

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

VOLUME II

LOCATION: PAUL BREST HALL
MUNGER COMPLEX
STANFORD UNIVERSITY
STANFORD, CALIFORNIA

DATE: DECEMBER 10, 2009
9:30 A.M.

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

BRS FILE NO.: 86113

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BARRISTERS' REPORTING SERVICE

1 STANFORD, CALIFORNIA; THURSDAY, DECEMBER 10, 2009

2 09:33 AM

3

4 CHAIRMAN KLEIN: ALL RIGHT. IF WE COULD
5 CONVENE. AND, MELISSA KING, IF YOU WILL LEAD US IN
6 THE PLEDGE OF ALLEGIANCE.

7 (THE PLEDGE OF ALLEGIANCE.)

8 CHAIRMAN KLEIN: CAN HE WE HAVE THE ROLL
9 CALL, PLEASE.

10 MS. KING: DONALD DAFOE FOR RICARDO AZZIZ.

11 DR. DAFOE: HERE.

12 MS. KING: ROBERT PRICE FOR ROBERT
13 BIRGENEAU.

14 DR. PRICE: HERE.

15 MS. KING: FLOYD BLOOM. GORDON GILL FOR
16 DAVID BRENNER.

17 DR. GILL: HERE.

18 MS. KING: WILLIAM BRODY.

19 DR. BRODY: HERE.

20 MS. KING: SUSAN BRYANT.

21 DR. BRYANT: HERE.

22 MS. KING: MARCY FEIT.

23 MS. FEIT: HERE.

24 MS. KING: MICHAEL FRIEDMAN, ARE YOU WITH
25 US ON THE LINE? LEEZA GIBBONS.

BARRISTERS' REPORTING SERVICE

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MS. GIBBONS: HERE.
MS. KING: MICHAEL GOLDBERG.
MR. GOLDBERG: HERE.
MS. KING: SAM HAWGOOD.
DR. HAWGOOD: HERE.
MS. KING: BOB KLEIN.
CHAIRMAN KLEIN: HERE.
MS. KING: SHERRY LANSING. LEONARD ROME
FOR GERALD LEVEY.
DR. ROME: HERE.
MS. KING: TED LOVE.
DR. LOVE: HERE.
MS. KING: PHIL PIZZO. ED PENHOET. KEN
BURTIS FOR CLAIRE POMEROY.
DR. BURTIS: HERE.
MS. KING: FRANCISCO PRIETO.
DR. PRIETO: HERE.
MS. KING: CARMEN PULIAFITO. ROBERT
QUINT. JOHN REED. DUANE ROTH.
MR. ROTH: HERE.
MS. KING: JOAN SAMUELSON. DAVID
SERRANO-SEWELL.
MR. SERRANO-SEWELL: HERE.
MS. KING: JEFF SHEEHY.
MR. SHEEHY: HERE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JONATHAN SHESTACK. OSWALD
2 STEWARD.

3 DR. STEWARD: HERE.

4 MS. KING: AND ART TORRES.

5 MR. TORRES: HERE.

6 MS. KING: FOR THE RECORD, MR. GOLDBERG
7 HAS JOINED THE MEETING.

8 CHAIRMAN KLEIN: THANK YOU. AND DID DR.
9 FRIEDMAN SAY HE'S ONLINE?

10 MS. KING: HE IS NOT ON THE LINE.

11 CHAIRMAN KLEIN: THANK YOU. ARE WE --
12 YES.

13 I'D LIKE TO START WITH ITEM 7 THIS
14 MORNING. I'M GOING TO GO BACK TO ITEM 6. THE
15 CONSIDERATION OF MINUTES, DO WE HAVE A MOTION TO
16 ACCEPT ITEM 7 ON THE CONSENT?

17 DR. HAWGOOD: SO MOVED.

18 CHAIRMAN KLEIN: YES. DR. HAWGOOD.
19 SECOND?

20 MR. ROTH: SECOND.

21 CHAIRMAN KLEIN: SECOND DUANE ROTH. ALL
22 IN FAVOR? OPPOSED? MOTION PASSES.

23 CONSIDERATION ON ITEM NO. 8 FOR APPROVAL
24 OF THE AMENDMENTS. THIS IS AN ITEM DEALING WITH OUR
25 OVERSIGHT ON ETHICAL STANDARDS. DR. LOMAX INDICATES

BARRISTERS' REPORTING SERVICE

1 TO ME WE HAVE NO ISSUES THAT WE KNOW OF. IS THERE
2 ANYBODY IN THE PUBLIC WHO WANTS TO ADDRESS THIS
3 ITEM? SEEING -- I UNDERSTAND. I JUST WANTED TO SEE
4 IF THERE'S ANYONE IN THE PUBLIC. IS THERE A MOTION
5 TO APPROVE?

6 MR. TORRES: SO MOVED.

7 CHAIRMAN KLEIN: MOVED BY SENATOR TORRES.
8 IS THERE A SECOND?

9 DR. PRIETO: SECOND.

10 CHAIRMAN KLEIN: SECOND DR. PRIETO. ALL
11 IN FAVOR? OPPOSED? MOTION PASSES.

12 ITEM 9, WE HAD AN INTRODUCTION TO THAT BY
13 DR. SAMBRANO LAST NIGHT. WE WENT THROUGH THE
14 BACKGROUND ON THE INDIVIDUALS. I'D LIKE, DR.
15 SAMBRANO, JUST FOR THE RECORD THIS MORNING, IF YOU
16 COULD JUST RECITE THE NAMES AND AFFILIATIONS OF THE
17 ENTITIES DEMONSTRATING THAT THEY ARE FROM
18 OUT-OF-STATE AND SEE IF WE HAVE ANY QUESTIONS FROM
19 THOSE BOARD MEMBERS WHO WERE NOT HERE LAST NIGHT
20 AND/OR FROM THE PUBLIC, AND THEN WE'LL ACT ON THIS
21 ITEM.

22 DR. SAMBRANO: OKAY. I'D BE HAPPY TO. WE
23 HAVE SIX NOMINEES. THEY INCLUDE DR. WAFIK EL-DEIRY
24 FROM THE UNIVERSITY OF PENNSYLVANIA, DR. OLLE
25 KORSGREN FROM UPPSALA UNIVERSITY IN SWEDEN, DR.

BARRISTERS' REPORTING SERVICE

1 THEODORE RASMUSSEN FROM THE UNIVERSITY OF
2 CONNECTICUT, DR. NORMAN SHARPLESS FROM THE
3 UNIVERSITY OF NORTH CAROLINA, DR. IGOR SLUKVIN FROM
4 THE UNIVERSITY OF WISCONSIN, AND DR. MICHAEL B.
5 YAFFE FROM MIT.

6 CHAIRMAN KLEIN: THANK YOU. IS THERE ANY
7 PUBLIC COMMENT ON THESE NOMINEES? IS THERE ANY
8 BOARD QUESTIONS ON THESE NOMINEES? IS THERE A
9 MOTION TO APPROVE?

10 MR. TORRES: SO MOVED.

11 MR. GOLDBERG: SECOND.

12 CHAIRMAN KLEIN: MOTION WAS MADE BY
13 SENATOR TORRES, SECOND BY MICHAEL GOLDBERG. LIKE TO
14 ASK ALL IN FAVOR? OPPOSED? MOTION PASSES.

15 ON ITEM NO. 10, WE ALSO COVERED THIS LAST
16 NIGHT; BUT, AGAIN, LIKE TO THE OPPORTUNITY FOR
17 ANYONE WHO HAS QUESTIONS FROM THE BOARD OR THE
18 PUBLIC ON THE GRANTS WORKING GROUP BYLAWS. THE
19 ITEMS ARE AVAILABLE TO THE PUBLIC ONLINE, AND THEY
20 ARE ALSO AVAILABLE TO ALL MEMBERS.

21 IS THERE ANY MEMBER OF THE BOARD THAT
22 WOULD LIKE US TO GO BACK THROUGH THIS ITEM AGAIN?
23 ANY MEMBER OF THE PUBLIC THAT WOULD LIKE TO MAKE A
24 COMMENT? IS THERE A MOTION FOR APPROVAL OF THIS
25 ITEM?

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: MOTION TO APPROVE.

2 CHAIRMAN KLEIN: DUANE ROTH IS MOTION.

3 MR. GOLDBERG: SECOND.

4 CHAIRMAN KLEIN: SECOND BY MICHAEL

5 GOLDBERG. ALL IN FAVOR? OPPOSED? MOTION PASSES.

6 ITEM 11, AGAIN, DR. SLADEK WAS DISCUSSED
7 LAST NIGHT AS THE NOMINEE WITH THE SCIENTIFIC
8 STAFF'S RECOMMENDATION. IS THERE ANY PUBLIC COMMENT
9 ON THIS NOMINATION? ANY BOARD QUESTIONS ON THIS
10 NOMINATION? IF NOT, IS THERE A MOTION?

11 MR. ROTH: MOTION TO APPROVE.

12 MR. TORRES: SECOND.

13 CHAIRMAN KLEIN: MOTION BY DUANE ROTH AND
14 SECOND BY SENATOR TORRES. ALL IN FAVOR? OPPOSED?
15 ITEM PASSES.

16 WE'RE GOING TO -- I'M GOING TO ASK A
17 QUESTION HERE BEFORE GOING TO ITEM 12. SINCE WE
18 HAVE THE AUDITORS HERE AS WELL THIS MORNING, WHO ARE
19 ITEM 6, DO WE HAVE A STRICT TIME CONSTRAINT ON THE
20 AUDITOR'S ABILITY TO STAY THROUGH THIS ITEM?

21 MS. KING: THEY'RE ACTUALLY NOT HERE YET.

22 CHAIRMAN KLEIN: GREAT. THAT ANSWERS THAT
23 QUESTION.

24 SO I'D LIKE TO MOVE INTO ITEM 12, THE
25 CONSIDERATION OF THE AMENDMENT OF A MOTION NOT TO

BARRISTERS' REPORTING SERVICE

1 FUND TIER II APPLICATIONS FOR BRIDGES AND FOR
2 TRAINING GRANTS II. IN JANUARY 2009 AND, I BELIEVE,
3 AT A LATER DATE DEALING WITH THE TIER II TRAINING
4 GRANTS, WE DID NOT LOOK AT TIER II BECAUSE OF
5 INADEQUATE OR UNCERTAINTY OVER OUR CAPITAL RESOURCES
6 AT THAT TIME.

7 OUR CAPITAL PICTURE HAS SUBSTANTIALLY
8 CHANGED SINCE THE BOARD HAS SEEN LAST NIGHT WITH A
9 PROJECTED CAPITAL AVAILABLE WITH KNOWN PROGRAMS THAT
10 HAVE BEEN APPROVED ABOUT A HUNDRED MILLION AT
11 DECEMBER 2010 WITH A CARRY-OVER THAT DECLINES TO
12 ABOUT 49 MILLION IN JUNE OF 2011. THERE WILL BE
13 ADDITIONAL PROGRAMS THAT WILL COME FORWARD THAT WILL
14 REDUCE THAT, AND WE EXPECT IN THE FALL OF 2010, AS
15 DR. ROBSON HAS STATED YESTERDAY, TO GO BACK FOR
16 ADDITIONAL FUNDS IF THEY WERE NOT AVAILABLE BEFORE
17 THAT DATE. BUT BASED UPON OUR CURRENT PROGRAM, IT
18 APPEARS THAT WE ARE APPROPRIATELY CAPITALIZED TO
19 CONSIDER THESE APPLICATIONS.

20 I BROUGHT THIS BACK TO THE BOARD FOR THREE
21 REASONS. ONE, ON A SCIENTIFIC BASIS, THEY HAVE MET
22 THE SCIENTIFIC THRESHOLD OF INDEPENDENT PEER REVIEW
23 RECOMMENDING THEM AS MERITORIOUS IF FUNDS WERE
24 AVAILABLE.

25 NO. 2, ON A BASIS OF JUSTICE OR EQUITY,

BARRISTERS' REPORTING SERVICE

1 THEY WENT THROUGH A PROCESS, THEY WERE RECOMMENDED
2 FOR FUNDING IF AVAILABLE. WE HAVE NOT REVIEWED ANY
3 OF THESE FOR FUNDING TO TEST, IN OUR JUDGMENT,
4 WHETHER WE SHOULD FUND THEM. AND SECONDLY, ON A
5 SOCIAL JUSTICE BASIS, THERE'S A TREMENDOUS GROUP OF
6 TALENT IN OUR STATE THAT WE HAVE AN OPPORTUNITY
7 THROUGH THESE GRANTS TO ACCESS AND GIVE ACCESS TO
8 THE MOST ADVANCED RESEARCH IN THE STATE IN THIS
9 FIELD, A CRITICAL FIELD IN THE FUTURE DEVELOPMENT OF
10 MEDICINE.

11 AND NO. 3, FROM A STRATEGIC POSITION, WE
12 HAVE AN OPPORTUNITY TO BROADEN OUR FOOTPRINT FOR
13 HUMAN RESOURCE DEVELOPMENT AT AN EARLY STAGE GIVEN
14 THAT THERE IS A LEAD-TIME IN THE DEVELOPMENT OF THIS
15 FIELD. IT IS CRITICAL THAT WE HAVE BOTH THE
16 TECHNICIANS TO FIELD THE LABS IN PRIVATE AND PUBLIC
17 RESEARCH FACILITIES AS WELL AS MAKING JOBS AVAILABLE
18 TO A GROUP THAT IS OFTEN NOT GIVEN ACCESS TO THE NEW
19 FIELDS OF DEVELOPMENTAL SCIENCE WITH HIGH VALUE
20 JOBS, BUT ALSO WE'RE GIVING ACCESS TO STUDENTS WHO
21 MAY, THROUGH THE COMPLETION OF MASTER'S PROGRAMS AND
22 MOVE ON TO OUR UC SYSTEM TO GET DOCTOR'S PROGRAMS,
23 WE'RE GIVING ACCESS TO A BROADER FOOTPRINT OF THE
24 TALENT IN THIS STATE, PROVIDING AN OPPORTUNITY FOR
25 DIVERSITY, WHICH IS ONE OF OUR GOALS. SO ON A

BARRISTERS' REPORTING SERVICE

1 SCIENTIFIC BASIS, ON A JUSTICE BASIS, AND ON A
2 STRATEGIC OPPORTUNITY BASIS, I THINK IT IS
3 APPROPRIATE TO CONSIDER THIS.

4 NOW, SINCE A NUMBER OF THE INSTITUTIONS ON
5 THIS BOARD ARE INVOLVED IN A VIBRANT PROGRAM
6 INTERFACE WITH THESE PROGRAMS, I'D LIKE TO HAVE
7 JAMES HARRISON INDICATE WHO ON THE BOARD COULD
8 PARTICIPATE IN THE DISCUSSION OF THIS ITEM BECAUSE
9 ON THE VOTE IN PARTICULAR TO REOPEN THIS MOTION, WE
10 HAVE A LIMITED NUMBER OF BOARD MEMBERS WHO CAN
11 PARTICIPATE IN THE DISCUSSION AND THE VOTE.

12 MR. HARRISON.

13 MR. HARRISON: LET ME BREAK THIS DOWN.
14 THE FIRST THING THE BOARD WILL TAKE UP IS WHETHER
15 TO -- THE FIRST ISSUE THE BOARD WILL TAKE UP IS THE
16 QUESTION OF WHETHER TO AMEND THE MOTION THAT YOU
17 APPROVED IN JANUARY 2009 NOT TO FUND APPLICATIONS IN
18 TIER II IN BOTH THE BRIDGES AND THE TRAINING GRANT
19 PROGRAMS. THE MEMBERS WHO CAN PARTICIPATE IN THAT
20 DISCUSSION AND VOTE ARE GILL, BRODY, GIBBONS,
21 GOLDBERG, KLEIN, LOVE, PIZZO, QUINT, ROTH,
22 SAMUELSON, SERRANO-SEWELL, SHESTACK, AND TORRES.

23 CHAIRMAN KLEIN: THANK YOU. AND THIS IS
24 ON THE BRIDGES? THAT WAS THE LIST FOR BRIDGES?

25 MR. HARRISON: THIS IS THE LIST FOR THE

BARRISTERS' REPORTING SERVICE

1 MEMBERS WHO CAN PARTICIPATE ON THE MOTION TO
2 RECONSIDER BOTH.

3 CHAIRMAN KLEIN: BOTH. IT COVERS -- YOUR
4 LIST COVERED BOTH?

5 MR. HARRISON: CORRECT.

6 CHAIRMAN KLEIN: OKAY. FINE. SO IS THERE
7 A DISCUSSION FROM THE MEMBERS PRO OR CON ON
8 REOPENING THIS ITEM?

9 DR. LOVE: I WOULD MOVE THAT WE REOPEN
10 AND -- I WOULD MOVE THAT WE REOPEN THIS AND
11 RECONSIDER THIS PRIMARILY BASED ON THE FACT THAT THE
12 REVIEW PREVIOUSLY DETERMINED THAT THESE WERE QUALITY
13 GRANTS THAT SHOULD BE FUNDED IF FUNDS WERE
14 AVAILABLE. WE WERE OPERATING IN A VERY DIFFERENT
15 CIRCUMSTANCE THEN THAN WE ARE TODAY. SO I THINK
16 IT'S HIGHLY APPROPRIATE THAT WE RECONSIDER THIS, AND
17 I PERSONALLY WOULD PREFER THAT WE FUND THEM NOW THAT
18 FUNDS ARE AVAILABLE.

19 MS. GIBBONS: I SECOND.

20 CHAIRMAN KLEIN: LEEZA GIBBONS IS THE
21 SECOND TO THAT MOTION BY DR. LOVE. IS THERE
22 ADDITIONAL DISCUSSION ON THIS MOTION? AND THIS IS
23 JUST THE MOTION TO REOPEN THE CONSIDERATION. SEEING
24 NONE, IS THERE PUBLIC COMMENT ON THIS MOTION TO JUST
25 THE QUESTION OF REOPENING DISCUSSION? SEEING NONE,

BARRISTERS' REPORTING SERVICE

1 WE'RE GOING TO CALL A ROLL CALL VOTE SINCE WE HAVE
2 CONFLICTS. CAN I ASK, MR. HARRISON, DO ANY OF THOSE
3 MEMBERS -- NONE OF THOSE MEMBERS HAS ANY CONFLICTS;
4 IS THAT CORRECT?

5 MR. HARRISON: THAT'S CORRECT BECAUSE,
6 AGAIN, WE'RE ONLY DEALING WITH TIER II AND TIER III.
7 MELISSA WILL CALL ONLY THOSE MEMBERS WHO ARE NOT IN
8 CONFLICT.

9 CHAIRMAN KLEIN: THANK YOU.

10 MS. KING: GORDON GILL.

11 DR. GILL: YES.

12 MS. KING: WILLIAM BRODY.

13 DR. BRODY: YES.

14 MS. KING: LEEZA GIBBONS.

15 MR. GIBBONS: YES.

16 MS. KING: MICHAEL GOLDBERG.

17 MR. GOLDBERG: YES.

18 MS. KING: BOB KLEIN.

19 CHAIRMAN KLEIN: YES.

20 MS. KING: TED LOVE.

21 DR. LOVE: YES.

22 MS. KING: DUANE ROTH.

23 MR. ROTH: YES.

24 MS. KING: DAVID SERRANO-SEWELL.

25 MR. SERRANO-SEWELL: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: ART TORRES.

2 MR. TORRES: AYE.

3 MS. KING: COUNSEL, FOR THE RECORD, THE
4 MOTION CARRIES.

5 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU
6 VERY MUCH. WE HAVE A NUMBER OF INDIVIDUALS PRESENT
7 THAT WOULD LIKE TO PROVIDE COMMENTS ON THESE. I'D
8 LIKE TO TAKE UP THE BRIDGES PROGRAM FIRST. AND FOR
9 PURPOSES OF CONFLICTS, I THINK IT WILL OPTIMIZE THE
10 NUMBER OF PEOPLE WHO CAN HAVE THIS DISCUSSION. IN
11 THIS DISCUSSION, I'D LIKE TO HAVE THE STAFF MEMBER
12 WHO IS GOING TO MAKE THE PRESENTATION TO REORIENT US
13 TO THIS DISCUSSION COME FORWARD.

14 MR. ROTH: BOB, I WONDER IF WE MIGHT PUT
15 UP THE FINANCIAL SLIDE THAT WE TALKED ABOUT LAST
16 NIGHT, JUST AGAIN GO OVER IT AND MAKE SURE WE
17 ABSOLUTELY UNDERSTAND THE BUDGET AND THE IMPACT THAT
18 ANY OF THIS WOULD HAVE.

19 CHAIRMAN KLEIN: DR. ROBSON, IT'S YOUR
20 SLIDE.

21 DR. ROBSON: I THINK IT'S THE LAST ON THE
22 PRESIDENT'S REPORT.

23 CHAIRMAN KLEIN: WHILE WE'RE LOOKING FOR
24 THAT SLIDE, I'M GOING TO ASK SENATOR TORRES TO
25 PROVIDE SOME INFORMATION ALERT FOR EVERYONE.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: I JUST RECEIVED A CALL FROM
2 MY VERY DEAR FRIEND, ASSEMBLYMAN JOHN BETTIS OF LOS
3 ANGELES. HE WILL BECOME THE NEXT SPEAKER OF THE
4 STATE ASSEMBLY. SO I THINK THAT I'M GRATEFUL THAT
5 THE DEMOCRATS GOT THEIR ACT TOGETHER AND ARE MOVING
6 FORWARD TO BRING THE REPUBLICANS ON BOARD TO HAVE A
7 NEW SPEAKER WHO WILL BE THERE FOR AT LEAST ANOTHER
8 FIVE YEARS.

9 I MUST SAY THAT HIS COUSIN, THE MAYOR OF
10 LOS ANGELES, HAS BEEN VERY SUPPORTIVE OF OUR
11 EFFORTS. AND I WILL TELL YOU, KNOWING JOHN AS LONG
12 AS I HAVE, THAT HE'S GOING TO BE VERY SUPPORTIVE OF
13 OUR EFFORTS AS WELL. SO IT'S A LUCKY DAY FOR
14 CALIFORNIA.

15 DR. TROUNSON: CHAIR, SORRY. JUST IN
16 INFORMATION IN RESPONSE TO THIS, BECAUSE DUANE ROTH
17 BROUGHT IT UP, I THINK IT IS RELEVANT THAT I DO HOPE
18 TO BRING TO YOU SOME OPPORTUNITY IN THE CLINICAL
19 AREA. AND, OF COURSE, THERE ALWAYS HAS TO BE A
20 JUDGMENT MADE BY THE BOARD WITH RESPECT TO THOSE
21 OPPORTUNITIES. I DON'T HAVE ANY MATURE PROPOSAL AT
22 THIS POINT IN TIME, BUT, AS YOU KNOW, CHAIR, AND AS
23 THE VICE CHAIRS KNOW, WE'RE TRYING TO MOVE INTO THAT
24 FRAMEWORK, SO IN SUPPORT OF SOME CLINICAL TRIAL OR
25 CLINICAL TRIAL WORK. I ONLY MENTION THAT BECAUSE I

BARRISTERS' REPORTING SERVICE

1 THINK IT NEEDS TO BE -- ALL MATTERS NEED TO BE PUT
2 ON THE TABLE.

3 CHAIRMAN KLEIN: ABSOLUTELY. SO WHAT WE
4 HAVE HERE IS A SLIDE CURRENTLY THAT SHOWS THAT AS OF
5 OCTOBER/DECEMBER 2010 WE HAVE \$102 MILLION ON HAND
6 WITH THAT DECLINING TO ELIMINATE THAT CAPITAL
7 RESERVE AS OF JUNE 2011. CLEARLY THIS PUTS US IN AN
8 EXCELLENT POSITION FOR THE NEXT YEAR. AND AS WE
9 PREVIOUSLY DISCUSSED, WE HAVE TO BE IN THIS
10 POSITION. WE HAVE COLLABORATIVE INTERNATIONAL
11 PARTNERS WHO WILL NOT PUT UP THEIR MATCHING FUNDS
12 UNLESS THEY REALLY KNOW WE HAVE CASH ON HAND. THIS
13 GIVES TREMENDOUS LEVERAGE TO CALIFORNIA TAXPAYERS OF
14 HAVING IMPORTANT COMPONENTS OF RESEARCH DONE IN
15 CALIFORNIA PAID FOR OVERSEAS BY OTHER GOVERNMENTS.
16 BUT IN ORDER TO DO THAT, WE HAVE TO HAVE THE CASH ON
17 HAND, PARTICULARLY GIVEN THE CYCLE THAT CALIFORNIA
18 IS GOING THROUGH AND THE NEWS THAT IS PROMULGATED
19 CONSTANTLY ABOUT THE CHALLENGES IT FACES ON RESOURCE
20 ALLOCATIONS.

21 IF, IN FACT, THERE WERE A CLINICAL TRIAL
22 ROUND FOR 60 MILLION, FOR EXAMPLE, AND IT WERE
23 FUNDED EVEN AS EARLY AS JULY 1ST FUNDING QUARTER,
24 THAT WOULD MEAN THAT WE WOULD HAVE A MAXIMUM IN 2010
25 OF ABOUT \$15 MILLION FUNDED. WE WOULD, THEREFORE,

BARRISTERS' REPORTING SERVICE

1 HAVE AN ABILITY TO ACCOMMODATE A CLINICAL TRIAL
2 ROUND WITH OUR CURRENT RESERVES EVEN THOUGH IT ISN'T
3 ON THE SCHEDULED LIST.

4 THE TRAINING GRANTS II WOULD RESULT IN, IF
5 APPROVED, AND IF ON AN AGGRESSIVE IMPLEMENTATION
6 SCHEDULE THEY WERE IMMEDIATELY IMPLEMENTED, YOU
7 WOULD HAVE ABOUT 1.67 MILLION, EVEN IF BOTH WERE
8 APPROVED, FALLING WITHIN 2010. AND ON THE BRIDGES
9 PROGRAM, IF ALL OF THEM WERE APPROVED, THE TOTAL
10 WOULD BE SIX AND A HALF MILLION WITH APPROXIMATELY A
11 MILLION FALLING WITHIN 2010. HOPEFULLY THAT GIVES
12 YOU A CONTEXT FOR EVALUATING THE ADEQUACY OF THE
13 CAPITAL RESERVES.

14 MR. ROTH: I HAVE JUST A FOLLOW-ON. WHEN
15 DO YOU ANTICIPATE GOING BACK TO THE BOND MARKET? AT
16 WHAT LEVEL DO YOU FEEL COMFORTABLE IN TERMS OF WHERE
17 THE RESERVES SHOULD BE?

18 CHAIRMAN KLEIN: SO I THINK THAT IT'S
19 IMPORTANT TO MAKE CERTAIN THAT WE HAVE SOMETHING IN
20 THE RANGE OF 50 MILLION AVAILABLE AT THE END OF
21 2010. NOW, THAT'S LOOKING FORWARD 13 MONTHS. AT
22 THIS POINT, BECAUSE 2010 IS GOING TO BE PROBLEMATIC
23 AS TO WHEN WE CAN ENTER THE MARKET, SO WE MAY ONLY
24 BE ABLE TO ENTER THE MARKET LATER IN THAT YEAR, WE
25 MAY HAVE TO ENTER THE MARKET BASED ON A PRIVATE

BARRISTERS' REPORTING SERVICE

1 PLACEMENT PROGRAM. BUT IF WE HAD 50 MILLION AND WE
2 WERE TO RAISE 50 MILLION ON A PRIVATE PLACEMENT
3 BASIS, IT WOULD STILL GIVE US THE ABILITY TO GET
4 ESSENTIALLY SUBSTANTIALLY INTO 2011, PROVIDING ROOM
5 FOR A SIGNIFICANT LENGTH OF TIME TO ENTER THE MARKET
6 FOR WHAT IS A RELATIVELY SMALL SHARE OF BOND
7 CAPACITY GOING FORWARD.

8 DR. LOVE: FIFTY MILLION LOOKS LIKE, BOB,
9 ABOUT ONE-QUARTER OF THE FUNDING.

10 CHAIRMAN KLEIN: SO 50 MILLION IS ABOUT A
11 QUARTER OF FUNDING. THAT'S A CORRECT STATEMENT.
12 AND THAT, AGAIN, WE WOULD ASSUME THAT SOMETIME
13 DURING 2010 WE'RE GOING TO ENTER THAT MARKET; BUT IF
14 THE MARKET, FIGURING A WORST-CASE SCENARIO THAT WE
15 CAN'T ACCESS THAT MARKET AT ANY TIME, IT DOES GIVE
16 US ANOTHER THREE MONTHS INTO 2011. AND WE WOULD
17 EXPECT THAT SOMETIME IN THE MIDDLE OF 2010, IF THAT
18 APPEARED TO BE THE ISSUE, TO BE WORKING ON PRIVATE
19 PLACEMENT TO MAKE SURE THAT WE HAVE CARRY-OVER FUNDS
20 OF AN ADEQUATE LEVEL.

21 DR. LOVE: IT JUST SEEMS TO ME THAT
22 ONE-QUARTER OF FUNDING IS GETTING PRETTY TIGHT.

23 CHAIRMAN KLEIN: THAT'S WHY I SAY THAT IF
24 WE ASSUME WE GET DOWN TO THE 50-MILLION LEVEL, WE'RE
25 GOING TO IN THE MIDDLE OF 2010 BE LOOKING TO AUGMENT

BARRISTERS' REPORTING SERVICE

1 THAT BY AT LEAST ANOTHER 50 MILLION OF PRIVATE
2 PLACEMENT WHICH WOULD PUT US BACK AT THE \$100
3 MILLION LEVEL.

4 DR. ROBSON: IF I COULD JUST MAYBE RESPOND
5 TO DUANE'S QUESTION FROM THE STAFF PERSPECTIVE.
6 JUST KIND OF LOOK BACK TO WHERE WE WERE IN JANUARY
7 OF THIS YEAR WHEN WE FACED THE PROSPECT AT THAT TIME
8 OF HAVING FUNDS THAT WOULD ONLY CARRY US THROUGH THE
9 END OF THIS CALENDAR YEAR; IN OTHER WORDS, WE HAD
10 ABOUT A YEAR'S WORTH OF FUNDS. THAT HAD A FAIRLY
11 MAJOR IMPACT ON US AND OUR ABILITY TO PLAN. I THINK
12 IT HAD AN IMPACT ON THE BOARD AS WELL. IT MADE US
13 ALL A BIT TWITCHY. SO THAT'S JUST A PERSPECTIVE ON
14 SORT OF NOT AN AMOUNT OF MONEY, BUT AN AMOUNT OF
15 TIME.

16 CHAIRMAN KLEIN: OKAY. ALL RIGHT. SO WE
17 HAVE A NUMBER OF INDIVIDUALS THAT WOULD LIKE TO
18 ADDRESS THIS BOARD. I THINK YOU HAVE IN YOUR PACKET
19 A LETTER FROM THE CHANCELLOR OF THE STATE UNIVERSITY
20 SYSTEM. I'VE HAD AN OPPORTUNITY TO TALK TO THE
21 CHANCELLOR. HE FEELS THIS IS AN EXTREMELY IMPORTANT
22 PROGRAM TO THEM IN TERMS OF ACCESS OF THEIR
23 COMMUNITIES TO THIS NEW AREA. IT'S CREATING
24 TREMENDOUS EXCITEMENT ON THEIR CAMPUSES, A NEW
25 COMMITMENT OF THE STUDENTS. AND, OF COURSE, WITH

BARRISTERS' REPORTING SERVICE

1 32-PERCENT INCREASES IN FEES FACING STATE UNIVERSITY
2 PROGRAMS, THE BRIDGES PROGRAMS WITH THE FINANCIAL
3 SUPPORT FOR STUDENTS THAT'S IN IT HAS MADE A HUGE
4 DIFFERENCE IN WHO CAN REALLY CONTINUE TO PURSUE
5 THEIR STUDIES.

6 BUT I WOULD LIKE FOR A FULL PERSPECTIVE TO
7 FIRST CALL THE WITNESSES THAT ARE HERE ON THE
8 BRIDGES PROGRAM FROM THE PUBLIC AFTER DR. YAFFE
9 GIVES US AN OVERVIEW TO REFRESH OUR MEMORIES.

10 DR. YAFFE: MR. CHAIRMAN, MEMBERS OF THE
11 BOARD, I WANT TO PRESENT JUST A BRIEF REVIEW OF WHAT
12 YOU'VE DONE ALREADY WITH REGARD TO THE BRIDGES
13 PROGRAM AND THEN SOME PERSPECTIVE ON TIER II.

14 NEXT SLIDE. YOU SEE THE DECISIONS THAT
15 WERE ALREADY MADE. THE RECOMMENDATION OF THE GRANTS
16 WORKING GROUP WAS FOR TIER I TO RECOMMEND FOR
17 FUNDING, AND THERE WERE 11 APPLICATIONS, TOTAL
18 REQUEST OF 17.5 MILLION, WHICH YOU APPROVED IN
19 JANUARY OF THIS YEAR. THE TIER II HAS RECOMMENDED
20 FOR FUNDING AS ITS IDENTIFIER IF FUNDS ARE
21 AVAILABLE. THERE WERE FIVE APPLICATIONS, A TOTAL OF
22 6.2 MILLION. YOU HAVE JUST CHANGED OR REOPENED THIS
23 CONSIDERATION, AS YOU KNOW. IN TIER III, NOT
24 RECOMMENDED, THERE WERE SIX APPLICATIONS.

25 SO IN JANUARY YOU AWARDED TIER I, WAS

BARRISTERS' REPORTING SERVICE

1 FUNDED IN MARCH. THAT WAS 11 PROGRAMS. THOSE
2 PROGRAMS ARE ALL FUNCTIONING NOW, AND THE EARLY
3 INDICATIONS THEY'RE VERY VIBRANT AND ACTIVE. AND I
4 BELIEVE THERE MAY BE SOME REPRESENTATIVES HERE FROM
5 THOSE PROGRAMS.

6 YOU ALSO APPROVED A TRAVEL SUPPLEMENT FOR
7 TRAINEES TO ATTEND A CIRM TRAINEE MEETING OF
8 APPROXIMATELY .3 MILLION. SO THE TOTAL BUDGET
9 THAT'S BEEN COMMITTED NOW IS 17.8 MILLION.

10 SO HERE IS THE SCORE DISTRIBUTION FROM THE
11 GRANTS WORKING GROUP REVIEW THAT WAS HELD IN
12 NOVEMBER OF 2008. AND YOU CAN SEE TIER II. THERE
13 ARE FIVE APPLICATIONS THERE IN THE TIER. I DON'T
14 KNOW IF MR. SHEEHY HAS ANY COMMENTS WITH REGARD TO
15 THE GRANTS WORKING GROUP PERSPECTIVE ON THIS.

16 MR. SHEEHY: I THINK I HAVE CONFLICTS.

17 DR. YAFFE: I'M SORRY.

18 MR. ROTH: YOU SAID FIVE GRANTS OR FOUR?

19 DR. YAFFE: FIVE. THE TALLER LINE THERE
20 IS TWO GRANTS WITH THE SAME SCORE. ACTUALLY ON THE
21 NEXT SLIDE, HERE ARE THE FIVE GRANTS AND THEIR
22 SCORES, SCORES RANGING FROM 70 TO 58, AND THE
23 BUDGETARY AMOUNTS. STAFF HAS ADDED IN HERE THE
24 EQUIVALENT TRAVEL SUPPLEMENT SO THAT IF THESE ARE
25 APPROVED, THIS WILL INCLUDE A SUPPLEMENT FOR THE

BARRISTERS' REPORTING SERVICE

1 TRAINEE TRAVEL .

2 AND SO THESE ARE THE PROPOSALS FOR
3 CONSIDERATION IN TIER II. AND IN THE LAST SLIDE THE
4 TOTAL AMOUNT WOULD BE 6.3 MILLION FOR FUNDING THOSE
5 FIVE PROGRAMS. OF COURSE, IT'S YOUR PLEASURE AND
6 DECISION AS TO WHAT YOU WOULD LIKE TO DO WITH THESE
7 PROGRAMS.

8 CHAIRMAN KLEIN: OKAY. YES, SENATOR
9 TORRES.

10 MR. TORRES: I JUST WANT TO PERSONALLY
11 THANK THE STAFF WHO HAVE DONE AN INCREDIBLE JOB IN
12 BRINGING FORWARD. LAST WEEK MANY OF US, DR.
13 TROUNSON, MR. KLEIN, AND MYSELF, MET WITH MANY OF
14 THESE DIRECTORS FROM THESE PROGRAMS FROM OTHER STATE
15 UNIVERSITY CAMPUSES. THIS IS NOT AN AFFIRMATIVE
16 PROGRAM. THIS IS A PROGRAM OF OUTREACH TO
17 EXTRAORDINARY APPLICANTS. BUT FOR THIS PROGRAM, WE
18 WOULD LOSE AND WE ALREADY HAVE A BRAIN DRAIN IN THIS
19 STATE. THE IMPACTS OF THE THOUSAND CUTS OF THE
20 UNIVERSITY OF CALIFORNIA WILL HELP IN TERMS OF
21 REACHING OUT TO THESE YOUNG PEOPLE -- STATE
22 UNIVERSITY SYSTEM. AND MY THANKS TO DAVID
23 SERRANO-SEWELL AND MARCY FEIT FOR LEADING THE EFFORT
24 IN THIS AREA TO GET THIS PROGRAM MOVING.

25 LASTLY, DR. TROUNSON AND MR. KLEIN AND I

BARRISTERS' REPORTING SERVICE

1 MET WITH THE CONTROLLER, JOHN CHEUNG, IN LOS ANGELES
2 DECEMBER 1. WHEN HE HEARD ABOUT THIS PROGRAM, HE
3 WAS EXTRAORDINARILY INTERESTED AND SUPPORTIVE OF OUR
4 EFFORT HERE BECAUSE HE UNDERSTANDS WHAT WE'RE FACING
5 IN THIS STATE. OUR MEETING WITH THE TREASURER A
6 WEEK LATER WITH MR. LOCKYEAR, HE WAS EXTRAORDINARILY
7 SUPPORTIVE BECAUSE THERE WAS SO MUCH NEED FOR THIS
8 TYPE OF PROGRAM TO REACH OUT TO YOUNG PEOPLE THAT
9 ARE IGNORED IN THE FIRST PLACE AND NOW CAN BE
10 ENHANCED.

11 TO THE MEMBERS OF THIS BOARD WHO ARE
12 CONFLICTED, I KNOW THE PROGRAMS YOU'RE RUNNING, AND
13 THEY ARE TERRIFIC. AND I WANT TO THANK YOU
14 PERSONALLY FOR THAT EFFORT THAT YOU COORDINATED ON
15 YOUR INDIVIDUAL CAMPUSES.

16 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU.
17 I'D LIKE TO CALL ON DR. SUSAN BAXTER WHO I BELIEVE
18 IS HERE THIS MORNING. DR. BAXTER HAS BEEN ONE OF
19 THE REAL INSPIRATIONS AND DRIVERS BEHIND THIS
20 PROGRAM. DR. BAXTER.

21 DR. BAXTER: THANK YOU. GLAD TO BE BACK
22 AT THE ICOC. I AM THE EXECUTIVE DIRECTOR OF THE
23 CALIFORNIA STATE UNIVERSITY PROGRAM FOR EDUCATION
24 AND RESEARCH IN BIOTECHNOLOGY, A SYSTEMWIDE PROGRAM.
25 AND I WANT TO THANK YOU FOR THE OPPORTUNITY TO

BARRISTERS' REPORTING SERVICE

1 UPDATE YOU ON THE BRIDGES PROGRAMS. I KNOW SOME OF
2 YOU WERE AT THE MEETING LAST WEEK, BUT I'D ALSO LIKE
3 TO ENCOURAGE YOU TO CONSIDER FUNDING MORE OF THESE
4 PROGRAMS. WE ARE VERY APPRECIATIVE OF THE SUPPORT
5 THIS PROGRAM HAS RECEIVED ALREADY FROM THE CIRM
6 STAFF AND THE ICOC AND IN PARTICULAR, LOOKING BACK,
7 THE THOUGHTFUL CONTRIBUTIONS FROM MARCY FEIT AND
8 DAVID SERRANO-SEWELL DURING THE VERY EARLY
9 CONCEPTION AND PRELIMINARY FORMULATION OF THE
10 PROGRAM.

11 AS YOU ALL MIGHT KNOW, WE'RE WITHIN A
12 MONTH OF THE 22D ANNUAL CSU BIOTECHNOLOGY SYMPOSIUM
13 IN SANTA CLARA JANUARY 8TH AND 9TH. AND WE'RE
14 FEATURING A SPECIAL SESSION ON STEM CELL RESEARCH
15 AND DEVELOPMENT PARTLY TO CELEBRATE THE BRIDGES
16 PROGRAMS. AND, IN ADDITION, ALL TEN OF THE CSU
17 BRIDGES PROGRAMS ARE PRESENTING POSTERS AT THAT
18 SYMPOSIUM ON THE FRIDAY NIGHT. AND SO NEARLY 600
19 SYMPOSIUM PARTICIPANTS ARE GOING TO HEAR MORE ABOUT
20 THE BRIDGES PROGRAM AT THAT EVENT.

21 IT'S EVIDENT FROM THE REVIEW OF THE
22 ABSTRACTS THAT ALL TEN PROGRAMS MADE SIGNIFICANT
23 PROGRESS DURING THE FALL TERM. EVEN THOUGH SOME
24 RECEIVED FUNDING TOO LATE TO ACTUALLY PLACE STUDENTS
25 IN INTERNSHIPS THIS FALL DUE TO THE ACADEMIC

BARRISTERS' REPORTING SERVICE

1 CALENDAR MOSTLY, NONETHELESS, ALL TEN PROGRAMS HAVE
2 RECRUITED MORE THAN A HUNDRED STUDENT INTERNS
3 ALREADY, STARTED NEW CURRICULUM INITIATIVES, AND
4 WORKED WITH INDUSTRY AND TRAINING PARTNERS IN
5 MEANINGFUL WAYS.

6 SOME HIGHLIGHTS THAT DEMONSTRATE THE
7 EFFECTIVE TEAMS AND CREATIVE IDEAS INCLUDE SC SAN
8 MARCOS WAS SUCCESSFUL NOT ONLY IN PLACING ALL TEN OF
9 THEIR INTERNS, AND IN THEIR CASE SIX OF THEIR
10 STUDENTS ARE FROM SAN MARCOS CAMPUS, BUT ALSO FOUR
11 FROM MIRA COSA COLLEGE, A COMMUNITY COLLEGE.
12 THEY'VE ALL BEEN PLACED AT SCRIPPS, SALK, BURNHAM,
13 AND UCSD AND ARE ALREADY WORKING.

14 INTERESTINGLY, THE PROGRAM ALREADY OFFERED
15 AN UPPER DIVISION GENERAL EDUCATION STEM CELL COURSE
16 IN THE FALL THAT ENROLLED 56 STUDENTS. CAL POLY
17 POMONA IS A HISPANIC-SERVING INSTITUTION. THEY HAVE
18 DECIDED TO DEVELOP A STEM CELL VIDEO AND LEARNING
19 GUIDE FOR THE GENERAL PUBLIC WITH SOME OF THE
20 BRIDGES FUNDING THEY HAVE. DESPITE THE LOGISTICS
21 INHERENT IN THE LONG-DISTANCE INTERNSHIP PLACEMENTS
22 AT STANFORD AND UCSF, HUMBOLDT STATE HAS SELECTED
23 AND PLACED SEVEN CIRM SCHOLARS ALREADY. IN
24 ADDITION, HUMBOLDT STATE IS WORKING WITH THE COLLEGE
25 OF THE REDWOODS TO DEVELOP A PROFESSIONAL

BARRISTERS' REPORTING SERVICE

1 DEVELOPMENT STEM CELL COURSE FOR ALLIED HEALTH AND
2 MEDICAL PROFESSIONALS UP IN THE VERY NORTHERN NECK
3 OF CALIFORNIA. AND THEY'RE WORKING WITH LOCAL
4 SCIENCE EDUCATORS TO DEVELOP CURRICULUMS SUITABLE
5 FOR HIGH SCHOOL STUDENTS AS WELL.

