIFIC REVIEW PROCESS. AND WHILE IT MAY BE THE CASE,
6 ALTHOUGH I'M NOT SURE I BELIEVE THIS, THAT SCIENTISTS,
7 INDIVIDUAL SCIENTIST'S EGOS ARE SO FRAGILE, THAT IF THEY
8 ARE MAKING APPLICATIONS FOR RESEARCH GRANTS, THAT THAT
9 HAS TO BE A CLOSED PROCESS BECAUSE IF THEY FAIL, THEIR
10 CAREERS WOULD BE RUINED AND THEY WOULD NEVER APPLY AGAIN.
11 I DON'T BUY IT, BUT I UNDERSTAND THE ARGUMENT.

12 IT IS NOT THE CASE, IT SEEMS TO ME, WITH THE
13 BEST UNIVERSITIES AND RESEARCH INSTITUTIONS IN THE
14 COUNTRY. THEREFORE, IT SEEMS TO ME THAT YOU NEED TO MAKE
15 SURE THAT THE DEFAULT POSITION OF THE SCIENTIFIC REVIEW
16 PROCESS IS OPEN TO THE PUBLIC. AS IT NOW STANDS, WE
17 DON'T EVEN, WON'T EVEN KNOW THE NAMES OF INSTITUTIONS
18 THAT ARE APPLYING AND GOING THROUGH THE SCIENTIFIC REVIEW
19 PROCESS. WE'RE SETTING UP A PROCEDURE BY WHICH, AS I SEE
20 IT RIGHT NOW, YOU CANNOT RISK THE EMBARRASSMENT OF A
21 UNIVERSITY BECAUSE IT CAN'T DO SCIENCE, BUT YOU CAN
22 EMBARRASS THEM BECAUSE THEY DON'T KNOW HOW TO BUILD A
23 BUILDING. THAT JUST DOESN'T MAKE SENSE. IT DOESN'T
24 SERVE THE SCIENTISTS, NOR THE ARCHITECTS, ESPECIALLY THE
25 PUBLIC AT LARGE. THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DR. KESSLER.

2 DR. KESSLER: I GUESS MY QUESTION IS -- I THINK
3 I HAPPEN TO AGREE WITH YOU, THAT INSTITUTIONS -- HOW THE
4 INSTITUTION FARES, THAT SHOULD BE, I GUESS, SHOULD BE
5 PUBLIC. QUESTION IS IS THERE A WAY TO DO THAT SCIENTIFIC
6 REVIEW -- THESE WILL BE INSTITUTIONAL PROPOSALS OR
7 CONSORTIUM INSTITUTIONAL PROPOSALS. IS THERE A WAY TO DO
8 THAT WHERE THE INSTITUTION IS PUBLIC, BUT THAT INDIVIDUAL
9 COMMENTS ABOUT INDIVIDUAL INVESTIGATORS -- IT IS I WILL
10 TELL YOU AN EPISODE WHERE SOMEBODY PUT THINGS TOGETHER
11 AND IT ENDED UP IN THE PRESS, AND IT IS VERY
12 UNCOMFORTABLE FOR INDIVIDUAL SCIENTISTS. SO I GUESS THE
13 QUESTION IS CAN WE PROTECT INDIVIDUAL SCIENTISTS AND
14 STILL HAVE THE -- IS THERE A COMPROMISE HERE WHERE THE
15 INSTITUTION IS PUBLIC, BUT THE SCIENTISTS PER SE ARE NOT?

16 MR. SIMPSON: I PERSONALLY QUESTION. I THINK
17 SCIENTISTS HAVE THICKER SKINS, BUT THAT'S MOOT.
18 CERTAINLY YOU OUGHT TO BE ABLE TO EVALUATE THE SCIENCE
19 WITHOUT NAMING THE INDIVIDUAL PI'S. IT SEEMS THE DEFAULT
20 POSITION SHOULD BE OPENNESS, AND THEN YOU COULD GO INTO
21 EXECUTIVE SESSION FOR OTHER THINGS.

22 CHAIRMAN KLEIN: WELL, DR. CHIU, WOULD YOU LIKE
23 TO COMMENT, PLEASE?

24 DR. CHIU: JUST OFF THE TOP OF MY HEAD, I WILL
25 SAY THAT WE'RE GOING TO BE ASKING FOR THE WHOLE LIST OF

BARRISTERS' REPORTING SERVICE

1 NAMES OF PI'S WHO WILL BE HOUSED IN THE INSTITUTE
2 PROPOSED FACILITY AS WELL AS LISTS OF PI'S AND THE NUMBER
3 OF GRANTS THAT THEY HAVE CURRENT, NIH, CIRM, OR
4 OTHERWISE, AND THE NUMBER OF PATENTS AND THE NUMBER OF
5 PUBLICATIONS AND THE REVIEWERS, WHO I STRONGLY BELIEVE
6 SHOULD BE ANONYMIZED AND WE SHOULD NOT KNOW WHO'S
7 REVIEWING WHICH APPLICATION. THOSE REVIEWERS MAY MAKE
8 VERY CANDID REMARKS ABOUT THE QUALITY OF THE PI'S, THE
9 PRODUCTIVITY OF THE PI'S, ETC. AT A PARTICULAR
10 INSTITUTION AND MAY EVEN GET DOWN TO DETAILS AND
11 SPECIFICS.