6 SAN DIEGO STATE UNIVERSITY'S PROGRAM
7 RECEIVED OVER 20 STRONG APPLICATIONS FOR THEIR
8 INTERNSHIP PROGRAM, BUT COULD ONLY ACCEPT TEN, SO
9 THEY'VE SET UP A PREINTERN TRACK WHICH ALLOWS
10 PREINTERNS TO ATTEND COLLOQUIA AND RESEARCH
11 SEMINARS.

12 SO AS YOU CAN RECOGNIZE, THE CSU AND THE
13 CALIFORNIA COMMUNITY COLLEGES STAND READY TO CARRY
14 OUT THE BRIDGES PROGRAMS IN TERMS OF PERSONNEL AND
15 FACILITIES AND MISSION. EVEN WITH 11 CSU CAMPUSES
16 OFFERING BRIDGES PROGRAMS, THERE IS CAPACITY WITHIN
17 THE SYSTEM FOR MORE. CSU EDUCATES CLOSE TO HALF OF
18 ALL CALIFORNIA'S LIFE SCIENCE DEGREE HOLDERS AT THE
19 BACCALAUREATE LEVEL AND AS A PRIMARY DESTINATION FOR
20 STUDENTS SEEKING MASTER'S DEGREES. OVER 25 PERCENT
21 OF CSU'S MASTER'S DEGREE SEEKERS ARE PRODUCTS OF THE
22 UNIVERSITY OF CALIFORNIA SYSTEM. SO REALIZE THAT
23 LOOP ALSO.

24 AS YOU KNOW, THE CAMPUSES ARE GRAPPLING
25 WITH DEVASTATING BUDGET CUTS EVEN AS MORE STUDENTS

BARRISTERS' REPORTING SERVICE

1 ARE TURNING TO THE CSU AND CCC FOR HIGHER EDUCATION.
2 THERE IS NO SHORTAGE OF DEMAND FOR INNOVATIVE,
3 CUTTING-EDGE ACADEMIC OFFERINGS LIKE THE BRIDGES
4 PROGRAM.

5 IN CLOSING, I WANT TO REITERATE THAT THE
6 CSU AND THE CCC HAVE THE CAPACITY TO CARRY MORE
7 PROGRAMS FORWARD. WE ALSO APPRECIATE THAT CIRM AND
8 THE ICOC PLACE A HIGH VALUE ON PREPARING A DIVERSE
9 WORK FORCE TO SUPPORT THE DISCOVERY, DEVELOPMENT,
10 AND PRODUCTION OF THERAPEUTICS BASED ON STEM CELL
11 TECHNOLOGIES. WORKFORCE TRAINING HAS REALLY NEVER
12 BEEN MORE IMPORTANT AS A PILLAR OF THE STATE'S
13 ECONOMIC ENGINE. AND THE CSU AND BRIDGES PARTNERS
14 STAND READY TO PROVIDE TRAINING TO SUPPORT THAT.
15 I'LL CALL JEFFREY O'NEAL FROM THE COMMUNITY COLLEGES
16 WHO'S MY COHORT AS WELL.

17 CHAIRMAN KLEIN: I THINK DUANE ROTH HAS A
18 QUESTION BEFORE DR. O'NEAL SPEAKS.

19 MR. ROTH: HI, SUSAN. WELCOME BACK. CAN
20 YOU TELL ME WHAT THE GOAL -- YOU SAID YOU HAD TEN
21 PROGRAMS. WHAT IS THE GOAL IN TERMS OF THE NUMBER
22 OF STUDENTS THAT WE WOULD TOUCH WITH THESE PROGRAMS?

23 DR. BAXTER: CURRENTLY EACH OF THE BRIDGES
24 GRANTS FUNDS TEN INTERNS PER YEAR ON AVERAGE, JUST
25 DEPENDING ON WHEN THE ACADEMIC YEAR STARTED.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: A HUNDRED A YEAR AND OVER HOW
2 MANY YEARS?

3 DR. BAXTER: THREE YEARS.

4 MR. ROTH: THREE. SO IT WOULD BE 300.

5 DR. BAXTER: EXACTLY. CURRENTLY FUNDED.

6 CHAIRMAN KLEIN: OKAY. AND DR. O'NEAL.

7 DR. O'NEAL: HELLO. I'M JEFFREY O'NEAL.
8 I'M THE STATEWIDE DIRECTOR FOR THE BIOTECHNOLOGY
9 INITIATIVE OF THE CALIFORNIA COMMUNITY COLLEGES
10 ACADEMIC AND WORKFORCE DEVELOPMENT PROGRAM.

11 WHAT I WANTED TO TALK ABOUT WAS THE FACT
12 THAT -- WELL, THANK YOU FOR INVITING US TO SPEAK FOR
13 A FEW MINUTES HERE. AND SO FAR THE COMMUNITY
14 COLLEGES -- WELL, I WANT TO ENCOURAGE YOU TO
15 CONTINUE GROWING THE PROGRAM. AND PASADENA CITY
16 COLLEGE IS ONE OF THE SITES THAT HAS HAD A BRIDGES
17 PROGRAM. AND PAM EVERSOLE-CIRE IS RUNNING THAT
18 PROGRAM. SHE'S NOT HERE TODAY, BUT SHE GAVE ME A
19 LITTLE BACKGROUND INFORMATION TO FILL YOU IN ABOUT
20 WHAT'S BEEN HAPPENING THERE.

21 SO FAR THEY'VE PLACED TEN STUDENTS IN
22 INTERNSHIPS AT SITES SUCH AS L.A. CHILDREN'S
23 HOSPITAL, CALTECH, AND USC MEDICAL SCHOOL. ALL ARE
24 DOING QUITE WELL. OUT OF THOSE TEN, ONE PARTICULAR
25 SUCCESS STORY HAS BEEN DOREEN. SHE'S BEEN WORKING

BARRISTERS' REPORTING SERVICE

1 WITH GLAZNER'S LAB AT CALTECH, AND SHE'S NOW ON
2 DETACHED DUTY AT THE UNIVERSITY OF ROCHESTER TO
3 LEARN TO DO DOPAMINE PRODUCING NEURON CULTURE. AND
4 I GUESS UNIVERSITY OF ROCHESTER IS ONE OF THE FEW
5 PLACES THAT CAN DO THAT IN THE U.S. AND THEY'VE
6 TRUSTED THIS NEW INTERN FROM COMMUNITY COLLEGES
7 ENOUGH TO SEND HER THERE TO LEARN THIS TECHNIQUE AND
8 BRING IT BACK TO THE LABORATORY. SO A GREAT DEAL OF
9 CONFIDENCE IN THIS YOUNG WOMAN.

10 AND I THINK I'LL JUST GO AHEAD AND CLOSE
11 WITH THAT AND JUST SAY THAT THANKS AGAIN FOR THE
12 FUNDING AT THE COMMUNITY COLLEGE LEVEL. IT CREATES
13 A LOT OF OPPORTUNITY FOR YOUNG PEOPLE WHO WOULDN'T
14 ORDINARILY GET INTO THIS TYPE OF RESEARCH.

15 I'LL ADD ONE LITTLE PERSONAL NOTE AND JUST
16 SAY THAT I HAVE A FEW PATENTS IN AGRICULTURE
17 BIOTECHNOLOGY, AND I STARTED OFF AT THE COMMUNITY
18 COLLEGE SOME YEARS AGO, AND IT'S REALLY BEEN A GREAT
19 PATHWAY FOR ME AND FOR A LOT OF THE PEOPLE TO GET
20 INTO THESE LEVELS OF RESEARCH.

21 I BELIEVE FOLLOWING ME IS CARMEN DOMINGO.
22 SHE'S A PI FROM SAN FRANCISCO STATE UNIVERSITY FOR
23 THE BRIDGES PROGRAMS THERE. SHE'S BROUGHT A COUPLE
24 OF HER STUDENTS TO SHARE WITH YOU GUYS.

25 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

BARRISTERS' REPORTING SERVICE

1 DR. DOMINGO: HELLO. THANK YOU. MY NAME
2 IS CARMEN DOMINGO, AND I'M A PROFESSOR OF
3 DEVELOPMENTAL BIOLOGY AT SAN FRANCISCO STATE. I'M
4 ALSO THE PROGRAM DIRECTOR OF OUR CIRM BRIDGES
5 PROGRAM, WHICH PROVIDES STEM CELL TRAINING TO OUR
6 STUDENTS. THANK YOU FOR THE OPPORTUNITY TO SPEAK TO
7 YOU ABOUT OUR RESEARCH ACCOMPLISHMENTS THROUGH THIS
8 PROGRAM.

9 THE PROGRAM IS A PARTNERSHIP BETWEEN SAN
10 FRANCISCO STATE AND FIVE RESEARCH INSTITUTIONS:
11 UCSF, STANFORD, UC BERKELEY, THE BUCK INSTITUTE OF
12 REGENERATIVE MEDICINE, AND CHILDREN'S HOSPITAL
13 OAKLAND RESEARCH INSTITUTE. THE CSU AND COMMUNITY
14 COLLEGES GENERATE THE MAJORITY OF THE STATE'S
15 BIOTECH WORKFORCE. UP UNTIL THIS POINT STUDENTS IN
16 THE CSU AND COMMUNITY COLLEGE SYSTEM DID NOT HAVE
17 ACCESS TO CIRM-FUNDED RESEARCH AND TRAINING
18 FACILITIES. WITH YOUR SUPPORT CIRM HAS FUNDED THE
19 FIRST BRIDGES PROGRAM WHICH IS TRAINING STUDENTS IN
20 THE MOST INNOVATIVE SCIENTIFIC APPROACHES AT TOP
21 ACADEMIC INSTITUTIONS IN THE BAY AREA. MOREOVER,
22 THESE STUDENTS REFLECT THE DIVERSITY OF THE STATE OF
23 CALIFORNIA AND BRING WITH THEM THE BROAD
24 PERSPECTIVES NEEDED TO DEVELOP THE CURES THAT WILL
25 HAVE THE BROADEST IMPACT ON OUR SOCIETY.

BARRISTERS' REPORTING SERVICE

1 OUR BRIDGES PROGRAM IS A TWO-YEAR MASTER'S
2 PROGRAM WHERE STUDENTS TAKE COURSES IN DEVELOPMENTAL
3 BIOLOGY, MOLECULAR BIOLOGY, BIOETHICS, CELL
4 CULTURING METHODS, AND TECHNICAL WRITING SKILLS, AS
5 WELL AS PARTICIPATE IN SEMINARS AND JOURNAL CLUBS.
6 THE STUDENTS CONDUCT RESEARCH FOR AT LEAST 18
7 MONTHS. WE HAVE 19 STUDENTS IN THE PROGRAM, AND TEN
8 OF THEM ARE FUNDED THROUGH CIRM.

9 MANY OF THEM ARE GOING TO BE PLACED IN
10 RESEARCH PROGRAMS IN THE SPRING. THEY WERE SO
11 ENTHUSIASTIC THAT THEY ARE ALL IN RESEARCH LABS AT
12 THIS MOMENT. THEY'RE STUDYING MUSCLE AND NEURAL
13 REGENERATION, THEY'RE STUDYING TARGETED THERAPEUTICS
14 FOR CARDIOVASCULAR DISEASE. THERE'S NO BETTER WAY
15 FOR ME TO SHOW YOU THE IMPACT OF THIS PROGRAM THAN
16 FOR YOU TO HEAR FROM MY STUDENTS. HERE TODAY WITH
17 ME ARE MARISSA LEOU (PHONETIC) AND VANESSA AGUILARA.
18 THEY ARE BOTH GRADUATE STUDENTS IN THIS PROGRAM, AND
19 THEY WILL BRIEFLY DESCRIBE THEIR EXPERIENCE TO YOU.

20 MS. LEOU: GOOD MORNING, EVERYBODY. MY
21 NAME IS MARISSA LEOU. I'M A SECOND-YEAR MASTER'S
22 STUDENT IN THE DEPARTMENT OF BIOLOGY AT SAN
23 FRANCISCO STATE UNIVERSITY. SO I'D FIRST LIKE TO
24 THANK THE ICOC AS WELL AS DR. CARMEN DOMINGO FOR
25 GIVING ME NOT ONLY THIS OPPORTUNITY TO SPEAK HERE,

BARRISTERS' REPORTING SERVICE

1 BUT TO BE ONE OF THE FIRST STUDENTS TO TAKE PART OF
2 THIS NEW BRIDGES TO STEM CELL RESEARCH AT SAN
3 FRANCISCO STATE.

4 SO ACCORDING TO THE NIH, CARDIOVASCULAR
5 DISEASE IS THE NO. 1 CAUSE OF DEATH. AND THAT'S
6 APPROXIMATELY 2600 DEATHS DAILY, AND ALSO ABOUT
7 ROUGHLY ONE PERSON EVERY 34 SECONDS BECOME VICTIMS
8 TO THIS DISEASE. THESE STATISTICS ARE ESPECIALLY
9 PERSONAL TO ME AS MY MOTHER'S EXTENDED FAMILY HAVE
10 ALL DIED FROM COMPLICATIONS DUE TO CARDIOVASCULAR
11 DISEASE.

12 I BECAME INTERESTED IN THE BRIDGES TO STEM
13 CELL RESEARCH PROGRAM BECAUSE I WANTED TO
14 INVESTIGATE THE POTENTIAL FOR STEM CELLS TO BE A
15 CURE FOR HEART DISEASE. IT HAS NOT ONLY GIVEN ME
16 THE OPPORTUNITY TO CONTINUE MY EDUCATION, BUT HAS
17 ALSO ALLOWED ME TO BECOME ONE OF THE FRONTIERS IN
18 THIS EXCITING NEW SCIENTIFIC FIELD.

19 THIS PROGRAM HAS GIVEN ME AN AMAZING
20 OPPORTUNITY THAT IS ALSO GOING TO MAKE ME A STRONGER
21 CANDIDATE FOR THE NEXT STEP IN MY EDUCATION. SO I'M
22 CURRENTLY WORKING IN THE LAB OF DR. HAROLD BERNSTEIN
23 AT UCSF PARNASSUS CAMPUS, AND THERE WE'RE TRYING TO
24 UNDERSTAND HOW STEM CELLS DEVELOP INTO HEART TISSUE
25 TO ONE DAY DEVISE THERAPY FOR HEART DISEASE. UPON

BARRISTERS' REPORTING SERVICE

1 FINISHING MY WORK THERE, I'M PLANNING TO COMPLETE AN
2 M.D./PH.D. PROGRAM SO I CAN DIRECTLY TRANSLATE
3 DISCOVERIES INTO THE LAB AND TO PATIENTS DIRECTLY.

4 SO I HOPE THAT YOU ALL REALIZE THE
5 IMPORTANCE OF FUNDING A PROGRAM LIKE THE BRIDGES TO
6 STEM CELL RESEARCH. IT NOT ONLY TRAINS TOMORROW'S
7 SCIENTISTS, BUT ALSO GIVES PEOPLE LIKE ME, A WOMAN
8 OF COLOR AND FIRST GENERATION COLLEGE STUDENT, THE
9 ABILITY AND OPPORTUNITY TO REACH MY HIGHEST
10 POTENTIAL. SO I'D LIKE TO THANK YOU ALL BECAUSE IF
11 IT WASN'T FOR YOU GUYS, I WOULDN'T BE STANDING HERE
12 RIGHT NOW TAKING PART IN THE MOST INNOVATIVE AND
13 FORESIGHTED MASTER'S PROGRAM THUS FAR. SO THANK
14 YOU.

15 (APPLAUSE.)

16 MS. AGUILARA: GOOD MORNING. MY NAME IS
17 VANESSA AGUILARA. I'M A FIRST YEAR'S MASTER'S
18 STUDENT STUDYING CELL AND MOLECULAR BIOLOGY AT SAN
19 FRANCISCO STATE UNIVERSITY. I WANT TO THANK THE
20 ICOC FOR GIVING ME THE OPPORTUNITY TO STUDY UNDER
21 THE NEW BRIDGES STEM CELL PROGRAM AT SFSU.

22 THIS COUNTRY HAS VAST ISSUES WITH HEALTH
23 DISPARITIES AND LOSE FAR MORE MINORITY GROUPS
24 SUFFERING FROM LONG-TERM ILLNESSES AND AN OVERALL
25 POOR QUALITY OF HEALTH. THE UNAVAILABILITY OF

BARRISTERS' REPORTING SERVICE

1 QUALIFIED HEALTHCARE PROVIDERS, FUNDING, RESEARCH,
2 AND MEDICATION FURTHER WIDENS THIS GAP.

3 I WANT TO TAKE AN ACTIVE ROLE IN CLOSING
4 PART OF THIS GAP BY WORKING IN THE BIOMEDICAL FIELD
5 TO FIND MEDICATION AND TREATMENTS FOR PEOPLE
6 SUFFERING FROM DISEASES AND LIFE-THREATENING
7 AILMENTS. AS A LATINA SCIENCE STUDENT, I HAVE
8 NOTICED THAT WOMEN AND MINORITIES ARE VASTLY
9 UNDERREPRESENTED IN THE SCIENCES AND ARE EVEN MORE
10 SCARCELY FOUND WITH HIGHER PROFESSIONAL DEGREES.

11 MY ULTIMATE GOAL IS TO ACHIEVE AN
12 M.D./PH.D. SO THAT I MIGHT WORK AS A PHYSICIAN
13 RESEARCHER. I WANT TO FOCUS MY RESEARCH ON
14 ILLNESSES THAT HAVE A HIGHER PREVALENCE IN
15 MINORITIES, SUCH AS DIABETES AND CARDIOVASCULAR
16 DISEASES, THROUGH THE USE OF STEM CELLS.

17 ADMITTANCE INTO SFSU'S CIRM PROGRAM HAS
18 GIVEN ME THE OPPORTUNITY TO RECEIVE VALUABLE
19 ANALYTICAL AND HANDS-ON TRAINING THROUGH CONDUCTING
20 COLLABORATIVE RESEARCH AT UCSF AND THE VA MEDICAL
21 CENTER IN A TRANSLATIONAL CARDIOLOGY LAB. MY
22 PROJECT SPECIFICALLY LOOKS AT THE CELLULAR FACTORS
23 RESPONSIBLE FOR CELL DEATH DUE TO HEART ATTACKS AND
24 THE CARDIOPROTECTIVE COMPONENTS FOUND IN BONE MARROW
25 STEM CELLS AND THEIR EXTRACTS IN ORDER TO DECREASE

BARRISTERS' REPORTING SERVICE

1 THE RATE OF APOPTOSIS AND IMPROVE HEART FUNCTION
2 POSTINFARCTION.

3 I BELIEVE THAT THE MORE MINDS AND DIVERSE
4 VIEWPOINTS INVOLVED IN SCIENCE, THE QUICKER WE CAN
5 DISCOVER THE MEDICATIONS NEEDED TO TREAT PEOPLE AND
6 MAINTAIN A HEALTHIER QUALITY OF LIFE.

7 CIRM HAS BROUGHT ME ONE STEP CLOSER TO
8 ACCOMPLISHING MY CAREER GOALS AND WILL FURTHER EQUIP
9 ME WITH THE TOOLS NECESSARY TO BECOME A SUCCESSFUL
10 CLINICAL RESEARCHER. THANK YOU.

11 (APPLAUSE.)

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

13 DR. DOMINGO: MY COLLEAGUE FROM SAN JOSE
14 STATE IS COMING UP.

15 CHAIRMAN KLEIN: DR. JOHN BOOTHBY.

16 DR. BOOTHBY: MY NAME IS JOHN BOOTHBY.
17 I'M THE DIRECTOR OF THE BRIDGES PROGRAM AT SAN JOSE
18 STATE AND THE CHAIR OF THE DEPARTMENT OF BIOLOGICAL
19 SCIENCES. I THINK THAT YOU'VE HEARD FROM STUDENTS,
20 AND I THINK IF YOU WERE TO HAVE 300 STUDENTS AT THE
21 END OF THIS PROGRAM STAND UP HERE, YOU'D HEAR 300
22 AMAZING STORIES. WE'RE GOING TO HAVE A FEW
23 STUDENTS. I BROUGHT A STUDENT WITH ME TODAY TO SORT
24 OF FILL OUT THE STUDENT PERSPECTIVE.

25 BUT SORT ON THE BROADER ISSUES, I'D LIKE

BARRISTERS' REPORTING SERVICE

1 TO, FIRST OF ALL, THANK THE CHAIRMAN AND THE BOARD
2 FOR ALLOWING US TO COME AND HAVE COMMENTS AND SHOW
3 OUR EXPERIENCES WITH YOU. I'D ALSO LIKE TO THANK
4 THE CIRM STAFF WHO'S GUIDED US THROUGH THE PROCESS
5 OF PUTTING THESE PROGRAMS TOGETHER AND HELPING US
6 FIGURE OUT WHAT THE ISSUES ARE.

7 I CAN TELL YOU BEING IN THE SEVENTH MONTH
8 OF A THREE-YEAR PROGRAM THAT THE OUTLOOK LOOKS GOOD.
9 AND I DON'T HAVE CONCLUSIONS, BUT THE FUTURE LOOKS
10 BRIGHT. I SAY THAT A LITTLE BIT FROM MY OWN
11 PERSPECTIVE FROM MY PROGRAM, BUT ALSO THERE WAS A
12 MEETING OF THE PI'S OF ALL THE BRIDGES PROGRAMS AT
13 CIRM LAST FRIDAY. AND WHAT YOU'VE HEARD FROM SAN
14 FRANCISCO STATE ABOUT THEIR PROGRAM, I THINK YOU'VE
15 HEARD A LOT OF INNOVATION, A LOT OF EFFORT AND
16 CREATIVITY IN CREATING PROGRAMS THAT ADDRESS THEIR
17 STUDENTS AND THEIR GOALS OF THEIR INSTITUTIONS. AND
18 THEY WERE ALL AMAZING. I WAS VERY IMPRESSED. SO
19 THEY'RE NOT ALL HERE TODAY, BUT WE CAN SPEAK TO A
20 COUPLE OF THEM.

21 MORE DIRECTLY, AT SAN JOSE STATE OUR
22 PROGRAM IS A TWO-YEAR MASTER PROGRAM. STUDENTS
23 SPEND THE FIRST YEAR IN CLASS GETTING SKILLS THAT
24 WILL BE USEFUL IN A RESEARCH ENVIRONMENT, AND THEN
25 THEY ENTER THE INTERNSHIP PROGRAM THAT'S A 12-MONTH

BARRISTERS' REPORTING SERVICE

1 PROGRAM, AND THEY CONCLUDE THAT PROGRAM WITH THE
2 AWARD OF A MASTER'S DEGREE.

3 I THINK THERE ARE FOUR GROUPS THAT ARE
4 GOING TO BE DIRECTLY IMPACTED FROM THIS PROGRAM.
5 THE FIRST GROUP I WOULD SAY ARE THE FACULTY. SO WE
6 HAVE FACULTY AT OUR INSTITUTION WHO ARE LARGELY
7 CONSUMED WITH THE EDUCATIONAL MISSION OF THE
8 INSTITUTION. AND WE ARE ABLE TO PARTNER THROUGH
9 THIS PROGRAM WITH RESEARCHERS AT UNIVERSITIES AND
10 INSTITUTIONS WITH FACULTIES PRIMARILY CONSUMED WITH
11 RESEARCH. SO FROM A FACULTY ENRICHMENT STANDPOINT,
12 BROADENING THE FOOTPRINT OF STEM CELL BIOLOGY AND
13 COLLABORATIONS AMONG FACULTY, I THINK THAT WOULD BE
14 THE FIRST WIN IN THIS ENDEAVOR.

15 SECOND GROUP ARE STUDENTS WHO ARE IN OUR
16 INTERNSHIP PROGRAMS NOW. THERE ARE TEN OF THEM.
17 THEY'RE ALL PLACED IN INTERNSHIPS. ONE OF THE GOALS
18 OF OUR PROGRAM WAS TO OFFER AN ARRAY OF
19 OPPORTUNITIES BOTH IN BASIC RESEARCH WITH UNIVERSITY
20 OF CALIFORNIA SANTA CRUZ AND STANFORD, BUT ALSO SORT
21 OF TRANSLATIONAL OPPORTUNITIES THROUGH THE
22 PARKINSON'S INSTITUTE AND ESCAPE THERAPEUTICS, A
23 SMALL BIOTECH COMPANY.

24 ONE OF THE HALLMARKS, AS IT TURNED OUT,
25 WITH THE STUDENT AUDIENCE IS THAT MORE THAN HALF OF

BARRISTERS' REPORTING SERVICE

1 THE INTERNS ARE ACTUALLY PART OF OUR PROFESSIONAL
2 MASTER'S IN SCIENCE PROGRAM. SO THEY HAVE A BLENDED
3 PROGRAM WITH BUSINESS AND BASIC SCIENCE. SO WE'RE
4 THINKING THESE STUDENTS ARE GOING TO GO OUT AND
5 PROVIDE LEADERSHIP IN THE AREA OF TAKING STEM CELL
6 TECHNOLOGY INTO DELIVERING IT TO THE PUBLIC. SO
7 WHEN IT COMES TIME AS THE SCIENCE MATURES AND THINGS
8 GO INTO COMMERCIALIZATION AND APPLICATION, THAT
9 THEY'LL BE WELL POSITIONED TO BE LEADERS IN THAT
10 FIELD.

11 SECOND GROUP -- I MEAN THE THIRD GROUP
12 WOULD BE THE INCOMING INTERNS. THEY COULD HAVE BEEN
13 HERE TODAY, BUT THEY'RE ACTUALLY GOING THROUGH THEIR
14 SELECTION PROCESS FOR FINDING OUT WHAT LABS THAT
15 THEY MIGHT DO THEIR INTERNSHIP YEAR IN. SO THEY'RE
16 AT THE END OF THEIR -- ENTERING THE END OF THEIR
17 FIRST YEAR. AND THEY ARE ALL AT THE STANFORD STEM
18 CELL INSTITUTE RETREAT TODAY AS WE SPEAK. AND
19 THEY'RE ENCOUNTERING PI'S AND STUDENTS WHO ARE DOING
20 STEM CELL RESEARCH, FINDING OUT WHO THEY MIGHT WANT
21 TO WORK WITH. AND IN ADDITION, SOME OF THE WORK OF
22 THE FIRST YEAR CLASS IS GOING TO BE PRESENTED THERE.
23 SO THEY'LL TALK TO THE INTERNS THAT ARE CURRENTLY
24 BEING PLACED.

25 THE FINAL GROUP THAT I THINK IS IMPORTANT

BARRISTERS' REPORTING SERVICE

1 IS THE GENERAL POPULATION OF OUR UNIVERSITY. SO BY
2 PARTNERING WITH CIRM, WE'RE ABLE TO DO SOMETHING
3 THAT WE COULDN'T DO ON OUR OWN. AND THAT IS WE'RE
4 PUTTING IN PLACE A STEM CELL BIOLOGY LABORATORY
5 COURSE. THIS IS OPEN NOT JUST TO STEM CELL BRIDGES
6 STUDENTS, BUT TO ALL THE STUDENTS AT THE UNIVERSITY.
7 SO WE'VE BROADENED THE FOOTPRINT, NOT ONLY THROUGH
8 THE INTERNSHIPS, BUT THE BROADER AUDIENCE. AND IN
9 ADDITION TO THAT, WE HAVE A GENERAL EDUCATION COURSE
10 THAT'S COMING ONLINE NEXT SEMESTER WHERE THEY
11 WILL -- STUDENTS IN THE GENERAL EDUCATION PROGRAM AT
12 THE UNIVERSITY WILL GET THE PERSPECTIVE OF STEM CELL
13 BIOLOGY FROM A SCIENTIST SO THAT WHEN THEY BECOME
14 CITIZENS OF THE STATE, THEY'RE MORE INFORMED, IF
15 THEY'RE HISTORY MAJORS OR BUSINESS MAJORS OR
16 WHATEVER, ABOUT MAKING DECISIONS AND INFORMING THEIR
17 COLLEAGUES ABOUT ISSUES WITH STEM CELL BIOLOGY.

18 SO I THINK THE OUTLOOK LOOKS GOOD, THE
19 FOOTPRINT IS DEFINITELY BROADENED, AND THIS IS A
20 VERY IMPORTANT PROGRAM. SO THE MOST IMPORTANT PART,
21 OF COURSE, IS THE STUDENTS. AND RATHER THAN SPEAK
22 FOR THEM, I THOUGHT I'D LET MALANIE INTRODUCE
23 HERSELF AND SPEAK TO YOU ABOUT IT.

24 CHAIRMAN KLEIN: THANK YOU. THANK YOU
25 VERY MUCH.

BARRISTERS' REPORTING SERVICE

1 MALANIE: GOOD MORNING, EVERYONE. THANK
2 YOU FOR THIS OPPORTUNITY. I PROMISE NOT TO TAKE TOO
3 MUCH OF YOUR TIME. MY NAME IS MALANIE, AND I'M A
4 SKILLED INTERN CURRENTLY WORKING AT THE PARKINSON'S
5 INSTITUTE. WHEN I WAS APPLYING FOR THE SKILLED
6 INTERNSHIP, I HAD TWO MAIN DRIVING FACTORS. ONE WAS
7 THE EXPOSURE TO THE STEM CELL RESEARCH AND, NO. 2,
8 TO THE COMPETITIVE EDGE I WOULD GAIN, ESPECIALLY IN
9 THE CURRENT ECONOMIC CRISIS.

10 NOW, I'VE BEEN INTERNING AT PARKINSON'S
11 FOR FIVE MONTHS. I CAN SAY THAT I'VE GAINED FAR
12 MORE THAN WHAT I EXPECTED. I DO GET A LOT OF
13 QUALITY HANDS-ON RESEARCH WITH STEM CELLS. AT
14 PARKINSON'S WE'RE FOCUSING ON REPROGRAMMING SKIN
15 FIBROBLAST LINES FROM PARKINSON'S PATIENTS INTO
16 INDUCED PLURIPOTENT STEM CELLS AND BASICALLY
17 DIFFERENTIATE THESE IPSC LINES INTO NEURONS WHICH
18 WILL THEN BE USED TO STUDY THE PARKINSON MECHANISM.
19 I FEEL THAT I'M IN THE FOREFRONT OF THE RESEARCH
20 THAT'S GOING ON IN PARKINSON'S.

21 MY PI, ALL THE COLLEAGUES THERE TREAT ME
22 AS IF I WAS AN EMPLOYEE, NOT JUST AN INTERN. AND I
23 CAN DEFINITELY SEE THAT BY BEING IN SUCH A
24 CUTTING-EDGE RESEARCH AND BY SURROUNDING MYSELF WITH
25 SUCH DEDICATED SCIENTISTS AND A NURTURING AND

BARRISTERS' REPORTING SERVICE

1 GUIDING PI AND A GUIDING MENTOR LIKE DR. BOOTHBY,
2 I'M DEFINITELY ON MY WAY TO BECOMING AN ABLE
3 SCIENTIST.

4 BUT THAT'S NOT ALL I'VE GAINED SO FAR. I
5 DON'T KNOW HOW MANY OF YOU HERE HAVE BEEN TO THE
6 PARKINSON'S INSTITUTE. HALF THE BUILDING IS A
7 CLINIC AND OTHER HALF IS A BASIC RESEARCH. I WORK
8 IN THE BASIC RESEARCH. BUT AS I WALK INTO WORK
9 EVERY DAY, I ACTUALLY INTERACT WITH A LOT OF
10 PARKINSON'S PATIENTS WHO HAVE A HARD TIME WALKING,
11 WHO ARE ACTUALLY TAKING THE SPEECH THERAPY LESSONS
12 AND STUFF. AND QUITE HONESTLY, MY HEART GOES OUT TO
13 THEM AND IT GIVES ME A SENSE OF PURPOSE AS TO WHY
14 I'M HERE AND WHAT IS MY INTERNSHIP GOAL FOR THE
15 COMING YEAR.

16 AND WHEN YOU HAVE A PURPOSE AND A FOCUS
17 AND AN OPPORTUNITY LIKE THE SKILLED INTERNSHIP,
18 STUDENTS LIKE ME AND THE ONES FROM UCSF TEND TO MAKE
19 THE MOST OUT OF IT. WHEN I CAME TO SAN JOSE STATE,
20 I WASN'T SURE WHETHER I WANTED TO PURSUE AND GO
21 AHEAD INTO THE RESEARCH SIDE OR THE BUSINESS SIDE.
22 THAT'S EXACTLY WHY I JOINED THE PROFESSIONAL SCIENCE
23 MASTER'S, TO BE ABLE TO DO BOTH AND TO COMBINE THE
24 TWO. BUT THANKS TO CIRM AND THANKS TO THE SKILLED
25 INTERNSHIP, I AM NOW GRADUATING IN MAY AND I'M

BARRISTERS' REPORTING SERVICE

1 LOOKING INTO SOME PH.D. PROGRAMS THAT TIE UP STEM
2 CELL RESEARCH.

3 SO I'D LIKE THANK YOU AND THANK SAN JOSE
4 STATE AND THE SKILLED PROGRAM FOR PICKING ME.
5 THANKS.

6 (APPLAUSE.)

7 CHAIRMAN KLEIN: ANY ADDITIONAL SPEAKERS
8 FROM THE PUBLIC?

9 DR. AMBOSE: THANK YOU VERY MUCH. I THINK
10 I'M THE LAST IN THIS SERIES OF SPEAKERS TODAY
11 CONCERNING THE TIER II PROGRAM FOR BRIDGES, AND SO
12 I'LL BE BRIEF AS WELL. MY NAME IS ELIZABETH AMBOSE.
13 I'VE STOOD BEFORE YOU BEFORE. I'M FROM THE CSU
14 OFFICE OF THE CHANCELLOR WHERE I'M PRIVILEGED TO BE
15 ASSISTANT VICE CHANCELLOR FOR RESEARCH INITIATIVES
16 AND PARTNERSHIPS. I'M JUST SO IMPRESSED WITH THE
17 TESTIMONY THAT'S BEEN OFFERED BOTH BY TWO BRIDGES
18 PROGRAMS, MY COLLEAGUE SUSAN BAXTER, MY OTHER
19 COLLEAGUE FROM THE COMMUNITY COLLEGE, JEFF O'NEAL,
20 AND CERTAINLY THE CENTERPIECE ARE THE THREE
21 STUDENTS. THERE COULD BE NO FINER TESTIMONY TO THE
22 QUALITY OF THE INVESTMENT THAT YOU HAVE MADE.

23 SO I WANT TO ALSO THANK YOU SO MUCH FOR
24 YOUR LEADERSHIP, FOR CHAIR KLEIN, THE GENERATIVE
25 POWER OF DAVID SERRANO-SEWELL AND MARCY FEIT THAT

BARRISTERS' REPORTING SERVICE

1 GENERATED THE SOLICITATION. AND I ALSO WANT TO MAKE
2 PARTICULAR THANKS, AS MY COLLEAGUE JOHN BOOTHBY DID,
3 TO THE STAFF AT CIRM. MICHAEL YAFFE AND OTHERS,
4 DIRECTOR TROUNSON WERE EXTREMELY HELPFUL IN
5 ASSISTING US IN THE PROGRESSION TO IMPLEMENTING THE
6 PROGRAMS.

7 YOU'VE HEARD BOTH DIRECTLY AND INDIRECTLY
8 HOW MANY STUDENTS, HOW MANY OF THE FUTURE WORKFORCE
9 IN CALIFORNIA ARE IMPACTED AND WILL BE IMPACTED BY
10 THIS PROGRAM. WITH THE ADDITION OF THE TIER II
11 FUNDING, SHOULD YOU CHOOSE TO CONSIDER THAT, THOSE
12 INVESTMENTS WILL MULTIPLY EVEN FURTHER. WE BELIEVE
13 THAT THE LETTER FROM CHANCELLOR REED EXPRESSES OUR
14 HOPES AND OUR COMMITMENT TO THE PROJECT AND THE
15 FEELING THAT THIS IS AN INCREDIBLE RETURN ON
16 INVESTMENT.

17 IT'S AN IMPORTANT SUCCESS IN ANOTHER WAY.
18 I THINK WHAT'S COME OUT OF THESE COMMENTS IS THAT
19 PARTNERSHIPS HAVE BEEN BUILT BETWEEN THE
20 LABORATORIES AND THE CLINICS AND OUR INSTITUTIONS
21 THAT WEREN'T THERE BEFORE UNITED BEHIND BUILDING A
22 ROBUST, DIVERSE PIPELINE OF YOUNG PROFESSIONALS TO
23 STAFF THE GROWING STEM CELL RESEARCH DEVELOPMENT
24 INDUSTRY AND THE CURE PROCESS IN OUR COMMUNITIES.

25 SO, IN SHORT, WE SUPPORT THIS PROGRAM SO

BARRISTERS' REPORTING SERVICE

1 STRONGLY AND ARE SO PLEASED AT ITS PROGRESS AND THE
2 PROMISE FOR FUTURE POSSIBLE FUNDING BECAUSE IT
3 PROVIDES RESOURCES DIRECTLY TO STUDENTS AND TO
4 INSTITUTIONS TO CREATE A NETWORK TO PROVIDE THE
5 WORKFORCE FOR THE STATE. THE PROGRAM IS TRULY A WIN
6 FOR ALL STAKEHOLDERS. THE ULTIMATE BENEFICIARY IS
7 THE STATE OF CALIFORNIA, ITS TAXPAYERS, ITS
8 INDUSTRIES, AND ITS ECONOMIC FUTURE. THANK YOU VERY
9 MUCH.

10 (APPLAUSE.)

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH. I'D
12 LIKE TO MOVE, IF WE COULD, TO CONSIDERATION OF THE
13 INDIVIDUAL GRANTS. COULD YOU BRING BACK UP THE
14 SLIDE THAT SHOWS THE INDIVIDUAL GRANTS? AND I
15 BELIEVE THAT IN LOOKING AT THESE GRANTS,
16 INFORMATIONALLY, THE LAST GRANT HERE IN THIS LIST,
17 IN TERMS OF SUPPLEMENTING THE OVERALL INFORMATION,
18 THIS INSTITUTION HAS HAD A LONGTIME RELATIONSHIP
19 WITH GENENTECH. IN THE PEER REVIEW SESSION THERE
20 WAS CONCERN BECAUSE THE GENENTECH SUPPORT LETTER WAS
21 VERY TERSE. BUSINESSES OFTEN DO VERY TERSE LETTERS,
22 BUT THERE'S BEEN A LONG-TERM RELATIONSHIP. THEY
23 DIDN'T HAVE ANY INDEPENDENT ABILITY DURING THAT
24 SESSION TO CONFIRM THE DEPTH OF THIS OR WHETHER IT
25 WAS A WEAK LETTER BECAUSE THEY DIDN'T WANT TO

BARRISTERS' REPORTING SERVICE

1 CONTINUE THE RELATIONSHIP AND THEY'D DONE A PRO
2 FORMA LETTER, SO I THINK IT WAS A SIGNIFICANT FACTOR
3 IN SUBSTANTIALLY IMPACTING THE SCORE.

4 THIS INSTITUTION HAS MADE A VERY MAJOR
5 IMPACT AND COMMITMENT TO STEM CELL RESEARCH. IN
6 FACT, SIGNIFICANTLY MORE THAN MANY OF THE OTHER
7 INSTITUTIONS THAT WE'VE ALREADY FUNDED. AND
8 SUBSEQUENTLY THE INFORMATION THAT I HAVE LEARNED IN
9 TRYING TO CONFIRM THIS IS THAT GENENTECH HAS
10 CONTINUED TO ADD ADDITIONAL STUDENTS FROM THIS INTO
11 THEIR PROGRAMS WITH THE COURSES THEY'RE ABLE TO
12 MAINTAIN. SO THIS IS A STRONG, CONTINUING
13 RELATIONSHIP. IT'S JUST THE PEER REVIEW GROUP HAD
14 NO INDEPENDENT ABILITY TO GO BACK AND CONFIRM THE
15 STRENGTH OF THIS COMMITMENT.

16 ALL RIGHT. I'D LIKE TO ASK THE BOARD, YOU
17 HAVE THE WRITE-UPS IN YOUR BINDERS, IF THERE IS ANY
18 CONSIDERATION. AND I'D LIKE TO KNOW IF YOU'D LIKE
19 TO HANDLE THESE ONE AT A TIME OR IF YOU WOULD LIKE
20 TO HANDLE THESE ALTOGETHER. WE'VE ALREADY GONE
21 THROUGH THE CONFLICTS, SO WE KNOW WHO CAN DISCUSS
22 THEM. WHAT IS THE INTENT? DR. LOVE.

23 DR. LOVE: I WOULD SUGGEST THAT WE TRY TO
24 HANDLE THEM AS A GROUP GIVEN THAT THE WHOLE CATEGORY
25 WAS RECOMMENDED FOR FUNDING IF FUNDS ARE AVAILABLE

BARRISTERS' REPORTING SERVICE

1 GIVEN THAT FUNDS ARE NOW AVAILABLE.

2 CHAIRMAN KLEIN: ALL RIGHT. THAT'S A
3 MOTION?

4 DR. LOVE: YES.

5 MR. GOLDBERG: SECOND.

6 CHAIRMAN KLEIN: I'D LIKE TO HAVE ANY
7 DISCUSSION. ANY DISCUSSION?

8 MR. ROTH: SO I WANT TO -- I'M GOING TO
9 SUPPORT THIS. I SUPPORTED THIS PROGRAM IN THE
10 BEGINNING, BUT I AM A BIT TROUBLED BY THE COST PER
11 STUDENT TO DO THIS. IF MY MATH IS CORRECT, IT'S
12 ABOUT \$50,000 SUPPLEMENT PER STUDENT. AND I WAS
13 HOPING THAT NUMBER WOULD CERTAINLY BE A LOT LESS AND
14 THERE WOULD BE A LOT MORE STUDENTS INVOLVED. MAYBE
15 THAT'S JUST MY PERCEPTION. BUT WHEN YOU HAVE TEN OR
16 ELEVEN PROGRAMS AND WE'RE ONLY DOING A HUNDRED
17 STUDENTS A YEAR, THAT'S A LOT OF MONEY. THAT'S A
18 FULL RIDE TO MOST OF THESE SCHOOLS. SO I HOPE IT'S
19 APPRECIATED FOR THOSE STUDENTS THAT DO BENEFIT, AND
20 I WOULD LOVE TO SEE THOSE NUMBERS GET A LOT BIGGER,
21 WHICH WOULD BRING THE COST PER STUDENT DOWN.

22 CHAIRMAN KLEIN: SO I'D LIKE TO ASK DR.
23 YAFFE. AND BY THE WAY, DR. YAFFE, I THINK IT'S
24 EXEMPLARY THAT YOU REACHED OUT TO INSTITUTIONS, BOTH
25 COMMUNITY COLLEGE AND STATE UNIVERSITY PROGRAMS,

BARRISTERS' REPORTING SERVICE

1 WITH EXISTING PROGRAMS TO FIND OUT BEST PRACTICES
2 AND INCORPORATING AND HELPING THEM DEVELOP THESE
3 PROGRAMS. BUT COULD YOU TELL US, SO THESE TEN
4 STUDENTS, COULD YOU TELL US HOW LONG EACH OF THE TEN
5 STUDENTS GOES THROUGH THIS PROGRAM AND WHAT THE
6 SEQUENCE IS AND WHAT THIS MONEY IS COVERING?

7 DR. YAFFE: SO THERE'S QUITE A VARIETY AND
8 VARIATION AMONG THE DIFFERENT PROGRAMS IN TERMS OF
9 LENGTH OF THE INTERNSHIP AND THE LENGTH OF THE
10 PROGRAM. SOME OF THE PROGRAMS ARE TWO-YEAR
11 PROGRAMS, ALTHOUGH CIRM ONLY SUPPORTS THE INTERNSHIP
12 COMPONENT OF THE PROGRAM AND THE COSTS ASSOCIATED
13 WITH THAT PRIMARILY. AND SO THE PROGRAMS VARY, IN
14 FACT, FROM SIX-MONTH INTERNSHIPS TO ONE-YEAR
15 INTERNSHIPS. IT'S ONE OF THE REASONS THERE'S
16 DIFFERENCES IN THE COSTS OF THE PROGRAMS.

17 I THINK THAT IN TERMS OF STUDENTS
18 BENEFITING, ONE COULD LOOK AT THAT IN A NUMBER OF
19 DIFFERENT WAYS. YOU MAY REMEMBER THAT ONE COMPONENT
20 OF THIS PROGRAM ARE GENERAL EDUCATION COURSES THAT
21 ARE SUPPORTED. THOSE COURSES CERTAINLY BENEFIT A
22 MUCH GREATER NUMBER OF STUDENTS WHO ARE NOT DOING
23 THE INTERNSHIPS. THERE'S ALSO MONIES FOR TRAINING
24 AT CIRM-SUPPORTED STEM CELL SHARED LABORATORY
25 FACILITIES. AND I THINK THAT THERE'S A MULTIPLIER

BARRISTERS' REPORTING SERVICE

1 EFFECT HERE. SO I DON'T KNOW THAT WE WOULD SAY THAT
2 WE'RE ONLY SUPPORTING A LIMITED NUMBER.

3 FOR THE RECORD, WE HAVE 11 -- THERE ARE 11
4 PROGRAMS BEING SUPPORTED. THAT'S 110 STUDENTS PER
5 YEAR OR 330 STUDENTS OVER THE THREE YEARS. WITH THE
6 ADDITION, THERE WOULD BE AN ADDITIONAL 137 STUDENTS
7 SUPPORTED.

8 MR. ROTH: STILL GLOBALLY, IF YOU DO THE
9 MATH --

10 DR. YAFFE: YES, I APPRECIATE THAT.

11 MR. ROTH: -- WE'RE TALKING ABOUT -- I
12 THINK IT NEEDS TO BE EMPHASIZED. WHAT I WOULD LIKE
13 AT SOME POINT IS AN ACCOUNTABILITY OF THAT.
14 SOMEBODY COME BACK AND TELL US HOW MANY STUDENTS DID
15 WE REALLY TOUCH IF WE GO UP TO \$25 MILLION NOW AND
16 SEE IF WE'RE GETTING OUR VALUE. I SUPPORT THE
17 PROGRAM. I LOVE THE PROGRAM. I WAS DISAPPOINTED.
18 AND AS I SAID, IT MAY BE ME JUST NOT PAYING
19 ATTENTION HERE, BUT THAT NUMBER JUMPED AT ME. IT
20 SEEMS TO ME THAT'S, GIVEN THE SIZE OF THESE SCHOOLS,
21 A HUNDRED TEN STUDENTS PER SCHOOL IS NOT WHAT I HAD
22 IN MIND.

23 CHAIRMAN KLEIN: SO IT'S ACTUALLY 30
24 STUDENTS BECAUSE OF THE THREE-YEAR PROGRAM. SO YOU
25 END UP WITH 30 STUDENTS RUNNING THROUGH IT. BUT

BARRISTERS' REPORTING SERVICE

1 ALSO I THINK IT'D BE VERY HELPFUL TO THIS BOARD IN
2 THE REPORT BACK THAT DUANE ROTH IS ASKING FOR TO
3 TELL US THOSE SCHOOLS WHERE THERE'S ADDITIONAL
4 LEVERAGE. SO, FOR EXAMPLE, I THINK SAN JOSE STATE,
5 IF MY MEMORY IS CORRECT, IS ONE OF THOSE SCHOOLS. I
6 THINK THEY REFERENCED THEY HAD 19 STUDENTS ALTHOUGH
7 WE'RE SUPPORTING TEN. BECAUSE WE'RE SUPPORTING THE
8 CORE PROGRAMS AND THE CORE FACILITIES, WE ARE
9 GETTING LEVERAGE IN A NUMBER OF THESE PROGRAMS, AND
10 MORE STUDENTS ARE GOING THROUGH IT THAN WE'RE
11 ACTUALLY PAYING FOR. AND THEY'RE GOING THROUGH IT
12 FOR A LONGER PERIOD OF TIME THAN WHAT WE'RE PAYING
13 FOR.

14 SO I THINK A REPORT BACK TO US THAT
15 CAPTURES THOSE LEVERAGE ITEMS WOULD BE VERY HELPFUL
16 TO THE BOARD. ADDITIONAL COMMENTS?

17 MR. TORRES: I THINK THE STUDENTS ARE
18 WONDERING WHERE IS THE 50,000 THAT WE'RE SUPPOSED TO
19 BE GETTING PER STUDENT. WE JUST WANT TO MAKE SURE
20 THAT THERE ARE OTHER COSTS, WHICH IS AN APPROPRIATE
21 QUESTION FOR DUANE TO ASK, AND THAT IS I THINK THE
22 ACCOUNTING WOULD BE VERY HELPFUL. JUST WHERE DOES
23 THE MONEY GO? AT THE END OF THE DAY, IT DOESN'T ALL
24 GO JUST DIRECTLY TO THE STUDENTS ALTHOUGH IT'S
25 COVERED IN TERMS OF FACULTY AND EQUIPMENT AND SHARED

BARRISTERS' REPORTING SERVICE

1 LABS AND OTHER AREAS. BUT I THINK DUANE'S QUESTION
2 IS RIGHT ON TARGET. WE NEED TO KNOW WHAT THOSE --

3 MR. ROTH: THE FIXED COSTS ARE ALWAYS
4 GOING TO BE HIGH, SO DOUBLING THE NUMBER OF
5 STUDENTS, FOR EXAMPLE, WOULD MAKE THE NUMBERS REALLY
6 LOOK MUCH BETTER. PROBABLY YOU DON'T DOUBLE THE
7 COST TO DOUBLE THE STUDENTS. YOU CAN PROBABLY GO TO
8 40 STUDENTS FOR THE AMOUNT OF MONEY.

9 CHAIRMAN KLEIN: I THINK IT'S AN EXCELLENT
10 POINT.

11 DR. YAFFE: I'D ALSO POINT OUT THAT WE
12 GAVE INDIRECT COSTS ON THESE AWARDS, SO THAT MONEY
13 GOES TO THE INSTITUTIONS.

14 CHAIRMAN KLEIN: OKAY. SO THERE ARE
15 MENTOR PROGRAMS, THERE'S FACULTY MONEY, THERE'S LAB
16 MONEY, THERE'S A STIPEND FOR THE STUDENTS. AND WE
17 CAN GET A REPORT BACK. THAT WAS IN THE ORIGINAL
18 REPORT. WE DID COVER IT WHEN WE WENT THROUGH THIS
19 BEFORE, BUT A FOLLOW-UP REPORT, INCLUDING THE
20 LEVERAGE FACTORS WE'RE GETTING OUT OF THIS. AND AS
21 DR. BOOTHBY INDICATED, AT SAN JOSE STATE, WE'RE
22 REALLY IMPACTING FOUR TIERS WITHIN EACH OF THESE
23 INSTITUTIONS, FACULTY ENRICHMENT BEING AN IMPORTANT
24 TIER THAT WE HAVEN'T EMPHASIZED BECAUSE OF THE
25 INTERCHANGE THEY HAVE WITH THESE OTHER INSTITUTIONS.

BARRISTERS' REPORTING SERVICE

1 ADDITIONAL COMMENTS?

2 MS. GIBBONS: MAY I JUST SAY THAT I WAS
3 WATCHING ALL OF MY COLLEAGUES AS THE YOUNG STUDENTS
4 WERE SPEAKING WITH US, AND HOW THRILLING IT IS TO
5 SEE THAT POISE AND THE PASSION AND YOUR SENSE OF
6 PURPOSE AND THE PROMISE THAT IT REALLY REPRESENTS.
7 IT WAS JUST A REAL TREAT FOR US, AND I THANK YOU SO
8 MUCH FOR THAT. IT WAS REALLY A HIGHLIGHT.

9 MR. TORRES: HERE. HERE.

10 CHAIRMAN KLEIN: I'D SECOND THAT WITH AN
11 UNDERLINE. ADDITIONAL COMMENTS?

12 MR. SERRANO-SEWELL: CALL THE QUESTION.

13 CHAIRMAN KLEIN: AND I'D LIKE, IN CALLING
14 THE QUESTION, TO THANK DAVID SERRANO-SEWELL AND
15 MARCH FEIT ON THE TASK FORCE THAT REALLY SPEARHEADED
16 THIS AND MOVED IT FORWARD. AND, AGAIN, DR. YAFFE
17 AND DR. TROUNSON FOR THE TREMENDOUS SUPPORT FOR THIS
18 PROGRAM AND THE QUALITY OF THE RFA AND THE SUPPORT
19 WE'VE GIVEN.

20 CALL THE QUESTION, BUT WE'RE GOING TO DO
21 THIS BY ROLL CALL BECAUSE OF THE CONFLICTS ISSUES.
22 MR. HARRISON.

23 MR. HARRISON: JUST ONE CLARIFICATION.
24 BECAUSE THIS MOTION ONLY GOES TO TIER II, NOT TIER
25 II AND TIER III, THERE ARE FEWER MEMBERS IN

BARRISTERS' REPORTING SERVICE

1 CONFLICT. SO FOR THE FOLLOWING MEMBERS, THEIR VOTE
2 ON THIS MOTION NEEDS TO BE EXCEPT THOSE APPLICATIONS
3 IN WHICH THEY HAVE AN INTEREST: BRYANT, DAFOE,
4 FEIT, HAWGOOD, PENHOET, PRICE, ROME, SHEEHY, AND
5 STEWARD. EVERYONE ELSE IS FREE TO VOTE.

6 CHAIRMAN KLEIN: SO THOSE MEMBERS CAN VOTE
7 AYE IF THEY CHOOSE TO OR NAY AND EXCEPT FOR THOSE
8 WITH WHICH THEY HAVE A CONFLICT. MELISSA KING,
9 PLEASE CALL THE ROLL.

10 MS. KING: DONALD DAFOE.

11 DR. DAFOE: YES, EXCEPT FOR THOSE WITH
12 WHICH I HAVE A CONFLICT.

13 MS. KING: ROBERT PRICE.

14 DR. PRICE: YES, EXCEPT FOR THOSE WITH
15 WHICH I HAVE A CONFLICT.

16 MS. KING: GORDON GILL.

17 DR. GILL: YES.

18 MS. KING: WILLIAM BRODY.

19 DR. BRODY: YES.

20 MS. KING: SUSAN BRYANT.

21 DR. BRYANT: YES, EXCEPT FOR THOSE WITH
22 WHICH I HAVE A CONFLICT.

23 MS. KING: MARCY FEIT.

24 MS. FEIT: YES, EXCEPT FOR THOSE WITH
25 WHICH I HAVE A CONFLICT.

BARRISTERS' REPORTING SERVICE

1 MS. KING: MICHAEL FRIEDMAN, ARE YOU ON
2 THE LINE? LEEZA GIBBONS.

3 MS. GIBBONS: YES.

4 MS. KING: SAM HAWGOOD.

5 DR. HAWGOOD: YES, EXCEPT FOR THOSE WITH
6 WHICH I HAVE A CONFLICT.

7 MS. KING: MICHAEL GOLDBERG.

8 MR. GOLDBERG: YES.

9 MS. KING: BOB KLEIN.

10 CHAIRMAN KLEIN: YES.

11 MS. KING: LEONARD ROME.

12 DR. ROME: YES, EXCEPT FOR THOSE WITH
13 WHICH I HAVE A CONFLICT.

14 MS. KING: TED LOVE.

15 DR. LOVE: YES.

16 MS. KING: ED PENHOET.

17 DR. PENHOET: YES, EXCEPT FOR THE ONE WITH
18 WHICH I HAVE A CONFLICT.

19 MS. KING: KEN BURTIS.

20 DR. BURTIS: YES.

21 MS. KING: FRANCISCO PRIETO.

22 DR. PRIETO: YES.

23 MS. KING: DUANE ROTH.

24 MR. ROTH: YES.

25 MS. KING: DAVID SERRANO-SEWELL.

BARRISTERS' REPORTING SERVICE

1 MR. SERRANO-SEWELL: YES.

2 MS. KING: JEFF SHEEHY.

3 MR. SHEEHY: YES, EXCEPT FOR THOSE WITH
4 WHICH I HAVE A CONFLICT.

5 MS. KING: OSWALD STEWARD.

6 DR. STEWARD: YES, EXCEPT FOR THOSE WITH
7 WHICH I HAVE A CONFLICT.

8 MS. KING: AND ART TORRES.

9 MR. TORRES: AYE.

10 MS. KING: AND FOR THE RECORD, THE MOTION
11 CARRIES.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
13 THANK YOU REPRESENTING THE CSU AND THE COMMUNITY
14 COLLEGES FOR YOUR LEADERSHIP AND COMMITMENT. THANK
15 THE STUDENTS FOR THE SPECIAL EFFORT IN COMING OUT
16 TODAY. THE INDIVIDUAL TESTIMONY AND INSIGHT INTO
17 YOUR MOTIVATION AND COMMITMENT ALWAYS MAKES AN
18 IMPORTANT DIFFERENCE. THANK YOU.

19 (APPLAUSE.)

20 CHAIRMAN KLEIN: I'D LIKE TO MOVE ON TO
21 THE TRAINING GRANTS, AND COULD YOU PLEASE INDICATE
22 THE CONFLICTS?

23 MR. HARRISON: THE FOLLOWING MEMBERS
24 CANNOT PARTICIPATE IN THIS DISCUSSION: BRYANT AND
25 STEWARD.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: SO --

2 MR. HARRISON: LET ME TAKE THAT BACK.
3 THAT WAS FOR THE ORIGINAL MOTION. THERE ARE
4 ACTUALLY NO MEMBERS IN CONFLICT WHO ARE PRESENT.

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH. DR.
6 SAMBRANO, COULD YOU PLEASE INTRODUCE THIS ITEM?

7 DR. SAMBRANO: SURE, ABSOLUTELY. MR.
8 CHAIR, MEMBERS OF THE BOARD, I JUST WANT TO PROVIDE,
9 AS DR. YAFFE DID FOR BRIDGES, A REMINDER OF THE
10 ACTIONS THAT YOU'VE TAKEN WITH THIS RESEARCH PROGRAM
11 AND WHAT THE INTENT AND OBJECTIVES OF THE RESEARCH
12 TRAINING PROGRAM ARE.

13 THE CIRM RESEARCH TRAINING PROGRAM II IS
14 THE SECOND ISSUANCE OF WHAT WAS OUR ORIGINAL
15 TRAINING PROGRAM THAT WAS OUR FIRST RFA. AS YOU
16 KNOW, THAT HAS BEEN A VERY SUCCESSFUL PROGRAM AND
17 HAS PRODUCED PUBLICATIONS FROM THAT TRAINING PROGRAM
18 ON THE ORDER OF ABOUT 270. THE PROGRAM IS TARGETED
19 AT TRAINING PREDOCTORAL, POSTDOCTORAL, AND CLINICAL
20 FELLOWS. THE AWARDS COVER TRAINEE-RELATED COSTS,
21 INCLUDING STIPENDS, TUITION AND FEES FOR THOSE THAT
22 ARE GRADUATE STUDENTS, COVERS HEALTH INSURANCE, AND
23 IT PROVIDES A RESEARCH AND TRAVEL SUPPLEMENT. IT
24 ALSO COVERS PROGRAM ADMINISTRATION COSTS SUCH AS THE
25 RUNNING OF REQUIRED COURSES SUCH AS A STEM CELL

BARRISTERS' REPORTING SERVICE

1 BIOLOGY COURSE AND ETHICS COURSE REQUIRED OF ALL THE
2 PROGRAMS, SEMINARS, AND PARTIAL SALARY FOR THE
3 PROGRAM DIRECTOR.

4 IN TERMS OF WHERE WE ARE WITH THIS PROGRAM
5 FOR THE TRAINING GRANT II PROGRAM, THE
6 RECOMMENDATIONS OF THE GRANT WORKING GROUP ARE AS
7 FOLLOWS: THERE WERE 15 APPLICATIONS THAT WERE
8 RECOMMENDED FOR FUNDING WITH A TOTAL AMOUNT
9 REQUESTED OF ABOUT 40.6 MILLION, AND THESE WERE
10 APPROVED BY YOU BACK IN MARCH AND MOVED FORWARD IN
11 JUNE.

12 THERE WERE TWO APPLICATIONS THAT WERE IN
13 TIER II RECOMMENDED IF FUNDS ARE AVAILABLE, AND
14 THOSE TWO TOTAL 4.6 MILLION. THOSE WERE NOT
15 APPROVED AT THAT TIME.

16 THIS IS THE HISTOGRAM THAT SHOWS THE SCORE
17 DISTRIBUTION OF THE APPLICATIONS AS THEY WERE SCORED
18 BY THE GRANTS WORKING GROUP. AND AS YOU CAN SEE,
19 THE TIER I ALL BEGIN AT A SCORE OF 80 OR ABOVE.
20 THOSE IN TIER II ARE A TINY ISLAND BETWEEN 70 AND
21 75.

22 THIS IS A LISTING OF THOSE PROGRAMS WHICH
23 YOU FUNDED BACK IN JUNE, AND SO THIS TOTALS THE 15
24 EXISTING PROGRAMS THAT HAVE SCORES THAT RANGE FROM
25 80 TO 98.

BARRISTERS' REPORTING SERVICE

1 THE NEXT SLIDE. AND THEN THESE REPRESENT
2 THE TWO PROGRAMS THAT ARE UNDER CONSIDERATION TODAY.
3 THE TWO PROGRAMS ARE A BIT DIFFERENT. ONE IS A TYPE
4 III, WHICH IS THE FIRST ONE LISTED, 1155. THAT ONE
5 IS A VERY FOCUSED PROGRAM WHICH IS INTENDED TO TRAIN
6 POSTDOCTORAL FELLOWS ONLY PARTICULARLY IN THE AREA
7 OF STEM CELLS AND AGING. THE OTHER PROGRAM IS A
8 COMPREHENSIVE PROGRAM WHICH IS INTENDED TO COVER
9 TRAINING FOR PREDOCTORAL, POSTDOCTORAL, AND CLINICAL
10 FELLOWS AND WOULD SUPPORT 16 TRAINEES.

11 AND IF THERE ARE ANY QUESTIONS, I'D BE
12 HAPPY TO ADDRESS THEM.

13 CHAIRMAN KLEIN: IN TERMS OF THESE
14 PROPOSALS, I BELIEVE WE HAVE SOME WITNESSES HERE
15 THAT WOULD LIKE TO SPEAK FROM THE BUCK INSTITUTE.
16 AND BEFORE THAT PRESENTATION, DR. SAMBRANO, IN TERMS
17 OF THE 70 SCORE, MY RECOLLECTION IS THAT, IN FACT,
18 THAT INSTITUTION'S FELLOWSHIP TRAINEES HAD A VERY
19 HIGH PRODUCTIVITY IN PUBLICATIONS UNDER THEIR FIRST
20 TRAINING PROGRAM. IS THAT A CORRECT RECOLLECTION?

21 DR. SAMBRANO: RIGHT. SO THIS IS A
22 PROGRAM THAT WOULD BE ESSENTIALLY RENEWING. THEY'VE
23 HAD AND BEEN CARRYING A TRAINING PROGRAM ALREADY AND
24 HAVE BEEN CONTINUING IT SINCE THAT TIME. I THINK
25 THEY'VE GENERALLY BEEN VERY PRODUCTIVE ACROSS THE

BARRISTERS' REPORTING SERVICE

1 BOARD IN TERMS OF BOTH PUBLICATIONS AND TRAINING
2 FELLOWS.

3 CHAIRMAN KLEIN: AND AS BACKGROUND, I'D
4 LIKE TO SAY THAT SUBSEQUENT TO THIS PEER REVIEW, I
5 RECEIVED A COMMUNICATION FROM A REVIEWER WHO HAD
6 COMMENTED ON A VIDEO PORTION OF THEIR TRAINING
7 PROGRAM AND HAD ORIGINALLY BEEN VERY NEGATIVE
8 BECAUSE THAT PARTICULAR IMPORTANT COURSE WAS TAUGHT
9 ON A VIDEO BASIS. THE VIDEO PURPOSE OF THAT PROGRAM
10 IS IT INCLUDED TWO OTHER INSTITUTIONS WHICH THEY
11 HAVE AFFILIATIONS WITH, VERY EXTREMELY PRESTIGIOUS
12 INSTITUTIONS WITH CLINICAL AND SCIENTIFIC PROGRAMS.
13 AND THEY WANTED TO BE ABLE TO BRING THOSE PEOPLE
14 INTO THE PROGRAM. AND THE QUESTION WAS HOW MUCH
15 QUALITY CAN YOU GET OUT OF A VIDEO TELECAST TO A
16 LIMITED AUDIENCE LIKE THAT ON THIS IMPORTANT COURSE.

17 AND THE SUBSEQUENT COMMUNICATION WAS TO
18 THE EFFECT THAT, IN FACT, THE REVIEWER FELT THAT
19 THERE HAD BEEN SOME CONFIRMATION, I BELIEVE, OF THAT
20 QUALITY. I INDEPENDENTLY AM AWARE OF THIS PROGRAM,
21 AND I WILL TELL YOU THAT THE REVIEWER THOUGHT THAT
22 IT SHOULD REMAIN WITHIN THE FUNDING RANGE AND FELT
23 MUCH BETTER ABOUT IT NOW THAT THEY HAD A CHANCE TO
24 THINK ABOUT IT.

25 I'D LIKE TO -- MR. SHEEHY, DOES -- I DON'T

BARRISTERS' REPORTING SERVICE

1 THINK MR. SHEEHY HAS ANY CONFLICTS.

2 MR. SHEEHY: I DON'T HAVE ANY. I JUST
3 WANTED TO SAY 70 HAS TYPICALLY BEEN A FUNDING LINE
4 FOR US, SO ANYTHING 70 AND ABOVE HAS BEEN FUNDED.
5 SO I DO THINK THAT THE INTENT OF THE WORKING GROUP
6 WAS TO CLEARLY SAY IF FUNDS ARE AVAILABLE. I ALSO
7 BELIEVE, EVEN IF WE FUND THESE, WE'RE BELOW THE
8 GLOBAL LIMIT THAT WE HAD SET ASIDE FOR THIS ROUND.
9 SO IF YOU LOOK AT OUR ORIGINAL INTENT, WE WERE
10 PLANNING TO SPEND, WHAT, 48, AND THIS WOULD BRING US
11 TO, WHAT, 45, 46 ACCORDING TO WHAT WE HAD ORIGINALLY
12 INTENDED.

13 AND I WOULD NOTE, AS THE CHAIR HAS
14 MENTIONED, THAT THIS IS AN ONGOING PROGRAM, AT LEAST
15 THE ONE THAT'S A 70. AND I DO THINK WE HAD
16 DISCUSSED THIS, I DISCUSSED WITH GIL, YOU KNOW,
17 TRYING TO GET A HANDLE ON THE RELATIVE MERITS OF
18 THESE PROGRAMS. AND WE REALLY HAVEN'T HAD A CHANCE.
19 WE NEED TO KIND OF DO TWO ROUNDS WITH THE PROGRAMS,
20 GET A SENSE OF THE PUBLICATIONS, THE PRODUCTIVITY,
21 FIND OUT WHAT'S HAPPENED TO THE STUDENTS WHO'VE GONE
22 THROUGH THESE PROGRAMS. AND SO I'M NOT SURE THAT
23 FOR ME PERSONALLY I'M AT A POINT WHERE I'M WILLING
24 TO SAY, YOU KNOW, YOU GUYS HAVE DONE THIS FOR A
25 WHILE AND WE'RE NOT GOING TO CONTINUE YOU.

BARRISTERS' REPORTING SERVICE

1 I THINK WE REALLY WITH REASONABLE SCORES
2 THAT PROGRAMS WHO WE'VE STARTED -- THIS WAS OUR
3 FIRST GRANT ROUND WAS THE TRAINING. I THINK WE NEED
4 TO REALLY PROBABLY CONTINUE THE ONGOING PROGRAMS
5 UNTIL WE CAN REALLY GET SOME GOOD, CLEAR METRICS AND
6 DETERMINE WHO'S REALLY DOING AN EXTRAORDINARY JOB.
7 AND UNTIL WE HAVE THOSE METRICS, THAT'S REALLY
8 WHAT'S GOING TO TELL US, PUBLICATIONS, WHAT THE
9 PRODUCTIVITY OF THE SCIENTISTS WHO'VE GONE THROUGH
10 THESE PROGRAMS ARE AFTERWARDS.

11 SO I DO HOPE THAT WE CONTINUE AT LEAST
12 THIS ONE PROGRAM ON BECAUSE I THINK IT'S IMPORTANT
13 AS PART OF OUR GENERAL PROGRAM.

14 CHAIRMAN KLEIN: THANK YOU. ANY
15 ADDITIONAL BOARD COMMENTS BEFORE I CALL THE
16 WITNESSES HERE? COULD I HAVE DR. KOVACH, PLEASE.

17 DR. KOVACH: THANKS TO THE ICOC AND THE
18 CIRM STAFF WHO'S HELPED US. I'M JIM KOVACH FROM THE
19 BUCK INSTITUTE FOR AGE RESEARCH. I JUST WANTED TO
20 COMMENT BRIEFLY ON INSTITUTIONAL SUPPORT ELEMENTS
21 AND ALSO THE TRAINING EXPERIENCE THAT WE'LL PROVIDE
22 TO THESE POST-DOCTORAL FELLOWS.

23 IT'S BEEN ABOUT A YEAR SINCE THE
24 APPLICATION, AND WE'RE 10 PERCENT OLDER AS AN
25 INSTITUTE. SO A LOT HAS HAPPENED. WE'RE VERY

BARRISTERS' REPORTING SERVICE

1 EXCITED. ON AN INSTITUTIONAL FRONT, WE'RE
2 FINALIZING THE ELEMENT TO COMMENCE CONSTRUCTION OF A
3 NEW BUILDING, 65,000 SQUARE FEET DEDICATED TO STEM
4 CELLS AND AGING, AND WE THANK CIRM FOR THE GRANT
5 THAT IT PROVIDED.

6 WE ARE CONTINUING TO ACTIVELY RECRUIT.
7 SINCE THE APPLICATION WAS PUT IN BY US, WE ADDED
8 DR. SEAN MOONEY FROM THE UNIVERSITY OF INDIANA TO
9 OVERSEE BIOINFORMATICS AT THE BUCK INSTITUTE. HE
10 OVERSAW ALL THE MEDICAL INFORMATICS AT INDIANA
11 UNIVERSITY'S MEDICAL CENTER THERE. WE'RE
12 REACCREDITED FOR AAALAC. AAALAC IS THE HIGHEST
13 ACCREDITATION FOR VIVARIUMS, AND I REUPPED FOR
14 ANOTHER TWO YEARS. WE'VE COMMENCED EPIGENETIC
15 STUDIES IN THE STEM CELL FIELD, LOOKING AT THE
16 TOPOCYTE-DERIVED MESENCHYMAL STEM CELLS AND LOOKING
17 AT THE EPIGENETIC PHENOTYPE OF CELLS AND
18 COLLABORATING WITH KAISER IN NORTHERN CALIFORNIA TO
19 OBTAIN THE TISSUE.

20 SO WE'RE STARTING TO REACH OUT INTO THE
21 CLINICAL REALM THROUGH COLLABORATIONS. WE ARE VERY
22 HIGHLY COLLABORATIVE. WE FOCUS ON STEM CELLS AND
23 AGING, BUT DO OUTREACH. I THINK OUR WORK WITH OLLIE
24 LINDBERG AT LUND UNIVERSITY THAT WAS MENTIONED IN
25 THE PREVIOUS PARKINSON'S GRANT APPLICATION IS KIND

BARRISTERS' REPORTING SERVICE

1 OF A TESTIMONY TO OUR PHILOSOPHY.

2 AND I THINK THAT WOULD BE VERY ENRICHING
3 FOR POSTDOCTORAL FELLOWS. AND WE RECENTLY APPOINTED
4 LAST WEEK DR. CHARLES EPSTEIN WHO HAD BEEN THE HEAD
5 OF OUR SCIENTIFIC ADVISORY BOARD. HE'S NOW THE
6 BOARD CHAIRMAN FOR THE BUCK INSTITUTE. AND I THINK
7 THAT YOU WILL SEE THAT THIS REALLY WILL HELP US TO
8 REALLY BUILD OUT STEM CELLS IN AGING AND BUILD A
9 UNIQUE SCIENTIFIC ENTERPRISE IN THAT AREA. FOR
10 THOSE WHO DON'T KNOW, DR. EPSTEIN IS A LONGTIME
11 HUMAN GENETICIST AT UCSF AND HAS BEEN ON OUR
12 SCIENTIFIC ADVISORY BOARD FOR MANY YEARS.

13 THE TRAINING ENVIRONMENT, WE'VE DONE A LOT
14 THERE IN THE LAST YEAR AS WELL. WE'VE SUCCESSFULLY
15 IMPLEMENTED OUR MASTER'S PROGRAM WITH DOMINICAN
16 UNIVERSITY. WE CURRENTLY HAVE 12 MASTER'S STUDENTS
17 WITHIN THE LABORATORIES OF OUR 17 FACULTY AT THE
18 BUCK INSTITUTE. AND IT'S REALLY GREAT. I SAW THE
19 STUDENTS HERE. TO SEE THE STUDENTS IN THE SAME
20 LUNCHROOM WITH ME AND OTHER FACULTY MEMBERS LIKE
21 XIAMIN AND MAHENDRA RAO, VERY, VERY UNIQUE, AND IT
22 GETS THE TECHNOLOGY TRANSFERS, REALLY KNOWLEDGE
23 TRANSFER BETWEEN INDIVIDUALS WITH COMPLEMENTARY
24 KINDS OF EXPERTISE. I THINK THAT WE'RE VERY UNIQUE
25 IN REALLY HAVING A BROAD ARRAY OF DISCIPLINES THAT

BARRISTERS' REPORTING SERVICE

1 EMPOWER STEM CELLS, KIND OF THE YOUNG SPECIALTY OR
2 THE YOUNG AREA THAT STEM CELLS IS.

3 WE HAVE RUN MANY TRAINING PROGRAMS
4 WITHIN -- THESE ARE STEM CELL TRAINING PROGRAMS THAT
5 ARE OVERSEEN BY MAHENDRA AND XIAMIN IN THE
6 LABORATORY THAT WAS SUPPORTED BY CIRM, AND WE THANK
7 YOU FOR THAT SPACE. IT'S BEEN VERY USEFUL FOR
8 TRAINING A WIDE ARRAY OF PEOPLE THAT ARE EITHER
9 INDUSTRY WANTING TO KIND OF REPURPOSE THEIR TRAINING
10 INTO STEM CELL STUDENTS IN CALIFORNIA AND REALLY
11 NATIONALLY AND INTERNATIONALLY AS WELL. SO THOSE
12 ARE GOING VERY, VERY WELL.

13 SO JUST IN CLOSING, I THINK THAT, YOU
14 KNOW, IT'S A GREAT LEVERAGE OPPORTUNITY FOR THE
15 INSTITUTE. I'D LIKE TO THINK OF IT AS AN INVESTMENT
16 IN KIND OF A DIVERSIFIED PORTFOLIO. AS AN
17 INDEPENDENT RESEARCH INSTITUTE, WE'RE A VERY FLAT
18 ORGANIZATION. WE DEFINITELY DO PROVIDE A VERY
19 UNIQUE TRAINING EXPERIENCE FOR POST DOCS CURRENTLY.
20 I THINK THAT THAT WOULD BE AMPLIFIED IN TERMS OF
21 BRINGING PEOPLE IN STEM CELLS, BUT GETTING TRAINING
22 ON AGING AS WELL. AGING IS -- THERE'S A VERY
23 INTERESTING TUTORIAL ABOUT CANCER. IF YOU THINK
24 ABOUT CANCER, THE RISK OF GETTING CANCER OF SOMEONE
25 WHO'S 30 AND 60 IS 64 TIMES HIGHER FOR THE

BARRISTERS' REPORTING SERVICE

1 60-YEAR-OLD FOR NO OTHER REASON BUT AGING. SO AGING
2 IS A COMPONENT OF DISEASES THAT CAN BE TREATED AND
3 AMELIORATED BY STEM CELLS. I THINK THAT KIND OF
4 TRAINING WOULD BE UNIQUE, AND THANKS FOR YOUR
5 CONSIDERATION.

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
7 AND, DR. ZENG, WITH THAT BACKGROUND, MAYBE YOU CAN
8 FOCUS SQUARELY JUST ON THE TRAINING PROGRAM. THANK
9 YOU.

10 DR. ZENG: WELL, GOOD MORNING, MR.
11 CHAIRMAN AND MEMBER OF THE ICOC AND THE CIRM STAFF.
12 SO I AM XIANMIN ZENG FROM THE BUCK INSTITUTE. I'M
13 THE ASSOCIATE PROGRAM DIRECTOR ON THIS APPLICATION.
14 I WOULD LIKE TO THANK YOU FOR THE CHANCE TO SPEAK
15 HERE, AND I ACTUALLY WANT TO SPEAK ON BEHALF OF THE
16 PROGRAM DIRECTOR DR. DAVID GREENBERG. SO HE IS IN
17 FLORIDA WITH HIS FATHER, WHO IS UNDERGO BYPASS
18 SURGERY. HE WOULD BE HERE IF THAT'S NOT THE CASE.

19 SO I REALLY APPRECIATE THAT THE ICOC
20 RECONSIDER FUNDING OUR PROGRAM OR THE TIER II
21 PROGRAM OF THE TRAINING GRANT. AND I REQUEST THAT
22 THE ICOC TO APPROVE THE FUNDING IN VIEW OF THE
23 STRONG, POSITIVE REVIEW THAT WE RECEIVED, AND THE
24 UNIQUE OPPORTUNITY THAT THIS PROGRAM PROVIDES TO
25 TRAIN STEM CELL SCIENTISTS THAT FOCUS ON AGING AND

BARRISTERS' REPORTING SERVICE

1 AGING-RELATED DISEASE.

2 SO THE ORIGINAL REVIEW THAT I WANT TO,
3 LIKE MR. KLEIN JUST SAID, I WANT TO FOCUS A LITTLE
4 BIT ON OUR PROGRAM. SO THAT CITE A LOT OF STRENGTHS
5 WHICH INCLUDE, FIRST, THE EXCELLENT QUALITY OF THE
6 TRAINING ENVIRONMENT AND THE COURSE INSTRUCTORS.
7 SECOND, THE JOINT PARTICIPATION OF ACADEMIC AND
8 INDUSTRY SCIENTISTS. THIRD, LABORATORY INSTRUCTIONS
9 FOR ALL TRAINEES IN CIRM-FUNDED STEM CELL TRAINING
10 LAB. FOURTH, THE QUALIFICATION OF THE PROGRAM
11 DIRECTOR AND ASSOCIATE DIRECTOR. FIVE, THE
12 CONSIDERED AND WELL-ORGANIZED PLAN FOR SCIENTIFIC
13 AND ADMINISTRATIVE OVERSIGHT. SIX, THE AVAILABILITY
14 OF EXCELLENT RESEARCHERS IN THE FIELD OF
15 DEVELOPMENTAL BIOLOGY WHERE MAJOR ADVANCES IN STEM
16 CELL RESEARCH ARE LIKELY TO OCCUR. SEVEN, THE
17 STRONG TRAINING RECORD OF THE FACULTY AND THE
18 IMPRESSIVE PRODUCTIVITY AND EARLY CAREER SUCCESS OF
19 POSTDOCTORAL FELLOWS TRAINED AT THE INSTITUTE TO
20 DATE.

21 SO THE SCIENTIFIC REVIEWER CONCLUDED THE
22 PROGRAM WAS LIKELY TO HAVE A HIGH IMPACT. THE MAIN
23 POTENTIAL DRAWBACKS CITED BY THE REVIEWER WAS THE
24 BUCK INSTITUTE IS A SMALL AND RELATIVE NEW
25 INSTITUTE; THUS, WE COULD NOT CITE AS INTENSIVE A

BARRISTERS' REPORTING SERVICE

1 LIST OF POTENTIAL FACULTY MEMBERS AS MENTORS AS SOME
2 OTHER INSTITUTIONS, NOR COULD WE TRACK THE CAREER
3 PROGRESS OF OUR TRAINEES BEYOND OUR INSTITUTE'S TEN
4 YEARS EXISTENCE. HOWEVER, WE BELIEVE THAT OUR SMALL
5 SIZE OFFER TRAINEES THE PROSPECTIVE OF MORE
6 INDIVIDUAL ATTENTION. OUR INSTITUTION'S USE IS MORE
7 THAN OFFSET BY THE INTELLECTUAL AND EXCITEMENT THAT
8 ACCOMPANY A YOUNG ENTERPRISE. AND OUR SOMATIC FOCUS
9 ON AGING AND ITS DISEASES WILL PRODUCE STEM CELL
10 SCIENTISTS WHO WILL DEVOTE THEIR CAREER TO THE
11 SEARCH FOR PRACTICAL CLINIC APPLICATIONS OF THIS
12 TECHNOLOGY. THANK YOU AGAIN FOR THE OPPORTUNITY.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
14 THANK YOU FOR THE EXCELLENT PROGRAM THAT YOU'RE
15 RUNNING AT THE BUCK INSTITUTE. I'D LIKE TO ASK FOR
16 GUIDANCE FROM THE BOARD. WOULD YOU LIKE TO PICK UP
17 THE TWO OF THESE INDIVIDUALLY OR AS A GROUP?

18 MR. SHEEHY: I WOULD MOVE TO APPROVE BOTH
19 OF THESE.

20 CHAIRMAN KLEIN: IT'S A MOTION FROM MR.
21 SHEEHY. IS THERE A SECOND?

22 DR. LOVE: SECOND.

23 CHAIRMAN KLEIN: SECOND FROM DR. LOVE.
24 ADDITIONAL DISCUSSION BY THE BOARD? ADDITIONAL
25 DISCUSSION FROM THE PUBLIC? ALL RIGHT. I'D LIKE TO

BARRISTERS' REPORTING SERVICE

1 HAVE -- CALL THE ROLL, MELISSA KING. WE HAVE NO
2 CONFLICTS. SO WE CAN DO IT BY VOICE VOTE. THERE'S
3 A HEAD FAKE FROM JAMES.

4 ALL IN FAVOR? OPPOSED? MOTION PASSES.
5 THANK YOU. WE'RE GOING TO MOVE ON TO THE NEXT ITEM.
6 ARE THE AUDITORS HERE?

7 MS. KING: THEY ARE.

8 CHAIRMAN KLEIN: OKAY. CAN THE
9 AUDITORS -- WE'RE GOING TO TAKE UP ITEM NO. 6,
10 FINANCIAL AUDIT REPORT.

11 MS. WALKER-DAVIE: GOOD MORNING. MY NAME
12 IS SHELLY WALKER-DAVIE, AND I AM AN AUDIT MANAGER AT
13 MACIAS, GINI, AND O'CONNELL, AND I'M ALSO THE LEAD
14 ON THE CIRM FINANCIAL AUDIT. I'D LIKE TO THANK YOU
15 FOR ALLOWING US TO SERVE AS YOUR --

16 CHAIRMAN KLEIN: IF YOU JUST SPEAK UP A
17 LITTLE BIT.

18 MS. WALKER-DAVIE: I'D LIKE TO THANK THE
19 BOARD AND CIRM FOR ALLOWING US TO SERVE AS YOUR
20 AUDITORS AGAIN THIS YEAR. I'D ALSO LIKE TO EXPRESS
21 OUR APPRECIATION TO MANAGEMENT, STAFF FOR THE
22 COOPERATION EXTENDED TO US DURING OUR COURSE OF OUR
23 ENGAGEMENT.

24 NOW, I BELIEVE IN YOUR PACKET THERE ARE
25 TWO PRODUCTS THE RESULT OF OUR AUDIT. ONE IS THE

BARRISTERS' REPORTING SERVICE

1 REPORT TO THE ICOC AND THE AUDITED FINANCIAL
2 STATEMENTS. SO WHAT I'M GOING TO DO IS JUST GO OVER
3 THE REPORT TO THE ICOC FIRST AND JUST --

4 MS. KING: JUST SO EVERYONE KNOWS WHERE
5 THESE ARE, THESE ARE BEHIND TAB 6 IN YOUR BINDERS.

6 MS. WALKER-DAVIE: I'M GOING TO JUST
7 BRIEFLY GO OVER THEM JUST TO HIGHLIGHT SOME OF THE
8 REQUIRED COMMUNICATIONS BASED ON OUR PROFESSIONAL
9 STANDARDS, AND THEN I WILL SWITCH TO THE AUDITED
10 FINANCIAL STATEMENTS AND JUST HIGHLIGHT SOME OF THE
11 CHANGES FROM ONE YEAR TO THE NEXT AND THEN OPEN UP
12 TO ANY QUESTIONS.

13 PROFESSIONAL STANDARDS REQUIRE THAT YOU
14 PROVIDE THE FOLLOWING INFORMATION AS A RESULT OF OUR
15 AUDIT. OUR RESPONSIBILITY IS TO EXPRESS AN OPINION
16 ABOUT WHETHER THE FINANCIAL STATEMENTS PREPARED BY
17 MANAGEMENT ARE FAIRLY PRESENTED. AS PART OF OUR
18 AUDIT, WE CONSIDER THE INTERNAL CONTROLS OF CIRM,
19 BUT SOLELY FOR THE PURPOSE OF DETERMINING OUR AUDIT
20 PROCEDURES AND NOT TO PROVIDE ANY INSURANCE OVER
21 INTERNAL CONTROLS.

22 AS PART OF OBTAINING REASONABLE ASSURANCE
23 ABOUT WHETHER THE FINANCIAL STATEMENTS ARE FREE FROM
24 MATERIAL MISSTATEMENT, WE ALSO PERFORM TESTS ON
25 CIRM'S COMPLIANCE WITH CERTAIN LAWS AND REGULATIONS.

BARRISTERS' REPORTING SERVICE

1 HOWEVER, THE OBJECTIVE OF OUR TEST IS NOT TO PROVIDE
2 AN OPINION ON COMPLIANCE WITH SUCH PROVISIONS.

3 MANAGEMENT IS RESPONSIBLE FOR THE
4 SELECTION AND THE APPROPRIATE USE OF ACCOUNTING
5 POLICIES. DURING THE COURSE OF OUR AUDIT, WE NOTED
6 NO NEW POLICIES WERE ADOPTED AND THE APPLICATION OF
7 EXISTING POLICIES DID NOT CHANGE DURING THE FISCAL
8 YEAR.

9 WE'RE PLEASED TO SAY WE ENCOUNTERED NO
10 DIFFICULTIES IN DEALING WITH MANAGEMENT DURING AND
11 PERFORMING OR IN COMPLETING OUR AUDIT.