12 I BELIEVE PERSONALLY THAT THOSE COMMENTS ARE
13 EXTREMELY VALUABLE FOR US TO EVALUATE THE QUALITY OF A
14 PROGRAM, BE IT X, Y, OR Z, AND IT WOULD BE VERY HARD TO
15 NOT NAME NAMES OR EVEN GROUPS OF NAMES AND STILL PROCEED
16 WITH AN INFORMATIVE REVIEW. MOREOVER, MANY OF THESE PI'S
17 THAT WILL BE LISTED MAY AT AN NIH STUDY SECTION BE
18 REVIEWING THE WORK OF ONE OF THE REVIEWERS. AND ONE
19 COULD ONLY IMAGINE WHAT MIGHT HAPPEN THERE.

20 SO BASED ON THOSE, AS WELL AS OTHER ISSUES OF
21 CONFIDENTIALITY, OF AGREEMENTS, FORMAL OR OTHERWISE, THAT
22 HAVE BEEN MADE OF PLANS FOR RECRUITMENT, OF NEW FACULTY,
23 OF BUILDING NEW PROGRAMS, I BELIEVE THERE ARE MANY ISSUES
24 IN THESE APPLICATIONS THAT ARE NOT APPROPRIATE TO BE
25 DISCUSSED IN FULL VIEW OF THE PUBLIC.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: AS I UNDERSTOOD YOUR PRIOR
2 COMMENT IS THAT ANY INSTITUTION COMING OUT OF THE
3 SCIENTIFIC REVIEW WHO IS JUDGED BY THE ICOC TO HAVE A
4 QUALIFYING SCORE GO FORWARD, THAT NAME OF THAT
5 INSTITUTION AND THAT SCORE BECOMES PUBLIC?

6 DR. CHIU: THAT IS CORRECT.

7 CHAIRMAN KLEIN: OKAY. ALL RIGHT. ANY
8 ADDITIONAL PUBLIC COMMENTS?

9 MR. REED: YES. I FELT THE NEED FOR A DEEP
10 SOCIOLOGICAL STATEMENT. I RENTED A MOVIE THE OTHER
11 NIGHT, AND IT WAS CALLED *RIO LOBOS*.

12 MS. LANSING: OH, NO. PLEASE DON'T DO THIS. I
13 BEG YOU. I BEG YOU. THIS IS A REAL WAY TO HUMILIATE
14 SOMEBODY.

15 MR. REED: AND THE MOVIE WAS A JOHN WAYNE. I
16 RENTED IT OBVIOUSLY BECAUSE IT WAS THE LAST MOVIE OUR OWN
17 STAR ICOC MEMBER, SHERRY LANSING, ACTED IN. AND I CANNOT
18 SAY I LOVED THE MOVIE. I AM NOT A JOHN WAYNE FAN, AND
19 MOST OF THE MOVIE WAS MADE BY PEOPLE CONSTANTLY KISSING
20 UP TO HIM. "OH, BIG JOHN, YOU HAVE SUCH WONDERFUL, LARGE
21 SHOULDERS." "OH, THANK YOU. IT'S TRUE." IT BOTHERED
22 ME.

23 BUT THERE WERE TWO PARTS THAT WERE VERY TRUE.
24 ONE PART WAS WHEN SHERRY LANSING SWORE VENGEANCE ON THE
25 ENEMY WITH AN ABSOLUTE DETERMINATION THAT NO MATTER WHAT,

BARRISTERS' REPORTING SERVICE

1 THERE WOULD BE A WAY FOUND TO MAKE THINGS RIGHT.

2 AND SECOND, AT THE VERY END OF THE MOVIE, JOHN
3 WAYNE GETS SHOT AND HE FALLS DOWN ON THE GROUND, AND
4 SOMEBODY HAS TO HELP HIM STAND UP AND WALK AGAIN. AND
5 SHERRY LANSING DID THAT.

6 THAT'S WHAT YOU'RE DOING HERE. ALL THIS HASSLE
7 AS YOU ARE GOING THROUGH, PEOPLE WILL STAND UP AND WALK
8 AGAIN. THAT'S WHAT YOU'RE ALL ABOUT. THANK YOU.

9 (APPLAUSE.)

10 MS. LANSING: WITH THAT SENTIMENT, I'LL ACCEPT
11 THE HUMILIATION. I SPENT MY WHOLE LIFE DENYING I WAS IN
12 THAT MOVIE. THAT'S A LOVELY SENTIMENT AND IT'S TRUE.
13 THAT'S WHAT IT IS ALL ABOUT.

14 CHAIRMAN KLEIN: THANK YOU. THANK THE STAFF.
15 IF WE COULD GIVE THE STAFF A GREAT ROUND OF APPLAUSE.

16 (APPLAUSE.)

17 CHAIRMAN KLEIN: AND IF WE COULD MAKE SURE THAT
18 MELISSA KING AND JENNA AND LYNN KNOW HOW MUCH WE
19 APPRECIATE GETTING A QUORUM TOGETHER AND ALL THE
20 LOGISTICS.

21 (APPLAUSE.)

22 CHAIRMAN KLEIN: WE'RE ADJOURNED. THANKS.

23 (THE MEETING WAS THEN ADJOURNED AT 5:15 P.M.)

24

25

BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE 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

MISSION BAY CONFERENCE CENTER AT UCSF
1675 OWENS STREET
SAN FRANCISCO, CALIFORNIA
ON
WEDNESDAY, AUGUST 8, 2007

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



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