12 PROFESSIONAL STANDARDS REQUIRED US TO
13 ACCUMULATE ALL KNOWN AND LIKELY MISSTATEMENTS
14 IDENTIFIED DURING THE AUDIT OTHER THAN THOSE THAT
15 ARE TRIVIAL AND COMMUNICATE THEM TO THE APPROPRIATE
16 LEVEL OF MANAGEMENT. MANAGEMENT HAS CORRECTED ALL
17 SUCH MISSTATEMENTS. IN ADDITION, NONE OF THE
18 MISSTATEMENTS DETECTED AS A RESULT OF OUR AUDIT
19 PROCEDURES WERE MATERIAL EITHER INDIVIDUALLY OR IN
20 AGGREGATE TO THE FINANCIAL STATEMENTS TAKEN AS A
21 WHOLE.

22 IN SOME CASES MANAGEMENT MAY DECIDE TO
23 CONSULT WITH OTHER ACCOUNTANTS ABOUT AUDITING AND
24 CONSULTING MATTERS SIMILAR TO OBTAINING A SECOND
25 OPINION IN CERTAIN SICKNESS SITUATIONS. TO OUR

BARRISTERS' REPORTING SERVICE

1 KNOWLEDGE, NO SUCH CONSULTATIONS OCCURRED.

2 GENERALLY, WE DISCUSS A VARIETY OF
3 MATTERS, INCLUDING THE APPLICATIONS OF ACCOUNTING
4 PRINCIPLES AND AUDITING STANDARDS WITH MANAGEMENT
5 EACH YEAR PRIOR OUR RETENTION AS CIRM'S AUDITORS.
6 HOWEVER, THESE DISCUSSIONS OCCURRED IN THE NORMAL
7 COURSE OF A PROFESSIONAL RELATIONSHIP, AND OUR
8 RESPONSES WERE NOT A CONDITION OF OUR RETENTION.

9 SO THAT CONCLUDES MY GENERAL HIGHLIGHT OF
10 THAT FIRST REPORT. IF ANYBODY HAS ANY QUESTIONS,
11 I'LL TAKE THAT AT THE END OF THE PRESENTATION. I
12 WILL NOW MOVE ON TO THE AUDITED FINANCIAL
13 STATEMENTS. I'M GOING TO WORK OFF OF PAGE 5. IT'S
14 IN THE MANAGEMENT DISCUSSION ANALYSIS SECTION. THE
15 REASON I'M USING IT IS IT'S A CONDENSED COMPARISON
16 FROM ONE YEAR TO THE NEXT. THE FINANCIAL STATEMENTS
17 THEMSELVES ACTUALLY START ON PAGE 8.

18 CHAIRMAN KLEIN: BEFORE YOU COVER THAT
19 ITEM, MAYBE WE COULD JUST DISCUSS FOR A MOMENT. IN
20 TERMS OF PROGRAM FUNDS, WHICH WE VIEW AS CAPITAL
21 EXPENDITURES, THE ACTUAL ACCOUNTING UNDER GOVERNMENT
22 GUIDELINES ACTUALLY TREATS THESE AS EXPENSES; IS
23 THAT CORRECT?

24 MS. WALKER-DAVIE: THAT'S CORRECT. I
25 BELIEVE THERE'S SOME DISCLOSURE IN THE MANAGEMENT

BARRISTERS' REPORTING SERVICE

1 DISCUSSION ANALYSIS.

2 CHAIRMAN KLEIN: SO YOU WANT TO COMMENT ON
3 THAT SO THAT THE BOARD UNDERSTANDS IT BECAUSE WHEN
4 IT SHOWS OUR EXPENSES BEING REDUCED BY 153 MILLION,
5 SO THEY CAN UNDERSTAND HOW THE GOVERNMENT ACCOUNTING
6 PROCEDURES TREAT THIS.

7 MS. WALKER-DAVIE: YES. IF YOU'RE
8 DISTRIBUTING GRANTS, EVEN IF THEY'RE FACILITY
9 GRANTS, THAT'S CONSIDERED AN EXPENDITURE FOR THE
10 INSTITUTION AND NOT AS AN INVESTMENT IN CAPITAL
11 SIMPLY BECAUSE THE ORGANIZATION DOESN'T EITHER HAVE
12 TITLE TO THAT CAPITAL OR DOESN'T HAVE ANY RECOURSE
13 IN TERMS OF TRACKING THE FUNDS FOR WHATEVER REASON.
14 I BELIEVE YOU'RE SPECIFICALLY TALKING ABOUT THE
15 FACILITY GRANTS WHERE THERE'S INVESTMENT.

16 CHAIRMAN KLEIN: ALSO OUR ACTUAL RESEARCH
17 GRANTS WE VIEW AS A CAPITAL INVESTMENT THAT CREATES
18 INTELLECTUAL PROPERTY, WHICH WE HAVE A LONG-TERM
19 INTELLECTUAL CAPITAL INTEREST. SO FROM OUR
20 MANAGEMENT SIDE, WE'RE TAKING A POSITION CONSISTENT
21 WITH OUR BOND FINANCING STRUCTURE THAT WE'RE
22 FINANCING A LONG-TERM CAPITAL ASSET WITH THESE
23 BOUNDS. WE'RE NOT FUNDING EXPENSES. IN FACT, IF
24 WE'RE CONSIDERED TO ACTUALLY BE FUNDING EXPENSES,
25 SOMEONE COULD MAKE AN ARGUMENT UNDER CALIFORNIA LAW

BARRISTERS' REPORTING SERVICE

1 THAT YOU CAN'T DO DEFICIT FINANCING, FINANCING
2 EXPENSES WITH LONG-TERM BONDS.

3 SO WE VERY CLEARLY FROM A MANAGEMENT
4 VIEWPOINT HAVE A DIFFERENT PERSPECTIVE FROM STANDARD
5 GOVERNMENT ACCOUNTING THAT LOOKS AT ALL OF THESE
6 CAPITAL EXPENDITURES AS AN EXPENSE BECAUSE THEY VERY
7 CLEARLY UNDER TAX LAW AND FEDERAL TAX LAW ARE
8 SPECIFICALLY TREATED AS A CAPITAL INVESTMENT AND A
9 CAPITAL ASSET, WHICH WE DO HAVE RESIDUAL RIGHTS IN
10 WHETHER THEY'RE UNDER A LOAN PROGRAM OR UNDER A
11 GRANT PROGRAM WITH IP REVENUES.

12 MS. WALKER-DAVIE: THAT'S CORRECT. I
13 THINK WE HAD THAT DISCUSSION LAST YEAR AS WELL.

14 CHAIRMAN KLEIN: HAVE THAT DISCUSSION
15 EVERY YEAR.

16 MS. WALKER-DAVIE: OKAY. I'M GOING TO
17 WORK OFF PAGE 5 JUST FOR THE PRESENTATION, AND,
18 AGAIN, THE ACTUAL FINANCIAL STATEMENTS START ON PAGE
19 8. SO IF YOU ARE LOOKING OR JUST LISTENING ALONG,
20 THE LARGEST SIGNIFICANT CHANGE AS OPPOSED BETWEEN
21 THE '08 YEAR AND THE '09 YEAR, OF COURSE, IS THE
22 \$160 MILLION INCREASE IN CASH, WHICH IS A BY-PRODUCT
23 OF THE BOND FUNDING THAT WAS RECEIVED IN APRIL AND
24 IS CURRENTLY SITTING IN TACS. AND I KNOW THERE'S
25 BEEN DISCUSSION ABOUT CASH POSITION.

BARRISTERS' REPORTING SERVICE

1 LONG-TERM LIABILITIES DECREASED QUITE A
2 BIT. LAST YEAR THERE WERE SOME PMIA LOANS, AND
3 DURING THE BOND FUNDING THAT HAPPENED IN APRIL, THAT
4 WAS REPAID AND THERE'S A LESSER BALANCE THIS YEAR.

5 I'M GOING TO GO OVER TO PAGE 6 AGAIN.
6 THIS IS A SUMMARIZED OR CONDENSED VERSION OF WHAT'S
7 ON THE FINANCIAL STATEMENTS, BUT IT DOES COMPARE ONE
8 YEAR TO THE NEXT. READING DOWN THE STATEMENT OF
9 ACTIVITIES, INVESTMENT EARNINGS WENT DOWN. THAT HAS
10 A LOT TO DO WITH THE TIMING AND HOW LONG CASH SAT IN
11 THE STATE TREASURY. SO FROM 10 MILLION TO 5
12 MILLION. STATE OPERATIONS DECREASED FROM 37 MILLION
13 TO 28 MILLION. AND THEN THE RESEARCH GRANTS, WHICH
14 I KNOW THERE'S BEEN EXTENSIVE DISCUSSION, DECREASED
15 FROM 261 MILLION DOWN TO 115. INTEREST IS NOMINALLY
16 THE SAME. AND VERY LAST ITEM, OF COURSE, IS THE
17 REVENUE FROM PROP 71 BOND FUNDING. LAST YEAR WAS
18 ONLY 250 MILLION; THIS YEAR IT'S \$505 MILLION, WHICH
19 LEADS YOUR NET ASSET TO A POSITIVE \$294 MILLION.

20 SO THAT'S SORT OF THE SYNOPSIS. AGAIN,
21 MORE DETAILS ON PAGE 8 AND 9, AND THE FOOTNOTES ALSO
22 HAVE MORE DISCLOSURE.

23 THAT'S A BRIEF SYNOPSIS. THAT CONCLUDES
24 MY GENERAL PRESENTATION. DOES ANYBODY HAVE ANY
25 QUESTIONS?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DO WE HAVE ANY COMMENTS,
2 DR. ROBSON? NO COMMENTS FROM DR. ROBSON. ANY
3 COMMENTS FROM THE BOARD? VERY GOOD REVIEW. WE JUST
4 REALLY APPRECIATE DR. ROBSON AND YOUR STAFF AND
5 THEIR REALLY PUNCTUAL MOVEMENT OF THIS ALONG THE
6 CRITICAL PATH LINE WITH THE OUTSIDE ACCOUNTANTS TO
7 MAKE SURE THAT WE WOULD MOVE THIS THROUGH THE
8 CONTROLLER'S OFFICE, WHO'S ALSO REVIEWED THIS
9 WITHOUT COMMENT; IS THAT CORRECT?

10 MS. WALKER-DAVIE: YES, THAT IS. I HAVE
11 THE REPORT.

12 CHAIRMAN KLEIN: WE HAVE THAT REPORT BACK.
13 SO WE HAVE AN ADDITIONAL LAYER OF VALIDATION HERE,
14 AND IT WILL BE PRESENTED ON THE 16TH AT THE
15 FINANCIAL OVERSIGHT COMMITTEE. BUT WE HAVE
16 CONSISTENT, CLEAN SIGN-OFFS, AND WE'RE VERY
17 APPRECIATIVE OF THAT EFFORT, DR. ROBSON.

18 DR. ROBSON: MAYBE I SHOULD JUST TAKE THIS
19 OPPORTUNITY TO THANK MARGARET FERGUSON WHO REALLY
20 LED THIS, AND SHE DID A TERRIFIC JOB. AND SHE AND
21 CHILA SILVA-MARTIN, WHO'S NOW ALSO WORKING IN THE
22 FINANCE OFFICE. I THINK THE PROCESS WENT VERY
23 SMOOTHLY. THESE AUDITORS ARE TERRIFIC TO WORK WITH.

24 MR. ROTH: JUST TO CLARIFY, WE'RE NOT
25 GOING TO VOTE ON THIS TODAY. IT HASN'T BEEN TO THE

BARRISTERS' REPORTING SERVICE

1 SUBCOMMITTEE? IS THAT WHAT YOU JUST SAID?

2 CHAIRMAN KLEIN: NO. WE ARE CONSIDERING
3 ACCEPTING THIS REPORT. WE DON'T NEED AN ACTUAL
4 MOTION BECAUSE THEY'RE OUTSIDE AUDITORS. SO WE'RE
5 JUST ACCEPTING THIS REPORT. SO IF THERE WERE ANY
6 EXCEPTIONS OR COMMENTS WE WANTED TO BRING FORWARD,
7 THIS WOULD BE THE TIME TO DO IT, BUT WE DON'T
8 ACTUALLY HAVE AN ADOPTION OF THEIR REPORT BECAUSE
9 IT'S AN INDEPENDENT REPORT. IT HASN'T BEEN THROUGH
10 THE OVERSIGHT COMMITTEE, BUT IT HAS BEEN THROUGH THE
11 CONTROLLER'S OFFICE, AND THEY AFFIRM THE REPORT.

12 MR. ROTH: THE OVERSIGHT COMMITTEE IS NOT
13 OUR COMMITTEE?

14 CHAIRMAN KLEIN: NOT OUR COMMITTEE.

15 MR. ROTH: DO WE HAVE AN AUDIT COMMITTEE?

16 CHAIRMAN KLEIN: TO THE EXTENT THAT THERE
17 WAS AN AUDIT ISSUE THAT WOULD ARISE, THIS WOULD GO
18 THROUGH OUR FINANCE COMMITTEE. AND THE FINANCE
19 COMMITTEE IS BOTH FINANCIAL MANAGEMENT AND ANY AUDIT
20 REVIEW OF ANY EXCEPTION ITEM.

21 MR. GOLDBERG: WHO HAS THE RESPONSIBILITY
22 FOR HIRING ENGAGEMENT OF THE AUDITORS BECAUSE
23 NORMALLY WHAT HAPPENS -- QUESTION IS WHO HAS
24 RESPONSIBILITY FOR THE ENGAGEMENT OF THE AUDITORS?

25 CHAIRMAN KLEIN: SO THE BOARD

BARRISTERS' REPORTING SERVICE

1 APPROXIMATELY A YEAR AND A HALF AGO ENGAGED THE
2 AUDITING FIRM IN THIS CASE FOR THAT AUDIT, AND THEN
3 THERE WAS A DISCUSSION IN LAST YEAR'S REVIEW THAT WE
4 WOULD BE CONTINUING THIS AUDITOR, SO THE BOARD
5 ENGAGED.

6 MR. GOLDBERG: THEN THE QUESTION IS DO WE
7 EITHER NOW OR IN A SUBSEQUENT MEETING NEED TO TAKE
8 ANOTHER ACTION BECAUSE NORMALLY THEY'RE ONE-YEAR
9 ENGAGEMENTS AND THEY CAN ROLL, BUT THEY REQUIRE
10 INDEPENDENT ACTION.

11 CHAIRMAN KLEIN: IN THIS CASE I THINK THAT
12 WHAT WE'VE DONE IS DELEGATED THE DECISION, UNLESS IT
13 WAS THE DESIRE OF THE BOARD, WE'VE DELEGATED THE
14 DECISION TO CONTINUE WITH THE AUDITOR UNLESS THE
15 BOARD FOUND THERE WAS A PERFORMANCE ISSUE THEY'D
16 LIKE TO RAISE AT THE ANNUAL MEETING AT WHICH THE
17 REPORT IS DONE. AND THEN WE WOULD DIRECT THE STAFF
18 TO GO THROUGH AN RFP PROCESS FOR PROPOSALS.

19 MR. GOLDBERG: DR. ROBSON.

20 CHAIRMAN KLEIN: DR. ROBSON, THERE'S A
21 QUESTION BEFORE US.

22 DR. ROBSON: WE HAVE A THREE-YEAR CONTRACT
23 WITH THIS AUDITOR, SO WE HAVE ONE MORE YEAR LEFT ON
24 THAT. DONE THROUGH AN RFP.

25 MR. GOLDBERG: THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: WE DO THANK YOU FOR THE
2 VERY PUNCTUAL PERFORMANCE BECAUSE IT'S A TIGHT
3 TIMELINE AND WE REALLY APPRECIATE THE INTENSITY OF
4 THE WORK EFFORT AND THE STAFF RESOURCES ASSIGNED TO
5 IT TO GET IT ON THAT TIMELINE.

6 MS. WALKER-DAVIE: THANK YOU.

7 CHAIRMAN KLEIN: ALL RIGHT. WITH THAT
8 BEING SAID, WE HAVE -- I'D LIKE TO PICK UP HOPEFULLY
9 WHAT IS A QUICK ITEM HERE BECAUSE I'M TRYING TO SEE
10 IF WE CAN TIME OUR EXECUTIVE SESSION HERE WITH
11 LUNCH. AND ITEM NO. 17 IS CONSIDERATION OF AN
12 ALREADY APPROVED DISEASE RESEARCH APPLICATION DURING
13 OUR DISEASE TEAM REVIEW WHERE WE SPECIFICALLY
14 DELEGATED TO THE PRESIDENT A REVIEW AND ASKED THE
15 PRESIDENT TO PROVIDE A REPORT. THAT IS ITEM NO. 17
16 BECAUSE THE BOARD WANTED TO REAFFIRM THEIR DECISION
17 OF APPROVING THIS AWARD BASED UPON A REPORT OF THE
18 PRESIDENT THAT SOME -- A PORTION OF THE TEAM THAT
19 WAS BEING REPLACED WOULD, IN FACT, EFFECTIVELY BE
20 ADDRESSED. DR. TROUNSON, IS DR. OLSON GOING TO MAKE
21 A PRESENTATION ON THIS ITEM?

22 DR. TROUNSON: YES.

23 CHAIRMAN KLEIN: DR. OLSON.

24 DR. OLSON: SO AS CHAIRMAN KLEIN
25 INDICATED, AT OUR PREVIOUS MEETING YOU HAD APPROVED

BARRISTERS' REPORTING SERVICE

1 FUNDING FOR TIER I OF THE DISEASE TEAM RESEARCH
2 AWARDS, BUT TIER I INCLUDED AN APPLICATION,
3 APPLICATION NO. 1471, THAT ESSENTIALLY YOU
4 CONDITIONALLY APPROVED DUE TO THE FACT THAT FROM
5 SHORTLY BEFORE THE REVIEW MEETING UNTIL THE PRESENT
6 PERIOD THAT THE PARTNER PI WAS NO LONGER GOING TO BE
7 AVAILABLE TO PARTICIPATE IN THAT AWARD.

8 SO LET ME JUST REMIND YOU WHICH AWARD
9 WE'RE TALKING ABOUT AND WHERE IT PLACED WITHIN THE
10 TIER I THAT YOU HAVE APPROVED. SO IT'S AN AWARD
11 ENTITLED STEM CELL-DERIVED ASTROCYTE PRECURSOR
12 TRANSPLANTS IN ALS. IF I COULD HAVE THE NEXT SLIDE
13 PLEASE.

14 SO WHAT WE DID WAS WE CONTACTED THE PI AND
15 ESSENTIALLY WE ASKED FOR SUBMISSION OF A REVISED
16 APPLICATION THAT WAS SUBSTANTIALLY EQUIVALENT TO THE
17 RESEARCH PROPOSED IN THE ORIGINAL APPLICATION. THAT
18 REVISED APPLICATION WAS RECEIVED BY US, REVIEWED BY
19 THE CIRM PRESIDENT AND THE HEAD OF THE GRANTS
20 WORKING GROUP OF THAT REVIEW SESSION, GRANTS WORKING
21 GROUP CHAIR. WE FOUND THAT THE REVISED PROPOSAL WAS
22 ADEQUATE TO ACHIEVE -- WOULD BE ABLE TO ACHIEVE THE
23 AIMS OF THE APPLICATION AS STATED.

24 I WOULD ALSO POINT OUT THAT THE CIRM
25 FUNDING REQUESTED IN THE ORIGINAL PROPOSAL WAS

BARRISTERS' REPORTING SERVICE

1 10.857 MILLION, AND IN THE REVISED PROPOSAL THE CIRM
2 FUNDING HAS ONLY INCREASED ESSENTIALLY \$551,000 TO
3 11.4 MILLION.

4 SO BASED ON THIS, WE WOULD LIKE TO GO FOR
5 FINAL APPROVAL. WE NOTE THAT IT WAS RECOMMENDED FOR
6 FUNDING AND CONDITIONALLY APPROVED BY YOU SUBJECT TO
7 THE PRESIDENT'S DETERMINATION ABOUT THE ADEQUACY OF
8 THE SUBSTITUTION. THE PRESIDENT HAS FOUND THE
9 SUBSTITUTION TO BE ADEQUATE, AND WE WOULD APPRECIATE
10 A FINAL DECISION BY THE ICOC TO REMOVE THE
11 CONDITION.

12 CHAIRMAN KLEIN: AND, DR. OLSON, MY
13 RECOLLECTION THIS WAS A FAIRLY HIGH SCORE?

14 DR. OLSON: THAT IS CORRECT. THE PURPOSE
15 OF THE FIRST SLIDE THERE WAS TO ESSENTIALLY PLACE,
16 SHOW YOU IN ORDER HOW IT PLACED WITHIN THE --

17 CHAIRMAN KLEIN: ANY ADDITIONAL COMMENTS
18 FROM DR. TROUNSON?

19 DR. OLSON: SO IT WAS A HIGH SCORING
20 APPLICATION.

21 DR. TROUNSON: WELL, THE REVISION WAS
22 ESSENTIALLY TO TAKE OVER THE COMPONENT PARTS THAT
23 HAD BEEN IDENTIFIED TO BE DONE AT KINGS COLLEGE IN
24 LONDON UNDER THE RELATIONSHIP WITH THE MRC, WHO
25 DECLINED TO CONTINUE FUNDING THE PROJECT ONCE THAT

BARRISTERS' REPORTING SERVICE

1 PI IN KINGS COLLEGE MOVED TO ANOTHER PLACE. SO I
2 WAS VERY SATISFIED THAT DR. MAHENDRA RAO AND
3 COLLEAGUES WOULD TAKE OVER THAT PARTICULAR ASPECT
4 AND UTILIZE THE CELLS THAT WERE ACTUALLY PROPOSED
5 FROM THE UK ANYWAY.

6 I SEE NO DETRIMENT AT ALL TO THE PROJECT.
7 PERHAPS IT MAKES IT EVEN MORE EFFICIENT. IT
8 CERTAINLY COSTS LESS OVERALL FOR THE PROJECT AND
9 JUST MAKES SOUND SENSE TO ME. I SEE NO DRAWBACK AT
10 ALL IN THE PROPOSED REVISIONS FOR THE QUALITY OF THE
11 PROJECT.

12 CHAIRMAN KLEIN: YES. COULD WE, DR.
13 OLSON, SEE THE COST COMPARISON BEFORE AND AFTER?

14 DR. OLSON: SO IF YOU LOOK AT THE COST
15 THAT IS LISTED HERE, THAT COST WAS THE SUM OF THE
16 CIRM-FUNDED COMPONENT PLUS THE SUM OF THE MRC-FUNDED
17 COMPONENT. SO SINCE WE WERE -- SINCE THE PI HAD NOT
18 HAD AN OPPORTUNITY TO ESSENTIALLY REVISE THE
19 PROPOSAL, WE PUT THE TWO TOGETHER. IF YOU LOOK AT
20 HERE, WHAT HAS HAPPENED IS -- SO WHAT WAS HAPPENING,
21 AS YOU MAY RECALL, IS THAT SIX POTENTIAL CANDIDATE
22 HESC LINES WERE GOING TO BE DIFFERENTIATED TO HUMAN
23 ASTROCYTE PRECURSORS ACCORDING TO ONE PROTOCOL. THE
24 SIX LINES WERE GOING TO BE DIFFERENTIATED AT TWO
25 DIFFERENT SITES, TWO OF THE LINES IN THE UK, FOUR OF

BARRISTERS' REPORTING SERVICE

1 THE LINES HERE, BUT ALL BY THE SAME PROTOCOL. AND
2 THEN DEPENDING ON BY A VARIETY OF STEPS AND CRITERIA
3 WHICH LINE WAS CHOSEN, ESSENTIALLY PROCESS SCALE-UP
4 WAS GOING TO HAPPEN AT ONE SITE OR THE OTHER.

5 SO WHAT WAS GOING TO HAPPEN WAS THERE WAS
6 GOING TO BE CHARACTERIZATION GOING ON AT TWO
7 LABORATORIES, AND THERE WERE GOING TO BE PROCESS
8 SCALE-UP IN ANTICIPATION OF POSSIBLE GMP PRODUCTION
9 GOING ON AT TWO SITES AS WELL. THOSE ARE SOMEWHAT
10 EXPENSIVE ACTIVITIES. SO BY ESSENTIALLY DOING ALL
11 THE ANALYSIS OF ALL SIX LINES AT THE ONE SITE AND
12 DOING PROCESS SCALE-UP WORK AT ONLY ONE SITE IN
13 ANTICIPATION OF SELECTION, THE SINGLE CANDIDATE FOR
14 GMP PRODUCTION, THERE ARE SIGNIFICANT SAVINGS THAT
15 HAVE BEEN REALIZED. SO INSTEAD OF THE 15.4 MILLION
16 THAT WE HAD LISTED THAT YOU HAD CONDITIONALLY
17 APPROVED AT YOUR LAST MEETING, IN POINT OF FACT THE
18 PI HAS FOUND THAT THEY CAN DO THE JOB FOR
19 ESSENTIALLY AN ADDITIONAL \$550,000 TO BE FUNDED BY
20 CIRM.

21 CHAIRMAN KLEIN: SO JUST TO CLARIFY, WHILE
22 THE TOTAL COST HAS GONE DOWN, THE MOTION HERE TO
23 APPROVE WOULD SLIGHTLY INCREASE THE CIRM FUNDING; IS
24 THAT A CORRECT STATEMENT?

25 DR. OLSON: THAT IS CORRECT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU.

2 DR. OLSON: OVER THAT THAT WAS ORIGINALLY
3 PROPOSED, BUT BELOW THAT WHICH YOU CONDITIONALLY
4 APPROVED AT YOUR PREVIOUS MEETING, WHICH WAS THE SUM
5 OF THE TWO.

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
7 DAVID SERRANO-SEWELL.

8 MR. SERRANO-SEWELL: FIRST, I WAS PART OF
9 THAT DISCUSSION FOR THE PRESIDENT TO DO THAT
10 ADDITIONAL DUE DILIGENCE. SO THANK YOU TO THE
11 PRESIDENT. BUT I'D LIKE TO MOVE APPROVAL OF THIS
12 APPLICATION NO. DR1-0171 IN ITS REVISED FORM.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
14 SECOND, DR. LOVE. ADDITIONAL DISCUSSION? IS THERE
15 PUBLIC DISCUSSION? SEEING NONE, IF YOU COULD ADVISE
16 US ON THE CONFLICTS, PLEASE.

17 MR. HARRISON: IF YOU WOULD LIKE, MELISSA
18 COULD CALL THE ROLL AND NOT CALL THOSE MEMBERS IN
19 CONFLICT UNLESS THE BOARD WOULD LIKE TO HAVE A
20 DISCUSSION.

21 CHAIRMAN KLEIN: I THINK THAT WOULD BE
22 ACCEPTABLE.

23 MS. KING: DONALD DAFOE.

24 DR. DAFOE: YES.

25 MS. KING: ROBERT PRICE.

BARRISTERS' REPORTING SERVICE

1 DR. PRICE: YES.
2 MS. KING: SUSAN BRYANT.
3 DR. BRYANT: YES.
4 MS. KING: LEEZA GIBBONS.
5 MS. GIBBONS: YES.
6 MS. KING: MICHAEL GOLDBERG.
7 MR. GOLDBERG: YES.
8 MS. KING: BOB KLEIN.
9 CHAIRMAN KLEIN: YES.
10 MS. KING: LEONARD ROME.
11 DR. ROME: YES.
12 MS. KING: TED LOVE.
13 DR. LOVE: YES.
14 MS. KING: ED PENHOET.
15 DR. PENHOET: YES.
16 MS. KING: KEN BURTIS.
17 DR. BURTIS: YES.
18 MS. KING: FRANCISCO PRIETO.
19 DR. PRIETO: YES.
20 MS. KING: DUANE ROTH.
21 MR. ROTH: YES.
22 MS. KING: DAVID SERRANO-SEWELL.
23 MR. SERRANO-SEWELL: YES.
24 MS. KING: OSWALD STEWARD.
25 DR. STEWARD: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: AND ART TORRES.

2 MR. TORRES: AYE.

3 MS. KING: FOR THE RECORD, THE MOTION
4 CARRIES.

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
6 AGAIN, TRYING TO EFFECTIVELY SELECT, AND HOPEFULLY
7 WITH SOME PRESCIENCE, AN ITEM THAT WILL BRING US TO
8 THE TIME FOR OUR EXECUTIVE SESSION WITHOUT
9 OVERREACHING, ITEM NO. 19 IS AN ITEM MEANT TO
10 ADDRESS A REQUEST OF THE PRESIDENT, NOT TO PRESENT A
11 DEFINITIVE POSITION TODAY, BUT TO BRING BACK TO THE
12 BOARD AT THE NEXT MEETING A MODIFICATION OF THE
13 DISEASE TEAM RESEARCH AWARDS GRANT ADMINISTRATION
14 POLICY AND LOAN ADMINISTRATION POLICY TO PERMIT
15 UTILIZING DISEASE TEAM RESEARCH AWARD FUNDS TO BE
16 USED FOR PHASE I OR PHASE II A OR II B HUMAN
17 CLINICAL TRIALS AFTER FDA APPROVAL.

18 SO THE CONCEPT HERE IS WE'VE GIVEN DISEASE
19 TEAM GRANTS THAT ARE FOUR YEARS GENERALLY. AND IF,
20 IN FACT, THE SCIENCE MOVES MUCH FASTER, SOME WERE
21 ABLE TO GET THROUGH IN TWO YEARS, WOULD WE ALLOW
22 THEM TO USE THE LEFT-OVER FUNDS AFTER AN FDA
23 APPROVAL TO BEGIN THEIR PHASE I HUMAN TRIAL AND NOT
24 LOSE A YEAR OR NINE MONTHS WAITING FOR ANOTHER CYCLE
25 TO COME INTO US TO GET FUNDS FOR THAT APPROVAL.

BARRISTERS' REPORTING SERVICE

1 THIS WAS DISCUSSED GENERALLY WHEN MARIE
2 CSETE WAS HERE IN THE ORIGINAL DISCUSSIONS.
3 HOWEVER, I'M NOT CERTAIN IF PART OF THAT DISCUSSION
4 WAS IN A GENERAL POLICY DISCUSSION UNRELATED TO
5 THIS, BUT JUST REFERENCING THIS, BUT IT CERTAINLY
6 HASN'T BEEN ADOPTED AS A POLICY AT THIS POINT. AND
7 WHAT I'D LIKE TO DO IS ASK IF DR. TROUNSON CAN TELL
8 US THE STAFF VIEW ON THIS REQUEST, IF YOU WOULD
9 PLEASE.

10 DR. TROUNSON: CHAIR, IT ISN'T NECESSARILY
11 SIMPLE BECAUSE IF WE PROGRESS INTO A PHASE I
12 CLINICAL TRIAL, AS YOU PREDICT WE MAY, WITHIN THE
13 TIMEFRAME AND WITHIN THE FUNDING, THERE ARE ISSUES
14 THAT WE NEED TO DEAL WITH THAT ARE SPECIFICALLY
15 RELATED TO THE CLINICAL APPROVALS, THE IRB
16 APPROVALS, FDA APPROVALS, ETC. SO THIS WOULD BE
17 MADE MUCH EASIER, CLEARLY, WHEN WE APPOINT OUR VP
18 R & D, WHO WILL BE ABLE TO HELP IN THAT REGARD.

19 THERE'S ALSO AN ISSUE OF WHETHER THE
20 FUNDING WILL BE ADEQUATE FOR THE PHASE I STUDIES AS
21 PROPOSED; THAT IS, IS THERE SUFFICIENT FUNDS LEFT IN
22 THE GRANT. SO THERE ARE A NUMBER OF ISSUES THAT WE
23 NEED TO WORK THROUGH, WHICH I THINK IS APPROPRIATE.
24 YOU'D GIVE US TIME TO THINK ABOUT THESE MATTERS
25 BECAUSE THEY CAN BE QUITE COMPLEX AND WE DON'T WANT

BARRISTERS' REPORTING SERVICE

1 TO BRING FORWARD SOMETHING THAT'S NOT WORKABLE. AND
2 IT'S CLEARLY NOT ABOUT TO HAPPEN WITHIN THE NEXT 12
3 MONTHS.

4 SO IF YOU GIVE US TIME TO LOOK AT THE
5 ISSUES AND PERHAPS HAVE OUR NEW APPOINTMENT ALSO
6 TAKE A LOOK AT THAT AND SEE WHERE THERE MAY BE --
7 WHERE DIFFICULTIES MAY ARISE OR WHETHER WE'VE GOT TO
8 COME BACK AND GIVE MORE DETAILS TO YOU OR INDEED
9 EVEN THE GRANTS WORKING GROUP IF IT'S GOT TO INCLUDE
10 THE CLINICAL PROGRAM. SO I'M SUGGESTING THERE ARE
11 MORE ISSUES TO DEAL WITH THAN SIMPLY AGREEING TO
12 TRANSFER IT OVER SO IT MAKES SENSE.

13 CHAIRMAN KLEIN: SO THE INTENT HERE, AS
14 WELL, IS THAT THE OPTIONS FOR THE PRESIDENT ARE TO
15 COME BACK TO THE NEXT MEETING AND PROPOSE THIS
16 PROCESS AND STANDARDS CRITERIA, HOW THESE VARIOUS
17 ISSUES WILL BE ADDRESSED, OR TO INDICATE THAT HE
18 WANTS TO HAVE A DISCUSSION AT THE NEXT MEETING WITH
19 THE BOARD ON SOME POLICY ISSUES RELATED TO THAT
20 PROCESS, OR TO INDICATE THAT THERE ARE SOME
21 OBSTACLES WE'RE ENFORCING AND IT WILL NOT WORK
22 PROPERLY. SO WHAT WE'RE TRYING TO DO HERE IS MOVE
23 THIS ALONG SO THAT WE CAN PICK UP SOMETHING THAT DR.
24 TROUNSON HAS DISCUSSED CONCEPTUALLY WITH US AND HAVE
25 A FORMAL PROCESS TO ADDRESS A FORMAL POLICY ON HOW

BARRISTERS' REPORTING SERVICE

1 WE WILL HANDLE THIS SO THAT OUR GRANTEES WILL
2 UNDERSTAND AS A MATTER OF PLANNING IF THEY'RE MOVING
3 AHEAD MUCH FASTER, WHAT THEY CAN EXPECT AND WHETHER
4 THERE'S GOING TO BE A GAP IN TIME AFTER THE FDA
5 APPROVAL OR WHETHER THEY COULD POTENTIALLY USE
6 LEFT-OVER FUNDS TO MOVE DIRECTLY INTO TRIALS WITH
7 ALL THE SIGN-OFFS AND ADDITIONAL STAFF APPROVALS OF
8 THOSE SIGN-OFFS AS A PART OF THEIR DUE DILIGENCE
9 PROCESS IN ALLOWING THEM TO MOVE TO THE NEXT STAGE.

10 SO THAT IS -- THIS IS THE BEGINNING OF A
11 FORMAL PROCESS TO TRY AND ADOPT A REASONED POLICY TO
12 ADDRESS THIS OPPORTUNITY. ANY ADDITIONAL COMMENTS?

13 DR. LOVE: MAYBE I WOULD JUST MOVE THAT WE
14 GO AHEAD AND ASK ALAN AND HIS STAFF TO COME BACK
15 WITH THAT RECOMMENDATION.

16 THERE ARE A COUPLE OF OTHER POINTS THAT I
17 THINK MIGHT BE APPROPRIATE TO THINK ABOUT BECAUSE
18 ALMOST CERTAINLY THE AMOUNT OF FUNDS LEFT OVER WOULD
19 NOT BE ADEQUATE TO FUND A CLINICAL PROGRAM. SO ONE
20 ISSUE WOULD BE COULD OUR FUNDS IN PART BE USED TO
21 SUPPORT THAT IN ADDITION WITH OTHER FUNDS THAT MIGHT
22 COME FROM ANOTHER SOURCE? COULD WE POTENTIALLY
23 SUPPLEMENT THOSE FUNDS SO THAT WE COULD, IN FACT, BE
24 THE BASIS OF FUNDING THAT TRIAL ENTIRELY POTENTIALLY
25 WITH OTHER FUNDS THAT ARE LEFT OVER FROM THE SAME

BARRISTERS' REPORTING SERVICE

1 PROGRAM, WHICH I SUSPECT IF WE DON'T HAVE PROGRAMS
2 MEETING ALL THE MILESTONES, WE WILL GENERATE A
3 BALANCE OF FUNDS THAT MIGHT BE AVAILABLE TO DO THAT
4 AS WELL.

5 THOSE ARE PROBABLY THE TWO KIND OF
6 PERMUTATIONS, ALAN, IF YOU COULD THINK ABOUT
7 ADDRESSING WOULD BE IDEAL.

8 DR. TROUNSON: IN TERMS OF RESPONSES, YOU
9 KNOW IF THERE'S A THIRD OR FOURTH PARTY, WE HAVE TO
10 BE CERTAIN THAT THAT THIRD OR FOURTH PARTY THEN
11 DOESN'T UNHINGE OUR RELATIONSHIP WITH OUR IP, ETC.
12 SO THERE IS QUITE A LOT OF THINKING TO BE DONE IN
13 THIS MATTER TO ACCOMMODATE ALL OF THOSE THINGS, AND
14 WE RECOGNIZE THAT. THAT'S WHY I'M NOT -- I'M NOT
15 PROPOSING REALLY TO HAVE A THOROUGH DISCUSSION OF IT
16 NOW BECAUSE WE DON'T HAVE SUFFICIENT INFORMATION
17 THAT WE CAN MAKE RECOMMENDATIONS ON HOW WE WOULD
18 PROCEED. BUT HOPEFULLY BY THE NEXT MEETING, WE
19 SHALL OR IT'S POSSIBLE -- IT'S UNLIKELY THAT OUR VP
20 R & D WILL BE APPOINTED AT THAT TIME, BUT I WOULD
21 ACTUALLY LIKE SOME INPUT FROM SOMEBODY WITH THAT
22 EXPERIENCE. OTHERWISE I THINK WE WILL CLEARLY
23 DISCUSS WITH YOU AND WITH DR. PENHOET AND OTHERS WHO
24 ARE CLOSE TO US WHO CAN GIVE US SOME ADVICE.

25 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IS

BARRISTERS' REPORTING SERVICE

1 THAT A MOTION?

2 DR. LOVE: THAT'S A MOTION.

3 CHAIRMAN KLEIN: IS THERE A SECOND?

4 MR. SHEEHY: SECOND.

5 MR. HARRISON: WE SHOULD MAKE SURE THAT
6 ONLY THOSE MEMBERS WHO DON'T HAVE AN INTEREST IN A
7 DISEASE RESEARCH TEAM APPLICATION PARTICIPATE IN
8 THIS DISCUSSION.

9 CHAIRMAN KLEIN: RIGHT. AND I BELIEVE
10 SENATOR TORRES AND DR. LOVE DO NOT HAVE CONFLICTS.

11 MR. HARRISON: THAT'S CORRECT.

12 CHAIRMAN KLEIN: AND THE CONFLICTS WOULD
13 BE?

14 MR. HARRISON: I THINK IT MIGHT BE EASIER
15 IF I IDENTIFY THOSE MEMBERS WHO CAN PARTICIPATE IN
16 THE DISCUSSION AND THE VOTE.

17 CHAIRMAN KLEIN: THAT WOULD BE LOVELY.

18 MR. HARRISON: PRICE, GIBBONS, KLEIN,
19 LOVE, PENHOET, QUINT, ROTH, SAMUELSON,
20 SERRANO-SEWELL, SHESTACK, AND TORRES.

21 CHAIRMAN KLEIN: THANK YOU. ANY
22 ADDITIONAL DISCUSSION? ANY PUBLIC DISCUSSION? ALL
23 RIGHT. LIKE TO CALL THE ROLL ON THAT, PLEASE.

24 MS. KING: ROBERT PRICE.

25 DR. PRICE: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: LEEZA GIBBONS.
2 MS. GIBBONS: YES.
3 MS. KING: BOB KLEIN.
4 CHAIRMAN KLEIN: YES.
5 MS. KING: TED LOVE.
6 DR. LOVE: YES.
7 MS. KING: ED PENHOET.
8 DR. PENHOET: YES.
9 MS KING: DAVID SERRANO-SEWELL.
10 MR. SERRANO-SEWELL: YES.
11 MS. KING: AND ART TORRES.
12 MR. TORRES: AYE.
13 MS. KING: THANK YOU. AND DUANE ROTH.
14 MR. ROTH: YES.
15 MR. SHEEHY: BOB, CAN I ASK A QUESTION?
16 CHAIRMAN KLEIN: IS THERE A QUESTION?
17 MR. SHEEHY: I JUST WANT SOME
18 CLARIFICATION ON THE PROCESS FOR THIS BECAUSE I
19 THINK THIS IS PROBABLY GOING TO DOVETAIL IN SOME WAY
20 WITH THE PRESIDENT'S PLAN TO DO A CLINICAL TRIAL
21 RFA. I THINK THERE'S GOING TO BE SOME OVERLAP. SO
22 I'M JUST CURIOUS ABOUT HOW THE DIALOGUE WITH THE
23 CONFLICTS BECAUSE I'M KIND OF SURPRISED THAT THE
24 CONFLICTS ISSUE HAS EMERGED AND THAT WE'RE NOT
25 TALKING ABOUT ANY SPECIFIC GRANT. AND WE'RE REALLY

BARRISTERS' REPORTING SERVICE

1 JUST TALKING ABOUT A FAIRLY GENERIC PROCESS THAT I
2 DON'T SEE RELATES TO ANY ADDITIONAL FUNDING BEING
3 DIRECTED TO ANY PARTICULAR INSTITUTION.

4 I'M NOT SURE I UNDERSTAND THE CONFLICTS
5 APPLICATION IN THIS INSTANCE. AND I WOULD LIKE -- I
6 WOULD LIKE TO PARTICIPATE IN THAT DISCUSSION. I
7 THINK IT WOULD BE IMPORTANT TO GET EVERYBODY'S VIEW
8 ON THIS, BUT I DO THINK THAT, GIVEN THAT THE FUNDS
9 HAVE ALREADY BEEN ALLOCATED, I DON'T GET THE
10 APPLICATION HERE.

11 CHAIRMAN KLEIN: I THINK THE ALLOCATION
12 WAS MADE BASED UPON PUBLIC REPRESENTATIONS OF THE
13 USES OF THOSE FUNDS. AND BY CHANGING THE USES OF
14 THOSE FUNDS FOR THE INSTITUTIONS, THAT IS WHAT
15 CREATES THE CONFLICT. MR. HARRISON, IS THAT AN
16 ADEQUATE STATEMENT?

17 MR. HARRISON: YOU SUMMARIZED THAT WELL.

18 CHAIRMAN KLEIN: HOWEVER, I'M GOING TO
19 MAKE CERTAIN WE KEEP A SEPARATE DISCUSSION ON ANY
20 PROPOSED CLINICAL TRIAL ROUND BECAUSE I WANT TO GET
21 THE BROADEST POSSIBLE PARTICIPATION IN THE
22 DISCUSSION OF THE CLINICAL TRIAL ROUND. AND I WOULD
23 SUGGEST THAT IF WE HAVE THAT DISCUSSION FAIRLY
24 EARLY, SOME OF THE ISSUES, POLICY ISSUES, THAT MIGHT
25 OTHERWISE APPLY TO SOME OF THESE OTHER ACTION ITEMS

BARRISTERS' REPORTING SERVICE

1 WILL BE THOROUGHLY VETTED IN THAT DISCUSSION, EVEN
2 IF IT'S AT AN EARLY CONCEPTUAL STAGE.

3 MR. SHEEHY: THAT WAS KIND OF MY SENSE. I
4 THINK MOST OF THE OBSTACLES THAT LIE IN THE WAY OF
5 THIS IS THAT WE -- I KNOW STAFF HAS BEEN WORKING
6 HARD ON THIS, THE PRESIDENT HAS BEEN WORKING HARD ON
7 THIS. THIS IS NOT A SIMPLE QUESTION TO DECIDE HOW
8 WE'RE GOING TO FUND CLINICAL TRIALS. I DO THINK
9 IT'S IMPORTANT THAT WE THINK ABOUT IT IN TERMS OF
10 THE DISEASE TEAMS BECAUSE WE DON'T WANT FOLKS COMING
11 A YEAR AND A HALF FROM NOW AND SAYING WE'RE READY TO
12 GO AND WE'VE GOT MONEY LEFT OVER, SO I THINK THE
13 NEED TO GET THERE IS IMPORTANT.

14 DR. PENHOET: I THINK GENERALLY THERE HAVE
15 BEEN DISCUSSIONS ABOUT TWO MODES. ONE IS WITHIN A
16 GIVEN GRANT, IF THEY HAVE MONEY LEFT AT THE END AND
17 WANT TO CONTINUE INTO PHASE I, CAN THEY USE THE
18 REMAINING FUNDS IN THEIR OWN GRANT? SECOND AND
19 LARGER QUESTION, THOUGH, IS WE ALLOCATED IT AS A
20 GROUP 230 SOME ODD MILLION DOLLARS TO THIS PROGRAM.
21 IF A NUMBER OF THE GRANTEES ACTUALLY FAIL TO ACHIEVE
22 THEIR MILESTONES, THAT WILL RECYCLE SOME MONEY BACK
23 INTO CIRM. THE QUESTION IS WHETHER THAT MONEY COULD
24 BE REALLOCATED WITHIN THE POOL TO OTHER GRANTEES, IN
25 WHICH CASE SOMEBODY WOULD RECEIVE A SUPPLEMENT IF

BARRISTERS' REPORTING SERVICE

1 THEY WERE READY TO GO FORWARD USING FUNDS. THAT'S A
2 SEPARATE QUESTION, BUT THAT'S THE ONE WHERE IF WE GO
3 IN THAT DIRECTION, THAT'S ONE WHERE A GIVEN GRANTEE
4 MIGHT GET MORE MONEY THAN WAS ORIGINALLY ALLOCATED
5 BUT WITHIN THE SAME ALLOCATION THAT WE MADE FOR THE
6 DISEASE TEAM PROGRAM.

7 MR. SHEEHY: I WAS MORE FOCUSED ON THE
8 STRUCTURAL IMPEDIMENTS, LIKE ALAN WAS DESCRIBING,
9 THE IRB'S, ETC., ETC.

10 CHAIRMAN KLEIN: IT ACTUALLY, BECAUSE OF
11 STATUTORY ISSUES, GOES EVEN TO THE FIRST ISSUE, DR.
12 PENHOET, BECAUSE THE ALLOCATION INITIALLY TO THE
13 INSTITUTIONS WAS MADE WITH CERTAIN RESTRICTIONS ON
14 USE. AND IF WE CHANGE THE RESTRICTION ON USE TO
15 ALLOW THE FUNDS TO APPLY TO ANOTHER FUNCTIONAL
16 OBJECTIVE THAT IS A MATERIAL CHANGE, IT BECOMES
17 EFFECTIVELY ANOTHER DECISION ON WHETHER THAT
18 INSTITUTION CAN RETAIN THOSE FUNDS FOR THAT USE. IS
19 THAT CORRECT, MR. HARRISON?

20 MR. HARRISON: THAT'S RIGHT.

21 CHAIRMAN KLEIN: BUT I DEFINITELY
22 RECOGNIZE THAT THE SECOND DECISION EVEN ELEVATES IT
23 TO A HIGHER LEVEL.

24 SO AT THIS POINT CAN I ASK ARE WE IN A
25 POSITION WE CAN ADJOURN?

BARRISTERS' REPORTING SERVICE

1 MS. KING: YES, FOR LUNCH.

2 CHAIRMAN KLEIN: COULD, MR. HARRISON, YOU
3 STATE THE BASIS ON WHICH WE CAN HAVE A PERSONNEL
4 DISCUSSION DURING LUNCH THAT WOULD RELATE TO ITEM
5 14?

6 MR. HARRISON: YES. THE BOARD WILL BE
7 CONVENING IN CLOSED SESSION TO DISCUSS PERSONNEL
8 PURSUANT TO GOVERNMENT CODE SECTION 11126 AND HEALTH
9 AND SAFETY CODE SECTION 125290.30.

10 CHAIRMAN KLEIN: OKAY. COULD THE STAFF
11 PLEASE INDICATE TO US. I BELIEVE THAT WE'RE GOING
12 ACROSS THE COURTYARD TO LUNCH. IS THERE ANYONE THAT
13 HAS A MORE ACUTELY FOCUSED DESCRIPTION, OR WE CAN
14 RANDOMLY SPREAD THE BOARD OUT THROUGH THE ADJOINING
15 BUILDING? I THINK MELISSA KING IS ON HER WAY BACK,
16 BUT I THINK 45 MINUTES WOULD BE A GOAL TO RETURN
17 FROM LUNCH.

18 MELISSA, ARE WE GOING TO THE BUILDING
19 DIRECTLY ACROSS AND TO THE END OF THE BUILDING,
20 MIDDLE?

21 MS. KING: I DON'T KNOW, SO WE'RE GOING TO
22 FIGURE IT OUT AS WE GO.

23 CHAIRMAN KLEIN: REAL-TIME, THIS IS A TEST
24 FOR THE BOARD. WE ARE ADJOURNING FOR LUNCH, AND
25 HOPEFULLY WE'LL BE BACK IN ABOUT 45 MINUTES.

BARRISTERS' REPORTING SERVICE

1 (CLOSED SESSION WAS THEN CONVENED,
2 NOT REPORTED NOR HEREIN TRANSCRIBED FOLLOWED BY A
3 LUNCH RECESS.)

4 CHAIRMAN KLEIN: OKAY. IF WE CAN CONVENE,
5 PLEASE. WE HAVE A LOT TO COVER. BRINGING UP ITEM
6 NO. 14, CONSIDERATION OF COMPENSATION OF STATUTORY
7 VICE CHAIR. AND I'D LIKE TO CALL ON MICHAEL
8 GOLDBERG TO READ A PROPOSED MOTION THAT HE'D LIKE TO
9 MAKE. AND MICHAEL.

10 MR. GOLDBERG: THANK YOU, CHAIRMAN KLEIN.
11 I'D LIKE TO MAKE THE FOLLOWING MOTION. I'D
12 RECOMMEND THAT WE MODIFY THE VICE CHAIR TORRES'
13 PERCENT EFFORT AND SALARY TO ACCOUNT FOR THE FACT
14 THAT THE VICE CHAIR HAS UNDERTAKEN GOVERNMENT
15 RELATIONS DUTY IN ADDITION TO HIS DUTIES AS VICE
16 CHAIR. AND THESE DUTIES WERE FORMERLY CARRIED OUT
17 BY A FULL-TIME CIRM EMPLOYEE. BY UNDERTAKING THESE
18 DUTIES, THE VICE CHAIR HAS NOT ONLY INCREASED HIS
19 TIME COMMITMENT TO CIRM SUBSTANTIALLY BEYOND THE
20 50-PERCENT TIME, HE'S ALSO SAVED THE AGENCY COST OF
21 HIRING A FULL-TIME GOVERNMENT RELATIONS DIRECTOR.

22 IN RECOGNITION OF THIS INCREASED EFFORT
23 AND RESPONSIBILITY AND IN FURTHERANCE OF CIRM'S
24 MISSION, I MOVE TO ADJUST THE VICE CHAIR'S SALARY TO
25 \$225,000 PER YEAR FOR 80-PERCENT TIME EFFECTIVE

BARRISTERS' REPORTING SERVICE

1 OCTOBER 1, 2009.

2 MR. SERRANO-SEWELL: SECOND.

3 CHAIRMAN KLEIN: THERE'S A SECOND BY DAVID
4 SERRANO-SEWELL. IF I COULD HAVE COMMENTS, I
5 BELIEVE, JEFF SHEEHY, YOU HAD A COMMENT, AND THEN
6 I'M GOING TO CALL ON TED LOVE AND DUANE ROTH.

7 MR. SHEEHY: WELL, I JUST WANTED TO SAY I
8 HAD NOT KNOWN SENATOR TORRES UNTIL HE CAME TO SERVE
9 WITH US. AND HIS EFFORTS BOTH IN SACRAMENTO AND
10 WASHINGTON HAVE BEEN EXTRAORDINARY IN TERMS OF
11 FACILITATING THE MISSION OF THIS AGENCY. AND IT'S A
12 FACET THAT, EVEN THOUGH A LOT OF US HAVE POLITICAL
13 EXPERIENCE ON THE BOARD AND RELATIONSHIPS WITH
14 PEOPLE IN GOVERNMENT, HIS LONG-STANDING
15 RELATIONSHIPS HAVE HELPED TO COMMUNICATE WHAT WE'RE
16 DOING MORE SUCCESSFULLY TO THE PEOPLE THAT WE
17 ULTIMATELY ARE RESPONSIBLE TO AS ELECTED
18 REPRESENTATIVES. AND HIS EFFORTS HAVE REALLY BEEN
19 EXTRAORDINARY OVER THE LAST ALMOST A YEAR NOW, I
20 THINK, WE'RE COMING UP ON. AND BESIDES THAT, IT'S
21 JUST BEEN A REAL JOY TO SERVE WITH HIM. I THINK
22 THIS IS VERY WELL DESERVED.

23 CHAIRMAN KLEIN: THANK YOU. DUANE, YOU'VE
24 HAD A LOT OF EXPERIENCE WITH SENATOR TORRES IN
25 WASHINGTON, D.C., WITH THE VERY SUCCESSFUL EFFORTS

BARRISTERS' REPORTING SERVICE

1 TO INDICATE THE IMPORTANCE OF THE BIOSIMILAR
2 LEGISLATION FOR OUR MISSION. COULD YOU GIVE US SOME
3 INSIGHT?

4 MR. ROTH: I'D BE HAPPY TO. I'M EXTREMELY
5 SUPPORTIVE OF THIS. I THINK IT'S REALLY AN
6 EFFICIENT WAY TO USE TALENT TO FULFILL THE MISSION
7 OF CIRM. AND WHILE WE TEND TO THINK ABOUT POLICY AS
8 SOME OF THE THINGS THAT THIS AGENCY WAS FOUNDED
9 AROUND, THE PERHAPS MORE IMPORTANT ISSUE TODAY IS
10 HOW DO WE GET THESE EXCITING POTENTIAL CURES TO THE
11 PATIENTS. AND ALL ROADS FOR THAT LEAD THROUGH
12 WASHINGTON, D.C., WHETHER IT'S FOOD AND DRUG
13 ADMINISTRATION, REVIEW OF SAFETY AND EFFECTIVENESS,
14 OR HOW THEY'RE GOING TO BE PAID FOR SO THAT THERE
15 ARE THE INCENTIVES FOR INVESTORS TO ACTUALLY INVEST.

16 AND SO I FOUND WORKING WITH ART ON THESE
17 THINGS WHERE BOTH OF US HAVE CONTACTS IN WASHINGTON,
18 DIFFERENT PARTIES, UNFORTUNATELY I'M IN THE MINORITY
19 AT THE MOMENT, BUT HOW CAREFULLY THE OTHER SIDES
20 LISTEN TO US. AND TO HAVE SOMEBODY CREDIBLE TO COME
21 IN THAT CAN SPEAK TO REPUBLICANS AND VICE VERSA, I
22 FIND TO BE TERRIBLY USEFUL AND TO FIND COMMON GROUND
23 LIKE WE DID, FOR EXAMPLE, ON THE BIOSIMILARS. SO
24 I'M THRILLED TO WORK WITH ART. I THINK HE DESERVES
25 THIS INCREASE IN PAY BECAUSE HE'S THERE EVERY DAY.

BARRISTERS' REPORTING SERVICE

1 I SPEND MAYBE A DAY A WEEK. HE'S THERE EVERY DAY,
2 AND I THINK IT'S VERY GOOD USE OF OUR RESOURCES.

3 CHAIRMAN KLEIN: OKAY. THANK YOU VERY
4 MUCH. DR. LOVE.

5 DR. LOVE: IT'S HARD FOR ME TO ADD TO THAT
6 OTHER THAN JUST TO SAY THAT I'VE GOT THE BENEFIT NOW
7 OF COMING INTO CIRM ONE DAY A WEEK AND BEING IN THE
8 OFFICE, AND THE EFFECT THAT ART HAS EVERYWHERE HE
9 GOES, AND PARTICULARLY IN THE OFFICE OF THE CIRM
10 INSTITUTE AS WE RUN IT, IS IMPRESSIVE.

11 I, LIKE JEFF SAID, I DIDN'T KNOW ART UNTIL
12 WE STARTED THIS EFFORT. BOY, AM I THRILLED THAT
13 I'VE GOTTEN TO KNOW HIM ON A PERSONAL LEVEL, BUT I'M
14 ALSO INCREDIBLY THRILLED THAT THIS INSTITUTE HAS THE
15 BENEFIT OF HIS SERVICES.

16 QUITE FRANKLY, I DON'T THINK THERE'S ANY
17 APPROPRIATE AMOUNT OF MONEY THAT YOU COULD PAY HIM
18 FOR WHAT HE DOES FOR US. AND I THINK IT'S AN
19 ENORMOUS EFFICIENCY FOR THE STATE THAT WE CAN GET
20 HIM FOR 80 PERCENT OF A SALARY. SO, ART, IT'S A
21 PLEASURE TO WORK WITH YOU.

22 MR. TORRES: THANK YOU.

23 CHAIRMAN KLEIN: THANK YOU VERY MUCH. SO
24 I'D LIKE TO SEE IF THERE'S ANY PUBLIC COMMENT.

25 MR. REED: I HAD THE PLEASURE TO WORK WITH

BARRISTERS' REPORTING SERVICE

1 ART ON SENATE BILL 471, AND IT WAS JUST A DELIGHT TO
2 WATCH THE REACTION OF THE PEOPLE IN SACRAMENTO TO
3 HIM. HE ALWAYS HAD HIS FACTS STRAIGHT. HE WAS
4 CONCISE, HE WAS ACCURATE, BUT THE EMOTIONAL REACTION
5 TO HIM WAS WONDERFUL. ONE PERSON LEAPED UP, RAN
6 OVER TO HIM AND SAID, "IT'S JUST AN HONOR TO MEET
7 YOU. I'VE HEARD SO MUCH ABOUT YOU." HE SAID, "I
8 KNEW YOUR FATHER WELL." THAT KIND OF PERSONAL
9 IMPACT IS IMPOSSIBLE TO OVERESTIMATE. AND THANK YOU
10 SO MUCH FOR ALL YOU'VE DONE. THIS IS A VERY WISE
11 DECISION. THANK YOU.

12 MR. TORRES: THANK YOU, DON.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH. I'D
14 LIKE TO CALL THE QUESTION. ALL IN FAVOR?

15 MR. HARRISON: THE RECORD SHOULD REFLECT
16 THAT SENATOR TORRES DID NOT PARTICIPATE IN THAT
17 VOTE.

18 CHAIRMAN KLEIN: ALL OPPOSED? THANK YOU.
19 CONGRATULATIONS. IT IS GOOD TO SEE A FAIR AWARD FOR
20 THE TREMENDOUS VALUE YOU REALLY PROVIDE THE STATE.
21 AND IT'S GOOD TO SEE IN A TIME OF RESOURCE
22 CONSTRAINT THAT WE'RE BEING INNOVATIVE AND TAKING
23 THE RESPONSIBILITIES FROM ONE POSITION, WHICH YOU'VE
24 SO GRACEFULLY ACCEPTED WITH GREAT ART, NO PUN
25 INTENDED, AND HAVE DONE A FABULOUS JOB FOR THIS

BARRISTERS' REPORTING SERVICE

1 AGENCY. THANK YOU.

2 DR. TROUNSON: SO, CHAIR, I DIDN'T WANT
3 MAKE A COMMENT PRIOR TO THE VOTE BECAUSE I DIDN'T
4 THINK IT WAS APPROPRIATE, BUT JUST TO SAY TO THE
5 BOARD THAT, YOU KNOW, THE STAFF, THE STAFF
6 COMPLETELY ENDORSE THE RELATIONSHIP THAT WE HAVE
7 WITH ART AND THE ABILITY TO WORK WITH HIM. AND NOW
8 OBVIOUSLY WE'RE GOING TO WORK WITH HIM MORE, SO WE
9 GOT THE NIGHTS AS WELL AS THE DAYS, WHICH IS GOOD.
10 BUT I THINK FROM ALL OF US, AND I MEAN JOHN AND DON
11 AND EVERYBODY, REALLY EVERYBODY, THE SCIENCE GROUP,
12 HIS ADVICE AND HIS GUIDANCE IS VERY IMPORTANT, AND I
13 APPRECIATE IT VERY MUCH AND SO DO TO REST OF US. SO
14 WE'RE VERY PLEASED THAT YOU WILL BE THERE EVEN MORE.
15 AND I THINK IT'S A REAL PLEASURE AND AN HONOR TO
16 SERVE WITH YOU, ART.

17 MR. TORRES: I JUST WANT TO SAY THANK YOU
18 TO JEFF WHO I'VE ENJOYED WORKING WITH VERY, VERY
19 MUCH AND TO DUANE TO SHOW THAT BIPARTISANSHIP DOES
20 WORK AND CAN WORK EFFECTIVELY WHEN THERE'S MUTUAL
21 RESPECT AND ADMIRATION. AND I SHARE THAT WITH
22 DUANE, AND I TRIED TO PROVE THAT AS QUICKLY AS
23 POSSIBLE SO THAT HE KNEW WHO I WAS AND WHERE I WAS
24 COMING FROM. AND THAT WORKING TOGETHER, YOU'VE SEEN
25 THAT HAPPEN WITH ANNA ESCHOO'S BILL AND HOW WE

BARRISTERS' REPORTING SERVICE

1 WORKED TOGETHER SO EFFECTIVELY AND HE ON THE GROUND
2 IN D.C., SO I'M VERY GRATEFUL FOR YOUR COMMENTS,
3 DUANE. I'M VERY GRATEFUL TO HAVE YOU AS A FRIEND.

4 TO DR. LOVE I JUST WANT TO SAY THANK YOU
5 ALSO. AND GETTING TO KNOW YOU HAS BEEN AN
6 EXTRAORDINARY EXPERIENCE. AND YOU NOT ONLY HAVE MY
7 LOVE AND ADMIRATION, BUT YOU HAVE MY CHILDREN'S LOVE
8 AND ADMIRATION AS WELL.

9 AND, DR. TROUNSON, THANK YOU AND TO THE
10 STAFF. I HAVE NEVER ENJOYED AN EXPERIENCE MORE THAN
11 BEING IN AN ENVIRONMENT WHERE THERE'S SUCH GREAT
12 TEAMWORK AND THERE'S SUCH COLLABORATION AND THERE'S
13 SUCH ADHERENCE TO A VISION. IT IS EXTRAORDINARY
14 COMMITMENT IN THE STAFF THAT WE HAVE AT THIS
15 INSTITUTE.

16 AND LASTLY, OF COURSE, TO BOB KLEIN FOR
17 ALL OF YOUR HELP AND YOUR SUPPORT. I'M TRULY
18 GRATEFUL.

19 MY CHILDREN ASKED ME WHAT I ENJOYED MOST,
20 AND THANK YOU, DON, AS WELL. AND I SAID IN NINE
21 MONTHS I HAVE ACHIEVED MORE WORKING HERE THAN I EVER
22 COULD HAVE IN 20 YEARS IN THE LEGISLATURE. AND THE
23 POWER AND THE DISCRETION AND THE RESPONSIBILITY OF
24 THIS BOARD AND THIS INSTITUTE HAS BEEN EXTRAORDINARY
25 FOR ME. SO I JUST WANT TO THANK YOU VERY MUCH EACH

BARRISTERS' REPORTING SERVICE

1 AND EVERY ONE OF YOU FOR YOUR SUPPORT, AND I WILL
2 NOT LET YOU DOWN.

3 CHAIRMAN KLEIN: THANK YOU.

4 (APPLAUSE.)

5 CHAIRMAN KLEIN: IT IS CERTAINLY OUR
6 TREMENDOUS GAIN IN THE MISSION FOR OUR CHILDREN'S
7 GAIN.

8 I'D LIKE TO HANDLE AN ITEM WHICH I THINK
9 WE CAN DO QUICKLY BECAUSE IT'S FORWARD-LOOKING,
10 REACHING FOR NEW GOALS, AND THAT'S ITEM 18. AND
11 THAT IS CONSIDERATION OF CREATION OF A BOARD
12 SUBCOMMITTEE ON COMMUNICATIONS WITH THE CALIFORNIA
13 PUBLIC AND A TASK FORCE WITHIN THAT SUBCOMMITTEE ON
14 PUBLIC MEDIA. THE CONSIDERATION SHALL INCLUDE
15 WITHOUT LIMITATION APPOINTMENT OF THE CHAIR AND VICE
16 CHAIR. AND I'D SAY AFTER THIS MEETING PLEASE
17 CONTACT ME OR RIGHT NOW PLEASE CONTACT ME IF YOU
18 KNOW YOU'D LIKE TO SERVE ON THIS.

19 SHERRY LANSING HAS INDICATED PREVIOUSLY AN
20 INTEREST IN SERVING IN THIS, LEEZA GIBBONS, DR.
21 FLOYD BLOOM, JEFF SHEEHY, DR. LOVE, AND I WOULD BE
22 THE CHAIR, ART WOULD BE THE VICE CHAIR OF THAT
23 COMMITTEE. IS THERE ANYONE ELSE HERE THAT WOULD
24 LIKE TO SERVE ON THAT COMMITTEE? MICHAEL GOLDBERG.

25 SO YOU HAVE AN ITEM IN YOUR PACKET. THE

BARRISTERS' REPORTING SERVICE

1 PURPOSE OF THIS IS REALLY TO RECOGNIZE THAT WE'VE
2 HAD TREMENDOUS IMPROVEMENT IN THE CONTENT OF OUR
3 COMMUNICATIONS IN THIS LAST YEAR. WE NOW HAVE AN
4 OPPORTUNITY WITH THE CONTENT AND THE PERFORMANCE OF
5 THE PHENOMENAL SCIENTISTS IN THIS STATE, LIKE
6 CATRIONA JAMIESON, LIKE THE SCIENTISTS THAT WERE
7 APPROVED IN DISEASE TEAMS AND TRANSLATIONAL GRANTS
8 AND ALL OF THE TOOLS AND TECHNOLOGIES AND OTHER
9 ELEMENTS OF THE PROGRAM, TO REACH OUT TO 35 MILLION
10 PLUS PEOPLE IN THIS STATE WITH A MESSAGE ABOUT THE
11 ACHIEVEMENTS OF THE SCIENCE AND THE SCIENTIFIC
12 STAFF, THE BOARD'S MISSION.

13 IT IS VERY IMPORTANT TO COMMUNICATE
14 PARTICULARLY IN A TIME OF RESOURCE ALLOCATIONS AND
15 25 BILLION IN POTENTIAL CUTS IN THE STATE TO
16 INDICATE TO THE TAXPAYER HOW HARD WE'RE WORKING AND
17 THE EFFECTIVE IMPACT OF OUR PROGRAM, WHETHER IT'S
18 400 PUBLISHED ARTICLES, WHETHER IT'S THE GREAT STEM
19 CELL RESEARCH INSTITUTES THAT ARE BEING CREATED WITH
20 AN ADDITIONAL \$1.1 BILLION OF MATCHING FUNDS COMING
21 IN, WHETHER IT'S THE INTERNATIONAL LEVERAGE WE'RE
22 GETTING FROM THE BEST SCIENTISTS AROUND THE WORLD.
23 WE HAVE A GREAT MESSAGE, AND WE CAN GET INPUT FROM
24 EXPERTS WHILE WORKING WITH THE STAFF OF THE AGENCY,
25 WITH THE PRESIDENT AND JOHN ROBSON, AND DON GIBBONS

BARRISTERS' REPORTING SERVICE

1 OF THE SENIOR STAFF IN A COLLABORATIVE FASHION TO
2 TRY AND SEE HOW WE CAN SET NEW STRATEGIES AND NEW
3 GOALS TO REALLY FULFILL OUR COMMUNICATION MISSION.

4 SO WE'LL BE LOOKING FOR OUTSIDE EXPERTS
5 THAT ARE WORLD-CLASS TO COME IN AND GIVE US
6 INFORMATION, BUT THIS IS A REAL OPPORTUNITY AND A
7 MANDATE THAT WE OWE TO THE PUBLIC.

8 WOULD ANYONE LIKE TO MAKE A MOTION TO
9 APPROVE THIS SUBCOMMITTEE AND THEN WE'LL TAKE
10 COMMENTS?

11 MR. SHEEHY: I'D LIKE TO MOVE THIS. AND
12 JUST TO REITERATE SOME OF BOB'S POINTS, I THINK IT'S
13 KIND OF APROPOS THAT AFTER HAVING DISCUSSED THE
14 INCREDIBLE ROLE SENATOR TORRES HAS PLAYED IN
15 AUGMENTING OUR GOVERNMENT RELATIONS, OUR
16 COMMUNICATIONS EFFORTS AND GOVERNMENT RELATIONS ARE
17 REALLY ALL ON A CONTINUUM. AS THE CHAIR HAS NOTED,
18 WE'RE IN DIFFICULT TIMES IN TERMS OF BUDGET. BUT I
19 BELIEVE, AND I'M SURE MANY OF US SITTING AROUND HERE
20 AGREE, WE PRODUCE ENORMOUS VALUE FOR THE STATE OF
21 CALIFORNIA. NOT ONLY ARE WE KEEPING PEOPLE
22 EMPLOYED, WE'RE EMPLOYING NEW PEOPLE AND WE'RE
23 CREATING THE GROUND FOR AN ENTIRE NEW INDUSTRY THAT
24 IS GOING TO BE THE NEXT BOOM IN CALIFORNIA. SO
25 WHILE A LOT OF PEOPLE ARE CUTTING BACK AND BASICALLY

BARRISTERS' REPORTING SERVICE

1 EATING THEIR SEED CORN, WE'RE PLANTING THE SEEDS OF
2 THE FUTURE.

3 I THINK ALL OF US INVOLVED WITH THIS
4 ENTERPRISE NEED TO BE OUT TALKING ABOUT THIS, AND
5 THIS IS A GREAT MECHANISM FOR US ALL TO BE WORKING
6 TOGETHER TO COMMUNICATE THE VALUABLE WORK THAT WE'RE
7 DOING AND WHAT IT REALLY MEANS TO THE PEOPLE OF
8 CALIFORNIA. WE OWE THAT TO THE PEOPLE OF CALIFORNIA
9 AS THEY'RE LOOKING -- BECAUSE AS A PERSON LIVING
10 WITH HIV, THE VERY PILLS THAT WE USE TO KEEP
11 OURSELVES ALIVE, THE MONEY FOR THAT IS AT RISK
12 WITHIN THE STATE BUDGET.

13 NOW, I WOULD NOT TAKE FROM HERE TO DO
14 THAT. I THINK WHAT WE'RE DOING HERE IS ACTUALLY
15 GOING TO SAVE AN ENORMOUS NUMBER OF LIVES BEFORE
16 WE'RE THROUGH. BUT WE NEED TO TALK TO PEOPLE ABOUT
17 THAT BECAUSE PEOPLE ARE FEELING REALLY IMMEDIATE
18 NEEDS RIGHT NOW, AND YOU JUST DON'T, LIKE I SAID,
19 EAT YOUR SEED CORN BECAUSE YOU'VE GOT TO FULFILL
20 THIS IMMEDIATE NEED. SO I'M ENTHUSIASTIC ABOUT
21 THIS. I THINK IT'S A GREAT IDEA, AND I'D LIKE TO
22 MAKE THIS MOTION.

23 CHAIRMAN KLEIN: IS THERE A SECOND?

24 DR. BURTIS: SECOND.

25 CHAIRMAN KLEIN: SECOND IS FROM DR.

BARRISTERS' REPORTING SERVICE

1 BURTIS. THANK YOU VERY MUCH. ADDITIONAL DISCUSSION
2 FROM THE BOARD? PUBLIC DISCUSSION? AND THEN DR.
3 TROUNSON WOULD LIKE TO MAKE A COMMENT. DON.

4 MR. REED: JUST AS THIS IS SO APROPOS, SO
5 NEEDED, THERE IS A LOT OF MISINFORMATION OUT THERE
6 WHICH NEEDS TO BE COUNTERED. AND THE GOOD STUFF
7 THAT IS GOING ON IS JUST AMAZING, AND IT NEEDS TO BE
8 REALLY DRUMMED IN HARD. DON GIBBONS AND A FRIEND IS
9 DOING A TREMENDOUS JOB, BUT THERE'S SO MUCH MORE
10 THAT CAN BE DONE AND SHOULD BE DONE AND MUST BE
11 DONE. THE WORLD HAS TO KNOW AND AMERICA HAS TO KNOW
12 AND CALIFORNIA HAS TO KNOW.

13 THE ROMAN REED ACT, WHICH HAS DONE A
14 TREMENDOUS JOB, VERY SMALL, SPENT 12.5 MILLION,
15 ATTRACTED 50 MILLION MATCHING GRANTS, WE'RE GOING TO
16 HAVE TO BE FIGHTING FOR OUR OWN REFUNDING. SO WE'LL
17 BE FIGHTING, AND IT'S GOING TO BE THE HARDEST BATTLE
18 PROBABLY OF ALL. SO EVERY DOLLAR THAT'S SPENT IS A
19 DOLLAR THAT HAS TO BE FOUGHT FOR, AND THIS IS --
20 WELL, YOU KNOW. THIS IS IMPORTANT. THANK YOU.

21 DR. TROUNSON: SO, CHAIR, IT'S VERY CLEAR
22 THAT THE STAFF ARE VERY SUPPORTIVE OF THIS, AND
23 PARTICULARLY MYSELF AND DON GIBBONS AND JOHN ROBSON.
24 WE FEEL THAT WE CAN BUILD ON WHAT WE'VE BEEN DOING,
25 AND WE THINK THAT WE SHOULD BE ABLE TO DO THAT. AND

BARRISTERS' REPORTING SERVICE

1 WE APPRECIATE THAT THIS BE A COLLABORATIVE PROJECT
2 BECAUSE IT IS HUGELY MEANINGFUL. AND TO GET THE
3 BEST OUT OF THE WHOLE CAPACITY IN JOINING WITH THE
4 TASK FORCE AND THE COMMITTEE, THEN I THINK YOU CAN
5 GET -- YOU REALLY CAN GET THE BEST OUT OF IT.

6 SO ON THE BASIS THAT ALL THE THREE OF US
7 WANT TO STEP FORWARD AND BE INVOLVED AND BE VERY
8 INVOLVED. DON'S GIVEN ME THAT ASSURANCE, JOHN'S
9 GIVEN ME THAT ASSURANCE, AND THE REST OF THE STAFF
10 WOULD BACK THIS AS A GENUINE COLLABORATIVE VENTURE,
11 THEN YOU KNOW YOU HAVE THE SUPPORT OF THE STAFF.
12 AND I LOOK FORWARD TO MOVING THE WHOLE CAPABILITY
13 FORWARD AND BUILDING ON WHAT WE'VE ALREADY GOT,
14 WHICH I THINK IS PRETTY SUBSTANTIAL.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH. SO
16 I'D LIKE TO CALL THE QUESTION. ALL IN FAVOR?
17 OPPOSED? THANK YOU.

18 I'D LIKE TO MOVE TO SOME ITEMS HERE THAT
19 ARE VERY IMPORTANT, AND I BELIEVE THAT STAFF, DR.
20 TROUNSON, WANTED TO SPECIFICALLY, EVEN THOUGH WE'VE
21 PREVIOUSLY DISCUSSED ITEM 16, DID THE STAFF WANT TO
22 COVER ITEM 15 BEFORE 16, OR DID THEY WANT TO
23 COVER --

24 DR. TROUNSON: NO. WE WOULD PREFER IF WE
25 COULD COVER ITEM 15. IT WOULD ENABLE ITEM 16.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: FINE. THAT WAS MY
2 UNDERSTANDING. SO WHO WOULD YOU LIKE TO ADDRESS
3 ITEM 15?

4 DR. TROUNSON: I'D ASK DR. OLSON TO DO
5 THAT IF I MAY.

6 DR. OLSON: MR. CHAIR, MEMBERS OF THE
7 BOARD, I'D LIKE TO PRESENT TO YOU A REPORT ON THE
8 TRIAL PREAPPLICATION PROCESS. YOU MAY RECALL IN
9 DECEMBER OF LAST YEAR, WE BROUGHT FORTH FOR YOUR
10 ATTENTION CONSIDERATION OF A PREAPPLICATION REVIEW
11 PROCESS, WHICH WAS A PROPOSAL WE MADE TO TRY AND
12 ESSENTIALLY ADDRESS SOMETHING THAT I DON'T THINK
13 ANYBODY WAS HAPPY WITH, THE NEED TO IMPOSE LIMITS IN
14 ORDER TO NOT OVERTAX THE CAPACITY OF OUR GRANTS
15 WORKING GROUP AND OUR ORGANIZATION AND TO ACCESS THE
16 BEST SCIENCE.

17 AT THAT TIME WHAT WE AGREED WITH YOU WAS
18 THAT WE WOULD HAVE A TRIAL PROCESS WITH ONE
19 INITIATIVE, THE BASIC BIOLOGY INITIATIVE, WHICH
20 INCLUDED TWO RFA'S AND THE DISEASE TEAM RFA. AND SO
21 WHAT I'D LIKE TO DO IS REPORT TO YOU ON THE OUTCOME
22 OF THAT AND REMIND YOU OF SOME OF THE POINTS ABOUT
23 THIS.

24 SO WHAT WAS THE PURPOSE OF THIS? WHAT WE
25 WANTED TO BE ABLE TO DO WAS ACCESS THE BREADTH OF

BARRISTERS' REPORTING SERVICE

1 STEM CELL SCIENCE THROUGHOUT THE STATE WITHOUT
2 IMPOSING LIMITS. IN PARTICULAR, AS YOU RECALL, IN
3 MANY CASES WHAT WAS HAPPENING IS INSTITUTIONAL
4 COMMITTEES OR GATEKEEPERS WERE ESSENTIALLY MAKING
5 THE CALLS ON WHAT APPLICATIONS WE SAW. I ACTUALLY
6 HAD ONE PROGRAM HEAD JUST IN THE LAST TWO WEEKS COME
7 UP TO ME AND SAY, "YOU KNOW, YOU WOULD DO ME A VERY
8 BIG FAVOR IF WE WOULD NOT HAVE TO DO THIS BECAUSE NO
9 PROGRAM HEAD LIKES TO SAY YES OR NO TO THEIR
10 FACULTY." PUTS THEM IN A DIFFICULT POSITION.

11 THE OTHER OBJECTIVE OF THIS WAS TO ENABLE
12 THE GRANTS WORKING GROUP REVIEW EFFECTIVENESS WITHIN
13 THE CAPACITY OF THE REVIEW GROUP AND OF CIRM. I
14 WANT TO REMIND YOU THAT THE TRIAL -- THE
15 PREAPPLICATION PROCESS IS BASED ON SIMILAR
16 PROCEDURES UTILIZED BY OTHER FUNDING AGENCIES,
17 INCLUDING THE NSF, THE MICHAEL J. FOX FOUNDATION,
18 THE U.S. DEPARTMENT OF DEFENSE, MELINDA AND BILL
19 GATES FOUNDATION, AND OTHERS AS WELL. AND WE
20 DESIGNED IT TO HANDLE A LARGE VOLUME OF
21 PREAPPLICATIONS.

22 NOW, IN THE CASE OF DISEASE TEAMS, WE HAD
23 74. IN THE CASE OF THE BASIC BIOLOGY INITIATIVE,
24 BECAUSE IT WAS TWO SEPARATE RFA'S, WE HAD 135 AND
25 154. I WILL REMIND YOU THAT STARTING IN 2'10, BASIC

BARRISTERS' REPORTING SERVICE

1 BIO WILL BE ONLY ONE CALL. SO WE HAD CLOSE TO 300
2 APPLICATIONS THERE. I'LL ALSO REMIND YOU THAT EARLY
3 TRANSLATION WITH LIMITS, WITH LIMITS, WE HAD 74,
4 WHICH ACTUALLY REQUIRED US GOING AN EXTRA DAY. SO
5 THERE'S A VERY REAL CASE THAT WITHOUT LIMITS WE CAN
6 GET A LARGE VOLUME OF APPLICATIONS. SO WE DID
7 DESIGN THE PROCESS TO ADDRESS THAT.

8 AND LET ME JUST REMIND YOU OF CERTAIN
9 ELEMENTS OF THE PROCESS. WE HAVE A SHORT
10 PREAPPLICATION FORM THAT COLLECTED KEY INFORMATION,
11 AND WE HAD TO HAVE THAT TO ENABLE US TO DETERMINE
12 CONFLICTS, TO ENABLE US TO DIRECT THE
13 PREAPPLICATIONS TO THE APPROPRIATE EXTERNAL
14 REVIEWERS, AND TO ENABLE REVIEW ACCORDING TO DEFINED
15 CRITERIA IN THE RFA. THE PROCESS IS, IN FACT,
16 COORDINATED AND MANAGED BY THE REVIEW OFFICE AT
17 CIRM. SO THIS IS DR. GILL SAMBRANO'S OFFICE, AND
18 THEY DO NOT THEMSELVES PARTICIPATE IN THE INTERNAL
19 REVIEW OF PREAPPLICATIONS.

20 THE ACTUAL -- THE REVIEW IS DONE -- THE
21 PREAP REVIEW IS DONE BY THREE EXTERNAL SCIENTISTS BY
22 PREAP, AND IT IS BASED ON DEFINED CRITERIA THAT ARE
23 ELABORATED WITHIN THE RFA. THAT IS THEN FOLLOWED BY
24 AN INTERNAL, A REVIEW BY INTERNAL SCIENTISTS. AND,
25 AGAIN, TWO TO THREE INTERNAL SCIENTISTS LOOK AT

BARRISTERS' REPORTING SERVICE

1 EVERY SINGLE PREAP, AND, AGAIN, WE FOCUS ON CRITERIA
2 AS DEFINED IN THE RFA WITH A PARTICULAR EMPHASIS ON
3 RESPONSIVENESS.

4 THE INTERNAL PREAP REVIEW IS HELD IN
5 CLOSED SESSION AND IS SUBJECT TO ALL THE RULES OF
6 CONFLICTS. THE OUTCOME OF THAT IS AN INVITATION TO
7 SUBMIT A FULL APPLICATION OR DEFERRED TO A
8 SUBSEQUENT CYCLE.

9 AS PART OF THIS PROCESS -- AS PART OF THAT
10 PROCESS, WE DID CONDUCT SURVEYS. WE SURVEYED THE
11 APPLICANTS WHO SUBMITTED A PREAPPLICATION FOR BOTH
12 BASIC BIOLOGY I, THE DISEASE TEAM RESEARCH AWARDS,
13 AND THE BASIC BIOLOGY II. WE ALSO SURVEYED EXTERNAL
14 SCIENTIFIC REVIEWERS WHO EVALUATED THE
15 PREAPPLICATIONS AS WELL AS GRANTS WORKING GROUP
16 REVIEWERS WHO EVALUATED FULL APPLICATION SUBMITTED
17 BY INVITED APPLICANTS.

18 FOR THE PREAPPLICATION APPLICANT SURVEY,
19 WE HAD 117 RESPONDERS, WHICH IS ROUGHLY ABOUT A
20 33-PERCENT RESPONSE RATE. AND THE QUESTION WE ASKED
21 OF THEM WAS, YOU KNOW, GIVEN A CHOICE OF LIMITS OR
22 PREAPS, WHAT DID THEY PREFER. AND 87 PERCENT
23 PREFERRED THE PREAPPLICATION PROCESS. I WOULD ALSO
24 SAY THAT WE DID ASK THEM ABOUT THE LENGTH OF IT.
25 THERE ARE SOME OTHER THINGS, AND I BELIEVE YOU

BARRISTERS' REPORTING SERVICE

1 ACTUALLY HAVE A VERY COMPREHENSIVE REPORT BEHIND TAB
2 15 IN YOUR BINDER. I DO ENCOURAGE YOU TO LOOK IT
3 OVER. I'M FOCUSING ON SOME OF THE HIGHLIGHTS.

4 WE ALSO SURVEYED THE PREAPPLICATION
5 EXTERNAL REVIEWERS. AND OF THOSE, 81 PERCENT
6 BELIEVED THAT THE INFORMATION SOLICITED WAS
7 SUFFICIENT TO EVALUATE THE PREAPPLICATIONS. THAT
8 WAS IMPORTANT TO US BECAUSE WE'RE ASKING THEM TO
9 ESSENTIALLY RANK THINGS AS TO THE TOP, AND WE
10 ALLOWED THEM TWO TO THREE, YES, INVITE, MAYBE, OR
11 DEFER. SO THEY FELT THAT THEY HAD ADEQUATE
12 INFORMATION BASED ON WHAT WE REQUESTED IN THE
13 PREAPPLICATION, AND RECALL THAT THIS WAS A SHORT
14 FORM, AND THE CRITERIA WE GAVE THEM TO MAKE THAT
15 EVALUATION.

16 WE EVALUATED THE GRANTS WORKING GROUP
17 MEMBERS. AND WHEN ASKED IN TERMS OF TO ENSURE --
18 WE'RE TRYING TO BE RESPECTFUL OF THEIR TIME AND
19 THEIR CAPACITY. AND WHEN ASKING THEM WHAT DID THEY
20 PREFER TO ACHIEVE A MANAGEABLE NUMBER OF
21 APPLICATIONS FOR GRANTS WORKING GROUP REVIEW, 81
22 PERCENT INDICATED THAT THEY PREFERRED THE PREAP
23 PROCESS OVER INSTITUTIONAL LIMITS.

24 SOME DID COMMENT THAT A TRIAGE PROCESS
25 WOULD DO THE SAME, BUT I THINK, AS YOU'RE AWARE,

BARRISTERS' REPORTING SERVICE

1 UNDER OUR RULES, EVERY APPLICATION MUST BE DISCUSSED
2 BY THE GRANTS WORKING GROUP. SO IT HAS TO GO IN
3 FRONT OF THEM AND TRIAGE IS ACTUALLY NOT PART OF OUR
4 RULES. ANECDOTALLY, OUR GRANTS WORKING GROUP
5 MEMBERS ALSO COMMENTED ON THE FACT THAT THEY FOUND
6 THE APPLICATIONS TO BE, IN GENERAL, BETTER THAN
7 WITHOUT A PREAP PROCESS. AND THAT WAS ACTUALLY
8 SUPPORTED BY OUR ANALYSIS OF THE DATA, WHICH
9 INDICATED THAT, IN GENERAL, THERE WERE FEWER
10 APPLICATIONS IN THE BOTTOM QUARTILE OF THE SCORING.

11 AS FAR AS THE OUTCOMES, REMEMBER PART OF
12 THE GOAL OF THIS WAS TO INCREASE THE ACCESS TO THE
13 BREADTH OF STEM CELL SCIENCE THROUGHOUT THE STATE.
14 WE WERE IN THE POSITION OF BEING -- SO WHAT WE DID
15 FIND WAS THAT 50 PERCENT OF THE APPLICANTS HAD NEVER
16 PREVIOUSLY APPLIED FOR A CIRM GRANT, SO 50 PERCENT
17 OF THE PREAPPLICATIONS SUBMITTED. AND OF THOSE THAT
18 WERE INVITED, THEY WERE SUCCESSFUL. SO FOR BASIC
19 BIOLOGY I, 33 PERCENT OF THOSE APPLICATIONS THAT YOU
20 HAVE APPROVED FOR FUNDING WERE FROM PEOPLE WHO HAD
21 NEVER PREVIOUSLY APPLIED FOR CIRM FUNDING.

22 AND FOR THE DISEASE TEAM, 50 PERCENT WERE
23 FROM PI'S WHO HAD NOT PREVIOUSLY APPLIED. NOW,
24 THERE COULD BE A LITTLE BIT OF A SCOPE
25 CONSIDERATION. AND I RECOGNIZE THAT AS WE GO

BARRISTERS' REPORTING SERVICE

1 FORWARD, AS WE CONTINUE TO, WHAT I WANT TO SAY,
2 BROADLY TARGET THE STEM CELL SCIENCE THROUGHOUT THE
3 STATE, OBVIOUSLY THE NUMBER OF PEOPLE WHO HAVE NEVER
4 APPLIED WILL PROBABLY DECREASE, BUT THE POINT BEING
5 IS THAT BY NOT HAVING LIMITS, ALL OF THOSE PEOPLE AT
6 LEAST HAVE A CHANCE TO COMPETE FOR THOSE RFA'S FOR
7 WHICH THEY DEEM THEIR RESEARCH APPROPRIATE.

8 SO I THINK WE COULD ARGUE THAT IT DID
9 INCREASE THE BREADTH OF ACCESS TO STEM CELL
10 RESEARCH. THE OTHER BIG IMPORTANT CONSIDERATION FOR
11 US HAS BEEN, YOU KNOW, EFFECTIVENESS AND IMPACTING
12 ON GRANTS WORKING GROUP EFFECTIVENESS. THE MEMBER
13 TIME, IN PARTICULAR THE MEMBER TIME, TO CONDUCT AN
14 EFFECTIVE SCIENTIFIC REVIEW, AT THOSE REVIEWS WHERE
15 WE'VE REALLY BEEN STRETCHED, WHERE WE'VE HAD A LARGE
16 NUMBER OF APPLICATIONS, THE QUALITY OF THE REVIEW
17 DECREASES IF YOU HAVE TOO MANY. PEOPLE JUST DON'T
18 GET INTO A GOOD DISCUSSION ABOUT APPLICATIONS, AND
19 SO THERE'S JUST A SORT OF REASONABLE NUMBER OF
20 APPLICATIONS THAT A GRANTS WORKING GROUP CAN HANDLE
21 IN A MEANINGFUL TIMEFRAME.

22 THEN THERE'S THE ISSUE OF CAPACITY TO
23 PROVIDE A THOROUGH REVIEW OF APPLICATIONS. YOU DO
24 RECALL THAT WE ARE LIMITED TO 15 MEMBERS. SO
25 THERE'S A BURDEN ON THE SCIENTIFIC MEMBERS IF WE

BARRISTERS' REPORTING SERVICE

1 HAVE MANY MORE APPLICATIONS THAN THEY CAN READILY
2 HANDLE, AND THERE'S A CERTAINLY A BURDEN ON PATIENT
3 ADVOCATE MEMBERS BECAUSE THEY ARE PRESENT AT ALL THE
4 MEETINGS. AND WHEN OUR MEETING GO SEVERAL DAYS OR
5 WHEN THERE ARE MORE MEETINGS, THAT BECOMES A BURDEN.
6 FOR GRANTS WORKING GROUP MEMBERS, WE'RE SIMPLY NOT
7 ABLE TO GET MORE THAN THREE DAYS OF THEIR TIME
8 TYPICALLY. I MEAN THEY'RE BUSY PEOPLE. WE HAVE A
9 VERY GOOD GRANTS WORKING GROUP, AND IT'S JUST
10 OUTSIDE OF THEIR CAPACITY.

11 SO I THINK THE IDEA IS THAT WE HAVE
12 INCREASED -- THIS IS A WAY TO INCREASE THE
13 EFFECTIVENESS OF REVIEW BY THE GRANTS WORKING GROUP.
14 IT ALSO WORKS FOR STAFF IN TERMS OF THE BURDEN ON
15 US, PLUS ACTUALLY, TO TELL THE TRUTH, STAFF ENJOYS
16 THIS. I THINK -- I'M NOT SURE YOU REALIZE. YOU
17 ACTUALLY HAVE A VERY GOOD SCIENTIFIC STAFF. KEEPING
18 PEOPLE LIKE THAT ENGAGED REQUIRES LETTING THEM TO DO
19 THEIR JOB TO SOME EXTENT AND GIVING THEM, YOU KNOW,
20 THE OPPORTUNITY TO TAKE ON OTHER CHALLENGES. SO
21 THIS IS ACTUALLY ONE OF THOSE ASPECTS, WE LIKE MANY
22 ASPECTS OF OUR JOB. I HAVE PEOPLE TELL ME, YOU
23 KNOW, PERIODICALLY THAT THIS IS ONE OF THE GREATEST
24 JOBS THEY HAVE, BUT THIS IS ONE OF THE THINGS THAT
25 CONTRIBUTES TO THAT.

BARRISTERS' REPORTING SERVICE

1 I WOULD ALSO JUST MAKE THE POINT, SINCE I
2 THINK WE ALWAYS HAVE TO BE MINDFUL OF THE TAXPAYER
3 DOLLARS, THAT ACTUALLY A PREAPPLICATION REVIEW IN
4 CONJUNCTION WITH A GRANTS WORKING GROUP REVIEW IS
5 MUCH MORE COST EFFECTIVE THAN A FOUR- TO FIVE- OR
6 SIX-DAY REVIEW OR HOLDING TWO REVIEWS EVEN IF WE
7 COULD DO SO. SO I JUST WANT TO POINT THAT OUT AS
8 WELL.

9 IN SUMMARY, I'D LIKE TO SAY THAT I THINK
10 THIS HAS BEEN A GOOD TRIAL. I THINK IT'S HAD THE
11 OUTCOMES WE DESIRED. AND I WOULD LIKE TO REQUEST
12 ICOC APPROVAL FOR THE ADOPTION OF THE PREAPPLICATION
13 PROCESS FOR OUR CORE REPEATING RFA'S. THANK YOU FOR
14 YOUR ATTENTION.

15 CHAIRMAN KLEIN: DR. OLSON, QUESTION FOR
16 YOU. IT'S VERY SURPRISING THAT 50 PERCENT OF THE
17 DISEASE TEAMS CAME FROM PI'S WHO HAD NOT APPLIED
18 BEFORE. WHAT'S YOUR -- WHAT ARE YOUR THOUGHTS ABOUT
19 THAT? IS YOUR THOUGHT THAT THESE PEOPLE WERE
20 TRIAGED INSTITUTIONALLY ON PREVIOUS ROUNDS? WHY IS
21 IT WE HAVE SUCH A LARGE INCREASE?

22 DR. OLSON: IT'S THE STAGE. I THINK WE
23 PICKED UP PEOPLE WHO ARE PEOPLE WHO DO TAKE THINGS
24 INTO THE CLINIC AND WHO, THEREFORE, ARE INTERESTED
25 IN PARTICIPATING IN AWARDS THAT STARTS TO GET THEM

BARRISTERS' REPORTING SERVICE

1 THERE. I ACTUALLY HAD AN INVESTIGATOR TO WHOM YOU
2 AWARDED A DISEASE TEAM RESEARCH AWARD COME UP TO ME
3 AT A RECENT MEETING AND SAY, YOU KNOW, THE REALLY
4 GREAT THING ABOUT THIS DISEASE TEAM RESEARCH AWARD
5 FUNDING IS THAT IT COVERS A LOT OF THE ACTIVITIES
6 THAT THIS INVESTIGATOR TO GET DONE NORMALLY WOULD
7 HAVE HAD TO GET FOUR OR FIVE DIFFERENT KINDS OF
8 GRANTS BECAUSE NO SINGLE, FOR EXAMPLE, NIH GRANT
9 WILL FUND THE GMP MANUFACTURE, WILL FUND THE GLP
10 STUDIES, WILL FUND SOME OF THE DISEASE-MODIFYING
11 ACTIVITIES STUDY. SO NO SINGLE AWARD DOES THAT KIND
12 OF THING.

13 SO THIS ENABLED THE ENGAGEMENT OF THOSE
14 PEOPLE WHO ACTUALLY DO DO CLINICAL DEVELOPMENT
15 BECAUSE THIS IS WHERE THEY HAVE TO START. THEY HAVE
16 TO START AT GETTING THE DEVELOPMENT CANDIDATE, GOING
17 THROUGH PRECLINICAL IND-ENABLING DEVELOPMENT TO GET
18 TO FILE AN IND. SO I DO THINK THAT'S PART OF THE
19 REASON.

20 CHAIRMAN KLEIN: SO WITH TANGIBLE
21 EXAMPLES, THAT DESCRIPTION OF HOW WE'RE DIFFERENT
22 FROM NIH IS VERY HELPFUL FOR OUR MESSAGING. WITH
23 THOSE SPECIFIC EXAMPLES, IF YOU COULD JUST WRITE
24 THAT UP IN HALF A PAGE, IT'S A GREAT STORY FOR US TO
25 RELATE.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: FIRST OF ALL, I DO ADMIRE
2 TREMENDOUSLY THE HARD WORK OF THE SCIENTIFIC STAFF.
3 HOWEVER, HAVING SAID THAT, I WOULD BE VERY
4 COMFORTABLE APPROVING THIS FOR THE NEXT GRANT, THE
5 IMMEDIATE -- FOR THE EARLY TRANSLATION. HOWEVER, I
6 HAD HOPED THAT WE WOULD HAVE A LARGER DISCUSSION AND
7 MORE ANALYSIS OF THIS PROCESS. AND WHILE I
8 APPRECIATE THE REPORT, WHICH I READ, SOME OF THE
9 QUESTIONS, LIKE I REALLY DON'T KNOW WHAT THE
10 APPLICANTS THINK OF IT BECAUSE THEY WERE ASKED A
11 BINARY QUESTION. DO YOU WANT THE PREAP PROCESS OR
12 INSTITUTIONAL LIMITS? THAT, TO ME, WITH ALL DUE
13 RESPECT, IS NOT INFORMATIVE.

14 A DEFECT THAT I SEE IN THE SYSTEM, AND I
15 DON'T WANT TO GET INTO WEEDS OF IT, WE'RE TOWARDS
16 THE END OF A DAY AND A HALF MEETING, AND I HAVE A
17 SUGGESTION ON HOW TO RESOLVE THIS, BY THE WAY. BUT
18 ONE OF THE THINGS THAT DOES TROUBLE ME IS THAT IN
19 THE PREAP PROCESS, THERE'S NO FEEDBACK, SO YOU JUST
20 GET DON'T SUBMIT. AND THAT, TO ME, YOU KNOW,
21 DOESN'T HELP PEOPLE.

22 WHAT I LIKE ABOUT, WHAT'S BEEN GOOD ABOUT
23 OUR GRANTING PROCESS IS THAT THE REVIEWS COME BACK
24 AND PEOPLE EITHER COME BACK TO US WITH A BETTER
25 PROPOSAL BECAUSE THEY'VE BEEN RIGOROUSLY REVIEWED

BARRISTERS' REPORTING SERVICE

1 AND GOTTEN THIS INCREDIBLE FEEDBACK OR THEY GO ON TO
2 NIH OR OTHER FUNDERS WITH A BETTER GRANT APPLICATION
3 THAN THEY WOULD HAVE HAD WITHOUT THE REVIEW. AND I
4 THINK ALL OF YOU KNOW, AS WORKING SCIENTISTS, IT'S
5 PART OF THE PROCESS. YOU SUBMIT, YOU GET FEEDBACK,
6 YOU RESUBMIT. PEOPLE WHO SUBMIT GET A LETTER "DON'T
7 SUBMIT" WITH NOT SUBSTANTIAL FEEDBACK AREN'T REALLY
8 GETTING THE KIND OF SHEPHERDING AND HONING OF THEIR
9 GRANT APPLICATIONS THAT THEY WOULD NORMALLY GET.

10 AND MY SUGGESTION IS RATHER THAN -- WE DO
11 NEED TO MOVE FORWARD WITH SOME PROCESS FOR DISEASE
12 TEAMS -- I MEAN FOR EARLY TRANSLATION, SO I'M VERY
13 COMFORTABLE IN MOVING FOR THE PREAP PROCESS TO BE IN
14 PLACE FOR THIS NEXT CONCEPT APPROVAL THAT WE'RE
15 DOING. BUT I WOULD HOPE THAT WE COULD CONVENE A
16 SUBCOMMITTEE OR TASK FORCE OF PEOPLE WHO ARE
17 INTERESTED. WE HAVE BEEN DISCUSSING THIS ISSUE OFF
18 AND ON. AT ONE POINT WE HAD A TWO-MAN TASK FORCE
19 LOOKING AT INSTITUTIONAL LIMITS. REALLY TRY TO HEAR
20 FROM THE APPLICANTS, FIND OUT WHAT OUR SHORTCOMINGS
21 ARE, FIND OUT HOW WELL THIS PROCESS WORKS, AND KIND
22 OF GET A BETTER, MORE ROBUST SENSE.

23 I PERSONALLY COULD NOT SUPPORT THIS GOING
24 FORWARD IN THIS MANNER. I JUST DON'T HAVE ENOUGH
25 INFORMATION TO FEEL COMFORTABLE. I WOULD RATHER GO

BARRISTERS' REPORTING SERVICE

1 BACK TO THE DELUGE, WHICH I KNOW IS NOT GOING TO
2 WORK FOR STAFF OR THE GRANTS WORKING GROUP, THAN GO
3 FORWARD WITH THIS PROPOSAL. LIKE I SAID, I WOULD BE
4 VERY COMFORTABLE APPROVING THIS GOING FORWARD FOR
5 THE CONCEPT WE HAVE TO APPROVE TODAY. I WOULD LIKE
6 FOR THE BOARD, THIS IS A MAJOR POLICY ISSUE, THIS IS
7 OUR CORE FUNCTION IS APPROVING GRANTS, AND I'D LIKE
8 THE BOARD TO BE ABLE TO TAKE SOME TIME, SOME MEMBERS
9 WHO HAVE AN INTEREST IN THIS TO ACTUALLY MEET AND
10 DISCUSS IT AND MAKE SURE THAT WE'RE DOING THIS IN
11 THE BEST POSSIBLE WAY.

12 CHAIRMAN KLEIN: SO, DR. OLSON, BEFORE I
13 GO TO DR. BRYANT AND THEN DR. STEWARD, COULD YOU
14 RESPOND?

15 DR. OLSON: I'M SORRY. I SHOULD HAVE
16 COMMENTED. I MEAN THERE WERE CERTAINLY COMMENTS
17 FROM APPLICANTS THAT THEY WOULD HAVE APPRECIATED
18 SOME FEEDBACK. AND ACTUALLY REVIEWERS SAID THEY
19 WOULD HAVE LIKED A COMMENT BOX TO PUT IN A COMMENT
20 OR TWO.

21 WE HAVE HAD PEOPLE WHO CALL, AND WE TRY
22 AND GIVE THEM A SENSE OF THAT. BUT WE ARE THINKING
23 OURSELVES OF THINGS THAT WE COULD DO TO PROVIDE SOME
24 COMMENT, RESPECTING THAT IN THE SAME WAY THAT THEY
25 ARE NOT WRITING A FULL APPLICATION. I MEAN THIS IS

BARRISTERS' REPORTING SERVICE

1 USUALLY ABOUT A TWO-PAGE THING. FOR US TO PROVIDE A
2 FULSOME -- WHAT I WANT TO SAY? WE'RE GETTING PEOPLE
3 TO REVIEW 30 OR 40 OF THESE AT A TIME. THEY DO IT
4 BECAUSE THEY DON'T HAVE TO WRITE A CRITIQUE AS THEY
5 DO FOR A GRANTS WORKING GROUP REVIEW. BUT THAT
6 DOESN'T PRECLUDE THEM FROM PERHAPS NOT WANTING TO
7 WRITE A COMMENT OR TWO. SO THAT WOULD BE -- YOU
8 KNOW, GIVE US AN OPPORTUNITY TO PROVIDE SOME SORT OF
9 FEEDBACK. SO THAT ACTUALLY IS SOMETHING THAT WE
10 WERE THINKING OF THAT COULD BE HELPFUL.

11 CHAIRMAN KLEIN: SO DR. BRYANT.

12 DR. BRYANT: I'M ALSO, AS YOU PROBABLY
13 KNOW, I'M NOT VERY COMFORTABLE WITH THIS. I THINK
14 THAT THE MODEL THAT WE SHOULD BE ASPIRING TO IS THE
15 NIH MODEL WHERE THE SCIENTISTS THAT ARE REVIEWING
16 THE WHOLE PANOPLY ALSO HAVE THE OPPORTUNITY TO
17 TRIAGE GRANTS. SO THEY DON'T HAVE TO DO A FULL
18 REVIEW, BUT THEY DO SEE EVERYTHING AT ONE TIME.

19 I ALSO HAD A COUPLE OF QUESTIONS. ONE WAS
20 IN YOUR WRITE-UP WHERE YOU SAY 85 PERCENT OF THE
21 APPLICANTS APPROVED, IS THAT 85 PERCENT OF THE
22 RESPONSES OR 85 PERCENT --

23 DR. OLSON: 85 PERCENT OF THE RESPONDERS.

24 DR. BRYANT: SO HOW MANY DIDN'T RESPOND?

25 DR. OLSON: I SAID THERE WAS 33-PERCENT

BARRISTERS' REPORTING SERVICE

1 RESPONSE RATE.

2 DR. BRYANT: SO IT'S NOT A VERY -- I MEAN
3 YOU CAN'T TELL VERY MUCH FROM THAT.

4 DR. OLSON: I THINK FOR A SURVEY THAT'S
5 ABSOLUTELY VOLUNTARY TO RESPOND TO, YOU KNOW, IT'S A
6 REASONABLE RESPONSE RATE.

7 MR. SHEEHY: BUT I WOULD NOTE THAT WAS A
8 BINARY APPROACH. WOULD YOU RATHER HAVE PREAP
9 PROCESS OR AN INSTITUTIONAL LIMIT? SO THERE'S NO
10 QUALITATIVE INFORMATION THERE.

11 DR. BRYANT: WOULD YOU LIKE ME TO BEAT YOU
12 TODAY OR BEAT YOU TOMORROW?

13 CHAIRMAN KLEIN: WE HAVE DR. STEWARD. AND
14 I HAD A QUESTION OVER HERE THAT I'LL JUST PASS ON.
15 HOW BIG WAS -- WAS THE RESPONSE BASED UPON --

16 DR. OLSON: HUNDRED 17 RESPONDERS.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH. DR.
18 STEWARD.

19 DR. STEWARD: THANK YOU. I WANT TO JUST
20 PREFACE THIS BY SAYING THAT WE ALL HAVE THE GREATEST
21 RESPECT FOR SCIENCE STAFF. THIS DISCUSSION AND WHAT
22 I WILL SAY IN A MOMENT IS NOT A REFLECTION OF ANY
23 CONCERN ABOUT SCIENCE STAFF OR THEIR ABILITIES TO DO
24 THIS. MY CONCERN, LET ME JUST SAY, I WAS OPPOSED TO
25 THIS IN THE BEGINNING. I'M SURE EVERYBODY REMEMBERS

BARRISTERS' REPORTING SERVICE

1 THAT. MY CONCERN IS THAT THIS PROCESS IS SO
2 DIFFERENT THAN NIH WHERE REALLY EVERYONE GETS A FAIR
3 CHANCE AT BEING REVIEWED BY THE FULL STUDY SECTION.
4 I THINK THAT THE ISSUES THAT I'VE HEARD FROM
5 APPLICANTS ARE THAT THIS IS THE PART OF OUR PROCESS
6 AND REALLY THE ONLY PART OF OUR PROCESS WHERE THINGS
7 ARE A LITTLE BIT MORE OPAQUE THAN THE STANDARD
8 REVIEWS.

9 AND I THINK THIS IS THE CONCERN. IF YOU
10 KNOW THAT YOUR GRANT IS GOING TO BE SEEN BY THE FULL
11 15 MEMBERS AND YOU KNOW WHO THOSE MEMBERS ARE, THEN
12 YOU UNDERSTAND WHETHER OR NOT THERE MAY BE AN EXPERT
13 ON THE GROUP WHO WOULD BE CAPABLE OF FULLY
14 APPRECIATING YOUR PROPOSAL. YOU DON'T KNOW THAT
15 WHEN TWO OR THREE OR REALLY ANY NUMBER ARE SELECTED
16 AND YOU DON'T KNOW WHO THOSE PEOPLE ARE. SO THERE'S
17 A LACK OF TRANSPARENCY HERE THAT AT LEAST TO THE
18 PEOPLE THAT I TALK IS A CONCERN. SO THAT'S NO. 1.

19 AND I JUST HAVE TO AGREE WITH JEFF, THAT
20 THE WAY THE QUESTION WAS POSED, THIS BINARY
21 RESPONSE, IT JUST DOESN'T PROVIDE US WITH ANY
22 INFORMATION AT ALL.

23 I WANT TO MAKE ONE OTHER POINT. SO I JUST
24 WANT TO REMIND EVERYONE OF THE LITTLE HOOVER
25 COMMISSION REPORT. THERE WERE A NUMBER OF ISSUES

BARRISTERS' REPORTING SERVICE

1 RAISED IN THAT REPORT, MOST OF WHICH THIS BOARD
2 REALLY CAN'T DO ANYTHING ABOUT BECAUSE THEY'RE
3 ISSUES THAT ARE INHERENT IN PROPOSITION 71 AND CAN'T
4 BE CHANGED UNLESS THERE'S A REVISION OF THE PROP 71.
5 THE ONE THAT WE CAN CHANGE AND THE ONE THAT CAME UP
6 AS A COMMENT WAS THIS PROCESS. AND THE LITTLE -- I
7 CAN'T REMEMBER EXACTLY WHAT THEIR COMMENT WAS, BUT
8 THEY RAISED CONCERNS ABOUT THIS PROCESS. AND I
9 THINK THAT GIVEN THAT, WE NEED TO TAKE VERY SPECIAL
10 CARE IN THINKING ABOUT THIS BEFORE APPROVING IT FOR
11 ANY LENGTH OF TIME. SO THOSE ARE MY TWO POINTS.

12 MR. TORRES: DUANE.

13 MR. ROTH: I WANT TO JUST STATE FROM THE
14 ONSET THAT THE PEER REVIEW PROCESS THAT WE HAVE
15 DEVELOPED AND EVOLVED IS PROBABLY THE STRONGEST PART
16 OF THIS AGENCY. IT'S FUNDAMENTAL TO WHAT WE DO.
17 AND I THINK, YOU KNOW, IT WENT IN PLACE, WHAT,
18 THREE, FOUR YEARS AGO WHEN IT FIRST DID. AND SO MY
19 SUGGESTION WOULD BE THAT WHILE WE'VE WORKED ON
20 PIECES OF THIS, WE'VE NEVER REALLY SAT DOWN, AS JEFF
21 IS SUGGESTING, AND LOOKED AT IT WITH A BLANK SHEET
22 OF PAPER AND SAY WHAT ARE WE DOING WELL? WHERE ARE
23 THERE SOME AREAS THAT POTENTIALLY WE COULD IMPROVE?
24 I WOULD FAVOR A MORE COMPREHENSIVE LOOK.

25 THERE ARE JUST A FEW OTHER THINGS LIKE

BARRISTERS' REPORTING SERVICE

1 THERE'S BEEN MANY DISCUSSIONS ABOUT WHETHER WE
2 SHOULD GIVE PEOPLE A CHANCE TO UPDATE THEIR GRANTS
3 BEFORE THEY'RE REVIEWED. THERE'S THE EXTRAORDINARY
4 PETITION AND WHEN AND HOW IT'S GOING TO BE USED.
5 THOSE ARE ALL THINGS THAT SHOULD BE ENCOMPASSED IN
6 THAT MORE COMPREHENSIVE REVIEW, AND THIS ONE, OF
7 COURSE, WOULD BE A FUNDAMENTAL ONE TO LOOK AT.

8 CHAIRMAN KLEIN: SO I'M GOING TO GO TO DR.
9 GILL AFTER DR. OLSON HAS A CHANCE FOR COMMENT.

10 DR. OLSON: I JUST WANTED TO SAY ONE THING
11 ABOUT THE NIH TRIAGE PROCESS, WHICH I THINK I'VE
12 HEARD SOME PEOPLE STATE, THAT WHAT THAT DOES IS THAT
13 ACTUALLY SAVES GRANT REVIEWERS. SO LET'S PUT IT IN
14 THE CONTEXT OF OUR PROCESS WHERE WE HAVE 15
15 REVIEWERS. IT WOULD NOT SAVE THEM WRITING
16 CRITIQUES. THE ONLY THING IT WOULD SAVE IS THAT IT
17 WOULD NOT GET DISCUSSED AT THE REVIEW MEETING.
18 CURRENTLY WE DISCUSS EVERYTHING. SO IF WE DIDN'T --
19 IF WE PROPOSE TO SUBSTITUTE A TRIAGE SYSTEM, IT
20 SAVES -- IT DOES NOTHING FOR THE CAPACITY, IT DOES
21 NOTHING FOR THE TIME OF THE GRANTS WORKING GROUP.
22 IT PUTS THAT BURDEN ON. SO IF SUDDENLY WE RECEIVE,
23 AS WE MAY WELL, IN RESPONSE TO EARLY TRANSLATION, IF
24 WE DID HAVE LIMITS -- BECAUSE A LOT OF THE DISEASE
25 TEAM PREAPS WE SAW, EVEN A LOT OF THE BASIC BIOLOGY

BARRISTERS' REPORTING SERVICE

1 PREAPS WE SAW WOULD FIT NICELY INTO THIS EARLY
2 TRANSLATION. LET'S JUST ASSUME WE GOT 150 AND WE
3 WERE ASKED TO TAKE THOSE IN FRONT OF THE GRANTS
4 WORKING GROUP. THAT SUDDENLY BECOMES TWO TO THREE
5 EQUIVALENTS OF GRANTS WORKING GROUP. WITH THOSE
6 NUMBERS OF SUMMARIES, WITH THOSE NUMBERS OF
7 CRITIQUES, AND WITH THAT AMOUNT OF TIME FROM, YOU
8 KNOW, GRANTS WORKING GROUP MEMBERS AND ALTERNATES,
9 SO I WANT TO MAKE IT CLEAR THAT ALL THE TRIAGE DOES
10 IS YOU DON'T DISCUSS IT AT THE REVIEW MEETING. YOU
11 DO NOT DISCUSS THOSE APPLICATIONS. IT DID NOT SAVE
12 ANYTHING THAT IMPACTS ON THE CAPACITY.

13 AND THESE ARE -- YOU KNOW, UNFORTUNATELY
14 WE ARE NOT NIH. AND ACTUALLY THIS IS A PART OF WHAT
15 PEOPLE LIKE ABOUT OUR GRANTS WORKING GROUP IS THAT
16 WE HAVE A GREAT GROUP OF REVIEWERS AND I THINK, IN
17 GENERAL, PERCEIVED TO BE HIGHER THAN YOUR AVERAGE
18 NIH REVIEW TEAM BECAUSE NIH CAN CALL ON ANYBODY WHO
19 GETS A GRANT FROM THEM AND THEY DO.

20 I'M SORRY. I GUESS I ALSO DIDN'T SAY THAT
21 WE DO GO FOR EXPERTISE IN OUR SPECIALISTS. I MEAN
22 THE PEOPLE WHO REVIEW GRANTS, THAT'S A BIG PART OF
23 WHAT WE ASKED IN THE APPLICATION IN THE PREAP. WE
24 ASKED FOR KEYWORDS THAT THE APPLICANT SUBMITS TO
25 ASSIST US IN SELECTING RELEVANT EXTERNAL EXPERTS.

BARRISTERS' REPORTING SERVICE

1 SO THOSE ARE JUST COMMENTS I WANTED TO MAKE.

2 CHAIRMAN KLEIN: SO JUST BECAUSE
3 LINGUISTICS AND TERMS ARE IMPORTANT, MY
4 UNDERSTANDING HERE IS WE REALLY HAVE A DEFERRAL
5 PROCESS SO THAT THE GRANTS BECOME OF A HIGHER
6 QUALITY LATER. IS THAT CORRECT, JAMES?

7 MR. HARRISON: YES. I BELIEVE THAT'S WHY
8 THE SUGGESTION IS THAT THIS WOULD APPLY ONLY TO THE
9 REPEATING CORE RFA'S.

10 CHAIRMAN KLEIN: AND SO DR. GILL AND THEN
11 MAYBE DR. LOVE HAVE COMMENTS.

12 DR. GILL: JUST BRIEF COMMENT. I THINK
13 IT'S PROBABLY NOT EVEN RELEVANT, BUT WE DEFINITELY
14 SHOULD NEVER GO BACK TO THE LIMITED NUMBER OF
15 APPLICATIONS FROM AN INSTITUTION WHERE A TRIAGE
16 SYSTEM HAS TO HAPPEN. HAVING LIVED THROUGH THAT
17 WITH HOWARD HUGHES AND A NUMBER OF OTHER
18 ORGANIZATIONS, IT REALLY DOESN'T GET YOU THE BEST
19 SCIENCE, AND IT CREATES INTERNAL DISSENSION. SO I
20 THINK DUANE IS CORRECT. YOU PROBABLY NEED TO LOOK
21 AT THE BROADER WAY YOU WANT TO HANDLE IT, BUT DON'T
22 GO BACK TO INSTITUTIONAL PRESELECTION.

23 CHAIRMAN KLEIN: OKAY. DR. LOVE, DID YOU
24 HAVE A COMMENT?

25 DR. LOVE: I ACTUALLY AM PROBABLY JUST

BARRISTERS' REPORTING SERVICE

1 GOING TO REINFORCE MAYBE WHERE JEFF WAS AT THE
2 BEGINNING, THAT WE CAN PROCEED CAUTIOUSLY AND THINK
3 CAREFULLY. BUT I DO WANT TO EMPHASIZE THAT I THINK
4 THAT PAT'S PRESENTATION, I THOUGHT, DID A VERY
5 ELEGANT JOB OF POINTING OUT THE FACT THAT THERE'S
6 SOME LIMITATIONS IN THE SYSTEM HERE. AND IT ALSO
7 STATED THE FACT THAT THIS BOARD WANTS US TO BE VERY
8 INCLUSIVE, AND THEY WENT AWAY AND WORKED HARD TO
9 COME UP WITH A PROCESS THAT ADDRESSED THAT.
10 ACTUALLY I THOUGHT IT WAS A PRETTY GOOD PROCESS.

11 I JUST WANT TO BE -- I WANT TO EMPHASIZE
12 THAT AT LEAST I THINK THAT. IT ISN'T PERFECT, AND
13 WE MAY BE ABLE TO COME UP WITH SOMETHING BETTER.
14 AND TO APPROVE THIS AS SOMETHING THAT WE CAN DO
15 UNTIL WE'RE ABLE TO DO THIS MORE EXTENSIVE PROCESS,
16 I'M ALL FOR. BUT I JUST WANT TO EMPHASIZE THAT I'M
17 NOT UNCONVINCED THAT THE PROCESS AS HAS BEEN
18 PROPOSED ISN'T WHERE WE'RE GOING TO COME OUT
19 ULTIMATELY AS THE BEST PROCESS. IN FACT, I THINK
20 THERE'S SOME DATA IN WHAT PAT PRESENTED THAT
21 SUGGESTS THAT, IN FACT, THIS PROCESS NOT ONLY
22 PROVIDES SOME EFFICIENCIES, BUT IT ALSO PROBABLY
23 PROVIDES FUNDING THE BEST GRANTS ULTIMATELY, WHICH
24 IS WHAT I THINK WE WANT TO DO.

25 CHAIRMAN KLEIN: LET ME ASK THIS QUESTION

BARRISTERS' REPORTING SERVICE

1 TO TRY AND MELD THIS TOGETHER. JEFF, FOLLOWING
2 IMMEDIATELY ON THE HEELS OF EARLY TRANSLATION IS
3 TOOLS AND TECHNOLOGY. IN TERMS OF TIMING TO MOVE
4 THESE FORWARD AND TO GIVE US THE KIND OF TIME FOR
5 THE COMPREHENSIVE REVIEW THAT DUANE HAS REFERENCED
6 AND THAT YOU REFERENCED, DR. BRYANT AND DR. STEWARD
7 HAVE REFERENCED SOME ALTERNATIVE IDEAS WE NEED TO
8 THOUGHTFULLY BE ABLE TO CONSIDER, WOULD YOU CONSIDER
9 HAVING THE TRIAGE PROCESS APPLY TO TRANSLATION AND
10 TOOLS AND TECHNOLOGIES? AND THAT WOULD GIVE US SOME
11 ROOM TO REALLY TRY AND THOUGHTFULLY GO THROUGH THE
12 PROCESS THAT YOU AND DUANE AND OTHERS ARE
13 RECOMMENDING.

14 MR. SHEEHY: WELL, I HAVEN'T THOUGHT ABOUT
15 TOOLS AND TECHNOLOGIES. SO I DON'T MIND ON A
16 CASE-BY-CASE BASIS. BUT WHAT I DO THINK, AND I
17 ACTUALLY DON'T DISAGREE WITH TED, THAT THIS MAY WELL
18 BE THE VERY BEST PROCESS, BUT I DON'T THINK THAT
19 THIS APPROVAL TODAY REPRESENTS THE BEST ANALYSIS OF
20 THIS PROCESS. AND I THINK WE OWE IT TO OUR
21 APPLICANTS, TO OURSELVES TO DO A THOROUGH ANALYSIS.
22 I'M FINE WITH THE DISEASE TEAMS.

23 CHAIRMAN KLEIN: YOU MEAN EARLY
24 TRANSLATION.

25 MR. SHEEHY: EARLY TRANSLATION. I HAVE TO

BARRISTERS' REPORTING SERVICE

1 THINK BACK TO WHAT HAPPENED -- I HAVE TO GO TO
2 METRICS. SO WHEN WE DID TOOLS AND TECHNOLOGIES, DID
3 WE DO ANY KIND OF LIMITS? I DON'T BELIEVE WE DID.
4 WHAT WERE THE NUMBER OF APPLICATIONS? IS IT
5 NECESSARY? AGAIN, NOT TO GET INTO THE WEEDS, BUT IT
6 CAN BE PART OF THE CONCEPT PLAN TO PUT THIS FORWARD.
7 I WOULD SUPPORT IT. I DON'T WANT TO MAKE A DECISION
8 ON THAT PARTICULAR ROUND, AND I DON'T THINK IT
9 PRESUPPOSES THAT I WOULD BE OPPOSED TO IT. MY
10 PRESUPPOSITION WOULD BE TO BE SUPPORTIVE OF DOING A
11 REASONABLE -- YOU KNOW, USING OUR CURRENT LIMITING
12 PROCESS, BUT I HAVEN'T THOUGHT OF THAT ONE. AND I
13 THINK IT'S FINE TO INCLUDE IT IN THE CONCEPT WHEN
14 IT'S BROUGHT, AND I WOULD ALMOST CERTAINLY SUPPORT
15 IT, BUT I'D LIKE TO TAKE IT CASE BY CASE.

16 WE HAVE THE EARLY TRANSLATION. I'M VERY
17 SUPPORTIVE OF USING THIS PROCESS FOR THAT -- WITHIN
18 THAT CONCEPT, BUT I REALLY THINK WE NEED TO
19 UNDERSTAND HOW THIS PROCESS IS WORKING. AND LIKE
20 DR. LOVE SAID, THIS MAY WELL BE THE VERY BEST
21 PROCESS THAT WE CAN IMPLEMENT, AND I WOULD BE
22 SUPPORTIVE OF IT GOING FORWARD, BUT WE NEED TO
23 REALLY DRILL DOWN A LITTLE BIT.

24 CHAIRMAN KLEIN: SO, DR. TROUNSON, COULD
25 YOU EDUCATE US ON THE TIMING OF HOW THIS RELATES TO

BARRISTERS' REPORTING SERVICE

1 TOOLS AND TECHNOLOGIES AS WELL AS YOUR GENERAL
2 COMMENTS?

3 DR. TROUNSON: JUST TO MAKE A GENERAL
4 COMMENT, I NORMALLY GET A LOT OF CALLS ON THE GRANTS
5 REVIEW AFTER THE GRANTS REVIEW FROM THOSE MOSTLY,
6 ALMOST ENTIRELY FROM THOSE PEOPLE WHO DIDN'T GET
7 GRANTS, RIGHT. SO MY OFFICE IS DELUGED. WHEN I GO
8 TO A CONFERENCE NEARBY TO THAT, NO ONE WILL BUY ME A
9 CUP OF COFFEE. YOU KNOW, SORT OF PARIAH PROCESS.
10 SO I'M VERY SENSITIVE TO ALL OF THAT.

11 IT'S INTERESTING IN THE PREAP PROCESS, I
12 ONLY EVER HAD ONE CALL ON THE PREAP PROCESS, AND
13 THEY WITHDREW THAT. AFTER WE HAD OUR DISCUSSION,
14 THAT THEY WITHDREW THEIR CONCERN. THEY DIDN'T WANT
15 TO CONTINUE THAT ON. SO IT WAS VERY DIFFERENT FROM
16 THE COMMUNITY.

17 NOW, THAT MAY REALLY REPRESENT A
18 DIFFERENCE BETWEEN WHETHER YOU'RE IN FRONT TO GET A
19 GRANT OR THE PREAP PROCESS. IT MIGHT JUST BE THE
20 TWO BITS OF IT. BUT WE ALSO HAVE MET WITH ON TWO
21 OCCASIONS ALL THE HEADS OF THE STEM CELL GROUPS
22 ACROSS CALIFORNIA, AND WE'VE DISCUSSED IT WITH THEM.
23 AND THERE'S NOT ONE OF THOSE DIRECTORS WHO WANTS TO
24 GO BACK TO THE OLD SYSTEM, NOT ONE. AND THE FACT IS
25 THERE'S NO CRITICISM FROM THE DIRECTORS OF THOSE

BARRISTERS' REPORTING SERVICE

1 INSTITUTES ABOUT THE PROCESS. THEY'RE REASONABLY
2 COMFORTABLE. WHETHER THEY'RE ABSOLUTELY
3 COMFORTABLE, I'M NOT SURE, BUT THERE WAS NO ISSUE
4 RAISED BY THE DIRECTORS OF THOSE CENTERS. WE HAVE A
5 VERY WHOLESOME DISCUSSION FREE OF -- COMPLETELY FREE
6 AND OPEN DISCUSSION, AND WE'VE NEVER -- WE DIDN'T
7 GET A COMPLAINT.

8 NOW, THAT IN A SENSE WAS UNUSUAL BECAUSE
9 WE GOT PLENTY OF COMPLAINTS ABOUT THE GRANTS WORKING
10 GROUP PROCESS, THE MAJOR ONE, IN THAT, YOU KNOW,
11 FROM THEM, BUT NONE ABOUT THE PREAPPLICATION. SO
12 THERE ARE SEVERAL LAYERS HERE.

13 THE OTHER THING THAT I THINK WE NEED TO
14 CONSIDER, BECAUSE I'M NOT OPPOSED TO WHAT JEFF HAS
15 SUGGESTED, BUT WHAT WE CAN'T BE CERTAIN ABOUT, IF
16 YOU AGREE TO THAT, IS THE TIMING OF THESE RFA'S
17 COMING UP BECAUSE IT WILL CERTAINLY INCREASE THE
18 AMOUNT OF TIME THAT WE HAVE TO GIVE TO THIS PROCESS.
19 IT WILL LENGTHEN IT OUT. IT HAS TO BECAUSE WE'RE
20 JUST NOT -- WE HAVEN'T GOT THE CAPABILITY OF DOING
21 THAT. YOU JUST DON'T HAVE IT. WE DON'T HAVE THE
22 STAFF, WE DON'T HAVE THE CAPABILITY OF DOING THE JOB
23 YOU REQUIRE OF US. SO WE'LL HAVE TO LENGTHEN THAT
24 OUT. I CAN'T PREDICT HOW FAR IT WOULD BE, BUT AT
25 THE MOMENT THEN WE COULDN'T TELL YOU WHETHER WE WERE

BARRISTERS' REPORTING SERVICE

1 GOING TO DO THE GRANTS FOLLOWING THAT IN THE
2 TIMEFRAME THAT WE PREDICT BECAUSE WE WILL HAVE TO
3 FIGURE OUT HOW MUCH LONGER IT WILL TAKE US TO DO THE
4 PROCESS.

5 CHAIRMAN KLEIN: I ALSO THINK IT'S
6 IMPORTANT TO HAVE THE KIND OF OVERVIEW THAT DUANE
7 WAS REFERENCING BECAUSE DECISIONS LIKE THIS IMPACT
8 WHETHER YOU CAN HAVE A SMALL CLINICAL TRIAL RFA THAT
9 YOU CAN FIT INTO THE PROCESS OR NOT. SO THERE'S A
10 LOT OF RAMIFICATIONS TO BALANCE HERE, BUT IT SEEMS
11 THERE'S SOME IMPORTANT IDEAS THAT DR. BRYANT,
12 DR. STEWARD HAVE RAISED AND DUANE AND JEFF AND THE
13 OTHER MEMBERS OF THE BOARD TO CONSIDER. SO I'M OPEN
14 TO ANY MOTION HERE, BUT DR. PENHOET WANTS MAKE A
15 STATEMENT FIRST.

16 DR. PENHOET: TWO COMMENTS. FIRST OF ALL,
17 I THINK IF WE'RE GOING TO UNDERTAKE A FURTHER
18 ANALYSIS, SINCE WE'RE IN THE MODE OF APPOINTING
19 SUBCOMMITTEES, THIS WOULD BE AN APPROPRIATE ROLE FOR
20 A SUBCOMMITTEE TO ACTUALLY ENGAGE DEEPLY IN THIS
21 PROCESS AND LOOK AT IT CAREFULLY BECAUSE WE DON'T
22 HAVE TIME DURING THESE MEETINGS TO DO A CAREFUL
23 ANALYSIS. I WOULD VOLUNTEER JEFF TO BE THE CHAIRMAN
24 OF THAT GROUP.

25 BUT SECOND OF ALL, JUST A CAUTIONARY NOTE,

BARRISTERS' REPORTING SERVICE

1 WHAT I AM WORRIED ABOUT IS THAT IN ORDER TO MAKE
2 SURE THAT WE DON'T OVERLOOK A GEM IN THE GROUP OF
3 MARGINAL GRANT APPLICATIONS, THAT WE COMPROMISE THE
4 QUALITY OF THE REVIEW OF THE REALLY GOOD GRANT
5 APPLICATIONS. AND I'M AFRAID THAT THE TRADE-OFF OF
6 TRYING TO DO ALL OF THEM WOULD -- THE CURRENT SYSTEM
7 ADMITTEDLY MIGHT OCCASIONALLY MISS A DIAMOND IN THE
8 ROUGH, BUT I THINK THAT THE CONCENTRATION OF EFFORT
9 ON THOSE GRANTS DEEMED TO BE WORTHY OF DEEP
10 CONSIDERATION IS ONE OF THE STRENGTHS WE HAVE. AND
11 IF THE TRADE-OFF IS THAT, THEN I'M NOT IN FAVOR OF
12 CHANGING THIS SYSTEM BECAUSE I DO THINK THAT THE
13 NUMBERS GAME ARGUES AGAINST YOU. IF EVERY GRANT
14 REVIEWER HAS TO REVIEW A HUGE NUMBER OF GRANTS, THEN
15 YOU HAVE TO DISCUSS THEM ALL. I THINK IT WILL
16 INEVITABLY COMPROMISE THE QUALITY OF THE REVIEW ON
17 THE REALLY GOOD GRANTS. AND SOMETIMES WE HAVE
18 TROUBLE EVEN WITH THOSE AT THE MARGIN. THAT'S THE
19 TRADE-OFF.

20 I THINK THE COMMITTEE SOMEHOW SHOULD BE
21 BALANCED BETWEEN VARIOUS DIFFERENT VIEWPOINTS. I
22 UNDERSTAND THERE ARE SOME PEOPLE PRO AND CON ON THE
23 CURRENT SYSTEM, BUT A BALANCED SUBCOMMITTEE. I KNOW
24 IT'S NOT ON THE AGENDA, BOB, A GROUP OF VOLUNTEERS.

25 CHAIRMAN KLEIN: WE CAN CERTAINLY -- WELL,

BARRISTERS' REPORTING SERVICE

1 WE CAN DO IT BY VOLUNTEERS, BUT I WOULD CERTAINLY
2 ACCOMMODATE EVEN HAVING A TELEPHONIC MEETING TO
3 ESTABLISH -- TO FOLLOW THAT RECOMMENDATION IF THE
4 BOARD SO WISHED.

5 I'D LIKE TO ASK. I'M OPEN TO ANY MOTIONS.
6 AND JEFF.

7 MR. SHEEHY: FIRST, I'D LIKE TO MAKE A
8 MOTION THAT WE APPROVE THE PREAP PROCESS FOR THE
9 EARLY TRANSLATION AND TOOLS AND TECHNOLOGIES II.
10 I'M COMFORTABLE WITH THAT. BUT THEN WE GO ABOUT
11 THIS PROCESS OF SETTING UP A COMMITTEE.

12 I WANT TO BE CLEAR. I'M NOT OPPOSED TO
13 THIS PROCESS. I SUPPORTED THIS PROCESS WHEN IT WAS
14 FIRST PUT FORWARD. I JUST AM NOT COMFORTABLE WITH
15 THIS PROCESS OF APPROVING THIS PROCESS PERMANENTLY.
16 I THINK I NEED -- WHEN I HEAR FROM PEOPLE THAT --
17 WHEN I HEAR BITS AND PIECES THAT PEOPLE HAVE AN
18 OBJECTION, I WANT TO BE ABLE TO SAY DEFINITELY
19 THAT I DON'T THINK THAT, WHILE THEIR OBJECTIONS MAY
20 BE VALID TO THEM, FOR THE VARIOUS REASONS, I THINK
21 WE HAD THE BEST POSSIBLE PROCESS THAT WE CAN PRODUCE
22 AS AN AGENCY. AND I HAVE ABSOLUTE CONFIDENCE IN THE
23 STAFF. BUT I REALLY WANT TO UNDERSTAND HOW THIS
24 PROCESS WORKS, HOW IT WORKS FOR THE PEOPLE WHO ARE
25 SENDING IN THEIR APPLICATIONS.

BARRISTERS' REPORTING SERVICE

1 I ALSO -- I'M NOT SURE I UNDERSTAND WHY
2 THIS WOULD DELAY US BECAUSE I'M NOT PROPOSING BY ANY
3 MEANS GOING BACK TO THE CATTLE CALL, EVERYTHING
4 COMES IN HAS TO GET REVIEWED, SO I'M NOT
5 FUNDAMENTALLY CHANGING.

6 DR. TROUNSON: IT'S JUST THE
7 PREDICTABILITY AT THE MOMENT. IF WE HAVE TO DO IT,
8 JEFF, IF WE HAVE TO GO TO THE LONGER PROCESS --

9 MR. SHEEHY: I DON'T THINK THAT'S ON THE
10 TABLE. I DON'T THINK ANYBODY IS PROPOSING GOING TO
11 THE LONGER PROCESS. I DON'T THINK ANYBODY IS EVEN
12 PROPOSING A DIFFERENT, BUT WHAT PEOPLE WANT TO BE
13 ABLE TO DO IS UNDERSTAND THIS PROCESS. IF THERE ARE
14 FLAWS IN THIS PROCESS THAT WE CAN IDENTIFY TO
15 RECTIFY THOSE, BUT TO HAVE A DIALOGUE AND A
16 DISCUSSION TO REALLY UNDERSTAND IT. I DON'T THINK
17 ANYBODY IS REALLY SITTING HERE SAYING THAT WE WANT
18 TO DO ANOTHER SEED GRANT ROUND WHERE WE'VE GOT,
19 WHAT, 250 GRANTS THAT WE GOT TO REVIEW IN THREE DAYS
20 AND PEOPLE ARE THERE FROM, AND I WAS THERE, FROM
21 SEVEN IN THE MORNING TILL 9 O'CLOCK AT NIGHT. THAT
22 IS NOT A GOOD OUTCOME FOR US. I DON'T THINK ANYBODY
23 WANTS TO GO BACK TO THAT.

24 LET'S STAY WITHIN THE REALM -- I MEAN I
25 ALWAYS FEEL LIKE I'M GETTING THESE BINARY CHOICES.

BARRISTERS' REPORTING SERVICE

1 I'M NOT. I WANT TO UNDERSTAND. I LIKE THE GRAY. I
2 LIKE TO BE ABLE TO KIND OF SHAPE AND UNDERSTAND IT
3 AND TRY TO GET A BETTER OUTCOME, BUT IT'S CATTLE
4 CALL OR THIS PROCESS. I DON'T NECESSARILY THINK
5 THAT'S THE CHOICE I HAVE TO BE PRESENTED WITH.

6 CHAIRMAN KLEIN: YOU'VE GIVEN US A GOOD
7 OPPORTUNITY TO BUY US SOME TIME. IS THERE A SECOND
8 TO THE MOTION?

9 MR. ROTH: SECOND.

10 CHAIRMAN KLEIN: SECOND BY DUANE ROTH.
11 THE MOTION IS ON THE TABLE. BUT, DR. LOVE, WOULD
12 YOU LIKE TO ASK FOR AN AMENDMENT OF THE MOTION, OR
13 WOULD YOU LIKE TO --

14 DR. LOVE: I DON'T WANT TO SCREW THINGS
15 UP, BUT THE ONE THING I WAS THINKING IS THAT I WAS
16 WONDERING IF JEFF WOULD BE COMFORTABLE WITH US USING
17 THIS PROCESS UNTIL THIS COMMITTEE MEETS AND DEFINES
18 AN IMPROVED PROCESS.

19 CHAIRMAN KLEIN: WHAT IS NOW -- HIS MOTION
20 NOW ANTICIPATES BOTH EARLY TRANSLATION AND TOOLS AND
21 TECHNOLOGY WOULD BOTH BE UNDER THIS PROCESS TO BUY
22 US THE TIME YOU ARE REFERRING TO.

23 DR. LOVE: THAT'S RIGHT. MY COMMENT WILL
24 BE A LITTLE BIT BROADER THAN THAT AND BASICALLY SAY
25 UNTIL WE HAVE A NEW PROCESS, WE WILL USE THIS

BARRISTERS' REPORTING SERVICE

1 PROCESS. AND IT SAYS WE WILL, IN ADDITION,
2 CONSTITUTE THIS COMMITTEE, DO THE WORK, AND MAKE
3 SURE THAT WE DO HAVE THE BEST PROCESS. IF WE DON'T,
4 MODIFY IT.

5 CHAIRMAN KLEIN: LET ME ASK THE MAKER OF
6 THE MOTION, WOULD YOU PREFER TO STAND WITH YOUR
7 MOTION OR ACCEPT AN AMENDMENT?

8 MR. SHEEHY: I THINK IT'S A FINE
9 DIFFERENCE, BUT IT IS A DIFFERENCE. I DO NOT HAVE
10 ENOUGH INFORMATION AVAILABLE TO ME RIGHT NOW TO
11 APPROVE THIS PROCESS GOING FORWARD EXCEPT WHAT'S IN
12 THE REALM OF NECESSITY. AND NECESSITY STATES THE
13 NEXT TWO GRANT ROUNDS. I DON'T KNOW ENOUGH TO KIND
14 OF SAY, WELL, LET'S JUST KEEP -- WELL, LET'S LET
15 INERTIA TAKE PLACE. I'M NOT AT A POINT OF INERTIA
16 ON THIS. BUT I UNDERSTAND THE STRUCTURAL ISSUES
17 THAT WE HAVE TO DEAL WITH IN TERMS OF MANAGING
18 GRANTS. SO I DON'T HAVE ANY DISCOMFORT WITH FOR
19 THE -- YOU KNOW, THE NEXT TWO ROUNDS WILL PROBABLY
20 TAKE US A FAIR PIECE DOWN THE ROAD, AND BY THAT TIME
21 WE SHOULD BE ABLE TO GET A LITTLE BIT CLEARER SENSE.

22 CHAIRMAN KLEIN: I WILL CONFER WITH THE
23 MEMBERS WHO HAVE SPOKEN ON THE TRANSCRIPT ABOUT
24 PULLING A COMMITTEE TOGETHER TO PUT ON THE NEXT
25 AGENDA. BUT ON AN AD HOC BASIS, CERTAINLY THE

BARRISTERS' REPORTING SERVICE

1 PRESIDENT AND DR. OLSON CAN INFORMALLY TALK WITH
2 THOSE INDIVIDUALS IN THE INTERIM TO TRY AND MOVE THE
3 DISCUSSION FORWARD, CERTAINLY LIMITING IT TO FOUR OR
4 FIVE INDIVIDUALS, MAKING SURE WE STAY WITHIN THE
5 NORMAL GUIDELINES THAT WE OPERATE ON, KEEPING THE
6 LARGER GROUP OF PUBLIC DISCUSSION IN A PUBLIC
7 SESSION.

8 MS. GIBBONS: I HAVE A QUESTION BEFORE I
9 FEEL PREPARED TO VOTE ON THE MOTION THAT I THINK IS
10 ON THE TABLE RIGHT NOW IS DO WE RUN THE RISK OF ANY
11 CREDIBILITY HIT BY APPLYING THIS STANDARD TO CERTAIN
12 ROUNDS AND NOT TO OTHERS AND ANY POSSIBLE
13 RETRIBUTION FROM PEOPLE THAT ARE TRYING TO GET
14 APPROVAL? DO WE SEEM WISHY-WASHY?

15 CHAIRMAN KLEIN: WELL, I THINK THAT WHAT
16 WE'RE DOING IS WE HAVE AN ESTABLISHED PROCESS.
17 WE'RE APPLYING THAT PROCESS ON A CONSISTENT BASIS AS
18 WE HAVE BEFORE. AND THEN WHAT I HEAR US
19 CONTEMPLATING IS LOOKING TO SEE IF WE CAN IMPROVE
20 THE PROCESS. IT'S A THOUGHTFUL PROPOSAL WITH A
21 SUBCOMMITTEE THAT DR. PENHOET HAS VOLUNTEERED FOR,
22 AND I THINK IT WILL BE A RESPECTED PROCESS.

23 MS. GIBBONS: I LIKE THE PREAP PROCESS,
24 BUT SO LET'S SAY THAT WE VOTE FOR THESE TWO ROUNDS,
25 WHICH IS WHAT'S ON THE TABLE NOW, RIGHT? AND THEN

BARRISTERS' REPORTING SERVICE

1 SAY WE DON'T LIKE IT, WE'RE GOING TO GO BACK TO WHAT
2 IT ORIGINALLY WAS, DON'T WE LEAVE OURSELVES WIDE
3 OPEN THERE? AREN'T WE EXPOSED?

4 CHAIRMAN KLEIN: I THINK THAT THE
5 IMPORTANT THING IS WE SHOULD CONSTANTLY BE IN A
6 STATE OF SELF-EXAMINATION TO MAKE CERTAIN THAT WE'RE
7 DOING THE VERY BEST WE CAN FOR SCIENCE AND PATIENTS.
8 AND SO SUBJECTING OURSELVES TO CONSTANT SCRUTINY IS
9 A HEALTHY PROCESS.

10 MR. ROTH: JUST TO SUM UP, I THINK WE HAVE
11 A TRIAL PROGRAM. THAT'S WHAT WE APPROVED. AND WHAT
12 JEFF IS SUGGESTING IS A CONTINUING RESOLUTION, AND
13 EVENTUALLY WE'LL GET A PERMANENT POLICY.

14 CHAIRMAN KLEIN: JEFF IS JUST LIMITING IT
15 TO BOTH EARLY TRANSLATION AND TOOLS AND TECHNOLOGY.

16 MR. SHEEHY: I THINK DUANE MAKES A GOOD
17 POINT. THIS WAS A TRIAL, AND WE'VE HAD THE TRIAL.
18 AND THIS, TO ME, IS NOT ENOUGH OF A DISCUSSION TO
19 SEE IF THE TRIAL WORKS. AGAIN, TO TRY TO AVOID THE
20 BINARY THING, IT'S NOT BETWEEN THIS AND NOTHING.
21 IT'S BETWEEN, YOU KNOW, THIS. I PERSONALLY DON'T
22 HAVE ANY IDEAS FOR ANYTHING ELSE, BUT THIS PERHAPS
23 AND HAS PERHAPS UNDERSTOOD PERHAPS EXACTLY LIKE IT
24 IS, BUT SOME REAL DISCUSSION AND DIALOGUE ABOUT WHAT
25 THIS IS, AND IF IT'S REALLY WORKING TO ACHIEVE OUR

BARRISTERS' REPORTING SERVICE

1 GOALS.

2 CHAIRMAN KLEIN: OKAY.

3 MR. ROTH: CALL THE QUESTION.

4 CHAIRMAN KLEIN: PUBLIC COMMENT?

5 MR. REED: AS THE PUBLIC, I WOULD LIKE TO
6 SAY AS A SCHOOL TEACHER, WE FACE A VERY SIMILAR
7 PROBLEM. MANY PEOPLE IN THE CALIFORNIA SCHOOL
8 TEACHING SYSTEM DON'T ASSIGN ESSAYS ALL YEAR BECAUSE
9 THEY TAKE SO LONG TO GRADE. I HAD 150 KIDS. MY
10 KIDS GOT AN ESSAY EVERY WEEK, AND WE USED TO BEAT
11 THE GATE KIDS. WE'D GET MORE -- ANYWAY, IT WORKED
12 BECAUSE WE FOUND ONE LITTLE SMALL TECHNIQUE WHICH
13 HELPED US, WHICH WAS I WOULD GRADE ONE PARAGRAPH FOR
14 GRAMMAR AND THEN THE WHOLE THING FOR OVERVIEW. SO,
15 THEREFORE, IT WAS A TECHNICAL THING WHICH LED US TO
16 TAKE CARE OF THIS MOUND OF -- YOU TAKE HOME 3 FEET
17 OF PAPER, IT'S JUST DAUNTING. AND THAT'S THE
18 PROBLEM WE HAVE HERE.

19 THERE'S AN INCREASING AMOUNT OF PAPER
20 BEING PILED ON THE SAME NUMBER OF PEOPLE. THEY
21 CAN'T POSSIBLY DO IT. SOMETHING HAS TO CHANGE. I
22 THINK WE'VE GOT THE BASIS OF SOMETHING WONDERFUL,
23 BUT THE SCARY PART TO ME IS THAT SOMEBODY COMES
24 ALONG AND SAYS, "WELL, I DON'T LIKE THIS ONE, SO
25 IT'S NOT GOING TO HAPPEN." SO WHAT IF SEVERAL

BARRISTERS' REPORTING SERVICE

1 PEOPLE LOOK AT THIS AND THEN IF JUST ONE CHAMPION
2 SAYS THIS HAS BEEN NOT TOO GOOD, BUT THERE'S
3 SOMETHING IMPORTANT HERE, THEN IT'S ENTITLED TO A
4 FULL REVIEW.

5 CHAIRMAN KLEIN: DON, THIS IS GOING TO
6 COME BACK TO US, BUT SEVERAL PEOPLE ALREADY DO LOOK
7 AT THESE INCLUDING OUTSIDE SPECIALISTS. I THINK
8 IT'S IMPORTANT FOR US TO MOVE FORWARD HERE BECAUSE
9 WE'RE GOING TO LOSE A QUORUM, AND WE NEED TO MAKE
10 SURE WE GET THROUGH THE NEXT COUPLE OF ITEMS.

11 MR. REED: THOSE ARE MY THOUGHTS.

12 CHAIRMAN KLEIN: THANK YOU VERY MUCH. ALL
13 RIGHT. I'D LIKE TO CALL THE QUESTION. ALL IN
14 FAVOR? OPPOSED?

15 THANK YOU. MOVE TO THE NEXT ITEM, EARLY
16 TRANSLATION. NOW, I BELIEVE, DR. TROUNSON, THERE'S
17 BEEN SOME WORDING CHANGES SINCE YESTERDAY; IS THAT
18 CORRECT?

19 DR. TROUNSON: YOU ALL RIGHT, PAT, TO KEEP
20 GOING?

21 DR. OLSON: I GUESS I WAS ACTUALLY GOING
22 TO ASK LYLA TO TALK ABOUT IT, BUT I REALIZED I WAS
23 SOMEWHAT REMISS. JUST TO MAKE SURE YOU UNDERSTAND
24 YOUR SCIENTIFIC STAFF A LITTLE BIT, I WOULD LIKE TO
25 INTRODUCE DR. LYLA COLLINS TO YOU BECAUSE THIS IS

BARRISTERS' REPORTING SERVICE

1 THE FIRST -- ACTUALLY LAST NIGHT WAS THE FIRST TIME
2 SHE'D BEEN IN FRONT OF THE BOARD. SHE'S BEEN WITH
3 US FOR ABOUT A YEAR NOW. SHE COMES TO US FROM GERON
4 WHERE SHE SPENT SEVERAL YEARS WORKING ON
5 DIFFERENTIATION PROTOCOLS FOR CARDIOMYOCYTES, AMONG
6 OTHERS, AS WELL AS THE KINDS OF ASSAYS, FACS, FLOW,
7 HIGH-CONTENT ASSAYS THAT PEOPLE USE TO CHARACTERIZE
8 THEM TO KNOW WHAT YOU ARE GETTING. SO WE'RE VERY
9 HAPPY TO HAVE HER JOIN US, AND I'D LIKE TO ASK HER
10 TO COME FORWARD AND SPEAK A LITTLE BIT.

11 MR. CHAIRMAN, DO YOU WANT US TO FOCUS
12 SPECIFICALLY -- DO YOU WANT US TO GO OVER IT OR JUST
13 FOCUS SPECIFICALLY ON THE CHANGES WE PROPOSED?

14 CHAIRMAN KLEIN: WE REVIEWED IT
15 PREVIOUSLY. IF YOU COULD FOCUS ON THE CHANGES, THEN
16 OTHER BOARD MEMBERS THAT WEREN'T PRESENT YESTERDAY
17 CAN SPECIFICALLY ASK ADDITIONAL QUESTIONS, BUT WE'LL
18 TRY AND REALLY LASER DOWN AT FIRST ON THE CHANGES
19 THEMSELVES.

20 AND, DR. COLLINS, IT'S A PLEASURE TO HAVE
21 YOU BEFORE THE BOARD. EXCELLENT PRESENTATION LAST
22 NIGHT.

23 DR. COLLINS: THANK YOU, MR. CHAIRMAN AND
24 DR. OLSON, MEMBERS OF THE BOARD. I'D LIKE TO UPDATE
25 YOU A LITTLE BIT ON THIS ITEM. AND I THINK PERHAPS

BARRISTERS' REPORTING SERVICE

1 I DIDN'T GIVE ENOUGH INFORMATION YESTERDAY AS TO
2 REALLY WHERE THIS RFA FALLS. SO THIS IS A CONCEPT
3 PROPOSAL FOR THE EARLY TRANSLATIONAL RFA, AND THE
4 GOAL HERE IS REALLY TO FURTHER DEVELOP BASIC
5 RESEARCH DISCOVERIES TO THE POINT WHERE THERE ARE
6 DEVELOPMENT CANDIDATES.

7 AND I'D LIKE TO GIVE AN IDEA OF WHAT THAT
8 ENTAILS IS PERHAPS YOU FIND A WAY TO MAKE A MATURE
9 LIVER CELL. SOME OF THE ACTIVITIES THAT MIGHT BE
10 INVOLVED IN PROGRESSING THAT TO THE CANDIDATE STAGE
11 WOULD INVOLVE CONSISTENTLY DIFFERENTIATING IT,
12 DEVELOPING ASSAYS TO ENSURE THAT YOU HAVE THE CELL
13 TYPE THAT YOU THINK THAT YOU HAVE, IDENTITY ASSAYS,
14 PURITY ASSAYS. YOU WOULD WANT TO MOVE TOWARDS
15 MAKING IT, NOT ONLY IN A CONSISTENT WAY, BUT TOWARDS
16 MAKING IT IN A GMP COMPATIBLE WAY. YOU WOULD WANT
17 TO GET YOUR PRECLINICAL RESEARCH SO THAT YOU KNOW
18 THAT THIS CANDIDATE HAS POTENTIAL DISEASE-MODIFYING
19 ACTIVITY. THERE'S A TREMENDOUS AMOUNT OF BREADTH OF
20 WORK THAT'S INVOLVED IN GOING FROM A CONCEPT OF
21 APPROACHING A DISEASE TARGET TOWARDS HAVING A
22 DEVELOPMENT CANDIDATE IN YOUR HAND. AND THAT'S
23 REALLY THE SCOPE OF THESE AWARDS.

24 SO THAT SAID, I THINK THAT MAYBE IT'S A
25 GOOD IDEA TO CLARIFY THE TWO CLASSES OF AWARDS THAT

BARRISTERS' REPORTING SERVICE

1 WE'RE PROPOSING A LITTLE BIT. THE LARGER
2 DEVELOPMENT CANDIDATE AWARDS WOULD ENCOMPASS ALL OF
3 THOSE ACTIVITIES THAT I MENTIONED, WHILE THE
4 FEASIBILITY AWARDS WOULD ENCOMPASS ONLY A SUBSET OF
5 THAT. THAT'S REALLY INTENDED FOR PEOPLE WHO ARE NOT
6 GOING TO GO THROUGH THE WHOLE PROCESS. MAYBE YOUR
7 COMPANY DOESN'T WANT TO FUND ALL THOSE ACTIVITIES
8 UNTIL THEY HAVE SOME SPECIFIC INFORMATION ABOUT THIS
9 POTENTIAL APPROACH. THEY WANT TO KNOW IS IT
10 FEASIBLE, THAT TYPE OF THING.

11 CHAIRMAN KLEIN: AND AT THAT POINT, LET ME
12 ASK YOU A COMPLICATED QUESTION THAT MIGHT TAKE
13 CONFERRING WITH YOUR COLLEAGUES HERE. LET'S SAY IN
14 THE PREAP PROCESS YOU RECEIVE AN APPLICATION FOR A
15 DEVELOPMENT CANDIDATE AND YOU DON'T THINK IT'S GOING
16 TO MEET THAT STANDARD, BUT IT COULD MEET THE
17 STANDARD FOR A FEASIBILITY DEVELOPMENT CANDIDATE.
18 WOULD YOU HAVE THE FLEXIBILITY, EVEN THOUGH THEY'VE
19 APPLIED TO BE A DEVELOPMENT CANDIDATE, TO SAY IN THE
20 TRIAGE PROCESS THAT IN RESPONDING TO THEM THAT YOU
21 CAN APPLY FOR THE FEASIBILITY DEVELOPMENT CANDIDATE,
22 NOT THE DEVELOPMENT CANDIDATE? IS THAT SOMETHING
23 THAT COULD BE BUILT INTO YOUR DISCRETION RATHER THAN
24 JUST REJECTING IT?

25 DR. OLSON: I THINK ONE OF THE KEY THINGS

BARRISTERS' REPORTING SERVICE

1 IN THE PREAP, IF THEY APPLY FOR THE DEVELOPMENT
2 CANDIDATE AWARD, IS THEY WOULD HAVE TO SUMMARIZE
3 EITHER THE ACTIVITIES THEY WOULD DO AND/OR THE
4 PRELIMINARY DATA THAT THEY ALREADY HAVE. THAT IS,
5 THE WORK THEY HAVE DONE THAT WOULD GIVE US AN
6 INDICATION THAT THEY HAVE BEEN THOUGHTFUL AND ARE
7 COVERING ALL THE ACTIVITIES THAT WOULD BE REQUIRED
8 TO ACHIEVE A DEVELOPMENT CANDIDATE. IF THEY HAVE
9 DONE THAT, I WOULD BE VERY -- IF THEY HAVE DONE THAT
10 EFFECTIVELY, I WOULD BE VERY SURPRISED IF THEY WOULD
11 RELISH THE IDEA OF BEING RELEGATED, BUT I'M NOT
12 PRECLUDING IT YET. THIS IS SOMETHING WE'RE THINKING
13 ABOUT. WOULD YOU -- WHAT SUBSET OF ACTIVITIES WOULD
14 YOU GIVE THEM?

15 CHAIRMAN KLEIN: SO THERE MIGHT BE ONE OF
16 THE SUBSET OF ACTIVITIES THAT'S A CRITICAL ITEM
17 THAT'S MISSING, AND I JUST WOULD HOPE THAT THE
18 SCIENTIFIC STAFF WOULD HAVE THE AUTHORITY TO PUT IT
19 INTO THE FEASIBILITY DEVELOPMENT CANDIDATE IF THEY
20 THOUGHT IT WAS FAR ENOUGH ALONG FOR THAT, BUT NOT
21 FAR ENOUGH TO BE A FULL DEVELOPMENT CANDIDATE.

22 DR. COLLINS: ARE YOU SUGGESTING MAYBE
23 THEY DIDN'T PUT ANY ACTIVITY IN THERE --

24 CHAIRMAN KLEIN: THEIR DATA WAS
25 INSUFFICIENT --

BARRISTERS' REPORTING SERVICE

1 DR. COLLINS: NO PRECLINICAL ACTIVITY.

2 CHAIRMAN KLEIN: -- NOT FULLY DEVELOPED,
3 BUT THE THEORY WAS GOOD.

4 DR. OLSON: I'M NOT SURE THAT'S FAIR TO
5 THOSE WHO THEN DO APPLY FOR A DEVELOPMENT CANDIDATE
6 FEASIBILITY AWARD BECAUSE, AS I SAY, THIS IS
7 SOMETHING THAT'S UNDER DISCUSSION. SO I THINK THE
8 BEST THING TO DO IS WE WOULD TAKE YOUR COMMENT UNDER
9 DISCUSSION AND CONSIDER THAT AS AN OPTION.

10 CHAIRMAN KLEIN: I THINK AS LONG AS WE
11 PASS A MOTION THAT GIVES YOU THAT AUTHORITY --

12 DR. OLSON: WE HAVE BROUGHT IT.

13 CHAIRMAN KLEIN: -- THAT WOULD BE GREAT.
14 EXCUSE ME AND PLEASE CONTINUE. DUANE.

15 MR. ROTH: I WOULD LIKE TO ACTUALLY JUMP
16 IN RIGHT NOW BECAUSE WE DID HAVE A VERY GOOD
17 DISCUSSION ABOUT THIS LAST NIGHT IN THESE TWO AREAS,
18 AND BOB IS RAISING ONE THAT I HAD ON MY LIST.
19 HERE'S A SECOND QUESTION FOR ALL OF YOU.

20 A NUMBER OF THE DISEASE TEAM PREAPS WERE
21 TOLD WE DON'T BELIEVE YOU CAN GET TO AN IND IN FOUR
22 YEARS, BUT, BUT YOU WILL BE ELIGIBLE HERE. AND I'D
23 JUST LIKE -- I DIDN'T SEE ANY OF THOSE, BUT I'D LIKE
24 TO MAKE ABSOLUTELY SURE THAT THAT, IN FACT, IS TRUE
25 AND THAT WE DON'T END UP WITH THEM SAYING, WELL,

BARRISTERS' REPORTING SERVICE

1 YOU'RE REALLY TOO FAR ALONG FOR THIS ONE. WE DIDN'T
2 BELIEVE YOU ON THE FOURS YEARS, BUT --

3 CHAIRMAN KLEIN: THIS IS SUCH AN IMPORTANT
4 QUESTION, THAT I THINK WE'RE GOING TO TAKE A PUBLIC
5 SERVICE BREAK FOR OUR TRANSCRIPTIONIST, WHO
6 INDICATES THAT IT WOULD BE VERY IMPORTANT, AND WE
7 WILL WAIT FOR THE ANSWER. BUT, PLEASE, ANYONE THAT
8 NEEDS TO TAKE A BREAK FOR A COUPLE MINUTES.

9 (A RECESS WAS TAKEN.)

10 CHAIRMAN KLEIN: WE ARE BACK IN SESSION,
11 AND COULD STAFF, NICK, IF YOU COULD TRY AND SEE IF
12 THERE ARE BOARD MEMBERS IN THE HALL, PLEASE. THANK
13 YOU. SO WE HAVE A POIGNANT QUESTION ON THE TABLE.
14 AND, DUANE, WOULD YOU LIKE TO RESTATE YOUR QUESTION?

15 MR. ROTH: MY QUESTION, AND IT'S JUST A
16 COMMENT, THAT THE WORDS ARE REALLY GOING TO MATTER
17 ON THIS. I WANT TO BE ABSOLUTELY SURE THAT ALL THE
18 PEOPLE THAT WE BASICALLY REJECTED ON THE DISEASE
19 TEAMS BECAUSE WE DIDN'T THINK -- AND THIS WAS ONLY
20 PART OF WHAT WE REJECTED, BUT THERE WAS A SIZABLE
21 NUMBER -- WE DIDN'T THINK THEY COULD GET TO AN IND
22 IN FOUR YEARS. WHAT I WANT TO BE VERY SURE THAT
23 THOSE SAME PEOPLE WHO WE TOLD WAIT FOR THE EARLY
24 TRANSLATION DON'T COME BACK AND WE SAY, WELL, YOU'RE
25 TOO ADVANCED FOR THAT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DR. TROUNSON. LET ME GET
2 DR. TROUNSON. DR. TROUNSON, DUANE HAS A VERY
3 SPECIFIC POINT THAT DURING THE DISEASE TEAMS, THERE
4 WAS A SUGGESTION IN THE PUBLIC SESSION THAT IF
5 PEOPLE WEREN'T FAR ENOUGH ALONG FOR DISEASE TEAMS,
6 THAT WE HAVE A TRANSLATION ROUND COMING UP AND THAT
7 HE'S CONCERNED THAT IF THEY NOW APPLY FOR
8 TRANSLATION, THAT THEY NOT BE TOLD THEY ARE TOO FAR
9 ALONG.

10 DR. TROUNSON: NO. I THINK THE
11 AFFIRMATION THERE IS THAT WE'VE DONE THAT TO THOSE
12 GROUPS, THEY HAVE A CHOICE. ONE IS THAT THEY COME
13 BACK INTO THE TRANSLATION AND GET SOME OF THE
14 DEFICIENCIES THAT THEY HAD IN THEIR PROJECT IMPROVED
15 UPON, OR THEY MAY DECIDE TO KEEP OUT OF THAT AND GO
16 FOR THE NEXT DISEASE TEAMS HAVING REPAIRED IT
17 THEMSELVES ON THE WAY. SO IF THEY DON'T COME IN,
18 THAT'S ONE THING. AND I'LL HAVE THE VP R & D TRY
19 AND FIND OUT ARE YOU GETTING THAT REPAIRED OR YOU'VE
20 GOT THIS POINT, OR YOU'VE GOT ALTERNATIVE FUNDING
21 SOMEWHERE ELSE. THAT COULD HAPPEN. THOSE ONES THAT
22 COULD DO COME IN THAT HAVE COME OUT OF THAT,
23 PROVIDING THEY'RE ADDRESSING THOSE DEFICIENCIES, AND
24 THEY'VE HAD THAT FAIR AND SQUARE IN THE REVIEW, THEN
25 YES.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: REALLY, ALAN, WHAT I WAS
2 SUGGESTING IS YOU TAKE A FEW EXAMPLES. YOU GUYS
3 KNOW THEM; I DON'T. JUST SAY WOULD THEY FIT INTO
4 THIS ROUND.

5 DR. TROUNSON: THEY WOULD FIT INTO THIS.

6 MR. ROTH: SO THAT'S REALLY WHAT I'M
7 GETTING AT. MAKE SURE THAT WE DON'T HAVE THIS
8 MIDDLE GAP, WHICH IS YOU'RE --

9 DR. TROUNSON: CORRECT. THEY WILL FIT
10 INTO THAT. AND AS I SAID, I THINK THERE IS STILL
11 THIS ONE ISSUE ON THE LARGE SCALE MANUFACTURING
12 WHICH WE WANT TO DEAL WITH PERHAPS IN A DIFFERENT
13 WAY FOR ENABLEMENT. THAT'S A CONVERSATION THAT I
14 WANT TO HAVE AT THE NEXT MEETING PERHAPS WITH THE
15 BOARD BECAUSE WE'RE STILL WORKING OUR WAY THROUGH
16 THAT WITH THE EXECUTIVE.

17 CHAIRMAN KLEIN: DR. COLLINS, YOU HAD
18 ANOTHER COMMENT.

19 DR. COLLINS: I'M SORRY. I JUST WANTED TO
20 PIPE IN FOR A MOMENT, THAT I THINK THAT SOME OF
21 THOSE WOULD FALL PRECISELY IN THIS SPACE. AND WE
22 WOULD REALLY HOPE TO CAPTURE THOSE DISEASE TEAM
23 AWARDS THAT WERE TOO EARLY, IN PARTICULAR SOME THAT
24 HADN'T SELECTED THEIR LEAD CANDIDATE YET. THAT'S A
25 TYPICAL EARLY TRANSLATION ACTIVITY. SOME THAT

BARRISTERS' REPORTING SERVICE

1 DIDN'T HAVE MAYBE REPRODUCIBLE DISEASE-MODIFYING
2 ACTIVITY, THOSE ARE THE TYPES OF THINGS THAT WE'RE
3 LOOKING FOR HERE.

4 MR. ROTH: AND I REACTED TO THE TERMS
5 YESTERDAY, AND I STILL REACT, GLP, TOX, THINGS LIKE
6 THAT. IF SOMEBODY COMES IN FOR A \$6 MILLION GRANT
7 AND THEY COULD GET INTO EARLY GLP TOX, THAT SAVES
8 TIME AND MONEY. THAT MEANS -- BUT IF THEY LOOK AT
9 THAT AND SAY, "OH, IF I DO THAT, I WON'T DO GLP.
10 I'LL JUST DO REGULAR TOX BECAUSE THE GRANT WON'T
11 COVER THAT," THAT TO ME IS A MISTAKE. I THINK WE
12 SHOULD ALLOW THAT BY THE BROADEST DEFINITION
13 POSSIBLE, PARTICULARLY BECAUSE INDUSTRY DID SO
14 POORLY.

15 DR. TROUNSON: WE'VE REARRANGED THAT
16 WORDING. LET'S GET TO THAT WORDING TO SEE WHETHER
17 YOU'RE COMFORTABLE.

18 CHAIRMAN KLEIN: OKAY. SO PERHAPS WE
19 SHOULD GO TO THE WORDING, AND, DR. COLLINS, I THINK
20 THE BLESSING IS THAT THE BOARD IS INTENSELY
21 INTERESTED IN YOUR RFA, AND THE BURDEN IS THE BOARD
22 IS INTENSELY INTERESTED IN YOUR RFA.

23 MR. ROTH: I'M GOING TO MOVE APPROVAL OF
24 THIS CONCEPT GRANT WITH THE CAVEAT THAT STAFF WILL
25 MAKE ADJUSTMENTS AS THEY FEEL NECESSARY AROUND THIS

BARRISTERS' REPORTING SERVICE

1 DISCUSSION.

2 CHAIRMAN KLEIN: AND FOR THE BOARD TO BE
3 FULLY INFORMED, I'M GOING TO ACCEPT THE SECOND, BUT
4 THEN ASK DR. COLLINS TO GO THROUGH THE WORDING
5 CHANGES.

6 MR. SHEEHY: I ACTUALLY HAVE A FRIENDLY
7 AMENDMENT.

8 CHAIRMAN KLEIN: THERE'S A SECOND THAT HAS
9 BEEN ACCEPTED AND A FRIENDLY AMENDMENT.

10 MR. SHEEHY: WHICH MAY NOT BE FRIENDLY,
11 BUT I WOULD LIKE A VOTE WITHIN THE CONTEXT OF THIS
12 DISCUSSION ON WHAT -- WITHIN THE CONTEXT OF THIS RFA
13 ON WHAT WE DISCUSSED LAST NIGHT. I THINK THERE'S
14 ENOUGH INTEREST. AND WHETHER IT COMES PRIOR TO YOUR
15 MOTION OR AS PART OF YOUR MOTION, BUT I ACTUALLY
16 WOULD LIKE TO SEE THIS BE LIMITED TO PLURIPOTENT
17 CELLS. AND I THINK -- I DON'T THINK THAT'S SEPARATE
18 ACTUALLY FROM WHERE YOU'RE GOING, DUANE, BECAUSE A
19 LOT -- AT LEAST HAVING SAT THROUGH THE REVIEW, A LOT
20 OF APPLICATIONS THAT GOT DINGED WERE PLURIPOTENT.
21 PLURIPOTENT PRESENTED ITS OWN SET OF CHALLENGES,
22 WHICH IS PRECISELY WHY WE NEED TO PROPEL THEM
23 THROUGH HERE.

24 FRANKLY, IF YOU HAVE A SMALL MOLECULE, IF
25 YOU REALLY NEED OUR HELP IN THIS SPACE THAT BADLY, I

BARRISTERS' REPORTING SERVICE

1 MEAN ARE WE REALLY FULFILLING OUR MISSION? YOU KNOW
2 WHAT I MEAN? AS OPPOSED TO A PLURIPOTENT CELL WHICH
3 REALLY GETS STUCK HERE. WHERE ARE YOU GOING TO GET
4 THE MONEY? THERE'S A TON OF MONEY FOR SMALL
5 MOLECULE DEVELOPMENT, MORE MONEY THAN THERE IS FOR
6 CELL DEVELOPMENT, YOU KNOW. AND SO I THINK SOME OF
7 THIS ROADBLOCK, SOME OF THIS CLOTTING THAT WE GET,
8 AND I GO BACK TO MY ESTEEMED COLLEAGUE DR. PRICE'S
9 VERY COMPELLING ARGUMENT LAST NIGHT, I WOULD REALLY
10 LIKE TO SEE THIS BE LIMITED TO PLURIPOTENT CELLS.

11 MR. ROTH: WHILE I'M SYMPATHETIC TO THAT,
12 THERE WERE OTHER ARGUMENTS. JEFF, WHAT I WOULD
13 SUGGEST AS AN ALTERNATIVE IS THE WORDING ON THE
14 PRIORITY BE MADE STRONGER. THE VERY HIGHEST
15 PRIORITY WILL BE GIVEN TO. I MEAN THAT WHEN THEY'RE
16 REVIEWING, I WANT THEM TO GO DOWN THOSE AND GIVE THE
17 VARIOUS HIGH PRIORITY TO THAT AND NOT ELIMINATE
18 SOMETHING THAT I CAN'T THINK OF RIGHT NOW THAT MIGHT
19 COME IN.

20 MR. SERRANO-SEWELL: DUANE, MY
21 RECOLLECTION IN OUR CONVERSATION LAST NIGHT,
22 SOMETHING DR. PENHOET BROUGHT UP IS HOW CAN WE
23 QUANTIFY THAT IN ANY MEANINGFUL WAY? IT'S HARD.

24 MR. ROTH: I DO UNDERSTAND.

25 MR. SERRANO-SEWELL: DUANE, AS SOMEONE WHO

BARRISTERS' REPORTING SERVICE

1 SAT IN ONE OR TWO WORKING GROUP SESSIONS, AND ED HAD
2 AS WELL WHEN HE WAS AT A COUPLE, YOU KNOW, PUTTING
3 WORDS ON A PIECE OF PAPER, IT'S NICE AND IT SORT OF
4 HELPS GUIDE THE DISCUSSION, BUT FOR THIS RFA, AT
5 LEAST, I FEEL, AS JEFF DOES, I'D LIKE TO QUANTIFY IT
6 JUST A LITTLE BIT MORE AS OPPOSED TO WHAT YOU'RE
7 SUGGESTING, WHICH IS JUST A PRIORITY STATEMENT. IF
8 WE COULD QUANTIFY IT WITH POINTS, THAT PLURIPOTENT
9 APPLICATIONS GET FIVE MORE POINTS, I WOULD BE
10 COMFORTABLE WITH THAT. I WOULD JUST LIKE TO
11 QUANTIFY IT IN A REAL WAY.

12 CHAIRMAN KLEIN: SO I THINK IT'S
13 IMPORTANT, JEFF, AS YOU CERTAINLY RECOGNIZE, THAT
14 THERE'S A LOT OF OTHER CELL TYPES BESIDES SMALL
15 MOLECULES. REMIND US ALL, AS YOU ARE ALWAYS A GREAT
16 ADVOCATE FOR, IS THAT IF WE HAVE AN IMPORTANT
17 CELLULAR THERAPY THAT IS NOT PLURIPOTENT BASED, WE
18 DO NOT WANT TO DELAY FOR A PATIENT WHAT IS A HIGHLY
19 PROMISING CELLULAR THERAPY OF ANY KIND.

20 MR. ROTH: WHATEVER WORDING GOES INTO THIS
21 AND WHETHER WE MAKE IT AN ABSOLUTE HUNDRED PERCENT,
22 WHICH I THINK PEOPLE MIGHT BE OPPOSED TO, THAT THE
23 APPLICANTS LOOK AT IT AND SAY, LOOK, IF I DON'T HAVE
24 PLURIPOTENT, MY CHANCES OF GETTING FUNDED HERE ARE
25 SLIM TO NONE. THAT'S THE STRENGTH I WOULD LIKE.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: YOU KNOW, I JUST THINK A
2 PRIORITY DOESN'T -- JUST -- I REALLY DO BELIEVE THAT
3 PLURIPOTENT CELLS WHEN YOU PUT THEM IN WITH MORE --
4 WITHIN THE USUAL FRAMEWORK OF DEVELOPMENT CANDIDATES
5 ARE GOING TO BE DISADVANTAGED, AND YOU START OFF
6 WITH THEM SCORING 10 OR 15 POINTS BELOW. AND IT
7 REALLY GOES TO THE CORE OF OUR MISSION. AND I WOULD
8 NOT DO THIS ACROSS THE BOARD FOR EVERY APPLICATION.
9 AND WE DID HAVE THIS DISCUSSION LAST NIGHT, BUT I
10 BELIEVE THAT FOR ONE, THIS PERIOD OF TIME, BECAUSE
11 WE'VE GOT A FAIR AMOUNT OF APPLICATIONS THAT WERE
12 PLURIPOTENT, WE GOT A LOT OF EVERYTHING IN THE
13 TRANSLATION ROUND LAST TIME, BUT I THINK A LOT OF
14 PLURIPOTENT CELL THERAPIES ARE IN THIS SPACE. I
15 THINK WE CAN REALLY PUSH SOME THERAPIES THROUGH THIS
16 SPACE; BUT IF WE DON'T DO THIS, WHAT WE'RE DOING IS
17 WE'RE SETTING UP THE SCENARIO WHERE WE'LL SELDOM
18 FUNDING PLURIPOTENT CELLS AND WE'RE MOSTLY FUNDING
19 ADULT STEM CELLS AND CONVENTIONAL THERAPIES, AND I
20 DON'T KNOW THAT THAT NEEDS TO BE OUR PREDOMINANT
21 MISSION.

22 I'M TALKING ABOUT BALANCE. HOW DO WE MAKE
23 SURE THAT WE GET ENOUGH DEVELOPMENT CANDIDATES THAT
24 ARE PLURIPOTENT FURTHER AND FAR ENOUGH ALONG THE
25 DEVELOPMENT PIPELINE SO THAT WE HAVE A BALANCED

BARRISTERS' REPORTING SERVICE

1 PORTFOLIO? UNLESS WE ADVANTAGE PLURIPOTENT CELLS AT
2 SOME POINT IN THIS PROCESS, IT'S NOT GOING TO
3 HAPPEN.

4 CHAIRMAN KLEIN: OKAY. SO I'D LIKE MORE
5 BOARD COMMENT SO WE CAN GET A SENSE OF WHAT THE
6 BOARD WOULD LIKE TO DO. ANY ADDITIONAL BOARD
7 COMMENT ON THIS ISSUE BECAUSE I THINK DUANE IS
8 ASKING THAT --

9 DR. PENHOET: I WANT TO REEMPHASIZE MY
10 SUPPORT FOR JEFF'S VIEWS ON THIS ISSUE. I THINK IT
11 IS CORE TO OUR MISSION. THE LAST CRITERION IS
12 INELIGIBLE OR UNLIKELY TO RECEIVE TIMELY OR
13 SUFFICIENT FUNDING. I DON'T THINK WE'RE TRYING TO
14 CREATE A MINI NIH HERE AND SOLVE ALL DISEASE
15 PROBLEMS. THIS IS A STEM CELL AGENCY. AND I DO
16 THINK THAT THE PLURIPOTENT STEM CELLS, BY
17 DEFINITION, ARE FURTHER BEHIND OR NOT QUITE AS
18 STRAIGHTFORWARD IN THEIR DEVELOPMENT AS SMALL
19 MOLECULES FOR TREATING CANCER STEM CELLS, ETC.,
20 WHICH WE'VE -- I ALMOST ASKED IF WE COULD HAVE
21 ANOTHER LOOK AT THAT EARLIER SLIDE WE LOOKED AT FOR
22 DISEASE TEAMS AND WHAT WE ACTUALLY DID FUND. YOU
23 KNOW, IT'S QUITE A LONG WAY FROM WHAT THE ORIGINAL
24 MISSION, AT LEAST IN MY MIND, WAS ARTICULATED.
25 DUANE, I DON'T KNOW WHAT STRONG BIAS --

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: I HAVE THE SAME BIAS. ON ONE
2 CASE IT'S AN ABSOLUTE. ON THE OTHER CASE, IT WOULD
3 BE MY ONLY PRIORITY. THERE WOULDN'T BE OTHERS, JUST
4 ONE. I'M OPEN TO EITHER WAY.

5 DR. PENHOET: WE DID MAKE A SUGGESTION
6 LAST NIGHT WHICH WAS THAT WE REVIEW ALL OF THE
7 PLURIPOTENT STEM CELL ONES FIRST AND CREATE A
8 CATEGORY CALLED RECOMMENDED FOR FUNDING. AND IF
9 THERE IS ADDITIONAL FUNDING LEFT OVER AFTER THOSE
10 HAVE BEEN REVIEWED AND RANK ORDERED, THAT WE CAN ADD
11 MORE TO THE RECOMMENDED FOR FUNDING FROM THE ALL
12 OTHERS CATEGORY. THAT WOULD BE ONE WAY TO DEAL WITH
13 IT.

14 CHAIRMAN KLEIN: THE PRACTICAL RESULT OF
15 THAT IS THAT ANY APPLICANT THAT KNOWS THAT THAT'S
16 GOING TO HAPPEN IS NOT GOING TO SUBMIT IF IT'S NOT
17 PLURIPOTENT. THE ISSUE HERE IS I THINK IT'S A
18 DIRECT VIOLATION OF OUR RESPONSIBILITY TO PATIENTS.
19 IF WE HAVE APPLICATIONS ON ANY CELLULAR THERAPY, WE
20 HAVE TO ASK OURSELVES WOULD WE HAVE TURNED DOWN
21 CATRIONA JAMIESON'S GRANT? WOULD WE HAVE TURNED
22 DOWN EITHER HER FIRST GRANT OR THE GRANT DEALING
23 WITH CHRONIC MYELOGENOUS LEUKEMIA, WHICH IS BASED ON
24 A SONIC HEDGEHOG MESSAGING SYSTEM? WE HAVE TO,
25 PARAMOUNT TO OUR MISSION, SHOW RESULTS FOR PATIENTS.

BARRISTERS' REPORTING SERVICE

1 AND I BELIEVE THE PLURIPOTENT STEM CELLS HAVE HAD A
2 FANTASTIC SHOWING. IN TWO AND A HALF YEARS, FOR
3 THEM TO HAVE 4 OUT OF 14 OF THE DISEASE TEAM GRANTS
4 IS A TREMENDOUS SHOWING. AND IN THE LAST
5 TRANSLATION ROUND, MY RECOLLECTION IS THAT THEY DID
6 EXTREMELY WELL. IS THAT A CORRECT STATEMENT?

7 DR. OLSON: WE HAVE A SIGNIFICANT NUMBER
8 OF HESC PROJECTS. I BELIEVE WE HAVE ROUGHLY TEN
9 ALTOGETHER BETWEEN THE TWO.

10 CHAIRMAN KLEIN: BETWEEN THE TWO ROUNDS.
11 DR. TROUNSON.

12 DR. TROUNSON: YOU KNOW, I THINK THERE'S A
13 CRITICAL PHILOSOPHICAL ISSUE HERE THAT THIS IS AN
14 INNOVATIVE PROGRAM, THIS IS A FLEXIBLE INNOVATIVE
15 PROGRAM. YOU HAD A VERY ELEGANT PRESENTATION TO YOU
16 THIS MORNING IN WHICH DR. CLARKE DEMONSTRATED THAT
17 IN A TRANSLATIONAL GRANT LAST YEAR, THAT HE DIDN'T
18 GET UP, HE'S ACTUALLY BROUGHT SOMETHING FORWARD FOR
19 WHICH IS VERY CLOSE TO THE CLINIC. AND THE SENSE OF
20 IT IS THAT THERE ARE SOME EXTRAORDINARY
21 OPPORTUNITIES THAT ARE NEARBY THAT COULD WELL END UP
22 IN CLINICAL TREATMENTS FOR PATIENTS. AND CLEARLY
23 DR. CLARKE WAS HERE THIS MORNING GIVING YOU THE
24 BASIC DATA ABOUT HOW CLOSE HE ACTUALLY HAS GOT IN
25 THAT TRANSLATIONAL GRANT TO BE IN A POSITION TO GO

BARRISTERS' REPORTING SERVICE

1 AHEAD WITH DISEASE TEAMS.

2 I THINK WE'RE ABOUT INNOVATION. I THINK
3 YOU CAN'T PREDICT WHERE INNOVATION IS. WITH THE
4 BEST WILL IN THE WORLD, I DOUBT THE BOARD COULD BE
5 ABLE TO PREDICT WHERE THE NEXT INNOVATION IS GOING
6 TO COME TO IN STEM CELLS. THE FACT THAT WE ARE UP
7 THERE AND WORKING WITH THE IPS CELLS WITHIN TWO
8 YEARS, WE'VE ACTUALLY GOT ONE RIGHT UP IN THE FRONT
9 LEVEL, SAYS SOMETHING ABOUT OUR REAL ABILITIES.

10 I ACTUALLY DON'T LIKE THE IDEA THAT DR.
11 PRENTISS AND OTHER PEOPLE DUMP ON US, AND THEN WE
12 REACT IMMEDIATELY. I ACTUALLY DON'T LIKE THAT MUCH.
13 I DON'T THINK THAT SAYS A LOT FOR HOW WE FEEL ABOUT
14 OURSELVES.

15 AND THE LAST THING IS THAT THERE ARE
16 RATHER FEW BIOTECH COMPANIES IN THE SPACE WITH HUMAN
17 EMBRYONIC STEM CELLS, TO BE FRANK. THERE WILL BE
18 FEWER OF THE BIOTECH COMPANIES IF YOU CLOSE IT DOWN
19 ON THAT LEVEL THAT WILL COME THROUGH. THERE JUST
20 IS.

21 I TALKED TO GREG BONFIGLIO ABOUT THAT THIS
22 MORNING, AND HE AGREED. THERE ARE VERY FEW OF THEM
23 IN THAT SPACE. SO WE WILL ACTUALLY END UP, I'M
24 SURE, WITH MOSTLY ACADEMIC PROPOSALS. NOTHING
25 WRONG, BUT WE'RE MOVING AGAINST WHAT WE'RE TRYING TO

BARRISTERS' REPORTING SERVICE

1 ACHIEVE IN ANOTHER PLACE. I BELIEVE YOU OUGHT TO
2 BE, WE OUGHT TO BE INNOVATIVE. I RECKON WE OUGHT TO
3 BE AGGRESSIVE, I RECKON WE GOT TO KEEP THE MISSION
4 IN MIND, AND THE MISSION IS TO GET THE TREATMENT
5 INTO THE PATIENT, GET THE PATIENT OUT OF THE
6 WHEELCHAIR, GET THE PATIENT WELL. IF IT TAKES A
7 COMBINATIONAL THERAPY, IT'S OKAY WITH ME. AND I
8 WOULD HOPE THAT THAT WILL BRING THE PLURIPOTENTIAL
9 STEM CELLS. THEY'RE GOING TO BE OVERWHELMING SOON
10 COMING THROUGH THAT SPACE. WE OUGHT TO BE
11 ENCOURAGING FOR THAT, BUT WE OUGHTN'T TO BE SO BOXED
12 IN OUR MENTALITY THAT WE ARE GOING TO CUT OFF
13 OPPORTUNITIES IN INNOVATION THAT ARE LIKELY TO ARISE
14 AS WE GO FORWARD.

15 CHAIRMAN KLEIN: ANY ADDITIONAL BOARD
16 COMMENT?

17 MR. SHEEHY: YES.

18 CHAIRMAN KLEIN: I HAVE SEVERAL PEOPLE
19 SAID YES. WHO ALL SAID YES? JEFF AND DAVID. WE'RE
20 GOING TO TRY AND TAKE THOSE TWO COMMENTS, AND THEN
21 WE'RE GOING TO DECIDE IF DUANE IS GOING TO MODIFY
22 HIS MOTION OR NOT, OR HIS AIRLINE RESERVATION.
23 THAT'S RIGHT.

24 MR. SHEEHY: WELL, FIRST OF ALL, JUST IN
25 TERMS OF PROCESS, I MEAN MAYBE WE COULD JUST HAVE AN

BARRISTERS' REPORTING SERVICE

1 UP-AND-DOWN VOTE ON WHAT I PROPOSED, AND THEN GO TO
2 DUANE'S. IF THE MAKER IS HAPPY WITH THAT. AND I
3 CAN JUST MAKE A VERY SHORT SET OF COMMENTS BECAUSE I
4 THINK WE TALKED ABOUT THIS LAST NIGHT, WE TALKED
5 ABOUT IT TODAY.

6 CHAIRMAN KLEIN: THAT'S A REASONABLE
7 SUGGESTION. WOULD YOU WITHDRAW YOUR MOTION UNTIL --

8 MR. ROTH: I WITHDRAW IT.

9 CHAIRMAN KLEIN: JEFF, YOUR MOTION IS?

10 MR. SHEEHY: WHAT I WOULD SAY IS THAT THIS
11 BE LIMITED TO PLURIPOTENT CELLS. AND JUST --

12 CHAIRMAN KLEIN: LET ME GET A SECOND. IS
13 THERE A SECOND?

14 MR. SERRANO-SEWELL: SECOND.

15 MR. SHEEHY: JUST TO ADDRESS, I'M NOT
16 TALKING ABOUT CHANGING THE WHOLE PROGRAM. I'M
17 TALKING ONE RFA IN ONE ROUND, AND I'M TALKING ABOUT
18 JUMP STARTING, AS DR. PRICE HAD TALKED ABOUT, CELL
19 THERAPIES. AND AS FOR COMPANIES, WELL, YOU KNOW,
20 YOU CAN TALK ABOUT PROTEUS, BUT THEN YOU'VE GOT
21 IPIERIAN WHICH IS BASED ON IPS CELLS. I THINK HE'D
22 BE THROWING STUFF AT US WITH BOTH HANDS. SO IT JUST
23 DEPENDS. IF WE TELL PEOPLE WE'RE DOING PLURIPOTENT
24 CELLS, YOU KNOW, I THINK THE PEOPLE WILL START
25 REACHING INTO THEIR BACK POCKET AND PULLING OUT WHAT

BARRISTERS' REPORTING SERVICE

1 THEY HAVE AND GIVING IT TO US. BUT I THINK WHEN
2 YOU'RE COMPETING WITH ADULT STEM CELLS AND SMALL
3 MOLECULES AND ALL THESE OTHER THINGS, THAT YOU ARE
4 GOING TO BE LIKE I'M NOT SURE WHAT MY CHANCES ARE.
5 AND I THINK WE HAVE ADVANTAGE THIS. WE HAVE TO
6 ENCOURAGE PEOPLE TO COME FORWARD WITH THEIR
7 APPLICATIONS. I THINK THIS IS WHERE THE FIELD IS,
8 THIS SPACE.

9 CHAIRMAN KLEIN: SO, JEFF AND DAVID, YOU
10 WANT TO MAKE --

11 MR. SERRANO-SEWELL: REAL QUICK, BOB. AND
12 I JUST WANTED TO RESPOND TO YOUR CHARACTERIZATION OF
13 WHAT THIS VOTE MEANS VIS-A-VIS PATIENT ADVOCACY. I
14 DON'T VIEW ONE, PLURIPOTENT OR NOT, AS BEING --
15 HAVING ANYTHING TO DO WITH BEING A PATIENT ADVOCATE.
16 WE'RE PLAYING IN BOTH ARENAS. WE'RE BEING VERY
17 AGGRESSIVE. I'M SUPPORTIVE OF THE PLURIPOTENT
18 MOTION. OBVIOUSLY I SECONDED IT. THAT DOESN'T MAKE
19 ME ANY LESS A PATIENT ADVOCATE.

20 CHAIRMAN KLEIN: NO. I DIDN'T MEAN TO
21 INFER THAT. I APOLOGIZE IF THAT WAS INFERRED. IT
22 WAS MY PERSONAL VIEW OF OBLIGATIONS TO PATIENTS TO
23 FIND THE BEST CELL THERAPY THAT CAN MOVE THE
24 FASTEST.

25 MR. SERRANO-SEWELL: I GET THAT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: DR. COLLINS.

2 DR. COLLINS: IF I CAN POP IN IN RESPONSE
3 TO MR. ROTH'S COMMENT EARLIER. IF WE LIMIT THIS
4 STRICTLY TO PLURIPOTENT STEM CELLS, THEN WE'RE GOING
5 TO LOSE THOSE DISEASE TEAM APPLICANTS THAT WERE
6 DEFERRED, PREAPPLICANTS, THAT WE HAD INSTRUCTED TO
7 APPLY TO THIS ROUND.

8 I'D LIKE TO MAKE THREE OTHER BRIEF POINTS
9 AS WELL. WE DO HAVE THREE OPPORTUNITIES TO MODULATE
10 THE APPROVED APPLICATIONS. WE HAVE INSTRUCTIONS TO
11 OUR REVIEWERS THAT WE CAN STRESS PLURIPOTENT STEM
12 CELLS IN THE REVIEW CRITERIA. WE HAVE PROGRAMMATIC
13 REVIEW, AND WE ALSO HAVE THE TIME WHEN WE COME IN
14 FRONT OF THIS GROUP AGAIN AND ASK FOR YOUR APPROVAL
15 OF GRANTS WORKING GROUP RECOMMENDATIONS.

16 CHAIRMAN KLEIN: WELL STATED. THANK YOU
17 VERY MUCH. I'D LIKE CALL THE QUESTION HERE. SO I
18 THINK WE'RE GOING TO NEED A ROLL CALL VOTE. DON, DO
19 YOU HAVE ANYTHING TO SAY? YOU'RE THE ONLY PUBLIC
20 MEMBER.

21 MR. REED: I SPOKE LAST TIME.

22 CHAIRMAN KLEIN: THANK YOU.

23 MS. KING: FOR THE RECORD, I WANTED TO
24 NOTE THAT MEMBER JOAN SAMUELSON HAS JOINED THE
25 MEETING. IT MIGHT BE HELPFUL, SINCE SHE JUST GOT

BARRISTERS' REPORTING SERVICE

1 HERE, COUNSEL, TO REPEAT THE MOTION FOR HER, PLEASE.

2 THANK YOU.

3 MR. HARRISON: THE MOTION IS TO APPROVE
4 THE CONCEPT PLAN FOR EARLY TRANSLATIONAL II SUBJECT
5 TO THE CAVEAT THAT IT WOULD BE LIMITED TO
6 APPLICATIONS USING PLURIPOTENTIAL STEM CELLS.

7 DR. PRICE: POINT OF CLARIFICATION. IF
8 THIS GOES DOWN, THAT WE VOTE ON --

9 CHAIRMAN KLEIN: YES. THEN THERE WILL BE
10 ANOTHER MOTION.

11 MR. ROTH: SO IT'S LIMITED VERSUS
12 PRIORITIZED.

13 CHAIRMAN KLEIN: OKAY. FINE. SO THE
14 QUESTION IS IS IT EXCLUSIVELY PLURIPOTENT, OR IS IT
15 A PRIORITY PLURIPOTENT? THAT IS -- CAN YOU CALL THE
16 ROLL, PLEASE.

17 MR. TORRES: EXCLUSIVE OR A PRIORITY?

18 CHAIRMAN KLEIN: THE MOTION IS ONLY --

19 MS. KING: DONALD DAFOE.

20 DR. DAFOE: NO.

21 MS. KING: ROBERT PRICE.

22 DR. PRICE: ABSTAIN.

23 MS. KING: GORDON GILL.

24 DR. GILL: AGAINST.

25 MS. KING: SUSAN BRYANT.

BARRISTERS' REPORTING SERVICE

1 DR. BRYANT: FOR.
2 MS. KING: MARCY FEIT.
3 MS. FEIT: YES.
4 MS. KING: LEEZA GIBBONS.
5 MS. GIBBONS: NO.
6 MS. KING: MICHAEL GOLDBERG.
7 MR. GOLDBERG: NO.
8 MS. KING: SAM HAWGOOD.
9 DR. HAWGOOD: NO.
10 MS. KING: BOB KLEIN.
11 CHAIRMAN KLEIN: NO.
12 MS. KING: LEONARD ROME.
13 DR. ROME: NO.
14 MS. KING: TED LOVE.
15 DR. LOVE: NO.
16 MS. KING: ED PENHOET.
17 DR. PENHOET: NO, BUT ONLY BECAUSE I'M
18 UNWILLING TO GO BACK ON A PROMISE WE MADE TO PRIOR
19 GRANTEES; BUT I HOPE THAT WHEN WE GET THE VOTE FOR
20 THE NEXT ONE, WE HAVE A STRONG PREFERENCE WITH REAL
21 TEETH IN IT.
22 MS. KING: KEN BURTIS.
23 DR. BURTIS: NO.
24 MS. KING: FRANCISCO PRIETO.
25 DR. PRIETO: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: DUANE ROTH.
2 MR. ROTH: NO.
3 MS. KING: JOAN SAMUELSON.
4 MS. SAMUELSON: YES.
5 MS. KING: DAVID SERRANO-SEWELL.
6 MR. SERRANO-SEWELL: YES.
7 MS. KING: JEFF SHEEHY.
8 MR. SHEEHY: YES.
9 MS. KING: OSWALD STEWARD.
10 DR. STEWARD: I'M GOING TO ABSTAIN ON THIS
11 ONE.
12 MS. KING: ART TORRES.
13 MR. TORRES: NO.
14 CHAIRMAN KLEIN: THANK YOU. I CAN
15 TABULATE THAT. LISTEN, I THINK IT'S ADMIRABLE,
16 FRANKLY, THAT JEFF AND DAVID ARE SUCH STRONG
17 ADVOCATES FOR PLURIPOTENT STEM CELLS, PART OF THE
18 FIELD WE DEFINITELY NEED TO SUPPORT AND FIND WAYS TO
19 INCENTIVIZE. WE'LL BE LOOKING FOR WAYS TO FOLLOW ON
20 YOUR SUGGESTIONS FOR ADDITIONAL INCENTIVES.
21 DR. STEWARD: COULD I JUST MAKE ONE QUICK
22 COMMENT? I THINK THAT ONE OF THE LESSONS FROM THIS
23 IS THAT WE NEED TO BE VERY CAREFUL WHAT WE SAY IN
24 TERMS OF LIMITING OUR FUTURE CHOICES WHEN WE'RE
25 TALKING ABOUT ANY PARTICULAR GRANT ROUND. IT'S A

BARRISTERS' REPORTING SERVICE

1 LESSON WELL LEARNED, I THINK.

2 CHAIRMAN KLEIN: OKAY. SO --

3 MR. SERRANO-SEWELL: IT'S A LESSON WELL
4 LEARNED BECAUSE NO SINGLE MEMBER OF STAFF OR MEMBER
5 OF THIS BOARD HAS THE AUTHORITY TO SPEAK FOR
6 EVERYBODY. SO IF FOLKS ARE -- IF THIRD PARTIES ARE
7 RELYING ON THE COMMENTS OF A SINGLE INDIVIDUAL, IT'S
8 WITH A BIG CAVEAT SUBJECT TO THE FULL ENDORSEMENT.

9 CHAIRMAN KLEIN: I THINK A NUMBER OF US
10 PARTICIPATED, AND WE SHOULD ALL CONDITION IT BY
11 SAYING SUBJECT TO THE FULL BOARD'S CONSIDERATION.

12 MR. SERRANO-SEWELL: NOT TO SAY THAT THERE
13 WASN'T A CAVEAT OR CONDITION, THERE PROBABLY WAS, SO
14 IT'S WORTH EMPHASIZING WHEN WE'RE TALKING ABOUT IT.

15 MR. ROTH: I'LL MAKE THE MOTION, THEN, TO
16 APPROVE WITH THE PRIORITY TO PLURIPOTENT STEM CELLS.

17 MS. GIBBONS: SECOND.

18 MR. ROTH: IN THAT I WOULD STRIKE THAT
19 THIRD BULLET. I DON'T WANT THAT IN THERE.

20 DR. OLSON: THAT IS ACTUALLY LANGUAGE IN
21 THE PROPOSITION.

22 MR. ROTH: THAT SAYS IT HAS TO BE IN
23 THERE AS A PRIORITY? IS IT IN EVERY SINGLE ONE?

24 DR. OLSON: IT IS IN ALL OUR RFA'S.

25 CHAIRMAN KLEIN: THE KEYS ARE TIMELY OR

BARRISTERS' REPORTING SERVICE

1 SUFFICIENT. SO WE --

2 MR. ROTH: I DON'T LIKE THE LANGUAGE. IF
3 IT CAN BE REWORDED IN A BETTER WAY, UNLIKELY TO
4 RECEIVE. I DON'T KNOW HOW TO INTERPRET THAT.

5 OKAY. LET IT GO.

6 CHAIRMAN KLEIN: SO THE MOTION HAS BEEN
7 MADE BY DUANE, SECONDED BY LEEZA GIBBONS.
8 DISCUSSION? DISCUSSION FROM THE PUBLIC? I'D LIKE A
9 ROLL CALL, PLEASE.

10 MS. KING: DONALD DAFOE.

11 DR. DAFOE: YES.

12 MS. KING: ROBERT PRICE.

13 DR. PRICE: AYE.

14 MS. KING: GORDON GILL.

15 DR. GILL: AGAINST.

16 MS. KING: SUSAN BRYANT.

17 DR. BRYANT: FOR.

18 MS. KING: MARCY FEIT.

19 MS. FEIT: COULD I HAVE A RESTATEMENT OF
20 THE MOTION?

21 MR. ROTH: THE MOTION IS --

22 MS. FEIT: ARE WE STRIKING THE LAST --

23 MR. ROTH: NO. THEY SAID I COULDN'T.

24 CHAIRMAN KLEIN: IT'S PART OF THE
25 INITIATIVE AS IT IS, SO IT'S JUST A REPEAT OF

BARRISTERS' REPORTING SERVICE

1 STATUTORY LANGUAGE.
2 MS. FEIT: YES.
3 MS. KING: LEEZA GIBBONS.
4 MS. GIBBONS: YES.
5 MS. KING: MICHAEL GOLDBERG.
6 MR. GOLDBERG: YES.
7 MS. KING: SAM HAWGOOD.
8 DR. HAWGOOD: YES.
9 MS. KING: BOB KLEIN.
10 CHAIRMAN KLEIN: YES.
11 MS. KING: LEONARD ROME.
12 DR. ROME: YES.
13 MS. KING: TED LOVE.
14 DR. LOVE: YES.
15 MS. KING: ED PENHOET.
16 DR. PENHOET: YES.
17 MS. KING: FRANCISCO PRIETO.
18 DR. PRIETO: YES.
19 MS. KING: KEN BURTIS.
20 DR. BURTIS: YES.
21 MS. KING: DUANE ROTH.
22 MR. ROTH: YES.
23 MS. KING: JOAN SAMUELSON.
24 MS. SAMUELSON: YES.
25 MS. KING: DAVID SERRANO-SEWELL.

BARRISTERS' REPORTING SERVICE

1 MR. SERRANO-SEWELL: YES.

2 MS. KING: JEFF SHEEHY.

3 MR. SHEEHY: YES.

4 MS. KING: OSWALD STEWARD.

5 DR. STEWARD: YES.

6 MS. KING: AND ART TORRES.

7 MR. TORRES: AYE.

8 MS. KING: FOR THE RECORD THAT MOTION
9 CARRIES.

10 CHAIRMAN KLEIN: SO WHAT I WANT TO DO HERE
11 IS WE HAVE ITEM 20 IS THE ONLY ITEM, ACTION ITEM
12 REMAINING. I WANT TO GO TO THAT AND THEN VERY
13 QUICKLY AFTER THAT, FOR THOSE THAT NEED TO LEAVE,
14 THEY CAN LEAVE, AND THEN HOPEFULLY THE STAFF CAN
15 SHOW US THE AMENDED LANGUAGE ON TRANSLATIONAL THAT
16 THEY CAME UP WITH.

17 SO ITEM 20 IS CONSIDERATION OF CORRECTION
18 OF GRANTS ADMINISTRATION POLICY. WHO IS GOING TO
19 PRESENT THAT ITEM?

20 MS. KING: THAT ITEM HAS BEEN WITHDRAWN.

21 CHAIRMAN KLEIN: ALL RIGHT. SO WE ARE
22 DONE. THOSE THAT NEED TO LEAVE CAN, BUT COULD WE
23 PLEASE SEE, DR. TROUNSON, DR. COLLINS, WOULD WE
24 PLEASE SEE THE CORRECTED LANGUAGE OR MODIFIED
25 LANGUAGE THAT YOU'VE COME UP WITH TO DATE ON THE

BARRISTERS' REPORTING SERVICE

1 ITEMS ON THE TRANSLATIONAL GRANT THAT WERE DISCUSSED
2 YESTERDAY? ON THE EARLY TRANSLATION WE JUST
3 APPROVED, THERE ARE BOARD MEMBERS THAT WANTED TO SEE
4 THE MODIFICATIONS TO LANGUAGE. ON THE EARLY
5 TRANSLATIONAL GRANT, THEY JUST WANT TO SEE THE
6 MODIFICATIONS TO THE LANGUAGE.

7 DR. COLLINS: SO WE'RE TALKING ABOUT THESE
8 MODIFICATIONS HERE? AND WE'RE GOING TO CONTINUE TO
9 PRIORITIZE PLURIPOTENT STEM CELLS.

10 CHAIRMAN KLEIN: THE QUESTION WAS IN THE
11 PRIOR LANGUAGE, IT SAYS THE BOARD WILL NOT FUND.

12 MS. BAUM: THAT NEW LANGUAGE WILL
13 REMOVE --

14 DR. COLLINS: RESEARCH OUTSIDE THE SCOPE
15 OF THESE AWARDS.

16 DR. OLSON: WE TOOK OUT, AS YOU WILL
17 RECALL, AT LAST NIGHT'S DISCUSSION, THERE WAS
18 CONCERN ABOUT WE WILL NOT FUND RESEARCH ON
19 TRANSPLANTATION TOLERANCE, WE WILL NOT FUND SORT OF
20 TOOLS, TECHNOLOGIES, AND BOTTLENECKS. SO WE'VE
21 TAKEN THAT LANGUAGE OUT. WE'VE INDICATED THAT
22 RESEARCH OUTSIDE OF THE SCOPE OF THESE AWARDS, AND
23 THIS IS HAVING TO DO WITH THE FACT THAT IF YOU
24 LOOK --

25 CHAIRMAN KLEIN: THEY NEED YOU ON THE --

BARRISTERS' REPORTING SERVICE

1 DR. OLSON: SO IF YOU LOOK AT THE KINDS OF
2 RFA'S THAT -- OUR RFA'S TARGET CERTAIN STAGES IN THE
3 DEVELOPMENT PIPELINE. AND THESE ARE RECURRING
4 RFA'S. THEY HAVE DIFFERENT EXPERTISE OF REVIEWERS
5 TYPICALLY, AND THEY ENTAIL DIFFERENT DEGREES OF,
6 WHAT I WANT TO SAY, OVERSIGHT AND MONITORING. SO
7 THERE'S THE BASIC RESEARCH, THE EARLY TRANSLATIONAL
8 RESEARCH UP TO A DEVELOPMENT CANDIDATE, AND THEN
9 THERE'S WHAT WE'RE PROPOSING FOR DISEASE TEAMS GOING
10 FORWARD, THE PRECLINICAL DEVELOPMENT PHASE I. THIS
11 AREA IS TYPICALLY CONSIDERED THE PURVIEW OF A
12 DEVELOPMENT ORGANIZATION. THIS IS WHEN YOU GET INTO
13 THE REGULATED ENVIRONMENT AND EVERYTHING THAT THAT
14 ENTAILS.

15 SO WHAT WE'RE PROPOSING IS THAT THIS EARLY
16 TRANSLATIONAL AWARD VERY MUCH COVER THESE KINDS OF
17 ACTIVITIES, PRELIMINARY DOSE FINDING STUDIES,
18 PRELIMINARY TOX. YOU ALWAYS DO THESE KINDS OF
19 STUDIES BEFORE YOU START THINKING ABOUT REALLY --
20 BEFORE -- WHILE YOU'RE DEVELOPING YOUR CANDIDATE,
21 WHILE YOU'RE DEVELOPING YOUR PROCESSES. SO THE IDEA
22 WOULD BE THAT SUCCESSFUL CANDIDATES -- SUCCESSFUL
23 AWARDEES WITH EARLY TRANSLATION WHO GET TO A
24 DEVELOPMENT CANDIDATE WOULD BE WELL POSITIONED,
25 THEN, TO APPLY FOR A DISEASE TEAM OR COMPARABLE

BARRISTERS' REPORTING SERVICE

1 AWARD THAT GETS THEM IN THE SCOPE OF THE REGULATED
2 ENVIRONMENT, THE IND-ENABLING PRECLINICAL
3 DEVELOPMENT ACTIVITIES, THE CLINICAL TRIALS. THESE
4 ARE RECURRING AWARDS.

5 CHAIRMAN KLEIN: SO, DR. OLSON, IF WE
6 COULD SEE THAT LANGUAGE, THE QUESTION IS THE
7 LANGUAGE THAT SAYS IT'S OUTSIDE THE SCOPE IF IT'S
8 IND-ENABLING PRECLINICAL. DOESN'T PRELIMINARY TOX
9 CONTRIBUTE TO BEING IND-ENABLING PRECLINICAL?

10 DR. OLSON: PRELIMINARY TOX WOULD BE
11 WITHIN THE SCOPE OF THE EARLY TRANSLATIONAL AWARDS.

12 CHAIRMAN KLEIN: WHAT I'M TRYING TO SAY IS
13 THAT THAT SECOND BULLET POINT, COULDN'T IT BE
14 INTERPRETED TO MEAN THERE'S A LOT OF ACTIVITIES THAT
15 CONTRIBUTE TO BEING IND-ENABLING PRECLINICAL?

16 DR. OLSON: IND-ENABLING REFERS TO A
17 SPECIFIC SET OF ACTIVITIES THAT ARE REQUIRED BY THE
18 REGULATORS, BY THE FDA, IN ORDER TO FILE AN IND. SO
19 THESE ARE THE VERY EXPENSIVE STUDIES, THE GLP TOX
20 STUDY, THE GLP -- IT'S USUALLY A GLP TOX, BUT YOU
21 HAVE USUALLY DONE STUDIES TO DETERMINE DOSES, AS AN
22 EXAMPLE. YOU DON'T DO GLP TOX STUDIES TYPICALLY
23 UNTIL YOU MANUFACTURE GMP DRUG SUPPLY.

24 CHAIRMAN KLEIN: SO THE ONLY QUESTION IS
25 MAYBE THERE COULD BE SOME EXAMPLES SO THAT

BARRISTERS' REPORTING SERVICE

1 PRELIMINARY TOX STUDIES ARE OKAY. IT'S GLP TOX
2 STUDIES THAT ARE NOT.

3 DR. OLSON: I SHOULD SAY THAT AS PART OF
4 THIS RFA, AS WITH OUR PREVIOUS EARLY TRANSLATION
5 RFA, WE INCLUDED APPENDICES THAT INCLUDED CHARTS
6 THAT SHOWED THE TYPES OF ACTIVITIES THAT ARE TYPICAL
7 AT EACH STAGE. WE WILL CERTAINLY INCLUDE THAT AGAIN
8 AS PART OF THIS RFA TO GIVE PROSPECTIVE APPLICANTS A
9 GOOD IDEA OF WHAT TYPES OF THINGS FALL WITHIN SCOPE.

10 CHAIRMAN KLEIN: GREAT. AND IF SOMEONE
11 WHO DIDN'T MAKE DISEASE TEAMS AND THEN APPLIES TO
12 THIS HAS AS A PART OF THEIR SCOPE THIS ACTIVITY,
13 WOULD THE DIRECTION TO THEM BE WE CAN'T PAY FOR
14 THOSE ACTIVITIES, BUT WE COULD PAY FOR THE REST OF
15 WHAT YOU ARE DOING?

16 DR. OLSON: A LOT OF THE REASON WHY THE
17 PEOPLE WERE DEFERRED FROM DISEASE TEAMS DID HAVE TO
18 DO WITH THE FACT THEY WERE TOO EARLY, WHICH
19 TYPICALLY MEANS THEY'RE TOO FAR BACK HERE. OKAY.
20 SO I'D SAY, YOU KNOW, IF THEY CAN DO EVERYTHING THAT
21 GETS THEM UP TO THERE IN THREE YEARS, AND THESE
22 PHASES OF WORK ARE TYPICALLY LESS EXPENSIVE AND THEY
23 DON'T HAVE TO SPEND THE FULL \$6 MILLION, YOU KNOW.

24 CHAIRMAN KLEIN: OKAY. THANK YOU. AND
25 I'D LIKE TO ASK DR. TROUNSON. DO YOU HAVE ANY

BARRISTERS' REPORTING SERVICE

1 CONCLUDING COMMENTS YOU'D LIKE TO MAKE?

2 DR. TROUNSON: ON THIS?

3 CHAIRMAN KLEIN: ON ANY SUBJECT.

4 DR. TROUNSON: IT'S BEEN A HARD YEAR. I
5 DON'T KNOW ABOUT YOU PEOPLE, BUT I'M LOOKING FORWARD
6 TO SOME TIME OFF. AND ALL MY FAMILY, ALL FOUR KIDS,
7 THEIR GIRLFRIENDS AND BOYFRIENDS, THEY'RE ALL COMING
8 FOR THE FIRST TIME EVER FOR CHRISTMAS. AND I
9 PROMISE YOU, CHAIR, THAT YOU WILL NOT BE ABLE GET ME
10 ON MY TELEPHONE FOR AT LEAST THREE DAYS. YOU DON'T
11 KNOW THAT THE CHAIR CALLS ME A COUPLE OF TIMES A DAY
12 WITH A NEW IDEA. COUPLE TIMES, THAT'S USUALLY --

13 CHAIRMAN KLEIN: WELL, IF YOU DIDN'T HAVE
14 SUCH BRILLIANT RESPONSES, IT WOULDN'T BE REWARDING.
15 SO WHAT I'D LIKE TO DO IS I THINK THERE'S BEEN A
16 PHENOMENAL YEAR OF HUGE PRODUCTIVITY, REALLY MOVED
17 THE SCIENTIFIC MISSION FORWARD. I'D LIKE TO SUGGEST
18 WE HAVE A STANDING OVATION FOR THE STAFF.

19 (APPLAUSE.)

20 DR. TROUNSON: THANK YOU, CHAIR, FOR ALL
21 THE STAFF. AND THANKS TO THE BOARD WHO IT OFTEN
22 SEEMS LIKE WE'RE IN BATTLE WITH, BUT I THINK IF YOU
23 LOOK DOWN, WE'VE KIND OF COME TO A STRONG CONSENSUS
24 OF OPINION ABOUT MOVING ON ALL THE TIME. SO I HAVE
25 TO SAY, BECAUSE IT'S PERHAPS AN UNDERSTATEMENT, THAT

BARRISTERS' REPORTING SERVICE

1 PEOPLE LIKE TED LOVE, WHO SPEND THEIR TIME IN OUR
2 PLACE WITH US, HAS BEEN TERRIFIC. AND I WANT TO
3 THANK YOU, TED, FOR GIVING YOUR TIME TO US, NO COST
4 EXCEPT -- YOU KNOW, HE'S NOT EVEN GOT GRAY HAIR.
5 MAYBE IT'S THE BOTTLE HE'S USING. BUT IT JUST IS A
6 VERY IMPORTANT WAY OF CONNECTING TO PEOPLE. I THINK
7 GETTING A FEELING FOR THE DEPTH IN WHICH WE'RE SORT
8 OF PLUMBING THIS WHOLE EXERCISE. AND IT WAS GREAT
9 TO HAVE TED ABOARD FOR THAT TIME, AND WE'D WELCOME
10 ANYONE ELSE WHO'D LIKE TO GIVE FREE TIME TO US OR
11 NOT SO FREE TIME.

12 BUT IT'S -- I THINK IT'S -- WE'VE HAD A
13 GREAT RELATIONSHIP WITH ED WHEN HE WAS VICE CHAIR,
14 AND IT CONTINUES ON, AND OTHER MEMBERS OF THE BOARD.
15 JEFF WE SEE VERY FREQUENTLY. WE TRY AND MAKE THESE
16 CONNECTIONS WITH THE BOARD. I HOPE YOU UNDERSTAND
17 THAT WE ARE STRIVING ON BEHALF OF YOU AND WHAT YOU
18 REPRESENT AND THE PEOPLE OF CALIFORNIA TO DELIVER
19 THIS VERY IMPORTANT OPPORTUNITY.

20 CHAIRMAN KLEIN: THANK YOU. I'D LIKE TO
21 ALSO HAVE A SECOND STANDING OVATION BEYOND THE
22 ADMINISTRATIVE AND SCIENTIFIC STAFF FOR THE BOARD
23 STAFF THAT IS HEROIC. I'M GOING TO INCLUDE,
24 ALTHOUGH NOT A STAFF MEMBER, MELISSA KING IS
25 CERTAINLY A GREAT STAFF MEMBER, JAMES HARRISON,

BARRISTERS' REPORTING SERVICE

1 SCOTT TOCHER, NICK, LYNN HARWELL, NICK WARSHAW,
2 JENNIFER PRYNE. AND MARY JANE, YOU'RE NOT REALLY A
3 FULL STAFF MEMBER, BUT I WANT TO INDICATE, YOU KNOW,
4 MELISSA SPENDS A RADICAL NUMBER OF HOURS MAKING THIS
5 ALL HAPPEN. WE'RE ABOUT TO GET HER SOME GREAT
6 SUPPORT, BUT CAN WE HAVE A STANDING OVATION.

7 (APPLAUSE.)

8 CHAIRMAN KLEIN: HOPEFULLY EVERYONE
9 UNDERSTANDS THAT OFTEN I REFER TO THE SCIENTIFIC
10 STAFF, BUT I REALIZE THE SCIENTIFIC STAFF ROLLS ON
11 THE WHEELS OF JOHN ROBSON AND ELONA BAUM AND
12 PUBLICIZED BY THE ACTIVITIES BY DON GIBBONS. I MEAN
13 THERE'S GREAT -- MARGARET WE'VE ADDRESSED AND HER
14 COLLEAGUES WE'VE ADDRESSED EARLIER IN THE SESSION.
15 THIS PHENOMENAL GROUP OF HUMAN BEINGS THAT ARE
16 DEDICATED TO A MISSION THAT WE HOLD CLOSE TO OUR
17 HEARTS.

18 IT IS IMPORTANT TO REMEMBER THIS IS FIVE
19 YEARS, AND FIVE YEARS ON THE 17TH OF DECEMBER. FIVE
20 YEARS FOR A DREAM THAT GREAT AND INSIGHTFUL PEOPLE
21 OF GOOD, OF TREMENDOUS HISTORIES OF COMMITMENT
22 THOUGHT WAS IMPOSSIBLE. FIVE YEARS WITH A MILLION
23 PEOPLE HAVING SIGNED A PETITION IN A YEAR MUCH LIKE
24 THIS ONE WHERE THE STATE WAS DESPERATELY SHORT ON
25 CASH AND NEEDED TO SELL \$15 BILLION OF DEFICIT BONDS

BARRISTERS' REPORTING SERVICE

1 TO MEET PAYROLL. IT IS LAUNCHED IN A PERIOD OF
2 DIFFICULTY, IT IS PROSPERING IN A PERIOD OF
3 DIFFICULTY FOR THE BENEFIT OF FAMILIES EVERYWHERE,
4 OUR CHILDREN AND THEIR CHILDREN. IT IS A NOBLE
5 ENTERPRISE THAT THE BOARD AND THE STAFF ARE
6 DEDICATED TO ON BEHALF OF THE PEOPLE OF CALIFORNIA
7 AND THE PEOPLE OF THE WORLD.

8 SO I HOPE EACH OF YOU GOES HOME TODAY
9 REALIZING THAT YOU'VE CHANGED THE WORLD. IT IS
10 VALIDATED BY SEVEN NATIONS WHO HAVE JOINED US IN A
11 PARTNERSHIP. IT IS VALIDATED BY THE DISEASE TEAMS
12 FROM ALL OVER THE WORLD THAT APPLIED TO PARTICIPATE
13 IN OUR PROGRAMS. IT IS VALIDATED BY 400 SCIENTIFIC
14 PAPERS, AN INCREDIBLE NUMBER OF PAPERS IN JUST TWO
15 AND A HALF YEARS. IT IS VALIDATED BY CLINICAL
16 TRIALS WHERE WE'VE SEEN PATIENTS TALKING ABOUT HOW
17 CATRIONA JAMIESON'S WORK HAS CHANGED THEIR LIVES.

18 IF WE SAVE ONE LIFE, IT WAS WORTHWHILE.
19 IF WE CHANGE THE FUTURE OF MEDICINE, IT IS THE DREAM
20 OF THE CALIFORNIA PEOPLE, AND YOU HAVE MADE IT
21 POSSIBLE. THANK YOU.

22 (APPLAUSE.)

23 (THE MEETING WAS THEN ADJOURNED AT
24 03:00 P.M.)

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

PAUL BREST HALL, MUNGER COMPLEX
STANFORD UNIVERSITY
STANFORD, CALIFORNIA
ON
DECEMBER 10, 2009

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

BETH C. DRAIN, CSR 7152
BARRISTER'S REPORTING SERVICE
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